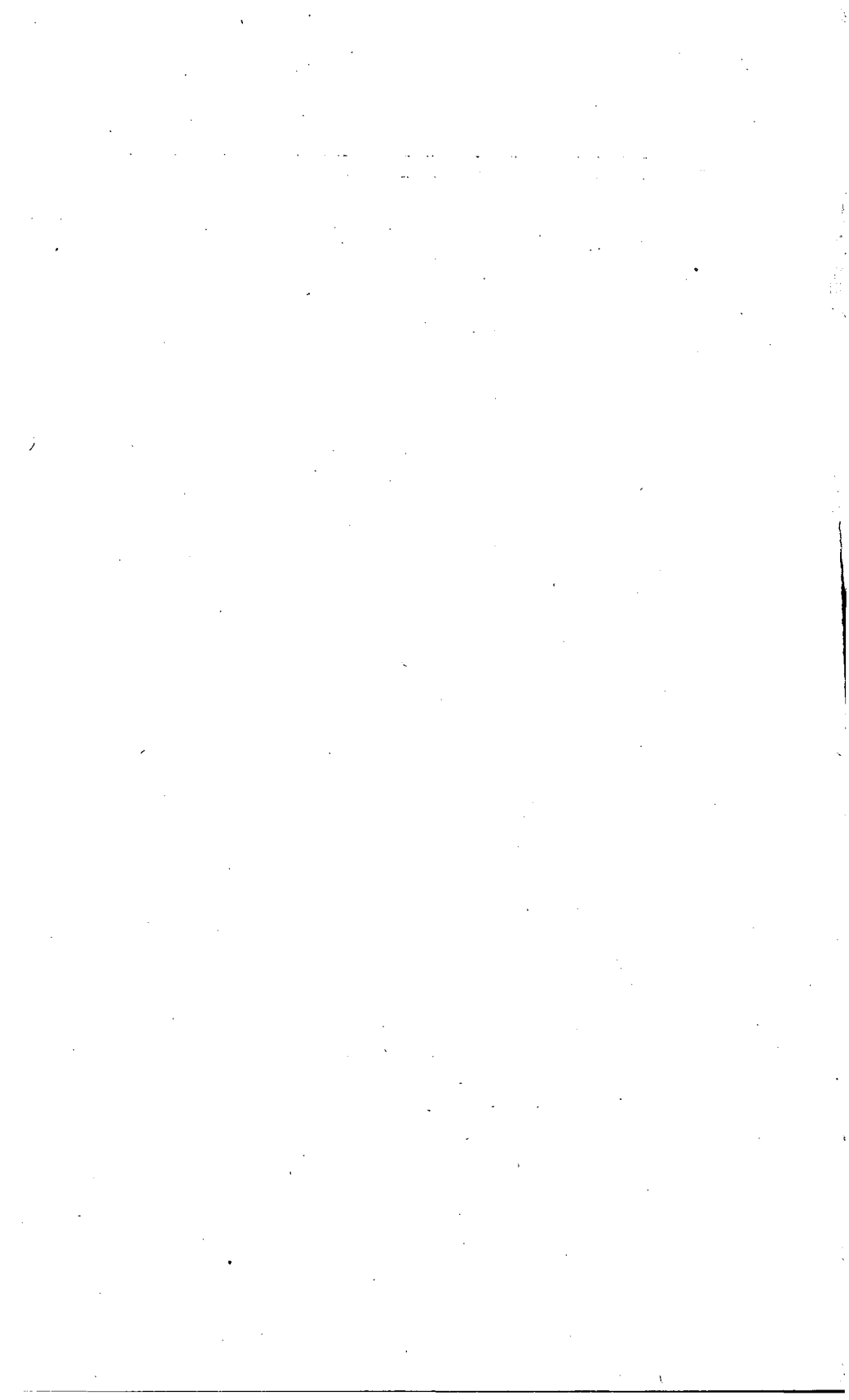


**ANNUAL REPORT OF THE  
SECRETARY OF THE TREASURY  
ON THE STATE OF THE FINANCES  
FOR FISCAL YEAR ENDED JUNE 30, 1942**





# ANNUAL REPORT OF THE SECRETARY OF THE TREASURY

ON

## THE STATE OF THE FINANCES

FOR THE FISCAL YEAR

ENDED JUNE 30

1942



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*Secretary*

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## CONTENTS

	Page
Budget results:	
Receipts and expenditures, general and special accounts	1
Receipts in general and special accounts	2
Expenditures from general and special accounts	11
Receipts and expenditures in trust accounts and checking accounts of Government corporations and credit agencies	14
Deficit in general and special accounts	16
Financing the net deficit and other requirements	17
The public debt	17
Treasury bonds, notes, and certificates of indebtedness	20
Treasury bills	25
United States savings bonds	25
Pay-roll savings plan	27
War savings stamps	29
Redemptions of savings bonds	30
Treasury tax savings notes	31
Adjusted service bonds	32
Depositary bonds	32
Cumulative sinking fund	32
Public Debt Act of 1942	32
The guaranteed debt	33
Absorption of the increase in securities issued or guaranteed by the United States	38
General Fund	39
Securities owned by the United States and proprietary interest in Government corporations and credit agencies:	
Securities owned	40
Proprietary interest in Government corporations and credit agencies	41
Monetary developments:	
International monetary cooperation:	
Stabilization agreements	42
Inter-American conferences	43
Domestic monetary events	44
Revenue legislation	46
Revenue Act of 1941	46
Public Debt Act of 1942	49
Other revenue legislation	50
War contributions fund:	
Conditional gifts	51
Unconditional donations	52
Customs Service in the War	52
Special procurement activities:	
Lend-lease	53
Strategic and critical materials	54
Refugee relief	55
Defense housing	55
Foreign funds control	56
Changes in organization and procedure	57
Estimates of receipts	58
Estimates of expenditures	80

## ADMINISTRATIVE REPORTS OF BUREAUS AND DIVISIONS

	Page
Fiscal Service of the Treasury Department.....	85
Accounts, Bureau of.....	85
Commissioner of Accounts, Office of:	
Budgetary administration and financial reporting.....	85
Daily Statement of the United States Treasury.....	86
Combined statement of assets and liabilities of Government corporations and credit agencies.....	86
Surveys under Reorganization Plan No. III.....	87
Annual appraisal of assets and liabilities of the Commodity Credit Corporation.....	87
Securities and funds, Philippine invasion.....	87
Advances to Federal Reserve Banks for industrial loans, etc.....	89
Appropriations and expenditures under the Social Security Act.....	89
Colorado River Dam fund.....	90
Division of Bookkeeping and Warrants.....	90
Division of Disbursement.....	91
Voluntary pay-roll allotment plan.....	92
Bonding of certifying officers.....	92
Division of Deposits.....	92
Depositary functions.....	93
Depositary bonds.....	94
Designation of agencies for the issuance of war savings bonds, Series E.....	94
Federal savings and loan associations.....	94
Social security.....	94
Government Losses in Shipment Act.....	94
Section of Surety Bonds.....	96
Budget Section.....	97
Alien property trust fund.....	97
Philippine funds in the United States Treasury.....	98
Appropriation of funds to the Government of the Commonwealth of the Philippines for national defense.....	99
Supplementary sinking fund for the payment of bonds of the Philippines.....	100
Foreign check control.....	101
Section of Investments.....	101
Obligations of foreign governments.....	101
Receipts from Germany.....	103
Treasury administration of alien and mixed claims.....	104
Mixed Claims Commission and Private Law No. 509:	
Claims against Germany.....	104
War Claims Arbitrator.....	106
Claims of German nationals.....	106
Claims of Hungarian nationals.....	107
German special deposit account.....	107
Tripartite Claims Commission: Claims against Hungary.....	108
Claims of American nationals against Turkey.....	108
Claims of American nationals against Mexico.....	109
Railroad obligations.....	110
Section 204, Transportation Act, 1920, as amended.....	110
Section 207, Transportation Act, 1920, as amended.....	111
Section 210, Transportation Act, 1920, as amended.....	111
Federal control of railroads:	
Administration.....	112
Finances.....	112
Securities, etc.....	112
Claims.....	113
Compensation payments—United States railroad employees.....	113
Canadian Workmen's Compensation Board.....	113
Tax refunds and other collections.....	113

Fiscal Service of the Treasury Department—Continued.

Accounts, Bureau of—Continued.	
Section of Investments—Continued.	Page
Federal Farm Mortgage Corporation.....	114
Federal land banks:	
Capital stock.....	114
Payments on account of reductions in interest rates on mortgages and subscriptions to paid-in surplus.....	115
Federal savings and loan associations.....	117
Trust and special funds invested by the Treasury Department.....	117
Emergency Relief Accounting Organization.....	118
Public Debt, Bureau of the.....	121
Division of Loans and Currency.....	122
Issue and retirement of securities.....	122
United States savings bonds.....	123
Individual registered accounts.....	126
Claims.....	127
Safekeeping of securities.....	127
Mutilated paper and redeemed currency.....	127
Register of the Treasury.....	128
Division of Public Debt Accounts and Audit.....	131
Division of Savings Bonds.....	132
Division of Paper Custody.....	133
Destruction Committee.....	133
Treasurer of the United States.....	134
Budget and Improvement Committee.....	139
Comptroller of the Currency, Bureau of the.....	140
Changes in the condition of active national banks.....	140
Summary of changes in the national banking system.....	142
Customs, Bureau of:	
Collections.....	143
Volume of business.....	144
Entries of merchandise.....	145
Vessel, airplane, and highway traffic.....	145
War activities.....	146
Drawback transactions.....	147
Protests and appeals.....	148
Law enforcement activities:	
Seizures.....	148
Legal proceedings.....	151
Fines, penalties, etc.....	151
Marine and tariff administration:	
Marine administration.....	152
Tariff administration.....	152
Customs Agency Service.....	153
Personnel investigations.....	154
Baggage investigations.....	154
Cooperation with other agencies.....	154
Miscellaneous:	
Appraisalment Unit.....	155
Customs School of Instruction.....	155
Division of Engineering and Weighing.....	155
Division of Laboratories.....	156
Changes in ports and stations.....	156
Cost of administration.....	156
Engraving and Printing, Bureau of.....	156
Foreign Funds Control.....	159
Internal Revenue, Bureau of:	
General:	
Internal revenue collections.....	160
Refunds, drawbacks, and stamp redemptions.....	161
Additional assessments.....	162
Cost of administration.....	162

## Internal Revenue, Bureau of—Continued.

	Page
Income Tax Unit:	
General functions.....	162
Returns filed.....	163
Examination of income and excess profits tax returns upon receipt by the Washington office.....	163
Investigation of tax returns by the field offices.....	163
Revenue results of investigations of income and excess profits tax returns.....	163
Stage at which additional tax was assessed.....	164
Refunds, abatements, and credits.....	164
Inventory of returns on hand in the field offices.....	164
Miscellaneous Tax Unit.....	164
Estate Tax Division.....	165
Tobacco Division.....	165
Sales Tax Division.....	165
Capital Stock Tax Division.....	165
Miscellaneous Division.....	166
Alcohol Tax Unit.....	166
Procedure Division.....	167
Enforcement Division.....	167
Field Inspection Division.....	168
Laboratory Division.....	168
Audit Division.....	169
Basic Permit and Trade Practice Division.....	169
Accounts and Collections Unit.....	170
Taxes under the Federal Insurance Contributions Act.....	171
Tax under the Federal Unemployment Tax Act.....	173
Carriers taxes.....	174
Technical Staff.....	174
Office of the Chief Counsel.....	176
Chief Counsel's Committee.....	176
Alcohol Tax Division.....	176
Appeals Division.....	176
Civil Division.....	177
Claims Division.....	177
Interpretative Division.....	178
Legislation and Regulations Division.....	178
Penal Division.....	178
Review Division.....	179
Intelligence Unit.....	179
Legal Division.....	180
Mint, Bureau of the:	
Institutions of the Mint Service.....	182
Coinage.....	183
Minor coinage alloys.....	183
Bullion deposit transactions.....	183
Transfers of bullion for long-term storage.....	183
Gold operations.....	184
Silver operations.....	184
Refineries.....	185
Stock of coin and monetary bullion in the United States.....	185
Domestic production of gold and silver.....	185
Industrial consumption of gold and silver.....	185
Appropriations, expenses, and income.....	186
General activities.....	186
Monetary Research, Division of.....	186
Narcotics, Bureau of.....	187
Personnel, Division of.....	190
Practice, Committee on.....	190
Processing Tax Board of Review.....	191
Procurement Division.....	192
Research and Statistics, Division of.....	197
Secret Service Division.....	198
Tax Legislative Counsel, Office of the.....	201
Tax Research, Division of.....	202
War Savings Staff.....	203

EXHIBITS

PUBLIC DEBT

*Issues and redemption of Treasury bonds and Treasury notes*

	Page
Exhibit 1. Offering of Treasury notes of Tax Series A-1943 and Tax Series B-1943.....	207
Exhibit 2. Offering of 2½ percent Treasury bonds of 1967-72.....	212
Exhibit 3. Subscriptions and allotments, Treasury bonds of 1967-72.....	214
Exhibit 4. Offering of 1 percent Treasury notes of Series A-1946.....	214
Exhibit 5. Allotments, Treasury notes of Series A-1946.....	216
Exhibit 6. Offering of 2½ percent Treasury bonds of 1967-72 (additional) and 2 percent Treasury bonds of 1951-55.....	216
Exhibit 7. Subscriptions and allotments, Treasury bonds of 1967-72 (additional) and Treasury bonds of 1951-55.....	219
Exhibit 8. Offering of Treasury notes of Tax Series A-1944 and Tax Series B-1944.....	220
Exhibit 9. Offering of 2 percent Treasury bonds of 1949-51.....	224
Exhibit 10. Allotments, Treasury bonds of 1949-51.....	227
Exhibit 11. Offering of 2½ percent Treasury bonds of 1952-55.....	227
Exhibit 12. Subscriptions and allotments, Treasury bonds of 1952-55.....	229
Exhibit 13. Offering of 2 percent Treasury bonds of 1949-51 and 2½ percent Treasury bonds of 1962-67.....	229
Exhibit 14. Subscriptions and allotments, Treasury bonds of 1949-51 and Treasury bonds of 1962-67.....	232
Exhibit 15. Offering of 1½ percent Treasury notes of Series B-1946.....	232
Exhibit 16. Allotments, Treasury notes of Series B-1946.....	234

*United States savings bonds*

Exhibit 17. Offering of United States war savings bonds of Series E and war savings stamps for installment payments.....	234
Exhibit 18. Offering of United States war savings bonds of Series F and Series G.....	240
Exhibit 19. Second amendment, April 20, 1942, to Department Circular No. 530, Fourth Revision, prescribing regulations governing United States savings bonds.....	246
Exhibit 20. Fifth revision, June 1, 1942, of Department Circular No. 530, prescribing regulations governing United States savings bonds.....	246
Exhibit 21. Amendments and supplement to Department Circular No. 657, prescribing regulations governing agencies for the issue of United States savings bonds of Series E.....	262

*Treasury certificates of indebtedness*

Exhibit 22. Offering of ½ percent Treasury certificates of indebtedness of Series A-1942.....	263
Exhibit 23. Subscriptions and allotments, Treasury certificates of indebtedness of Series A-1942.....	265
Exhibit 24. Offering of ¾ percent Treasury certificates of indebtedness of Series A-1943.....	265
Exhibit 25. Subscriptions and allotments, Treasury certificates of indebtedness of Series A-1943.....	267

*Treasury bills*

Exhibit 26. Inviting tenders for Treasury bills dated July 2, 1941.....	267
Exhibit 27. Acceptance of tenders for Treasury bills dated July 2, 1941.....	268
Exhibit 28. Summary of information contained in press releases issued in connection with Treasury bills offered during the fiscal year 1942.....	269

*Miscellaneous*

Exhibit 29. An act to increase the debt limit of the United States, to further amend the Second Liberty Bond Act, and for other purposes.....	272
Exhibit 30. Title IV of the Second War Powers Act, 1942, relating to the purchase by the Federal Reserve Banks of Government obligations.....	273

	Page
Exhibit 31. Payment or redemption of bonds and other transferable securities of the United States at maturity, or before maturity pursuant to a call for redemption in accordance with their terms.....	273
Exhibit 32. Regulations relating to full-paid interim certificates, October 15, 1941.....	280
Exhibit 33. Regulations governing exchanges of interim certificates of 2½ percent Treasury bonds of 1967-72 for definitive coupon bonds, December 15, 1941.....	280

## SECURITIES GUARANTEED BY THE UNITED STATES

Exhibit 34. Offering of 1 percent notes of Series W of the Reconstruction Finance Corporation.....	282
Exhibit 35. Subscriptions and allotments, Reconstruction Finance Corporation notes of Series W.....	284
Exhibit 36. Offering of 1½ percent notes of Series G of the Commodity Credit Corporation.....	284
Exhibit 37. Subscriptions and allotments, Commodity Credit Corporation notes of Series G.....	286
Exhibit 38. Partial redemption, before maturity, of 2¾ percent mutual mortgage insurance fund debentures, Series B (Sixth call).....	287
Exhibit 39. Partial redemption, before maturity, of 2¾ percent mutual mortgage insurance fund debentures, Series B (Seventh call).....	289

## MONETARY DEVELOPMENTS

Exhibit 40. Joint statement by the Secretary of the Treasury of the United States and the Secretary of the Treasury of Mexico, November 19, 1941, announcing the signing of a stabilization agreement and a silver purchase agreement between the United States and Mexico.....	291
Exhibit 41. Announcement, February 27, 1942, of the signing of a stabilization agreement between the United States and Ecuador.....	291
Exhibit 42. Announcement, May 5, 1942, of the signing of a stabilization agreement between the United States and Iceland.....	292
Exhibit 43. Joint statement by the Secretary of the Treasury of the United States and the Minister of Foreign Affairs of the Republic of China, March 21, 1942, announcing the signing of an agreement for financial aid to China.....	292
Exhibit 44. Announcement by the Secretary of the Treasury, April 8, 1942, regarding the lend-leasing of the Treasury's free silver stocks to be used as bus bars in aluminum and magnesium plants.....	292
Exhibit 45. Title XII of the Second War Powers Act, 1942, relating to the coinage of 5-cent pieces.....	293

## FOREIGN FUNDS CONTROL, ETC.

Exhibit 46. Executive orders relating to the control of foreign funds and foreign-owned property.....	294
Exhibit 47. Amendment, July 26, 1941, to regulations of the Secretary of the Treasury relative to the control of foreign funds and foreign-owned property.....	295
Exhibit 48. Proclamation, July 17, 1941, authorizing a proclaimed list of certain blocked nationals and controlling certain exports.....	295
Exhibit 49. Executive Order No. 9193, July 6, 1942, amending Executive Order No. 9095 establishing the Office of Alien Property Custodian and defining its functions and duties and related matters.....	296
Exhibit 50. Sections 301, 302, and 303 of the First War Powers Act, 1941, ratifying actions, regulations, etc., of the Secretary of the Treasury under the Trading With the Enemy Act.....	300
Exhibit 51. Administration of the wartime financial and property controls of the United States Government.....	302

## ORGANIZATION AND PROCEDURE

Exhibit 52. Orders relating to organization and procedure in the Treasury Department.....	335
Exhibit 53. Order of the Secretary of the Treasury, September 30, 1941, authorizing the Procurement Division to enter into contracts on behalf of the Division of Printing.....	336



# CONTENTS

IX

Page

Exhibit 54. Executive Order No. 8929, November 1, 1941, directing the Coast Guard to operate as a part of the Navy.....	336
Exhibit 55. An act providing for the security of United States naval vessels, and for other purposes.....	336
Exhibit 56. Sections 1, 2, and 4 of Executive Order No. 9083, dated February 28, 1942, relating to functions of the Bureau of Customs....	337

## MISCELLANEOUS

Exhibit 57. Authorization for discontinuance of functions of Treasury accounts offices in connection with the audit and accounting for funds under the various emergency relief appropriation acts.....	338
Exhibit 58. Standards and conditions prescribed with respect to bonds of certifying officers and administrative procedure relating to disbursements by Division of Disbursements, Treasury Department.....	338
Exhibit 59. Executive Order No. 9084, March 3, 1942, amending Executive Order No. 8512 of August 13, 1940, prescribing regulations pertaining to budgetary administration and financial reporting.....	341
Exhibit 60. An act to authorize the Treasurer of the United States to make settlements with payees of lost or stolen checks, which have been paid on forged endorsements, in advance of reclamation, and for other purposes..	341
Exhibit 61. An act to increase the earnings of the United States Government life insurance fund and the national service life insurance fund by expediting the investment of the moneys thereof, and for other purposes..	342
Exhibit 62. Title XI of the Second War Powers Act, relating to the war contributions fund.....	342
Exhibit 63. Portions of the act to mobilize the productive facilities of small business in the interests of successful prosecution of the war.....	343
Exhibit 64. Executive Order No. 9135, April 16, 1942, establishing the Interdepartmental Committee for the Voluntary Pay Roll Savings Plan for the Purchase of War Savings Bonds.....	345
Exhibit 65. Voluntary pay-roll savings plan for purchase of war savings bonds by employees of the United States Government.....	346
Exhibit 66. Letter of the Postmaster General to the Secretary of the Treasury, dated November 14, 1942, certifying extraordinary expenditures contributing to the deficiencies of postal revenues for the fiscal year 1942, in pursuance of Public No. 316, approved June 9, 1930.....	353
Exhibit 67. Address and statements of the Secretary of the Treasury on taxes, inflation, public debt limitation, etc., during 1942.....	353

## TABLES

Explanation of bases used in tables.....	387
Description of accounts through which Treasury operations are effected..	388

## RECEIPTS AND EXPENDITURES

### *Summary tables on receipts and expenditures*

Table 1. Summary of receipts and expenditures, fiscal years 1932 to 1942 and monthly July 1941 to June 1942 (daily Treasury statement, unrevised, basis).....	390
Table 2. Receipts and expenditures for the fiscal years 1789 to 1942 (warrant and daily Treasury statement, unrevised, bases).....	394

### *Detail tables on receipts and expenditures*

Table 3. Monthly receipts, fiscal year 1942, classified by major sources (daily Treasury statement, unrevised, basis).....	400
Table 4. Monthly expenditures, fiscal year 1942, classified by accounts (daily Treasury statement, unrevised, basis).....	406
Table 5. Expenditures from general and special accounts, by major functions, fiscal years 1934 to 1942.....	428

### *Other receipts and expenditures tables*

Table 6. Expenditures of the several activities of the Treasury Department in each of the States and Territories, fiscal year 1942.....	430
Table 7. Comparison of detailed internal revenue collections, fiscal years 1941 and 1942 (collection basis).....	434

	Page
Table 8. Internal revenue receipts, by tax sources, fiscal years 1916 to 1942 (collection basis).....	437
Table 9. Expenses of the Internal Revenue Service, fiscal year 1942 (checks-issued basis).....	441
Table 10. Internal revenue receipts, by States and Territories, fiscal year 1942 (collection basis).....	446
Table 11. Summary of customs collections and expenditures, fiscal year 1942.....	447
Table 12. Expenditures by States and Territories and by fiscal years from April 8, 1935, to June 30, 1942, under the Emergency Relief Appropriation Acts for the fiscal years 1935 to 1942 (checks-issued basis).....	448
Table 13. Expenditures by organizations and by fiscal years from April 8, 1935, to June 30, 1942, under the Emergency Relief Appropriation Acts for the fiscal years 1935 to 1942 (checks-issued basis).....	450
Table 14. Financial status of appropriations provided in the Emergency Relief Appropriations Acts for the fiscal years 1935 to 1942, as of June 30, 1942.....	452
Table 15. Receipts and expenditures of the social security program under the Social Security, Railroad Retirement, and Railroad Unemployment Insurance Acts, fiscal years 1936 to 1940 combined, fiscal year 1941, and monthly for the fiscal year 1942.....	462
Table 16. Amounts appropriated and expended to June 30, 1942, under authorizations contained in the Social Security Act.....	471
Table 17. Panama Canal receipts and expenditures, fiscal years 1903 to 1942 (warrant basis).....	472
Table 18. Postal receipts and expenditures, fiscal years 1789 to 1942.....	474
Table 19. Selected receipts and expenditures of the Government, fiscal years 1789 to 1942 (warrant and checks-issued bases).....	477

#### WAR ACTIVITIES PROGRAM

Table 20. Appropriations and net contract authorizations for the war activities program, as of June 30, 1942.....	479
Table 21. Appropriations, contract authorizations, and expenditures under the war activities program, July 1, 1940, to June 30, 1942.....	482
Table 22. Commitments, receipts, and disbursements of the Reconstruction Finance Corporation and its subsidiaries under the war activities program, July 1, 1940, to June 30, 1942.....	485

#### PUBLIC DEBT

##### *Public debt outstanding*

Table 23. Description of the public debt issues outstanding June 30, 1942 (daily Treasury statement, revised, basis).....	486
Table 24. Principal of the public debt outstanding at the end of each fiscal year from 1853 to 1942 (daily Treasury statement, revised, basis).....	507
Table 25. Comparative statement of the public debt outstanding June 30, 1935 to 1942 (daily Treasury statement, revised, basis).....	509
Table 26. Composition of the public debt at the end of the fiscal years 1916 to 1942, and by months from July 1941 to June 1942 (daily Treasury statement, revised, basis).....	511

##### *Public debt operations*

Table 27. Public debt receipts and expenditures, monthly July 1941 to June 1942, with totals for the fiscal years 1941 and 1942 (daily Treasury statement, unrevised, basis).....	512
Table 28. Public debt retirements chargeable against ordinary receipts during the fiscal year 1942, and cumulative totals from July 1, 1917, to June 30, 1941 and 1942, by sources and issues (daily Treasury statement, revised, basis).....	520
Table 29. Summary of transactions in interest-bearing and noninterest-bearing securities, fiscal year 1942 (daily Treasury statement, revised, basis).....	522
Table 30. Summary of transactions in interest-bearing securities, by form of issue, fiscal year 1942 (daily Treasury statement, revised, basis).....	524

# CONTENTS

XI

Page

Table 31. Changes in interest-bearing debt, by issues, fiscal year 1942 (daily Treasury statement, revised, basis).....	525
Table 32. Transactions in noninterest-bearing securities, by issues, fiscal year 1942 (daily Treasury statement, revised, basis).....	530
Table 33. Issues, maturities, and redemptions of interest-bearing securities, exclusive of trust account and other special issues, July 1941 through June 1942.....	538
Table 34. Sources of public debt increase or decrease, fiscal years 1915 to 1942 (daily Treasury statement, unrevised, basis).....	543
Table 35. Transactions on account of the cumulative sinking fund, fiscal year 1942 (daily Treasury statement, revised, basis).....	545
Table 36. Transactions on account of the cumulative sinking fund, fiscal years 1921 to 1942 (daily Treasury statement, revised, basis).....	545
Table 37. Securities retired through the cumulative sinking fund, par amount and principal cost, to June 30, 1942 (daily Treasury statement, revised, basis).....	546

## United States savings bonds

Table 38. Sales and redemptions of United States savings bonds, by months fiscal year 1942 and cumulative total from March 1, 1935, to June 30, 1942.....	547
Table 39. Sales of United States savings bonds, by months and denominations, fiscal year 1942.....	548
Table 40. Summary of sales and redemptions of United States savings bonds, by series, for the fiscal years 1935 to 1942 and monthly for the fiscal year 1942.....	550
Table 41. Sales of United States savings bonds reported by series, classified by denomination, for the fiscal years 1941 and 1942 and monthly for the fiscal year 1942.....	553
Table 42. Sales of United States savings bonds reported by series, classified by type of purchaser, for the fiscal years 1941 and 1942 and monthly for the fiscal year 1942.....	555
Table 43. Sales of United States savings bonds reported by series, classified by States, for the fiscal years 1941 and 1942 and monthly for the fiscal year 1942.....	556

## Postal savings stamps

Table 44. Summary of sales and redemptions of postal savings stamps for the fiscal years 1941 and 1942 and monthly for the fiscal year 1942.....	560
Table 45. Gross sales of postal savings stamps, classified by denomination, for the fiscal years 1941 and 1942 and monthly for the fiscal year 1942.....	561
Table 46. Redemptions of postal savings stamps, classified by means of payment, for the fiscal years 1941 and 1942 and monthly for the fiscal year 1942.....	562
Table 47. Gross sales of postal savings stamps, by States, for the fiscal years 1941 and 1942 and monthly for the fiscal year 1942.....	563

## Treasury tax savings notes

Table 48. Sales and redemptions of Treasury tax savings notes, by months, fiscal year 1942.....	565
Table 49. Summary of sales and redemptions of Treasury tax savings notes, by series, monthly and total for the fiscal year 1942.....	566
Table 50. Sales of Treasury tax savings notes reported by series, classified by denomination, monthly and total for the fiscal year 1942.....	568
Table 51. Sales of Treasury tax savings notes reported by series, classified by type of purchaser, monthly and total for the fiscal year 1942.....	570
Table 52. Redemptions of Treasury tax savings notes by series, classified by means of payment, monthly and total for the fiscal year 1942.....	572

## Interest on the public debt

Table 53. Interest on the public debt, payable, paid, and outstanding unpaid, fiscal year 1942 (daily Treasury statement, revised, basis).....	574
Table 54. Interest paid on the public debt, by issues, fiscal years 1940 to 1942 (warrant basis).....	575

	Page
Table 55. Amount of interest-bearing debt outstanding, the computed annual interest charge, and the computed rate of interest, for the fiscal years 1916 to 1942 and by months from July 1941 to June 1942 (daily Treasury statement, revised, basis)-----	577
Table 56. Interest paid on the securities issued or guaranteed by the United States Government, classified by tax status, fiscal years 1913 to 1942....	578
<i>Miscellaneous</i>	
Table 57. Contingent liabilities of the United States, June 30, 1942-----	580
Table 58. Contingent liabilities of the United States as of June 30, 1935 to 1942 (daily Treasury statement, revised, basis)-----	584
Table 59. Average yield on long-term Treasury bonds, by months, January 1919 to June 1942-----	585
Table 60. Prices and yields of public marketable securities issued or guaranteed by the United States-----	586
Table 61. Summary data from Treasury survey of the ownership of securities issued or guaranteed by the United States, analyzing the ownership of such securities by classes of holders of each issue outstanding on June 30, 1942-----	588
<b>CONDITION OF THE TREASURY EXCLUSIVE OF PUBLIC DEBT LIABILITIES</b>	
Table 62. Current assets and liabilities of the Treasury at the close of the fiscal years 1941 and 1942 (daily Treasury statement, unrevised, basis)....	594
Table 63. Balance in the General Fund of the Treasury at the end of each month, fiscal year 1942 (daily Treasury statement, unrevised, basis)....	595
Table 64. Assets and liabilities of the exchange stabilization fund as of June 30, 1941 and 1942-----	596
Table 65. Securities other than obligations of foreign governments owned by the United States Government, June 30, 1942-----	598
Table 66. Principal of the funded and unfunded indebtedness of foreign governments to the United States, the accrued and unpaid interest thereon, and payments on account of principal and interest, as of November 15, 1942-----	600
Table 67. Principal of the funded and unfunded indebtedness of foreign governments to the United States, the accrued and unpaid interest thereon, and payments on account of principal and interest, as of November 15 of each year from 1928 to 1942-----	601
<b>TRUST AND SPECIAL FUNDS FOR WHICH INVESTMENTS ARE MADE BY THE TREASURY DEPARTMENT</b>	
Table 68. Adjusted service certificate fund, June 30, 1942-----	602
Table 69. Ainsworth Library fund, Walter Reed General Hospital, June 30, 1942-----	603
Table 70. Alaska Railroad retirement and disability fund, June 30, 1942....	603
Table 71. Canal Zone retirement and disability fund, June 30, 1942-----	604
Table 72. Civil service retirement and disability fund, June 30, 1942-----	605
Table 73. District of Columbia teachers' retirement fund—Assets held by the Treasury Department, June 30, 1942-----	606
Table 74. District of Columbia water fund—Investments held by the Treasury Department, June 30, 1942-----	608
Table 75. District of Columbia workers' compensation fund—Assets held by the Treasury Department, June 30, 1942-----	608
Table 76. Federal old-age and survivors insurance trust fund, June 30, 1942-----	609
Table 77. Foreign service retirement and disability fund, June 30, 1942....	610
Table 78. Library of Congress trust fund, June 30, 1942-----	611
Table 79. Longshoremen's and harbor workers' compensation fund—Assets held by the Treasury Department, June 30, 1942-----	614
Table 80. National Cancer Institute gift fund, June 30, 1942-----	614
Table 81. National Institute of Health gift fund, June 30, 1942-----	615
Table 82. National park trust fund, June 30, 1942-----	617
Table 83. National service life insurance fund, June 30, 1942-----	618
Table 84. Pershing Hall Memorial fund, June 30, 1942-----	618
Table 85. Railroad retirement account, June 30, 1942-----	619
Table 86. Unemployment trust fund, June 30, 1942-----	620
Table 87. United States Government life insurance fund—Investments, June 30, 1942-----	623

# CONTENTS

XIII

## GOVERNMENT CORPORATIONS AND CREDIT AGENCIES

	Page
Table 88. Combined statement of assets and liabilities of Government corporations and credit agencies, June 30, 1942.....	624
Table 89. Proprietary interest of the United States in Government corporations and credit agencies, June 30, 1930 to 1942.....	631
Table 90. Sources of funds of certain Government corporations and credit agencies from inception of organization to June 30, 1942.....	633
Table 91. Uses of funds of certain Government corporations and credit agencies from inception of organization to June 30, 1942.....	635
Table 92. Sources of funds of certain Government corporations and credit agencies, fiscal year 1942.....	636
Table 93. Uses of funds of certain Government corporations and credit agencies, fiscal year 1942.....	637

## STOCK AND CIRCULATION OF MONEY IN THE UNITED STATES

Table 94. Stock of money, money in the Treasury, in the Federal Reserve Banks, and in circulation June 30, 1913 to 1942.....	638
Table 95. Stock of money, by kinds, at the end of each fiscal year from 1913 to 1942.....	640
Table 96. Money in circulation, by kinds, at the end of each fiscal year from 1913 to 1942.....	641
Table 97. Stock of money, money in the Treasury, in the Federal Reserve Banks, and in circulation, by kinds, June 30, 1942.....	642

## TAX-EXEMPT AND TAXABLE SECURITIES

Table 98. Estimated amount of interest-bearing securities issued by all governmental units in the United States outstanding on June 30, 1942, classified by tax status and by type of issuer.....	643
Table 99. Estimated amount of interest-bearing securities issued by all governmental units in the United States outstanding on June 30, 1913 to 1942, classified by tax status and by type of issuer.....	646
Table 100. Estimated ownership of all interest-bearing Government securities outstanding, classified by issuer and by tax status, June 30, 1937 to 1942.....	656

## MISCELLANEOUS

Table 101. Net expenditures for Federal aid to States, individuals, etc. (exclusive of emergency appropriations from which grants are made to States), fiscal years 1920, 1941, and 1942, and amounts appropriated for 1943, by appropriations.....	660
Table 102. Expenditures made by the Government as direct payments to States, etc., under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1942.....	664
Table 103. Number and amount of awards of the Mixed Claims Commission, United States and Germany, certified to the Secretary of the Treasury by the Secretary of State and the amount paid and balance due, by classes, as of September 30, 1942.....	672
Table 104. Transactions in commodity stamps, fiscal years 1939 to 1942 and by months from July 1941 to June 1942.....	674

## ESTIMATES

Table 105. Receipts and expenditures of general and special accounts, actual for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, in detail.....	675
Table 106. Receipts and expenditures of trust accounts, etc., actual for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, as exhibited in the Budget for 1944.....	697
Table 107. Summary of cash operations of the United States Treasury for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, as exhibited in the Budget for 1944.....	710
Index.....	711



**SECRETARIES, UNDER SECRETARIES, AND ASSISTANT SECRETARIES  
OF THE TREASURY DEPARTMENT FROM MARCH 4, 1933, TO NOVEMBER 15, 1942,<sup>1</sup> AND THE PRESIDENT UNDER WHOM THEY SERVED**

Term of service		Official	Secretary of the Treasury	President
From—	To—			
<i>Secretaries of the Treasury</i>				
Mar. 4, 1933	Dec. 31, 1933	William H. Woodin, New York		Roosevelt.
Jan. 1, 1934		Henry Morgenthau, Jr., New York.		Roosevelt.
<i>Under Secretaries</i>				
May 19, 1933	Nov. 16, 1933	Dean G. Acheson, Maryland	Woodin	Roosevelt.
Nov. 17, 1933	Dec. 31, 1933	Henry Morgenthau, Jr., New York	Woodin	Roosevelt.
May 2, 1934	Feb. 15, 1936	Thomas Jefferson Coolidge, Massachusetts.	Morgenthau	Roosevelt.
Jan. 29, 1937	Sept. 15, 1938	Roswell Magill, New York	Morgenthau	Roosevelt.
Nov. 1, 1938	Dec. 31, 1939	John W. Hanes, North Carolina	Morgenthau	Roosevelt.
Jan. 18, 1940		Daniel W. Bell, Illinois	Morgenthau	Roosevelt.
<i>Assistant Secretaries</i>				
Apr. 18, 1933	Feb. 15, 1936	Lawrence W. Robert, Jr., Georgia	Woodin, Morgenthau	Roosevelt.
June 6, 1933	Sept. 30, 1939	Stephen B. Gibbons, New York	Woodin, Morgenthau	Roosevelt.
June 12, 1933	Dec. 12, 1933	Thomas Hewes, Connecticut	Woodin	Roosevelt.
Dec. 1, 1934	Nov. 1, 1937	Josephine Roche, Colorado	Morgenthau	Roosevelt.
Feb. 19, 1936	Feb. 28, 1939	Wayne C. Taylor, Illinois	Morgenthau	Roosevelt.
July 1, 1938	Oct. 31, 1938	John W. Hanes, North Carolina	Morgenthau	Roosevelt.
June 23, 1939		Herbert E. Gaston, New York	Morgenthau	Roosevelt.
Jan. 18, 1940		John L. Sullivan, New Hampshire	Morgenthau	Roosevelt.

<sup>1</sup> For officials since 1789 see annual report for 1932, pp. xvii to xxi, and corresponding table in annual report for 1933.

# **PRINCIPAL ADMINISTRATIVE AND STAFF OFFICERS OF THE TREASURY DEPARTMENT AS OF NOVEMBER 15, 1942**

## **OFFICE OF THE SECRETARY**

Henry Morgenthau, Jr.	Secretary of the Treasury.
Daniel W. Bell	Under Secretary of the Treasury.
Herbert E. Gaston	Assistant Secretary of the Treasury.
John L. Sullivan	Assistant Secretary of the Treasury.
(Vacant)	Fiscal Assistant Secretary of the Treasury.
Harold N. Graves	Assistant to the Secretary.
Harry D. White	Assistant to the Secretary.
Ferdinand Kuhn, Jr.	Assistant to the Secretary.
George Buffington	Assistant to the Secretary.
Theodore R. Gamble	Assistant to the Secretary.
Peter H. Odegard	Assistant to the Secretary.
John W. Pehle	Assistant to the Secretary.
Henrietta S. Klotz	Assistant to the Secretary.
W. N. Thompson	Administrative Assistant to the Secretary.
Charles S. Bell	Technical Assistant to the Secretary.
Charles R. Schoeneman	Technical Assistant to the Secretary.
Theodore F. Wilson	Director of Personnel.
Elmer L. Irey	Chief Coordinator, Treasury Enforcement Agencies.
Frank J. Wilson	Chief, Secret Service Division.
Stanley S. Surrey	Tax Legislative Counsel.
Eugene W. Sloan	Executive Director, War Savings Staff.
Charles Schwarz	Director of Public Relations.
William T. Heffelfinger	Assistant to the Under Secretary.
Edward D. Batchelder	Executive Assistant to the Fiscal Assistant Secretary.
Francis C. Rose	Executive Assistant to Assistant Secretary.
F. A. Birgfeld	Chief Clerk.
Denzil A. Right	Superintendent of Treasury Buildings.
Gabrielle E. Forbush	Chief, Secretary's Correspondence Division.

## **OFFICE OF THE GENERAL COUNSEL**

Randolph E. Paul	General Counsel.
Huntington Cairns	Assistant General Counsel.
N. O. Tietjens	Assistant General Counsel.
Joseph J. O'Connell, Jr.	Assistant General Counsel.
Ernest R. Feidler	Assistant to the General Counsel.
Samuel Klaus	Special Assistant to the General Counsel.
John E. Shea	Special Assistant to the General Counsel.
John P. Wenchel	Chief Counsel, Bureau of Internal Revenue.
Robert Chambers	Chief Counsel, Bureau of Customs.

## **DIVISION OF RESEARCH AND STATISTICS**

George C. Haas	Director of Research and Statistics.
Henry C. Murphy	Assistant Director.
Al F. O'Donnell	Assistant Director.
Russell R. Reagh	Assistant Director (Government Actuary).
Anna M. Michener	Assistant to the Director.
William M. Weir	Administrative Assistant to the Director.
Isabella S. Diamond	Librarian.

## **DIVISION OF MONETARY RESEARCH**

Harry D. White	Director of Monetary Research.
Harold Glasser	Assistant Director.
Edward M. Bernstein	Assistant Director.

## **DIVISION OF TAX RESEARCH**

Roy Blough	Director of Tax Research.
Louis Shere	Assistant Director.
L. Laszlo Ecker-Racz	Assistant Director.

## **BUREAU OF THE PUBLIC DEBT**

William S. Broughton	Commissioner of the Public Debt.
Edwin L. Kilby	Assistant Commissioner of the Public Debt.
Ross A. Heffelfinger	Deputy Commissioner of the Public Debt.
W. Spencer Thompson	Deputy Commissioner in Charge, Chicago Office.
Edward G. Dolan	Register of the Treasury.
Byrd Leavell	Assistant Register of the Treasury.
Marvin Wesley	Chief, Division of Loans and Currency.
Melvin R. Loefman	Chief, Division of Public Debt Accounts and Audit.
Maurice A. Emerson	Chief, Division of Paper Custody.
Lemuel W. Owen	Chief, Division of Savings Bonds.

## **BUREAU OF ENGRAVING AND PRINTING**

Alvin W. Hall	Director, Bureau of Engraving and Printing.
Clark R. Long	Assistant Director (Administration).
Thomas F. Slattery	Assistant Director (Production).



BUREAU OF ACCOUNTS

Edward F. Bartelt.....	Commissioner of Accounts.
Robert W. Maxwell.....	Assistant Commissioner of Accounts.
Joseph Greenberg.....	Assistant Commissioner of Accounts.
Gilbert L. Cake.....	Chief Accountant.
Stephen P. Gerardi.....	Executive Assistant to the Commissioner.
Guy F. Allen.....	Chief Disbursing Officer, Division of Disbursement.
L. L. Collier.....	Chief, Division of Bookkeeping and Warrants.
B. M. Mulvihill.....	Chief, Division of Deposits.
Harry R. Schwalm.....	Chief Examiner, Section of Surety Bonds.
Eugene P. O'Daniel.....	Chief, Section of Investments.

BUREAU OF THE COMPTROLLER OF THE CURRENCY

Preston Delano.....	Comptroller of the Currency.
Cyril B. Upham.....	Deputy Comptroller.
R. B. McCandless.....	Deputy Comptroller.
L. H. Sedlacek.....	Deputy Comptroller.
W. P. Folger.....	Chief National Bank Examiner.

OFFICE OF THE TREASURER OF THE UNITED STATES

William A. Julian.....	Treasurer of the United States.
Marion Banister.....	Assistant Treasurer.
George O. Barnes.....	Assistant to the Treasurer.
M. E. Slindsee.....	Administrative Assistant to the Treasurer.
Bernard A. Hayden.....	Chief, Administrative Division.

BUREAU OF NARCOTICS

Harry J. Anslinger.....	Commissioner of Narcotics.
Will S. Wood.....	Deputy Commissioner of Narcotics.
Malachi L. Harney.....	Assistant to the Commissioner.

BUREAU OF INTERNAL REVENUE

Guy T. Helvering.....	Commissioner of Internal Revenue.
Norman D. Cann.....	Assistant to the Commissioner.
J. B. McNamara.....	Executive Assistant to the Commissioner.
Leone Bruch.....	Special Assistant.
Eldon P. King.....	Special Deputy Commissioner.
Timothy C. Mooney.....	Deputy Commissioner.
George J. Schoeneman.....	Deputy Commissioner.
D. Spencer Bliss.....	Deputy Commissioner.
Stewart Berkshire.....	Deputy Commissioner.
A. R. Marrs.....	Head, Technical Staff.
W. H. Woolf.....	Acting Chief, Intelligence Unit.

BUREAU OF CUSTOMS

W. R. Johnson.....	Commissioner of Customs.
Frank Dow.....	Assistant Commissioner of Customs.
Thomas J. Gorman.....	Deputy Commissioner.
A. S. Johnson.....	Deputy Commissioner.
Glenn H. Griffith.....	Acting Deputy Commissioner.

BUREAU OF THE MINT

Nellie Tayloe Ross.....	Director of the Mint.
Leland Howard.....	Assistant Director.

PROCUREMENT DIVISION

Clifton E. Mack.....	Director of Procurement.
A. J. Walsh.....	Deputy Director.
Robert LeFevre.....	Assistant to the Director.
George Landick, Jr.....	Assistant to the Director.
W. N. Rehlaender.....	Assistant to the Director.

STANDING DEPARTMENTAL COMMITTEES

BUDGET AND IMPROVEMENT COMMITTEE

C. R. Schoeneman, Chairman.	Charles S. Bell.
F. A. Birgfeld, Vice Chairman.	T. F. Wilson.
M. E. Slindsee.	George H. Jones, Secretary.

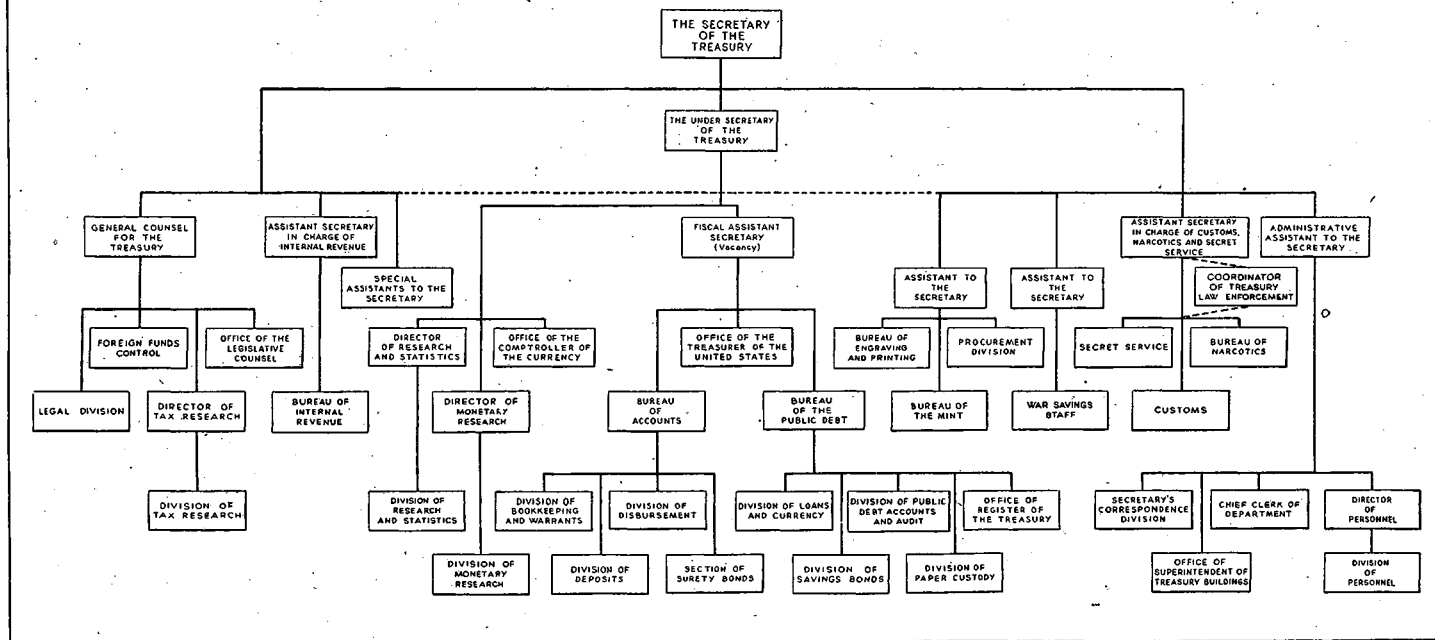
COMMITTEE ON PRACTICE

Guy C. Hanna, Chairman.	Hessel E. Yntema.
W. W. Cook.	E. B. Van Veen, Attorney for the Government.

BOARD OF REVIEW

(Refunds of Processing Taxes)

William Schwartz, Chairman.	Annabel Matthews.
(Vacant) Vice Chairman.	Temple W. Seay.
John W. Edwards.	Bernard D. Hathcock.
Percy S. Crewe.	



### CHART 1.

# ANNUAL REPORT ON THE FINANCES

TREASURY DEPARTMENT,  
Washington, D. C., January 6, 1943.

SIR: I have the honor to make the following report on the finances of the United States for the fiscal year ended June 30, 1942. The change from a national defense to a war basis, as the result of the Pearl Harbor attack, has been reflected in every aspect of the fiscal and other operations for which the Treasury Department is responsible. Government expenditures were vastly increased to cover war requirements; financing plans had to be revised in the light of the new scale of expenditures and new revenue legislation; other activities, such as those in the field of international monetary matters and foreign funds control, procurement for the lend-lease and strategic and critical materials, and enforcement activities relating to the control of exports and the protection of vessels and harbors, likewise had to be adjusted speedily to an all-out war basis. Detailed information with respect to these adjustments appears throughout the report.

## BUDGET RESULTS

### *Receipts and expenditures, general and special accounts*

The following table shows the receipts and expenditures for the fiscal years 1941 and 1942 and the increase or decrease in 1942 receipts and expenditures as compared with the fiscal year 1941.

#### *Receipts and expenditures, fiscal years 1941 and 1942*

[In millions of dollars. On basis of daily Treasury statements (unrevised), see p. 387.]

	1941 *	1942	Increase or de- crease (-)
Receipts:			
Internal revenue:			
Income tax.....	3,470	7,960	4,490
Miscellaneous internal revenue.....	2,967	3,847	880
Social security taxes.....	788	1,016	228
Taxes upon carriers and their employees.....	137	170	33
Railroad unemployment insurance contributions.....	7	8	1
Customs.....	392	389	-3
Miscellaneous receipts:			
Return of surplus funds from Government corporations.....	319	22	-297
Other.....	189	255	66
Total receipts.....	8,269	13,668	5,399
Deduct net appropriation for Federal old-age and survivors insurance trust fund.....	661	869	208
Net receipts.....	7,607	12,799	5,192

Footnotes at end of table.

## REPORT OF THE SECRETARY OF THE TREASURY

## Receipts and expenditures, fiscal years 1941 and 1942—Continued

[In millions of dollars]

	1941	1942	Increase or de- crease (-)
<b>Expenditures:</b>			
<b>I. General:</b>			
Departmental (not otherwise classified).....	676	685	10
Agriculture Department:			
Agricultural Conservation and Adjustment Administration.....	824	786	-38
Other.....	56	190	135
Federal Security Agency:			
Civilian Conservation Corps.....	257	163	-95
National Youth Administration.....	90	88	-2
Social Security Board.....	423	473	50
Other.....	66	75	9
Federal Works Agency:			
Works Projects Administration.....	1,285	882	-402
Other.....	347	242	-105
Interior Department:			
Reclamation projects.....	86	91	6
National Housing Agency.....	17	17	-----
Panama Canal.....	29	38	8
Post Office Department (deficiency).....	30	18	-12
Railroad Retirement Board.....	7	10	3
River and harbor work and flood control.....	219	191	-28
Tennessee Valley Authority.....	51	127	76
Treasury Department:			
Interest on the public debt.....	1,111	1,260	149
Refunds of taxes and duties.....	90	94	5
Veterans' Administration.....	553	555	2
Subtotal.....	6,215	5,986	-228
<b>II. War activities:</b>			
War Department.....	3,678	14,070	10,392
Navy Department.....	2,313	8,580	6,267
Federal Security Agency.....	108	152	44
Federal Works Agency.....	-----	62	62
National Housing Agency.....	45	297	252
Selective Service (administrative expenses).....	18	33	15
United States Maritime Commission.....	51	929	878
War Shipping Administration.....	-----	132	132
Aid to China.....	-----	200	200
Other.....	88	1,556	1,468
Subtotal.....	6,301	26,011	19,710
<b>III. Revolving funds (net):</b>			
Farm Credit Administration.....	* 59	7	67
Federal Farm Mortgage Corporation (capital stock reduction, act June 25, 1940).....	* 100	-----	100
Public Works Administration.....	23	11	-12
Subtotal.....	* 186	18	155
<b>IV. Transfers to trust accounts, etc.:</b>			
Adjusted service certificate fund.....	10	-----	-10
Agricultural Marketing Administration (surplus commodity stamps).....	91	126	36
Federal contribution to District of Columbia (U. S. share).....	6	6	-----
Government employees' retirement funds (U. S. share).....	93	103	10
National service life insurance fund.....	-----	1	1
Railroad retirement account.....	124	141	17
Railroad unemployment insurance administration fund transfers to unemployment trust fund (act Oct. 10, 1940).....	8	4	-4
Subtotal.....	331	381	50
Total expenditures (excluding public debt retirements).....	12,711	32,397	19,686
<b>Net deficit.....</b>	<b>5,103</b>	<b>19,598</b>	<b>14,494</b>

\* Excess credits (deduct).

\* Revised.

NOTE.—Figures are rounded to nearest million and will not necessarily add to totals.

*Receipts in general and special accounts*

Federal revenues reached an unprecedented level in the fiscal year 1942. This was the second full year to be affected by the exertion

of a national effort to meet the demands of a broad defense program. The outbreak of war in December 1941 accentuated the necessity for record production. The continuing increase in industrial activity, with its accompanying increase in employment, income, and national buying power, became one of the principal factors contributing to the marked increase in revenues.

The Revenue Act of 1941, approved September 20, 1941, was shaped by the necessity for a tax program which would more nearly keep pace with the rapid acceleration of Federal expenditures. With reference to the individual income tax, the act lowered personal exemptions and increased surtax rates. Corporation income and excess profits taxes were increased. Excises were increased on most of the commodities already being taxed, new excises were imposed on many commodities, and estate and gift taxes were increased.

*Receipts by major sources, fiscal years 1941 and 1942<sup>1</sup>*  
[Dollars in millions]

Source	1941	1942	Increase or decrease (-), 1942 over 1941		Percent of total in- crease in receipts from general and special accounts, 1942 over 1941
			Amount	Percent	
<b>Internal revenue:</b>					
Income and excess profits taxes:					
Corporation:					
Income tax, current <sup>2</sup> .....	\$1,649.0	\$2,764.0	\$1,115.0	67.6	20.7
Excess profits tax.....	164.3	1,618.2	1,453.9	884.9	26.9
Declared value excess profits tax.....	28.1	52.2	24.1	85.8	.4
Total corporation.....	1,841.4	4,434.4	2,593.0	140.8	48.0
Individual, current.....	1,314.3	3,108.0	1,793.7	136.5	33.2
Back taxes:					
Corporation and individual income.....	306.4	460.1	153.7	50.2	2.9
Unjust enrichment tax.....	9.1	4.4	-4.7	-51.6	-.1
Total back taxes.....	315.4	464.5	149.1	47.3	2.8
Total income and excess profits taxes (collection basis).....	3,471.1	8,006.9	4,535.8	130.7	84.0
Adjustment to daily Treasury statement basis, unrevised.....	-1.5	-46.4	-44.9	-----	-.8
Total income and excess profits taxes (daily Treasury statement basis, unrevised).....	3,469.6	7,960.5	4,490.9	129.4	83.2
Miscellaneous internal revenue:					
Capital stock tax.....	166.7	281.9	115.2	69.1	2.1
Estate tax.....	355.2	340.3	-14.9	-4.2	-.3
Gift tax.....	51.9	92.2	40.3	77.6	.7
Liquor taxes <sup>2</sup> .....	819.9	1,046.9	227.0	27.7	4.2
Tobacco and products taxes <sup>2</sup> .....	697.7	780.8	83.1	11.9	1.5
Stamp taxes.....	39.1	41.7	2.6	6.6	.1
Manufacturers' excise taxes:					
Gasoline.....	343.0	369.6	26.6	7.8	.5
Automobiles, trucks, tires, tubes, and parts or accessories.....	156.3	180.5	24.2	15.5	.4
Electrical energy.....	47.0	50.0	3.0	6.4	.1
Lubricating oils.....	38.2	46.4	8.2	21.5	.1
All other <sup>2</sup> .....	32.5	121.8	89.3	274.8	1.7
Total manufacturers' excise taxes.....	617.0	768.3	151.3	24.5	2.8
Retailers' excise taxes.....	-----	80.2	80.2	-----	1.5

Footnotes at end of table.

## Receipts by major sources, fiscal years 1941 and 1942—Continued

[Dollars in millions]

Source	1941	1942	Increase or decrease (-), 1942 over 1941		Percent of total in- crease in receipts from general and special accounts, 1942 over 1941
			Amount	Percent	
Internal revenue—Continued.					
Miscellaneous internal revenue—Continued.					
Miscellaneous taxes:					
Telegraph, telephone, cable, and radio facilities, etc.....	\$27.3	\$48.2	\$20.9	76.6	0.4
Local telephone service.....	12.5	26.8	26.8		.5
Transportation of oil by pipe line.....	71.0	13.5	1.0	8.0	
Admissions.....	71.0	115.0	44.0	62.0	.8
Use of motor vehicles and boats.....	74.8	72.9	72.9		1.4
Sugar tax <sup>1</sup> .....	21.5	68.2	-6.6	-8.8	-1
All other, including repealed taxes <sup>2</sup> .....	21.5	60.8	39.3	182.8	.7
Total miscellaneous taxes.....	207.2	405.4	198.2	95.7	3.7
Total miscellaneous internal revenue (collection basis).....	2,954.6	3,837.7	883.1	29.9	16.3
Adjustment to daily Treasury statement basis, unrevised.....	12.3	9.4	-2.9		
Total miscellaneous internal revenue (daily Treasury statement basis, unrevised).....	2,966.9	3,847.1	880.2	29.7	16.3
Employment taxes:					
Employment by other than carriers:					
Federal Insurance Contributions Act.....	690.6	895.6	205.0	29.7	3.8
Federal Unemployment Tax Act.....	97.7	119.9	22.2	22.7	.4
Total.....	788.2	1,015.6	227.4	28.9	4.2
Carriers and their employees.....	136.9	170.0	33.1	24.2	.6
Total employment taxes.....	925.2	1,185.6	260.4	28.1	4.8
Total internal revenue.....	7,361.7	12,993.1	5,631.4	76.5	104.3
Railroad unemployment insurance contributions..	6.8	8.5	1.7	25.0	
Customs.....	391.9	388.9	-3.0	-8	
Total internal revenue taxes, railroad unem- ployment insurance, and customs.....	7,760.4	13,390.5	5,630.1	72.5	104.3
Miscellaneous receipts.....	508.2	277.4	-230.8	-45.4	-4.3
Total receipts, general and special accounts..	8,268.5	13,667.9	5,399.4	65.3	100.0
Deduct: Net appropriation for Federal old-age and survivors insurance trust fund.....	661.3	868.9	207.6	31.4	
Net receipts, general and special accounts.....	7,607.2	12,799.1	5,191.9	68.2	

<sup>1</sup> The detail of income taxes and miscellaneous internal revenue taxes is on the basis of internal revenue collections with totals adjusted to daily Treasury statement basis, unrevised. Employment taxes, railroad unemployment insurance contributions, customs, and miscellaneous receipts are shown on the daily Treasury statement basis, unrevised. General and special accounts are combined.

<sup>2</sup> Collections for credit to trust funds are not included.

<sup>3</sup> "All other, including repealed taxes" includes tobacco floor stocks taxes (receipts under 1940 and prior acts); narcotics, including marihuana and special taxes; National Firearms Act; hydraulic mining tax; and all other repealed taxes not reinstated by the Revenue Act of 1941.

Note.—Dollar figures are rounded to nearest tenth of a million and will not necessarily add to totals.

The effect of the above legislation was not completely reflected in the fiscal year 1942 receipts because of statutory lags in collections. However, the total receipts in general and special accounts, amounting to \$13,667.9 millions, were \$5,399.4 millions above the record level of the preceding fiscal year.

A comparison of receipts for the fiscal years 1941 and 1942 is presented in the table above. The trend in receipts by major sources

for the fiscal years 1935 to 1942 is shown in the chart on page 6. A more detailed comparison of internal revenue receipts appears in table 7 on page 434 of this report.

Total receipts in general and special accounts were \$13,667.9 millions, an increase of \$5,399.4 millions or 65.3 percent over the total of \$8,268.5 millions received in the fiscal year 1941. The bulk of receipts in the fiscal year 1942 was derived from relatively few sources. Current corporation income and excess profits taxes, current individual income taxes, employment, liquor, and tobacco taxes accounted for 76.8 percent of the total receipts.

Income and excess profits taxes, which contributed 42.0 percent of total receipts in the fiscal year 1941, rose to 58.2 percent in the fiscal year 1942 as the Revenue Act of 1941 drew deeply from an increasing national income. This marked increase in receipts from income and excess profits taxes was responsible for a decrease in the ratio of receipts from other sources to total receipts. Receipts from miscellaneous internal revenue and employment taxes, though marked by increases in amounts, dropped in their proportions to total receipts from 35.9 percent and 11.2 percent, respectively, in the fiscal year 1941 to 28.2 percent and 8.7 percent in the fiscal year 1942. Miscellaneous receipts and customs receipts decreased both in amount and in percentage.

Income and excess profits tax receipts, reflecting higher income levels, higher tax rates, and the broader tax bases of the Revenue Act of 1941, rose to \$7,960.5 millions in 1942, an increase of \$4,490.9 millions or 129.4 percent over the receipts in 1941. Income taxes contributed 83.2 percent of the total increment in receipts from general and special accounts in 1942.

Current corporation income tax receipts in 1942, which include collections from the corporation normal tax and surtax imposed by the Revenue Act of 1941, amounted to \$2,764.0 millions. This is an increase of \$1,115.0 millions or 67.6 percent over the receipts in 1941. The increase was attributable to higher income levels and increased tax rates existing in the calendar year 1941 as compared with the calendar year 1939. Liabilities of the calendar year 1940 are reflected to approximately the same extent in each of the fiscal years 1941 and 1942. Under the Revenue Act of 1938, operative in the calendar year 1939, the single corporation income tax in effect taxed corporations with net incomes in excess of \$25,000 at rates which varied from 16½ percent to 19 percent, depending on the percentage of net income paid in dividends. In 1939, corporations with net incomes of \$25,000 or less were taxed at 12½ percent, 14 percent, and 16 percent. Under the Revenue Act of 1941, effective in the calendar year 1941, the corporation normal tax rate was 24 percent for corporations with normal-tax net incomes in excess of \$25,000, and corporations with

normal-tax net incomes of \$25,000 or less were taxed at graduated rates of 15 percent, 17 percent, and 19 percent. In addition, in 1941, the

RECEIPTS,<sup>1</sup> FISCAL YEARS 1935 TO 1942, CLASSIFIED BY MAJOR SOURCES

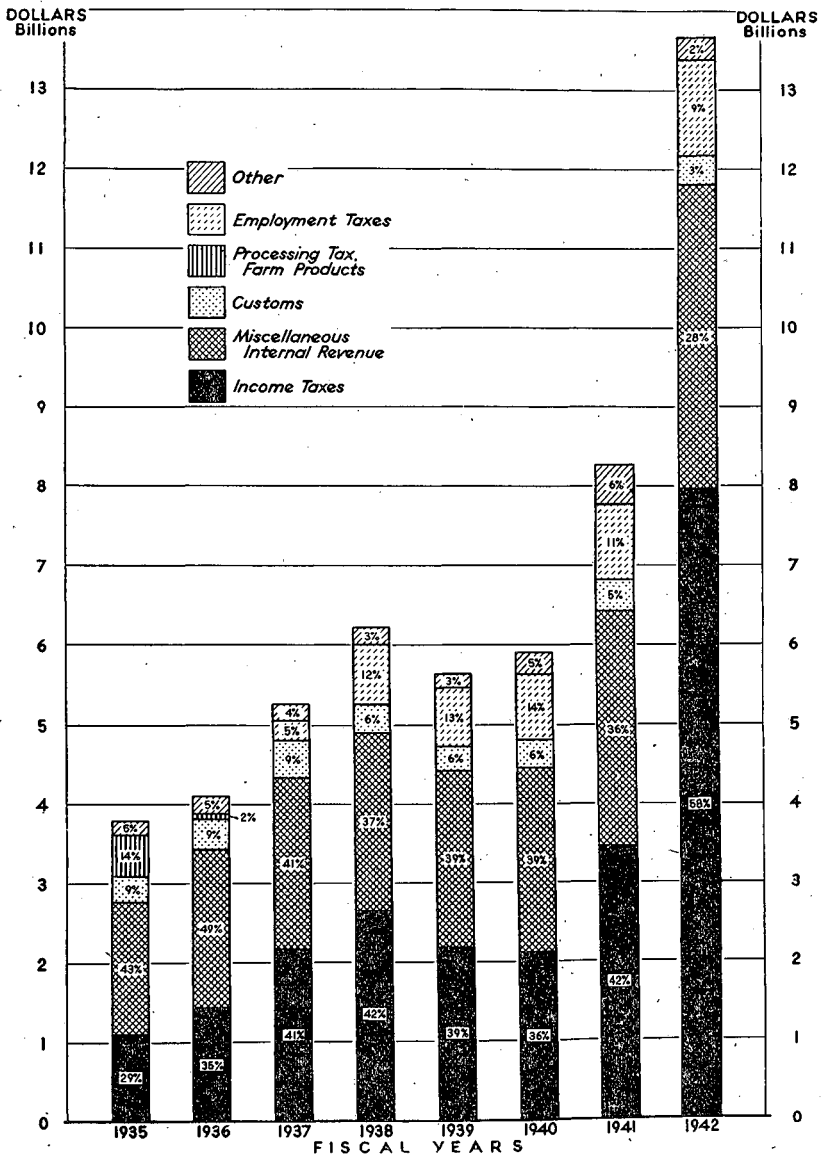


CHART 2.

<sup>1</sup>Excludes trust accounts and net appropriation to the Federal old-age and survivors insurance trust fund.

corporation surtax imposed a levy of 6 percent on surtax net income not over \$25,000 and a levy of 7 percent on surtax net income over \$25,000. No such surtax was effective in the calendar year 1939.



The effect of much greater business activity in the calendar year 1941 compared with the calendar year 1939 was offset to some extent by the allowance of the excess profits tax imposed by the Revenue Act of 1941 as a deduction in computing normal tax and surtax net income and the allowance of a 2-year operating loss carryover deduction. No such excess profits tax existed in the calendar year 1939 and no operating loss carryover was allowed in computing net income.

Corporation excess profits tax receipts in the fiscal year 1942 amounted to \$1,618.2 millions, an increase of \$1,453.9 millions or 884.9 percent over collections of \$164.3 millions in the fiscal year 1941. Receipts in the latter year represented the collection of only part of the calendar year 1940 liabilities. Fiscal year 1942 receipts, in turn, consisted of collections resulting from calendar year 1940 liabilities and, in addition, from liabilities of the calendar year 1941. Also contributing to the increase was the fact that the excess profits tax under the Revenue Act of 1941 was computed before the income tax. Previously, the income tax had been allowed as a deduction from the excess profits tax. Under the Revenue Act of 1941, corporations were taxed at rates which varied from 35 percent to 60 percent of their adjusted excess profits net income, depending on the absolute amount of such income.

Declared value excess profits tax receipts in the fiscal year 1942 amounted to \$52.2 millions as compared with \$28.1 millions in 1941. This increase of 85.8 percent may be accounted for by the substantial rise in income levels in the calendar year 1941 as compared with 1939 and by the 10 percent higher tax rates imposed.

Receipts from back taxes on both corporate and individual income amounted to \$460.1 millions in the fiscal year 1942, an increase of \$153.7 millions or 50.2 percent over the comparable receipts in the preceding year.

Current individual income tax receipts in 1942 of \$3,108.0 millions were \$1,793.7 millions or 136.5 percent greater than receipts of \$1,314.3 millions in 1941.

In the comparison of the receipts from the corporation and income and excess profits taxes, the explanation of the increase in the fiscal year 1942 over the fiscal year 1941 was limited to a comparison of the income levels and tax laws existing in the calendar year 1941 as compared with the calendar year 1939. It was possible to eliminate the calendar year common to both fiscal years, in this case calendar year 1940, because of the even distribution of receipts from that year between the two fiscal years.

In the case of the individual income tax, the liabilities of a calendar year are not divided evenly between the two fiscal years affected. In discussing the relative receipts of the fiscal years 1941 and 1942, the liability year 1940 cannot be disregarded as the greater portion

of receipts from the tax liabilities of that year are received in the fiscal year 1941. The relative income levels and tax laws of all three calendar years 1939 through 1941 must be considered in the comparison.

The Revenue Act of 1940 lowered personal exemptions of married persons and single heads of families from \$2,500 to \$2,000 and of single persons from \$1,000 to \$800, increased surtax rates on income from \$6,000 to \$100,000, and added a defense tax of 10 percent of the basic tax or net income after the basic tax, whichever is less.

The Revenue Act of 1941 lowered personal exemptions further (from \$2,000 to \$1,500 in the case of married persons and single heads of families and from \$800 to \$750 for single persons), increased the surtax rates on all incomes, and eliminated the former exemption of the first \$4,000 of surtax net income. Changes in the act of lesser importance were the elimination of a credit of \$400 for the first dependent in the case of persons who are made heads of families only because of such dependents, and the adoption of a simplified income tax form for the optional use of persons with gross income of \$3,000 or less derived wholly from certain specified sources. The defense tax was eliminated by the Revenue Act of 1941 and was integrated into the surtax rate structure.

Miscellaneous internal revenue receipts were \$3,847.1 millions in the fiscal year 1942, an increase of \$880.2 millions or 29.7 percent over 1941 receipts of \$2,966.9 millions. Many factors affecting the various taxes included in this category contributed to the increase, the principal ones being higher income levels, increased tax rates, and the enactment of new taxes. The increase in miscellaneous internal revenue receipts accounted for 16.3 percent of the total increase in receipts from general and special accounts in 1942.

Capital stock tax receipts in 1942 amounted to \$281.9 millions, an increase of 69.1 percent over receipts in 1941, which amounted to \$166.7 millions. Part of this difference is attributable to an increase in the tax rate from \$1.10 to \$1.25 per \$1,000 of capital stock valuation. Since capital stock tax valuation for the fiscal year 1942 was expected to determine the basis for declared value excess profits tax purposes for the calendar years 1941 through 1943, tax receipts were affected by expectations of income for these years. Fiscal year 1941 collections were similarly dependent upon anticipated income levels for the calendar year 1940.

Estate tax receipts of \$340.3 millions in the fiscal year 1942 were \$14.9 millions or 4.2 percent less than in the preceding year. The decrease resulted from a decline in the general level of property valuation for tax purposes during the periods in which liability was incurred and from the fact that the 1941 receipts included the taxes on two exceptionally large estates. The 15-month statutory lag permissible in the filing of estate tax returns, and the fact that estates can be given a valuation as of the date of death of the decedent or one year later

are important factors in the valuation of estates for tax purposes, in addition to the ordinary trends and cyclical fluctuations of property values. The amount of the decline in 1942 was reduced by the 10 percent defense tax increase of the Revenue Act of 1940, which was partially reflected for the first time in the 1942 receipts. However, the rate increases of the Revenue Act of 1941 do not become substantially effective until the fiscal year 1943 because of the lag permissible in the filing of returns.

Gift tax receipts of \$92.2 millions in the fiscal year 1942 were \$40.3 millions or 77.6 percent greater than in the fiscal year 1941, which was itself a year of unusually large receipts. The increase reflected the special tax-saving incentives for making gifts in the calendar year 1941 furnished by the increased estate, gift, and individual income tax rates of the Revenue Act of 1941.

Receipts from miscellaneous revenue sources other than the capital stock, estate, and gift taxes rose materially during 1942. The increase reflected not only the enactment of a considerable number of new taxes under the Revenue Act of 1941, but also the general increase in consumer incomes during the year.

Liquor tax collections totaled \$1,046.9 millions in 1942, a gain of 27.7 percent over the 1941 aggregate of \$819.9 millions. Receipts from distilled spirits in 1942 amounted to \$574.3 millions, an increase of 34.0 percent compared with the preceding year, while fermented malt liquor taxes were \$366.2 millions as against \$316.7 millions in 1941, an increase of 15.6 percent. The additional revenue in the case of distilled spirits was partly due to the increase in the tax rates, effective October 1, 1941, from \$3 a gallon to \$4 a gallon and on brandy from \$2.75 a gallon to \$4 a gallon. No change in tax rates on fermented malt liquor took place.

Total tobacco taxes aggregated \$780.8 millions compared with \$697.7 millions in 1941. Receipts from small cigarettes, comprising the major portion of tobacco taxes, amounted to \$704.9 millions in 1942 compared with \$616.7 millions in 1941, a gain of 14.3 percent. The tax rate on small cigarettes remained unchanged throughout the fiscal year.

Manufacturers' excise taxes totaled \$768.3 millions in 1942 compared with receipts of \$617.0 millions in 1941. This increase of 24.5 percent took place despite the fact that most sources of revenue within the category were affected adversely by the conversion of production to war requirements. Gasoline taxes, which produce the largest single amount of revenue in this group, aggregated \$369.6 millions as against \$343.0 millions in 1941, an increase of 7.8 percent. The tax rate was not changed by the Revenue Act of 1941. However, the 1942 figure represents a full year's collection at the present law rate of 1½ cents per gallon, whereas, due to the lag in collections, the 1941 yield included one month's receipts at the lower rate of 1 cent

per gallon imposed by the Revenue Act of 1940. Receipts from excise tax on motor vehicles, tires, tubes, and accessories increased 15.5 percent to \$180.5 millions in 1942, while receipts from lubricating oils rose 21.5 percent to \$46.4 millions. In the case of the former, the improvement, for the most part, was caused by the higher tax rates and the more inclusive tax bases provided for by the Revenue Act of 1941. Furthermore, consumer buying in anticipation of pending shortages in these types of goods stimulated sales during the year.

In the fiscal year 1942 many manufacturers' excise taxes were introduced, including sporting goods, luggage, electric, gas and oil appliances, photographic apparatus, business and store machines, rubber articles, optical equipment, and electric light bulbs and tubes. These taxes, however, did not become effective until October 1, 1941. Thus, revenues for only 8 months were collected in the fiscal year 1942. Priorities on raw materials and the conversion of manufacturing facilities to war production also affected the yield from these imposts.

Excise taxes were imposed by the Revenue Act of 1941 upon the sale at retail of jewelry, furs, and toilet preparations. Total revenues from these sources in the fiscal year 1942 amounted to \$80.2 millions, but receipts comprised only 8 months' collections.

Revenues obtained from miscellaneous taxes during 1942 amounted to \$405.4 millions compared with \$207.2 millions in the preceding year, an increase of 95.7 percent. New taxes on local telephone service and the use of motor vehicles and boats accounted for \$26.8 millions and \$72.9 millions, respectively. Other new taxes, including levies on the transportation of persons and the use of coin-operated amusement and gaming devices, bowling alleys, billiard and pool tables, contributed to the increase in receipts. The admissions tax, moreover, rose 62.0 percent, from \$71.0 millions in 1941 to \$115.0 millions in 1942. The growth in the yield of the latter item resulted chiefly from the elimination of certain exemptions formerly allowed in determining the tax base and from the general improvement in economic conditions.

Total employment taxes were \$1,185.6 millions in 1942, an increase of \$260.4 millions or 28.1 percent over receipts of \$925.2 millions in 1941. The increase resulted from a higher level of pay rolls as there had been no change in the rates or coverage of these taxes since the Social Security Act Amendments which were approved August 10, 1939, and which are fully reflected in the receipts both of the fiscal year 1941 and the fiscal year 1942.

Receipts under the Federal Insurance Contributions Act rose from \$690.6 millions in 1941 to \$895.6 millions in 1942; under the Federal Unemployment Tax Act, from \$97.7 millions to \$119.9 millions; and under the Carriers Taxing Act of 1937, from \$136.9 millions to \$170.0 millions.

Railroad unemployment insurance contributions in 1942 were \$8.5 millions, an increase of 25.0 percent over the \$6.8 millions received in 1941.

Customs receipts were \$388.9 millions in 1942, or \$3.0 millions less than in 1941. Compared with receipts during the corresponding portions of the fiscal year 1941, an increase of \$45.7 millions in the first half was offset by a decrease of \$48.7 millions in the second half of the fiscal year 1942. The fluctuation of receipts was controlled by the wartime need for materials used in defense production, the availability of shipping, the freedom of sources, trade agreements, and the control of imports.

Miscellaneous receipts amounted to \$277.4 millions in 1942, a decrease of \$230.8 millions or 45.4 percent from 1941. The receipts in 1941 included repayments of capital funds by certain Government corporations.

### *Expenditures from general and special accounts*

Total expenditures of the Federal Government from general and special accounts amounted to \$32,491 millions during the fiscal year 1942. A comparison of expenditures in this fiscal year with those of the previous year is shown in the accompanying table, and a comparison with the six previous years is shown by major categories in the chart on page 13 and in the table on page 428. Detailed information on expenditures by agencies and accounts appears for the fiscal year 1942 in the table on page 406.

### *Expenditures, fiscal years 1941 and 1942, classified by functions*

[In millions of dollars. General and special accounts]

	1941*	1942	Net change
I. War activities expenditures:			
War Department.....	3,678	14,070	10,392
Navy Department.....	2,313	8,580	6,267
United States Maritime Commission.....	51	929	878
Miscellaneous war activities.....	259	2,432	2,173
Total.....	6,301	26,011	19,710
II. Other expenditures except debt retirements:			
Veterans' pensions and benefits.....	563	556	-7
Social security program.....	588	659	71
Public works.....	738	680	-58
Aid to agriculture.....	937	1,225	288
Relief and work relief:			
Work Projects Administration and National Youth Administration.....	1,374	970	-404
Civilian Conservation Corps.....	257	163	-94
Interest on the public debt.....	1,111	1,260	149
Other.....	840	873	32
Total.....	6,410	6,386	-24
III. Public debt retirements.....	64	95	31
IV. Total expenditures (including public debt retirements).....	12,775	32,491	19,716

\* Revised.

NOTE.—Figures are rounded to nearest million and will not necessarily add to totals. Expenditures from emergency funds for the President and lend-lease funds are reflected under the agency by which the funds were spent.

In 1942 expenditures increased by \$19,716 millions over the previous fiscal year. This tremendous increase resulted from the rapid expansion of the national defense program and our entry into the war. Expenditures had risen steadily during the fiscal year 1941, but increased at a more rapid rate during the fiscal year 1942. The expansion of the expenditures was greatest in those activities which related to the national defense program and to war activities. Increases were also noted in aid to agriculture and the social security program. Expenditures for work relief and direct relief and non-defense public works continued to decline during 1942, as the war effort increased and unemployment declined.

The rate of expenditure for war activities proceeded at an accelerated pace during the year, as shown in the table below. In June 1942, the last month of the fiscal year, the rate was in excess of \$3,800 millions, which was about four times the expenditures that had occurred in July 1941, the first month of the fiscal year.

*Monthly expenditures, fiscal year 1942*

[In millions of dollars. On basis of daily Treasury statements (unrevised), see p. 387. General and special accounts]

Month	War activities program	Other Federal expenditures except debt service	Debt service		Total expenditures (including public debt retirements)
			Interest	Debt retirements	
1941—July.....	969	604	25	3	1,600
August.....	1,131	390	9	34	1,564
September.....	1,330	375	169	8	1,882
October.....	1,537	471	75	7	2,089
November.....	1,448	394	15	3	1,860
December.....	1,850	459	232	16	2,557
1942—January.....	2,104	492	32	3	2,631
February.....	2,208	409	12	1	2,630
March.....	2,809	407	205	15	3,436
April.....	3,238	439	77	2	3,755
May.....	3,560	375	19	2	3,955
June.....	3,829	311	390	1	4,531
Total.....	26,011	5,125	1,260	95	32,491

NOTE.—Figures are rounded to nearest million and will not necessarily add to totals.

In the table above and chart 3, as well as in other tables in this report, the classification "war activities" includes the military expenditures of the War Department, all expenditures of the Navy Department, disbursements made from the emergency funds of the President by various Government departments and agencies, the administrative expenses of Selective Service, expenditures by the Maritime Commission and War Shipping Administration, aid under the Lend-Lease Act, war housing, and other expenditures of various departments and establishments. Additional expenditures attributable to war activities, payable from funds which have supple-

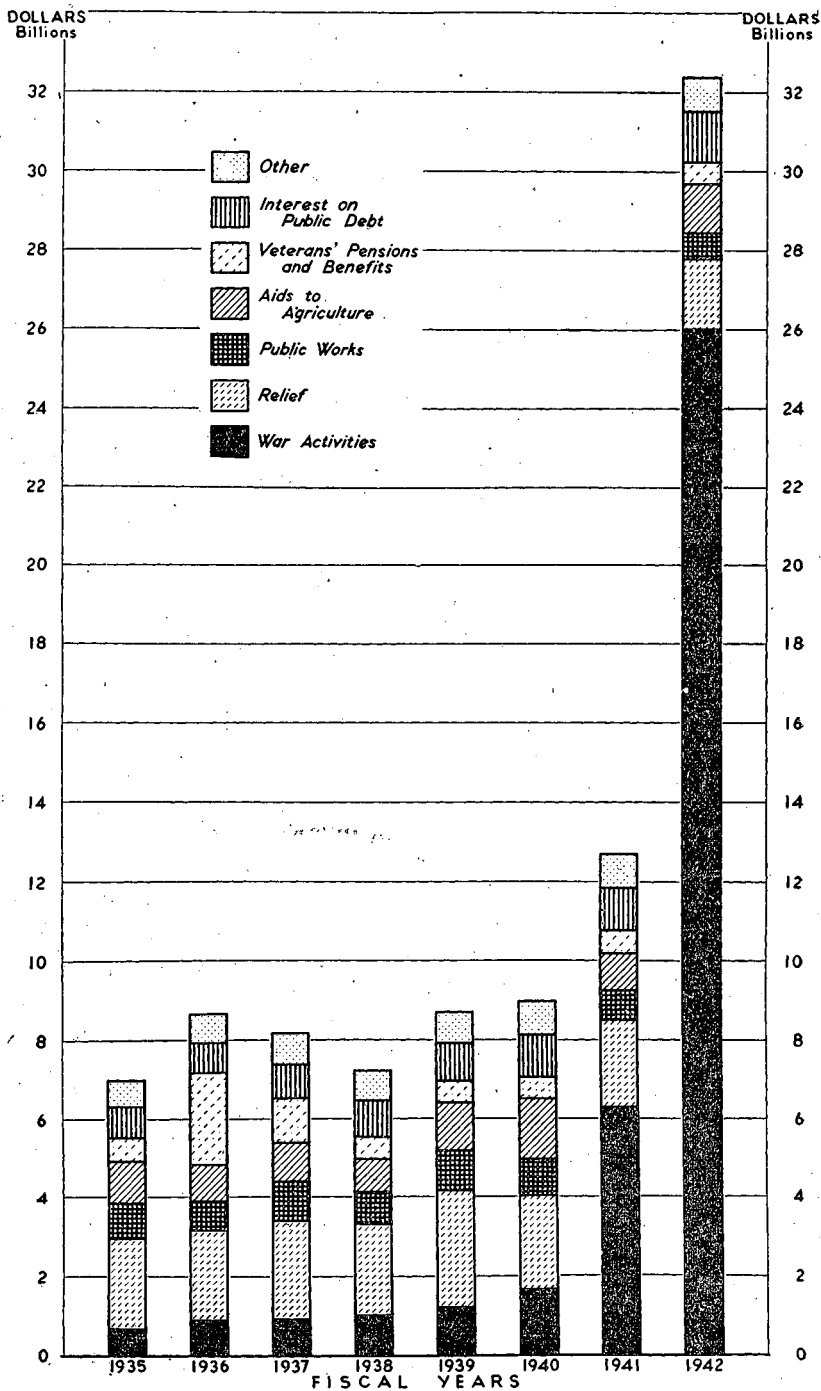
EXPENDITURES,<sup>1</sup> FISCAL YEARS 1935 TO 1942, CLASSIFIED BY MAJOR FUNCTIONS

CHART 3.

<sup>1</sup>Excludes debt retirements and trust accounts.

mented regular appropriations of the civil establishment, are excluded from the category "war activities."

The largest change for activities other than those connected with the war program appears in expenditures for relief and work relief activities. Such expenditures decreased by almost half a billion dollars during the fiscal year 1942. Only \$1,133 millions were spent on relief and work relief during 1942 as against \$1,632 millions in 1941.

#### **RECEIPTS AND EXPENDITURES IN TRUST ACCOUNTS AND CHECKING ACCOUNTS OF GOVERNMENT CORPORATIONS AND CREDIT AGENCIES**

In addition to receipts and expenditures under general and special accounts, discussed on previous pages, certain receipts and expenditures of the Government are reported on the Daily Statement of the United States Treasury under the title of "Trust accounts, increment on gold, etc." There are four main classes of receipts and expenditures reported under this title: Trust accounts, checking accounts of Government corporations and credit agencies, increment on gold, and seigniorage on silver. Neither the receipts nor the expenditures of these accounts affect the Federal Budget except to the extent that appropriations are made to these accounts from the General Fund. Such appropriations appear as expenditures under general and special accounts, and as receipts under trust accounts, increment on gold, etc. Certain trust accounts dispose of the excess of their receipts over expenditures by investing such excess in Government securities, as provided by statute. The corporations and credit agencies maintaining checking accounts with the Treasurer of the United States generally apply the cash balances not needed for operations to the purchase of Government securities for investment or to debt or capital stock retirement.

Details of receipts and expenditures in "Trust accounts, increment on gold, etc.," annually during the fiscal years 1933 to 1942 and monthly for the fiscal year 1942 appear in the table that follows.



*Receipts and expenditures in trust accounts, increment on gold, etc., fiscal years 1933 to 1942 and monthly for 1942*

[In millions of dollars. On basis of daily Treasury statements (unrevised), see p. 387]

## TRUST ACCOUNTS

Fiscal year or month	Federal old-age and survivors insurance trust fund			Unemployment trust fund			Railroad retirement account			Other trust funds and accounts <sup>1</sup>		
	Net	Re-ceipts	Ex-pend-itures	Net	Re-ceipts	Ex-pend-itures	Net	Re-ceipts	Ex-pend-itures	Net	Re-ceipts	Ex-pend-itures
1933.....										-5	280	285
1934.....										24	233	210
1935.....										64	301	237
1936.....										34	2,053	2,019
1937.....		267	267		19	19				20	858	837
1938.....	1	402	401	12	763	751	2	148	146	-4	323	327
1939.....	1	530	529	1	838	837	2	109	107	24	349	324
1940.....	3	580	577	1	959	957	-2	123	125	51	408	358
1941.....	10	717	707	-4	1,114	1,118	11	127	116	32	659	628
1942.....	9	940	931	(*)	1,244	1,243	(*)	144	144	96	850	753
1941-July.....	45	43	-3	-7	82	89	2	46	44	23	165	143
August.....	159	157	-2	5	176	171	-4	(*)	4	6	53	47
September.....	-202	1	203	(*)	24	24	1	(*)	(*)	(*)	51	51
October.....	45	44	-2	-5	74	79	(*)	32	32	(*)	61	56
November.....	168	166	-2	3	192	189	(*)	(*)	(*)	3	44	41
December.....	-207	2	209	6	60	55	(*)	(*)	(*)	12	53	42
1942-January.....	37	37	-1	-8	75	83	(*)	32	31	17	56	40
February.....	135	179	44	12	203	191	(*)	(*)	(*)	(*)	49	49
March.....	-171	1	173	-4	29	33	(*)	(*)	(*)	15	83	68
April.....	37	37	(*)	1	43	42	(*)	32	32	24	72	48
May.....	177	202	25	-5	220	225	(*)	(*)	(*)	(*)	52	53
June.....	-215	70	285	2	64	62	1	2	1	-7	110	117

## OTHER ACCOUNTS

Fiscal year or month	Transactions in checking accounts of Government agencies, etc.			Increment on gold			Seigniorage on silver			Total trust and other accounts		
	Total all trans-actions	Issu-ance of obliga-tions <sup>2</sup>	Other trans-actions	Net	Re-ceipts	Ex-pend-itures	Net	Re-ceipts	Ex-pend-itures	Net	Re-ceipts	Ex-pend-itures
1933.....	-818	(*)	(*)							-823	280	1,103
1934.....	-734	(*)	(*)	811	2,811	2,000				101	3,045	2,944
1935.....	637	(*)	(*)	-111	2	113	140	140		730	443	-287
1936.....	108	(*)	(*)	-403	1	404	176	176		-85	2,249	2,334
1937.....	314	(*)	(*)	-99	2	101	40	40		275	1,461	1,186
1938.....	204	(*)	(*)	-51	1	52	90	90		255	1,727	1,472
1939.....	768	1,106	-337	-5	(*)	5	90	90		884	1,917	1,033
1940.....	33	288	-254	(*)	(*)	(*)	49	49		136	2,119	1,984
1941.....	-218	852	-1,069	(*)	(*)	(*)	20	20		-148	2,638	2,786
1942.....	-3,625	-1,809	-1,815	(*)	(*)	(*)	14	14		-3,506	3,191	6,696
1941-July.....	534	569	-35	(*)	(*)	(*)	2	2		599	338	-261
August.....	-169	-3	-166	(*)	(*)	(*)	2	2		-2	389	390
September.....	-93	(*)	-93	(*)	(*)	(*)	2	2		-293	78	371
October.....	-272	-1	-270	(*)	(*)	(*)	2	2		-225	212	436
November.....	-659	-617	-42	(*)	(*)	(*)	1	1		-484	404	887
December.....	-140	9	-149	(*)	(*)	(*)	1	1		-328	117	446
1942-January.....	-681	-625	-56	(*)	(*)	(*)	1	1		-633	201	834
February.....	-35	-23	-12	(*)	(*)	(*)	1	1		114	432	319
March.....	-75	17	-92	(*)	(*)	(*)	1	1		-234	114	348
April.....	-189	-12	-176	(*)	(*)	(*)	1	1		-126	185	311
May.....	-430	-2	-428	(*)	(*)	(*)	(*)	(*)		-257	475	732
June.....	-1,417	-1,120	-296	(*)	(*)	(*)				-1,635	246	1,881

\* Less than \$500,000.

<sup>2</sup> Revised to adjust classification.

<sup>1</sup> Includes Government insurance and retirement funds, P. W. A. revolving fund, special deposits (net), and Agricultural Marketing Administration commodity stamp transactions; also includes, in both receipts and expenditures, the Federal contribution to the District of Columbia (U. S. share) beginning with the fiscal year 1941 in the amount of \$6 millions. Transactions formerly shown under the caption "Miscellaneous funds and accounts" are now reflected under "Other trust funds and accounts."

<sup>2</sup> Net receipts constitute net sales, and net expenditures constitute net redemptions of obligations.

<sup>3</sup> Details not available.

NOTE.—Figures are rounded to nearest million and will not necessarily add to totals.

Because the Government corporations mentioned above and certain other Government corporations and credit agencies maintain only checking accounts with the Treasurer of the United States, the transactions shown in the preceding table represent only the net balance of their operations, and, therefore, do not furnish sufficient data for a detailed analysis of the financial transactions of these agencies. Arrangements have been made with these corporations, however, whereby certain data are submitted to the Treasury so that the Treasury's books can reflect the operations of these corporations and agencies. These data have been combined and appear in the tables beginning on page 633, showing sources and uses of funds from the date of inception of the various corporations to June 30, 1942, and for the fiscal year 1942. The figures are not on the basis of the daily Treasury statement and, therefore, do not agree exactly with the figures shown in other tables in this report. A summary of these data appears in the following table:

*Sources and uses of funds of certain Government corporations and credit agencies which maintain only checking accounts with the Treasurer of the United States, fiscal year 1942 and cumulative to June 30, 1942*

	Fiscal year 1942	Cumulative to June 30, 1942
<b>SOURCES OF FUNDS</b>		
Appropriations from General Fund of the Treasury.....	\$32,290,888	\$1,289,437,424
Allocations, rediscounts, and loans from other Government corporations and credit agencies (net).....	1,652,928,610	2,227,162,370
Sale of obligations to Treasury (net).....	3,226,002,196	3,470,918,446
Sale of obligations in the market (net).....	-1,004,058,950	6,264,553,250
Sale of stock to other agencies.....	8,483,400	610,318,057
Sale of other property acquired.....	1,388,570,295	1,675,899,660
Repayment of loans.....	1,387,423,733	10,526,257,985
Interest, dividends, assessments, and property income.....	385,872,986	2,791,058,632
Other receipts.....	243,998,448	467,342,158
Total, sources of funds.....	7,321,511,604	29,325,947,983
<b>USES OF FUNDS</b>		
Expenses:		
Administrative.....	53,208,249	506,631,675
Nonadministrative.....	27,418,771	171,629,559
Purchase and improvement of property owned.....	2,976,358,575	3,610,294,957
Loans.....	1,911,285,441	17,922,890,838
Retirement of obligations issued in exchange for mortgages.....	300,291,050	995,135,800
Investments (net).....	44,736,344	2,073,807,347
Allocations, rediscounts, and loans to other Government corporations and credit agencies (net).....	1,712,785,938	2,372,133,919
Interest and dividends paid.....	151,597,787	1,210,045,740
Other expenditures.....	146,369,100	234,251,599
Total, uses of funds.....	7,324,051,250	29,096,821,435

NOTE.—Figures are rounded to nearest dollar and will not necessarily add to totals.

### DEFICIT IN GENERAL AND SPECIAL ACCOUNTS

In the fiscal year 1942, expenditures exceeded receipts in general and special accounts by \$19,692 millions. Excluding public debt retirements, the net deficit was \$19,598 millions. The derivation of the deficit in 1941 and 1942 appears in the table following.

*Deficit in general and special accounts, fiscal years 1941 and 1942*

[In millions of dollars]

	1941	1942
Receipts.....	8,269	13,668
Deduct net appropriation to Federal old-age and survivors insurance trust fund.....	661	869
Net receipts.....	7,607	12,799
Expenditures including debt retirements.....	12,775	32,491
Gross deficit.....	5,168	19,692
Deduct debt retirements.....	64	95
Net deficit.....	5,103	19,598

NOTE.—Figures are rounded to nearest million and will not necessarily add to totals.

**FINANCING THE NET DEFICIT AND OTHER REQUIREMENTS**

The following table shows the sources which provided the funds to finance the net deficit of \$19,598 millions, the excess of expenditures in checking accounts of Government agencies, trust accounts, etc., of \$3,506 millions, and the increase in the General Fund balance of \$358 millions.

	Amount (in millions of dollars)
Net deficit, excluding debt retirements.....	19,598
Excess of receipts (—) or expenditures (+) in—	
(a) Checking accounts of Government agencies:	
General.....	+1,815
Sales and redemptions of obligations in market (net).....	+1,809
(b) Trust and other accounts.....	—119
Increase in General Fund balance.....	+358
	<u>3,863</u>
Total requirements.....	<u>23,461</u>
Means of financing:	
Public debt receipts (net) from—	
(a) Public issues:	
Treasury bills.....	905
Treasury certificates of indebtedness.....	3,096
United States savings bonds (net).....	5,874
Treasury tax savings notes (net).....	3,015
Other issues.....	8,807
	<u>21,698</u>
(b) Special issues:	
Unemployment trust fund.....	841
Federal old-age and survivors insurance trust fund.....	753
Other accounts.....	171
	<u>1,765</u>
Total.....	<u>23,461</u>

NOTE.—Figures are rounded to nearest million and will not necessarily add to totals.

**THE PUBLIC DEBT**

The gross public debt on June 30, 1942, amounted to \$72,422 millions as compared with \$48,961 millions on June 30, 1941, an increase of \$23,461 millions. The following statement shows the public debt as of June 30, 1941, and June 30, 1942, classified by character of issues, as between regular issues sold on the market and special issues held for account of Government trust and special funds. The table also shows the increases in the debt from July 1 to December 31, 1941 (for all practicable purposes; the pre-war period), and from

January 1 to June 30, 1942 (first six months of war financing). It should be noted that of the net increase of \$23,461 millions in the amount of the public debt during the year, \$21,696 millions represented an increase in the amount of outstanding public issues and \$1,765 millions, an increase in special issues.

*Statement of the outstanding public debt on June 30, 1941, and June 30, 1942*

[In millions of dollars]

Issues	1941	1942	Fiscal year 1942—Increase or decrease (—)		
			Total	July 1, 1941, to Dec. 31, 1941	Jan. 1, 1942, to June 30, 1942
<b>Public issues:</b>					
Postal savings bonds, etc.	196	196			
Treasury bonds	30,215	38,085	7,869	3,152	4,717
United States savings bonds	14,314	10,188	5,874	1,826	4,048
Depository bonds		79	79	64	15
Adjusted service bonds	241	229	—12	—8	—4
Treasury notes	5,698	6,689	990	298	692
Treasury tax savings notes		3,015	3,015	2,471	544
Certificates of indebtedness		3,096	3,096		3,096
Treasury bills	1,603	2,508	905	398	507
Matured debt on which interest has ceased	205	98	—107	—80	—27
Debt bearing no interest	369	356	—13	—7	—6
Subtotal	42,841	64,538	21,696	8,115	13,581
<b>Special issues:</b>					
Government life insurance fund	531	537	6	—24	30
Federal old-age and survivors insurance trust fund	2,381	3,133	753	356	397
Railroad retirement account	74	92	18	17	1
Civil service retirement fund	645	783	137	96	41
Foreign service retirement fund	5	5	1	1	(2)
Canal Zone retirement fund	5	7	1	1	(2)
Alaska Railroad retirement fund	1	1	(2)	(2)	(2)
Postal Savings System	88	55	—33	—25	—8
Canal Zone Postal Savings System		1	1		1
National service life insurance fund	3	39	36	7	29
Federal Deposit Insurance Corporation	90	95	5	—25	30
Federal Savings and Loan Insurance Corporation	5	5			
Adjusted service certificate fund	19	18	—1	—1	(2)
Unemployment trust fund	2,273	3,114	841	459	382
Subtotal	6,120	7,885	1,765	862	903
Grand total	48,961	72,422	23,461	8,977	14,484

\* Current redemption value (cash receipts plus earned accruals less redemptions).

\* Increase less than \$500,000.

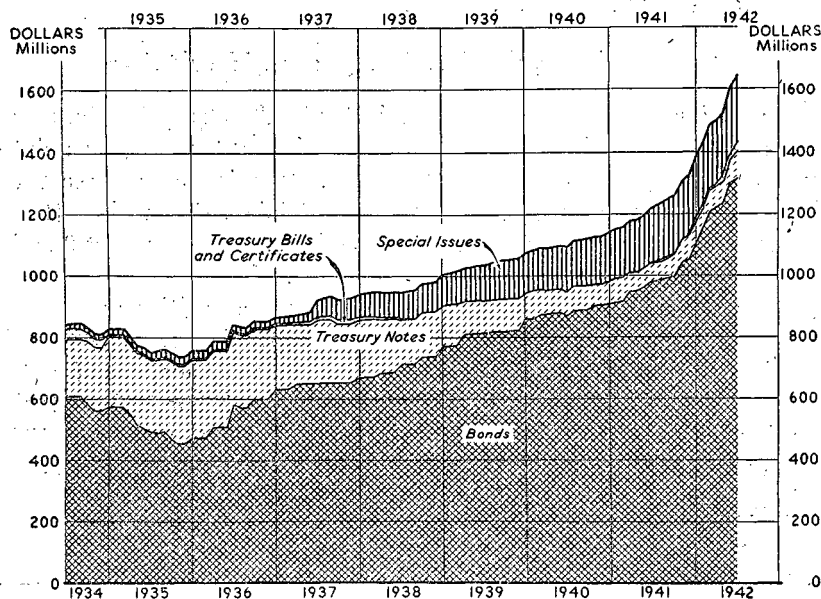
\* Decrease less than \$500,000.

NOTE.—Figures are rounded to nearest million and will not necessarily add to totals.

During the fiscal year the computed average rate of interest on the interest-bearing debt outstanding decreased from 2.518 to 2.285 percent. The computed annual interest charge on the debt on which this average rate is based increased from \$1,218 millions at the beginning of the year to \$1,644 millions at the end of the year. Chart 4 shows the computed annual interest charge and interest rate on public debt obligations monthly from June 1934 to June 1942.

The interest due and payable on the various classes of securities during 1942 and the amounts paid and outstanding unpaid are

**COMPOSITION OF THE COMPUTED INTEREST CHARGE ON AN ANNUAL BASIS,  
MONTHLY, FROM JUNE 1934 TO JUNE 1942**



**COMPUTED INTEREST RATES ON AN ANNUAL BASIS, MONTHLY, FROM JUNE 1934  
TO JUNE 1942**

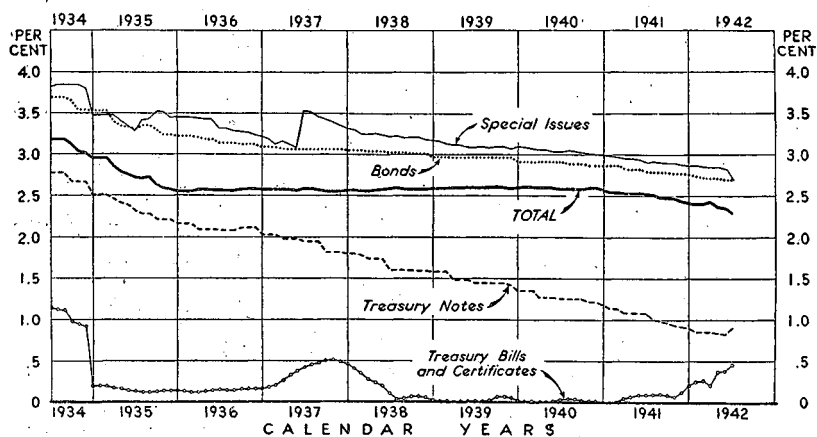


CHART 4.

shown in table 53. The interest paid on the public debt, 1940 to 1942, is shown in table 54.

The major public debt operations during the year are summarized in the following paragraphs.

*Treasury bonds, notes, and certificates of indebtedness*

The major public debt operations involving Treasury bonds, notes, and certificates of indebtedness were carried out on various dates from October 20, 1941, to June 25, 1942. The issues of these three classes of securities aggregated \$12,665 millions, of which \$9,841 millions were issued for cash, and \$595 millions for refunding 2 series of Treasury notes maturing during the year. The balance of \$2,229 millions was issued to the holders of various securities guaranteed by the United States who presented their maturing and redeemable securities in payment of subscriptions to Treasury bonds and notes. Certificates of indebtedness, which are limited by law to a maturity of one year, were used by the Treasury for the first time since 1934. The operations concerning Treasury bonds, notes, and certificates of indebtedness are summarized in the following table.

*Bond, note, and certificate of indebtedness financing, fiscal year 1942*

Date issued	Issue	Amount
Oct. 20, 1941	2½% Treasury bonds of 1967-72, due Sept. 15, 1972: For cash..... In exchange for 1½% Treasury notes, Series C-1941, maturing December 15, 1941..... Government investment accounts.....	\$1,307,503,200 188,971,200 100,000,000
Nov. 1, 1941	1% Treasury notes, Series A-1946, due Mar. 15, 1946: From proceeds of redemption of ¾% Reconstruction Finance Corporation notes, Series F, maturing Nov. 1, 1941..... From proceeds of purchase of 1% Commodity Credit Corporation notes, Series E, maturing Nov. 15, 1941..	502,866,000 299,444,000 203,422,000
Dec. 15, 1941	2½% Treasury bonds of 1967-72, due Sept. 15, 1972 (addi- tional issue of bonds dated Oct. 20, 1941): For cash..... Government investment accounts.....	1,119,570,750 50,000,000
Jan. 15, 1942	2% Treasury bonds of 1951-55, due Dec. 15, 1955: For cash..... 2% Treasury bonds of 1949-51, due June 15, 1951: In exchange for 1½% Treasury notes, Series A-1942, maturing Mar. 15, 1942..... From proceeds of redemption of 3% Federal Farm Mort- gage Corporation bonds of 1942-47, called for redem- ption Jan. 15, 1942..... From proceeds of purchase of 2½% Federal Farm Mort- gage Corporation bonds of 1942-47, called for redem- ption Mar. 1, 1942..... From proceeds of redemption of ¾% Reconstruction Finance Corporation notes, Series R, maturing Jan. 15, 1942.....	532,687,950 406,387,700 203,251,900 95,829,300 308,550,000
Feb. 25, 1942	2½% Treasury bonds of 1952-55, due June 15, 1955: For cash.....	1,014,018,900
Apr. 15, 1942	½% Certificates of indebtedness, Series A-1942, due Nov. 1, 1942: For cash.....	1,510,795,300
May 5, 1942	2½% Treasury bonds of 1962-67, due June 15, 1967: For cash..... Government investment accounts.....	1,507,083,000 829,510,000 52,688,000
		882,198,000

*Bond, note, and certificate of indebtedness financing, fiscal year 1942—Continued*

Date issued	Issue	Amount
May 15, 1942	2% Treasury bonds of 1949-51, due Sept. 15, 1951: For cash.....	\$1,292,444,100
June 5, 1942	1½% Treasury notes, Series B-1946, due Dec. 15, 1946: In exchange for 2½% Home Owners' Loan Corporation bonds, Series G, 1942-44, called for redemption July 1, 1942.....	\$846,114,400
	In exchange for 1% Reconstruction Finance Corpora- tion notes, Series S, maturing July 1, 1942.....	272,272,000
June 25, 1942	¾% Certificates of indebtedness, Series A-1943, due Feb. 1, 1943: For cash.....	1,118,386,400
		1,588,495,000
		12,665,019,800

## RECAPITULATION

	Treasury bonds	Treasury notes	Certificates of indebtedness	Total
For cash.....	\$6,745,199,300		\$3,095,578,000	\$9,840,777,300
In exchange for:				
Public debt obligations.....	595,358,900			595,358,900
Guaranteed obligations.....		\$1,118,386,400		1,118,386,400
From proceeds of purchase and re- demption of securities guaranteed by the United States.....	607,631,200	502,866,000		1,110,497,200
Total.....	7,948,189,400	1,621,252,400	3,095,578,000	12,665,019,800

All official circulars and statements relating to these transactions are included in the exhibits beginning on page 207.

The financing on October 20, 1941, the first since the beginning of the fiscal year, was announced on October 9, 1941, and consisted of an offering to the public for cash, at par and accrued interest, of \$1,200,000,000, or thereabouts, of 2½ percent Treasury bonds of 1967-72, maturing September 15, 1972. In addition to the cash offering, the holders of \$204,425,400 outstanding 1½ percent Treasury notes of Series C-1941, maturing December 15, 1941, were offered the privilege of exchanging such notes for the Treasury bonds mentioned above, the notes exchanged being accepted at par with interest adjustments as of October 20, 1941. Also, in addition to the cash offering for public subscription, \$100,000,000, or thereabouts, of 2½ percent Treasury bonds of 1967-72 were made available for allotment to Government investment accounts against cash payment. The amount of Treasury bonds of 1967-72 issued on cash subscriptions, including \$100,000,000 allotted to Government investment accounts, was \$1,407,503,200. Of the 1½ percent Treasury notes of Series C-1941, \$188,971,200 were exchanged for Treasury bonds of 1967-72.

On October 23, 1941, there was announced an offering of 1 percent Treasury notes of Series A-1946, dated November 1, 1941, and maturing March 15, 1946. The Treasury offered to accept in payment for these notes the proceeds of redemption from the holders of

\$299,739,000 of  $\frac{7}{8}$  percent Reconstruction Finance Corporation notes of Series P, maturing November 1, 1941, and also offered to purchase at par and accrued interest \$204,241,000 of 1 percent Commodity Credit Corporation notes of Series E, maturing November 15, 1941, to the extent to which the holders thereof subscribed for Treasury notes of Series A-1946. Subscriptions from others were not invited. A total of \$502,866,000 of the Treasury notes of Series A-1946 was issued, in payment for which \$299,444,000 of the maturing Reconstruction Finance Corporation notes of Series P and \$203,422,000 of the Commodity Credit Corporation notes of Series E were tendered and accepted.

The financing on December 15, 1941, announced December 4, 1941, consisted of an additional offering of \$1,000,000,000, or thereabouts, of  $2\frac{1}{2}$  percent Treasury bonds of 1967-72, dated October 20, 1941, maturing September 15, 1972; and an offering of \$500,000,000, or thereabouts, of 2 percent Treasury bonds of 1951-55, dated December 15, 1941, maturing December 15, 1955; both issues being offered to the public for cash, at par and accrued interest. In addition to the public offering, provision was made to sell \$50,000,000 of the Treasury bonds of 1967-72 to Government investment accounts. For the benefit of small investors preferential allotment was given under each issue to subscriptions for \$5,000 and under, where delivery in registered bonds 90 days after the issue date was specified. A face amount of \$1,119,570,750 of Treasury bonds of 1967-72, including \$50,000,000 sold to Government investment accounts and about \$26,000,000 on preferred allotments, was issued. Of the Treasury bonds of 1951-55 the amount issued was \$532,687,950, which included about \$13,800,000 sold on preferred allotments. The December financing was the first occasion on which the Treasury announced a definite basis for subscriptions from all classes of subscribers. It is felt that this action resulted in more equitable allotments for the legitimate investment requirements of subscribers. Subscriptions were grouped broadly into four classes, as follows:

Banks and trust companies for their own account—not to exceed 50 percent of capital and surplus.

Mutual savings and cooperative banks, Federal savings and loan associations, trust accounts and investment corporations, pension funds, insurance companies, and similar institutions and funds—not to exceed 10 percent of total resources.

Corporations organized for profit, and dealers and brokers—not to exceed 50 percent of net worth.

Individuals—not to exceed 50 percent of net worth or 100 percent of cash deposited with subscription. (NOTE.—No preferred allotment was made on such full-paid subscriptions.)



The Treasury announced on January 11, 1942, an offering of 2 percent Treasury bonds of 1949-51, dated January 15, 1942, and maturing June 15, 1951, the amount of the offering being limited to the amount of securities tendered and accepted, as follows:

1. The holders of \$426,349,500 of 1½ percent Treasury notes, Series A-1942, maturing March 15, 1942, were invited to exchange such notes for Treasury bonds of 1949-51. A total of \$406,387,700 of these notes was exchanged for a like amount of Treasury bonds of 1949-51.

2. The Treasury offered to apply the proceeds of payment of \$236,476,200 outstanding 3 percent Federal Farm Mortgage Corporation bonds of 1942-47, called for redemption on January 15, 1942, to payment for Treasury bonds of 1949-51. A total of \$203,251,900 of these bonds was redeemed and the proceeds applied in payment for a like amount of Treasury bonds of 1949-51.

3. The Treasury offered to purchase, at par and accrued interest, \$103,147,500 of outstanding 2½ percent Federal Farm Mortgage Corporation bonds of 1942-47, called for redemption on March 1, 1942, to the extent to which the holders thereof subscribed for Treasury bonds of 1949-51. A total of \$95,829,300 of these bonds was purchased and that amount was subscribed by the holders to the purchase of Treasury bonds of 1949-51.

4. The Treasury offered to apply the proceeds of payment of \$310,090,000 outstanding ½ percent Reconstruction Finance Corporation notes of Series R, maturing January 15, 1942, to payment for Treasury bonds of 1949-51. A total of \$308,550,000 of these notes was tendered for payment and the proceeds accepted in payment for a like amount of Treasury bonds of 1949-51.

The total amount of Treasury bonds of 1949-51 issued under the above-mentioned provisions was \$1,014,018,900.

On February 13, 1942, there was announced an offering to the public for cash, at par and accrued interest, of \$1,500,000,000, or thereabouts; of 2¼ percent Treasury bonds of 1952-55, dated February 25, 1942, and due June 15, 1955. Subscriptions were entertained from the various classes of subscribers on the basis inaugurated in the financing of December 1941. For the benefit of small investors, preferential allotment was given to subscriptions for \$5,000 and under, where delivery in registered bonds 90 days after the issue date was specified. A face amount of \$1,510,795,300 of Treasury bonds of 1952-55, including about \$13,132,000 on preferred allotments, was issued.

The financing on April 15, 1942, announced on April 6, 1942, consisted of an offering to the public for cash, at par and accrued interest, of \$1,500,000,000, or thereabouts, of ½ percent Treasury certificates of indebtedness of Series A-1942, dated April 15, 1942, due November 1, 1942. Subscriptions were entertained on the same basis as under the

December 1941 and February 1942 issues of Treasury bonds. The face amount of Treasury certificates of indebtedness of Series A-1942 issued was \$1,507,083,000, including about \$66,000,000 of subscriptions in amounts up to and including \$25,000, which were allotted in full.

On May 4, 1942, there was announced an offering for cash, at par and accrued interest, of two series of Treasury bonds, consisting of \$1,250,000,000, or thereabouts, of 2 percent Treasury bonds of 1949-51, dated May 15, 1942, due September 15, 1951; and an unspecified amount of 2½ percent Treasury bonds of 1962-67, dated May 5, 1942, due June 15, 1967.

The rules inaugurated in December 1941, and followed in February and April 1942, governing the basis of subscriptions to Government securities, were not made applicable and no limitation was placed upon amounts of subscriptions to these issues. All subscriptions up to and including \$10,000 for that issue were allotted in full. The face amount issued of Treasury bonds of 1949-51 was \$1,292,444,100, including about \$69,000,000 of subscriptions of \$10,000 and under, which were allotted in full.

The announcement provided that the 2½ percent Treasury bonds of 1962-67 would not be available for subscription, for their own account, by commercial banks which accept demand deposits. It was provided that these bonds would not be transferable before July 6, 1942, and that they would not be transferable to commercial banks which accept demand deposits before May 5, 1952. However, these bonds may be pledged as collateral for loans, including loans by commercial banks which accept demand deposits, but any such bank acquiring such bonds before May 5, 1952, because of the failure of such loans to be paid at maturity will be required to dispose of them in the same manner as they dispose of other assets not eligible to be owned by banks. As the offering was not specific in amount, it remained open for a period longer than customary. The face amount issued of Treasury bonds of 1962-67, including \$52,688,000 sold to Government investment accounts, was \$882,198,000.

The Treasury announced on May 25, 1942, an issue of 1½ percent Treasury notes of Series B-1946, dated June 5, 1942, due December 15, 1946, in payment of which there might be tendered only 2¼ percent Home Owners' Loan Corporation bonds, Series G, 1942-44, called for redemption on July 1, 1942, of which \$875,438,625 were outstanding; or 1 percent Reconstruction Finance Corporation notes of Series S, maturing July 1, 1942, of which \$275,868,000 were outstanding. Exchanges were made par for par with an adjustment of accrued interest to June 5, 1942. A face amount of \$1,118,386,400 of the Treasury notes of Series B-1946 was issued, for which there were exchanged \$846,114,400 of Home Owners' Loan Corporation bonds,

Series G, 1942-44, and \$272,272,000 of Reconstruction Finance Corporation notes, Series S.

The financing on June 25, 1942, announced June 18, 1942, consisted of an offering for cash of \$1,500,000,000, or thereabouts, of  $\frac{3}{8}$  percent Treasury certificates of indebtedness of Series A-1943, dated June 25, 1942, and maturing February 1, 1943. There were no restrictions as to the basis for subscribing to this issue. Subscriptions up to and including \$25,000 were allotted in full. A face amount of \$1,588,495,000 of the certificates of indebtedness of Series A-1943 was issued, including about \$61,000,000 of subscriptions in amounts up to \$25,000, allotted in full.

#### *Treasury bills*

Offerings of Treasury bills were made each week during the year; 45 issues were for a term of 91 days, and the remaining 7 issues were for various terms of from 85 to 71 days. The amounts of the weekly offerings varied between \$100 millions at the start and \$300 millions towards the close of the year. The 13 series outstanding at the beginning of the year totaled \$1,603 millions and the 11 series outstanding at the end of the year, \$2,508 millions. Of the 52 series offered during the year, all were sold at a positive average rate of discount, the highest average rate computed on a bank discount basis having been 0.368 percent for the bills dated May 13, 1942, and the lowest average rate having been 0.001 percent for the bills dated October 15, 1941. The average rate on all bills issued during the year was 0.236 percent.

On April 30, 1942, the Federal Open Market Committee directed the twelve Federal Reserve Banks to purchase for the System Open Market Account at a rate of  $\frac{3}{8}$  of 1 percent per annum all Treasury bills offered to them. Prevailing rates on current issues of Treasury bills had risen from about 0.20 percent in March to 0.34 percent during the latter part of April. The establishment of a posted rate of  $\frac{3}{8}$  of 1 percent at the Federal Reserve Banks prevented a further change in rates and in May and June bill rates averaged 0.370 percent.

Further information concerning Treasury bills will be found in exhibits 26 to 28, beginning on page 267, and in table 33 on page 538.

#### *United States savings bonds*

The sale of the three series of United States savings bonds, first offered on May 1, 1941, was continued during the fiscal year 1942. These bonds were designated defense savings bonds of Series E and savings bonds of Defense Series F and G. However, following the entry of the United States into the war, the designation of the bonds was changed to war savings bonds of Series E, F, and G. The new designation was confirmed through the issue, on June 1, 1942, of re-

visions of Department Circulars Nos. 653 and 654, the former governing the issue and fixing the terms of bonds of Series E, and the latter serving a like capacity for bonds of Series F and G. No changes were made in the terms of the bonds except to increase from \$50,000 (issue price) to \$100,000 (issue price), effective July 1, 1942, the limitation on the amount of either Series F or Series G bonds, or a combination of both series, of any one yearly designation, that may be held by any one purchaser at any one time. An amendment, December 12, 1941, to Department Circular 654 made available an additional \$25 denomination for Series F bonds. Copies of revised circulars Nos. 653 and 654 will be found on pages 234 and 240 of this report.

Coincident with the issue of revised circulars Nos. 653 and 654, the regulations governing savings bonds were revised and reissued as Department Circular No. 530, Fifth Revision, dated June 1, 1942. A copy of this circular will be found on page 246.

The following statement summarizes the issues and redemptions of United States savings bonds by fiscal years from March 1, 1935, when the issue was inaugurated, to June 30, 1942.

*Issues and redemptions of United States savings bonds, by years, March 1, 1935, to June 30, 1942*

[On basis of daily Treasury statements (revised), see p. 387]

Fiscal year	Issued		Redeemed	
	Maturity value	Cash receipts	Maturity value	Redemption value
1935 (Mar. 1 to June 30) .....	\$83,422,725	\$62,567,043.75	\$707,850	\$530,887.50
1936 .....	352,277,425	264,208,068.75	14,971,200	11,252,714.75
1937 .....	686,739,175	515,054,398.80	48,040,125	36,327,912.25
1938 .....	650,707,500	488,030,611.85	87,732,250	66,868,862.75
1939 .....	916,904,200	687,678,136.95	106,708,950	82,067,395.00
1940 .....	1,475,438,350	1,106,578,769.01	148,042,850	114,488,737.34
1941 .....	1,873,811,175	1,505,625,764.90	190,087,875	148,028,229.50
Subtotal (1935-1941) .....	6,039,300,550	4,629,742,794.01	596,291,100	459,564,739.09
1942—Series A to D .....	1,041,275	780,956.25	168,034,800	132,479,938.75
Series E .....	4,737,800,100	3,553,350,089.74	81,276,425	60,964,345.14
Series F .....	591,105,325	437,417,940.50	3,864,375	2,860,308.50
Series G .....	2,037,059,300	2,037,059,300.00	11,812,300	11,812,300.00
Subtotal (1942) .....	7,367,006,000	6,028,608,286.49	264,987,900	208,116,892.39
Total (1935-1942) .....	13,406,306,550	10,658,351,080.50	861,279,000	667,681,631.48
Accruals to June 30, 1942 <sup>1</sup> .....		248,175,347.24		
Grand total .....	13,406,306,550	10,906,526,427.74	861,279,000	667,681,631.48

<sup>1</sup> Accruals represent the difference between the issue price and the current redemption value.

For the fiscal year 1942 total sales of savings bonds amounted to approximately \$6,000 millions at issue price. On the basis of reports of sales, during the first 5 months of the fiscal year—prior to the outbreak of war—sales of Series E, F, and G bonds amounted to approximately \$1,300 millions, and for the 7 succeeding months sales amounted to \$4,700 millions. Average monthly sales in the 5

months from July through November 1941 were \$270 millions and for the 7 war months were \$670 millions, an increase to about 2½ times the rate in the pre-Pearl Harbor period. Sales of Series E, F, and G bonds for the year represented a total of about 60 million pieces.

The table following shows the number of pieces of Series E bonds sold by denominations for the fiscal year 1942. Further information on the sales of savings bonds will be found in the tables beginning on page 547.

*Number of Series E savings bonds of each denomination sold monthly, fiscal year 1942*

Month	Denomination					Total
	\$25	\$50	\$100	\$500	\$1,000	
Estimated number of units—in thousands						
1941—						
July.....	367	165	269	56	61	918
August.....	580	253	373	67	68	1,341
September.....	573	237	337	57	56	1,260
October.....	764	290	412	70	67	1,603
November.....	724	261	359	57	53	1,454
December.....	2,393	955	1,153	194	163	4,858
1942—						
January.....	3,799	1,460	1,785	366	350	7,760
February.....	2,961	926	1,213	193	176	5,469
March.....	3,094	789	927	133	107	5,050
April.....	4,533	1,054	1,203	162	130	7,082
May.....	4,852	1,093	1,170	149	112	7,376
June.....	8,883	1,774	1,766	201	145	12,769
Total.....	33,523	9,257	10,967	1,705	1,488	56,940

*Pay-roll savings plan.*—In order to carry the savings bond campaign to the people of the Nation, and to make it easy and convenient for them to buy savings bonds, the Treasury sponsored the installation in the Nation's business enterprises of the pay-roll savings plan, through which deductions from pay were made by employers directly from the wages of their employees and accumulated for the purchase of savings bonds. This plan was readily accepted by employers and employees alike and by June 1942 there were some 108,000 firms, employing approximately 21 million persons, that had installed a pay-roll savings plan. Some 15 million of these persons actually participated in the plan in June 1942, that is, deductions were actually made on their account during the month. Included in the 108,000 firms were nearly all of the large companies in the Nation, and about 75 percent of all firms with 100 or more employees.

By Executive Order No. 9135, dated April 16, 1942, the President established the Interdepartmental Committee for the Voluntary Pay-roll Savings Plan for the purchase of war savings bonds by the civilian employees in the executive branch of the Government. A copy of Executive Order No. 9135 appears on page 545 of this report. Prior

to this order, the Secretary of the Navy on August 1, 1941, offered a voluntary savings plan to the members of the Navy Department including the armed forces, and on January 15, 1942, under Department Circular No. 677, a similar arrangement was made in the Treasury Department for Treasury employees. Pursuant to Executive Order No. 9135, a voluntary pay-roll savings plan was established for all employees of the Government on May 13, 1942, under the provisions of Department Circular No. 677, Revised, a copy of which will be found on page 346 of this report.

During a campaign conducted from June 1 to 15, 1942, 95.2 percent of the employees of the Treasury Department, departmental and field services, were enrolled in the pay-roll savings plan and the employees allotted 10.8 percent of their gross compensation. A total of 60,467 Treasury employees are investing \$14,898,000 of their pay annually in war savings bonds. The Treasury's procedure and plan were adopted, in general, by the Interdepartmental Committee at a meeting held on May 18, 1942. Campaigns beginning at various dates subsequent to June 30, 1942, were organized in other departments and agencies.

The following table presents data with respect to the firms and governmental agencies participating in pay-roll savings plans. In June 1942, the aggregate amount deducted from the pay of the workers participating in the pay-roll savings plan was \$153 millions. This amount represented a 5.8 percent average deduction from pay of the workers participating.

*Estimated monthly deductions and extent of participation in pay-roll savings plans, December 1941 to June 1942*

	1941	1942					
	December	January	February	March	April	May	June
	Numbers are units						
I. Number of firms with plans <sup>1</sup> .....	9,939	17,513	34,480	50,120	71,686	90,418	108,099
II. Persons in firms and governmental agencies with plans:	Numbers are millions						
a. Firms.....	3.2	9.9	14.2	16.7	19.2	20.5	21.3
b. Federal, State, and local governmental agencies.....		.6	.9	1.4	1.5	1.5	1.5
c. Total.....	3.2	10.5	15.1	18.0	20.7	22.0	22.8
III. Persons actually participating in pay-roll savings plans:							
a. In participating firms.....	.7	3.7	7.2	9.0	10.9	13.2	15.0
b. In participating Federal, State, and local governmental agencies.....		.1	.4	.6	.7	.7	1.0
c. In the armed forces.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)
d. Total.....	.7	3.8	7.6	9.6	11.6	13.9	16.0
IV. Aggregate amount deducted by persons participating.....	In millions of dollars						
	5	28	58	78	96	126	153
V. Percentage of pay deducted by persons participating.....	Percentage						
	4.1	4.5	4.8	4.9	4.9	5.3	5.8

\*Not available.

<sup>1</sup> Excludes governmental agencies.

NOTE.—Figures in millions are rounded to the nearest million and will not necessarily add to totals.

In March 1935, when savings bonds were first issued, over-the-counter sales for cash were conducted at 14,000 post offices including those of the first, second, and third classes, and selected post offices of the fourth class. In 1936 this number was increased to about 15,000 post offices, and provision was made for mail order sales through the Treasurer of the United States and the Federal Reserve Banks. At the close of the fiscal year 1941 there were, in addition to about 16,000 post offices selling bonds, about 11,000 agencies which had qualified with the Federal Reserve Banks as issuing agents, including over 9,500 commercial and mutual savings banks, 1,300 building and loan and savings and loan associations, and nearly 200 credit unions and others.

During the fiscal year 1942, the number of sales agents was further increased to facilitate the issuance of savings bonds. On December 27, 1941, the Federal Reserve Banks were authorized to designate as issuing agents for Series E bonds any incorporated organization which would be likely to issue a number of bonds sufficiently large to justify the designation. By June 30, 1942, there were approximately 42,000 different agencies authorized to issue United States war savings bonds of Series E, including 19,000 post offices, 14,500 commercial and mutual savings banks, 2,900 credit unions, and 2,500 other corporate organizations.

Savings bonds of Series F and G were issued only at the Federal Reserve Banks and the Treasury Department, Washington. Commercial banks, however, generally handled applications for their customers.

*War savings stamps.*—As a part of the savings program inaugurated May 1, 1941, a special series of postal savings stamps, designated defense savings stamps, had been made available as a convenient means for accumulating funds for the purchase of savings bonds. At the time the designation of the defense savings bonds was changed to war savings bonds, the designation of the defense savings stamps was changed to war savings stamps. The sale of these stamps, through the Postal Service, continued in increasing volume throughout the year, as shown by the following statement, supplied by the Post Office Department.

*Cash receipts from sales of war savings stamps, by months, fiscal years 1941 and 1942*

Month	Fiscal year 1941	Fiscal year 1942	Month	Fiscal year 1941	Fiscal year 1942
July.....	-----	\$3,520,103.35	February.....	-----	\$38,649,177.30
August.....	-----	4,372,302.80	March.....	-----	40,598,956.50
September.....	-----	5,191,628.65	April.....	-----	40,172,833.25
October.....	-----	5,985,398.40	May.....	\$3,349,346.90	47,990,254.30
November.....	-----	6,354,295.25	June.....	2,737,578.75	48,960,496.50
December.....	-----	25,657,101.55			
January.....	-----	41,168,755.05	Total.....	6,086,925.65	308,621,302.90

Although the cash receipts from the sale of these stamps were deposited in the Treasury, the outstanding stamps were obligations of the Postal Savings System and the obligation was transferred to the Treasury only through exchange of the stamps, in appropriate amounts, for war savings bonds. Because of the increasing importance of the receipts from the sale of war savings stamps it was concluded to replace the Postal Savings issue with a Treasury issue of savings stamps and in order to avoid a duplication of effort it was concluded that the Postal Savings issue should be discontinued. The matter was presented to the Congress jointly by the Treasury and the Post Office Departments and, in the Public Debt Act of 1942, approved March 28, 1942, the transfer of the liability of the outstanding stamps from the Postal Savings System to the Treasury Department was authorized, the stamps thereafter to be public debt obligations of the United States. Preparations were in progress and transfer was about to be made at the close of the fiscal year.

The change in the designation of the stamps and the pending transfer of liability from the Postal Savings System to the Treasury will in no way affect the character of the stamps, and no distinction is to be made between any such stamps, whether issued as defense or as war savings stamps. The stamps of either issue may be used interchangeably to accumulate credits for the purchase of war savings bonds.

*Redemptions of savings bonds.*—The following table shows the proportion of all savings bonds redeemed from 1935 to 1942. Additional information on the redemptions of savings bonds will be found in the tables beginning on page 547.

*Proportion of number of savings bonds of each denomination redeemed by the end of various yearly periods to June 30, 1942*

Denomination	Redeemed by the end of—							
	1 year (1941 series)	1 year (1935-41 series)	2 years (1935-40 series)	3 years (1935-39 series)	4 years (1935-38 series)	5 years (1935-37 series)	6 years (1935-36 series)	7 years (1935 series)
	Series F and G	Series A to E						
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
\$25.....		7	19	26	32	38	41	40
\$50.....		6	16	23	29	35	38	38
\$100.....		6	15	21	27	32	35	35
\$500.....	1	5	12	18	23	27	29	30
\$1,000.....	1	4	8	12	16	20	23	25
\$5,000.....	1							
\$10,000.....	1							
All denominations.....	1	6	14	21	26	31	34	34

NOTE.—The yearly periods and percentages shown in the above table are approximate for the reason that June 30th was taken as the average issue date of all bonds issued during each calendar year and for each series the number of bonds which had been redeemed at the end of each year from the average date of issuance was expressed as a percentage of the total number of bonds issued. The percentages for Series A to E and for Series F and G for similar periods were then averaged.



*Treasury tax savings notes*

Because of the greatly increased Federal taxes occasioned by the war, the Treasury announced on July 3, 1941, a plan by which taxpayers could set aside regularly the funds which would be necessary to pay their taxes due the following year. Beginning on August 1, 1941, two series of 2-year nontransferable Treasury notes, designated Tax Series A-1943 and Tax Series B-1943, were offered for sale through the Federal Reserve Banks. These notes were acceptable at par and accrued interest in payment of Federal income taxes. The notes of Series A, issued in denominations of \$25, \$50, and \$100, were designed to be attractive to the small and moderate taxpayers; while the notes of Series B, issued in denominations of \$100, \$500, \$1,000, \$10,000 and \$100,000, were intended for the larger taxpayers.

Interest on notes of Series A accrued at the rate of 16 cents per month per \$100, or at an annual rate of 1.92 percent; and interest on notes of Series B accrued at the rate of 4 cents per month per \$100, or at an annual rate of 0.48 percent. The acceptability of Series A notes was limited to \$1,200 principal amount and the accrued interest thereon on account of a taxpayer's liability for the taxable period.

Full details regarding the terms of the notes will be found in Department Circular No. 667, dated July 22, 1941, printed on page 207 of this report.

On December 24, 1941, announcement was made that two new series of tax savings notes would be offered in continuation of the tax savings plan. The sale of the early series terminated on December 31, 1941, and the sale of the new notes immediately followed on January 1, 1942. The new notes, under the designations Tax Series A-1944 and Tax Series B-1944, were dated January 1, 1942, and will mature January 1, 1944. Their terms were identical in all respects with those of prior Series A and B, respectively, except that their acceptability in payment of Federal taxes was broadened to include estate and gift as well as income taxes, and Series A notes were made available in the additional denominations of \$500 and \$1,000. The prior notes also were made acceptable in payment of estate and gift taxes.

The notes of Tax Series A-1944 and B-1944 are governed by Department Circular No. 674, dated December 15, 1941, which will be found on page 220 of this report.

The following table shows the sales of Treasury tax savings notes between August 1, 1941, and June 30, 1942.

*Sales of Treasury tax savings notes*

	<i>Amount</i>
Aug. 1 to Dec. 31, 1941:	
Tax Series A-1943.....	\$44, 088, 000
Tax Series B-1943.....	2, 435, 287, 900
Jan. 1 to June 30, 1942:	
Tax Series A-1944.....	28, 088, 875
Tax Series B-1944.....	1, 631, 449, 700
Total.....	4, 138, 914, 475

Redemptions of tax savings notes during the fiscal year amounted to \$1,124 millions of which \$20 millions were redeemed for cash and \$1,104 millions were received for taxes. Further details on sales and redemptions appear in the tables beginning on page 565 of this report.

#### *Adjusted service bonds*

Adjusted service bonds of 1945 amounting to \$1 million were issued during the year, making a total of \$1,840 millions of such bonds issued since June 15, 1936, in payment of amounts due on adjusted service certificates. Redemptions of \$13 millions of these bonds during the year brought the total redemptions since June 15, 1936, to \$1,612 millions, leaving \$229 millions outstanding on June 30, 1942. Further data on adjusted service bonds appear in the table on page 493.

#### *Depository bonds*

During the year depository bonds, authorized by Department Circular No. 660, dated May 23, 1941, were issued to various depositories and financial agents, which had executed a depository, financial agency, and collateral agreement satisfactory to the Secretary of the Treasury, in amounts not exceeding the amount for which the depository and financial agent had qualified. The total issued during the year amounted to approximately \$78,958,000, of which \$5,000 were redeemed, leaving \$78,953,000 outstanding.

#### *Cumulative sinking fund*

Credits accruing to the cumulative sinking fund during the year amounted to \$587 millions which, added to the unexpended balance of \$2,666 millions brought forward from the previous year, made available \$3,253 millions for the year. Of this amount \$75 millions were applied to the retirement of various issues of bonds and notes which matured or were called during the fiscal years 1941 and 1942. The unexpended balance of \$3,178 millions was carried forward to the fiscal year 1943.

Tables presenting the transactions on account of the fund for 1942 and since its inception on July 1, 1920, will be found on pages 545 and 546 of this report.

#### *Public Debt Act of 1942*

The Public Debt Act of 1942, approved March 28, 1942, further amended section 21 of the Second Liberty Bond Act so as to limit the obligations issued under authority of the act to an amount not to exceed \$125 billions in the aggregate outstanding at any one time, the prior limitation in such respect having been \$65 billions, as fixed by the Public Debt Act of 1941, approved February 19, 1941. The

act of March 28, 1942, further amended sections 19 and 20 of the Second Liberty Bond Act to broaden the authority of the Secretary of the Treasury in fixing the terms and characteristics of the obligations authorized to be issued and provide greater flexibility in the management of the debt. As of June 30, 1942, the unused borrowing authorization under the limitation in effect on this date was nearly \$51 billions, as shown by the following statement.

*Face amount of obligations outstanding and the face amount which can still be issued under the limitation in effect on June 30, 1942*

Total face amount that may be outstanding at any one time.....		\$125,000,000,000
Outstanding as of June 30, 1942:		
Interest-bearing:		
Bonds:		
Treasury.....	\$38,084,533,250	
Savings (maturity value) 1.....	12,482,909,100	
Depository.....	78,953,000	
Adjusted service.....	728,665,857	
		\$51,375,061,207
Treasury notes.....	13,955,776,350	
Certificates of indebtedness.....	6,228,013,000	
Treasury bills (maturity value).....	2,508,298,000	
		22,692,087,350
		74,067,148,557
Matured obligations on which interest has ceased.....		87,309,050
		74,154,457,607
Face amount of obligations issuable under above authority.....		50,845,542,393

1 Approximate maturity value. Principal amount (current redemption value) according to preliminary public debt statement \$10,188,188,461.

*Reconcilement with Daily Statement of the United States Treasury, June 30, 1942*

Total face amount of outstanding public debt obligations issued under authority of the Second Liberty Bond Act, as amended.....		\$74,154,457,607
Deduct unearned discount on savings bonds (difference between current redemption value and maturity value).....		2,294,720,639
		71,859,736,968
Add other public debt obligations outstanding but not subject to the statutory limitation:		
Interest-bearing (postal savings bonds, etc.).....	\$195,990,180	
Matured obligations on which interest has ceased.....	10,990,680	
Bearing no interest.....	355,727,288	
		562,708,148
Total gross debt outstanding as of June 30, 1942.....		72,422,445,116

The act also authorized the transfer of the liability for Postal Savings stamps from the Board of Trustees of the Postal Savings System to the Treasury Department, and on such transfer established the outstanding stamps as public debt obligations of the United States. However, this transfer had not yet been made at the end of the fiscal year 1942. In addition, the act carried an amendment to section 4 of the Public Debt Act of 1941 relating to taxes on income of obligations of the United States and the agencies or instrumentalities thereof.

The full text of the Public Debt Act of 1942 appears on page 272 of this report.

#### THE GUARANTEED DEBT

The Treasury has made available to certain Government corporations and credit agencies, authorized to issue obligations guaranteed as to principal and interest by the United States, all of its facilities

for the issuance, redemption, etc., of public debt obligations, so that those corporations desiring to do so could arrange to have their obligations serviced through Treasury facilities.

On October 16, 1941, the Secretary of the Treasury announced that thereafter the Treasury would provide the funds needed by Government corporations and credit agencies and that the previous practice whereby such agencies and corporations sold their guaranteed obligations in the market would be discontinued. Due to this policy there was very little activity during the year with respect to the sale of new guaranteed issues. However, the facilities of the Treasury were availed of, as usual, to handle the maturing and redeemable securities. The following table shows the issues, maturities, and redemptions of guaranteed issues during the year.

*Major financing operations conducted by the Treasury during the fiscal year 1942 for agencies issuing securities guaranteed by the United States*

Date	Issue	Amount
NEW OFFERINGS		
July 3, 1941	1% Reconstruction Finance Corporation notes, Series W, due Apr. 15, 1944: For cash.....	\$362,695,000
	In exchange for $\frac{7}{8}$ % Reconstruction Finance Corporation notes, Series N, maturing July 20, 1941.....	208,668,000
		\$571,363,000
July 21, 1941	1 $\frac{1}{8}$ % Commodity Credit Corporation notes, Series G, due Feb. 15, 1945: For cash.....	210,781,000
	In exchange for $\frac{3}{4}$ % Commodity Credit Corporation notes, Series D, maturing Aug. 1, 1941.....	200,815,000
		411,596,000
	Total.....	982,959,000
MATURITIES AND REDEMPTIONS		
July 20, 1941	$\frac{7}{8}$ % Reconstruction Finance Corporation notes, Series N, maturing July 20, 1941.....	211,460,000
Aug. 1, 1941	$\frac{3}{4}$ % Commodity Credit Corporation notes, Series D, maturing Aug. 1, 1941.....	202,553,000
Nov. 1, 1941	$\frac{7}{8}$ % Reconstruction Finance Corporation notes, Series F, maturing Nov. 1, 1941.....	299,739,000
Nov. 1, 1941	$\frac{1}{4}$ % Federal Public Housing Authority <sup>1</sup> notes, Series E, maturing Nov. 1, 1941.....	112,099,000
Nov. 15, 1941	1% Commodity Credit Corporation notes, Series E, maturing Nov. 15, 1941.....	204,241,000
Jan. 15, 1942	$\frac{7}{8}$ % Reconstruction Finance Corporation notes, Series R, maturing Jan. 15, 1942.....	310,090,000
Jan. 15, 1942	3% Federal Farm Mortgage Corporation bonds of 1942-47, called for redemption Jan. 15, 1942.....	236,476,200
Mar. 1, 1942	2 $\frac{3}{4}$ % Federal Farm Mortgage Corporation bonds of 1942-47, called for redemption Mar. 1, 1942.....	103,147,500
June 5, 1942	2 $\frac{1}{4}$ % Home Owners' Loan Corporation bonds, Series G, 1942-44, called for redemption July 1, 1942.....	846,114,400
June 5, 1942	1% Reconstruction Finance Corporation notes, Series S, maturing July 1, 1942.....	272,272,000
	Total.....	2,798,192,100
	Decrease in outstanding issues.....	1,815,233,100

<sup>1</sup> Formerly U. S. Housing Authority.

The preceding table does not include small amounts of 2 $\frac{1}{4}$  percent mutual mortgage insurance fund debentures, Series B, called on March 25, 1941, and September 27, 1941, for redemption on July 1, 1941, and January 1, 1942, respectively. The instructions issued by the Secretary of the Treasury for the redemption of the sixth-called

and seventh-called debentures will be found as exhibits beginning on page 287.

Copies of the offering circulars and announcements of subscriptions and allotments are included in the exhibits beginning on page 282.

Of the \$2,798 millions of securities which matured or were redeemable during the year, \$2,229 millions were presented in payment of subscriptions to Treasury bonds and notes, the details of which are shown in the table on page 20.

As a result of the adoption of the policy of financing Government corporations and credit agencies through the Treasury, the contingent liabilities of the Government on account of outstanding unmatured market issues of obligations of Government corporations and credit agencies, guaranteed as to principal and interest, decreased from \$6,360 millions on June 30, 1941, to \$4,548 millions on June 30, 1942, a decrease of \$1,811 millions. During this period the securities of Government corporations and credit agencies held directly by the Treasury increased from \$302 millions to \$4,079 millions, an increase of \$3,777 millions.

The net changes during the year of the various classes of securities guaranteed by the United States are shown in the table that follows. A detailed statement of these obligations and of certain other contingent liabilities of the United States as of June 30, 1942, will be found on page 580.

*Comparison of obligations guaranteed by the United States outstanding June 30, 1941 and 1942, by agencies<sup>1</sup>*

(In millions of dollars)

Corporation or agency	June 30, 1941	June 30, 1942	Increase or decrease (—)
Unmatured market issues:			
Commodity Credit Corporation.....	696	701	5
Federal Farm Mortgage Corporation.....	1,269	930	-340
Federal Housing Administration:			
Mutual mortgage insurance fund.....	8	9	1
Housing insurance fund.....	9	13	4
Home-Owners' Loan Corporation.....	2,409	1,563	-846
Reconstruction Finance Corporation.....	1,741	1,220	-522
Federal Public Housing Authority <sup>2</sup> .....	226	114	-112
Total ununmatured obligations.....	\$ 6,360	\$ 4,548	-1,811
Matured obligations, all agencies.....	11	20	9
Matured interest, all agencies.....	3	3	(*)
Total, based on guarantees.....	6,373	4,571	-1,802

\*Less than \$500,000.

<sup>1</sup> Does not include obligations held by the Treasury and reflected in the public debt.

<sup>2</sup> Formerly United States Housing Authority; changed by Executive Order No. 9070, dated February 24, 1942.

<sup>3</sup> Does not include \$8 millions of obligations issued on the credit of the United States by the Tennessee Valley Authority and held by the Reconstruction Finance Corporation.

NOTE.—Figures are rounded to nearest million and will not necessarily add to totals.

During the fiscal year the borrowing power of the Commodity Credit Corporation, Federal Housing Administration, and the Reconstruction Finance Corporation was extended by the enactment of further legislation. The Commodity Credit Corporation, under the

act of July 1, 1941 (Public Law 147), was authorized to increase by \$1,250,000,000 the amount of obligations which it might issue and have outstanding. Under the acts of September 2, 1941, and May 26, 1942 (Public Laws 248 and 559), the authority of the Federal Housing Administration to insure the principal amount of mortgages was increased by \$200,000,000 and \$500,000,000, respectively. The aggregate amount of principal obligations of all mortgages insured by the Federal Housing Administration is now limited to \$4,800,000,000, except that with the approval of the President such aggregate amount may be increased to not exceed \$5,800,000,000. The borrowing power of the Reconstruction Finance Corporation was increased several times during the fiscal year so that the amount of obligations which it was authorized to issue as of June 30, 1942, amounted to \$17,232,062,231, including amounts outstanding issued under indefinite authorizations, or a net increase of \$10,090,248,183 since June 30, 1941. This net increase resulted from the following changes:

## INCREASES

## Statutory authorizations with definite limitations:

## I. For general purposes:

Act of October 23, 1941—Public Law 278 (55 Stat. 744).....	\$1,500,000,000
Act of March 27, 1942—Public Law 506 (56 Stat. 174).....	2,500,000,000
Act of June 5, 1942—Public Law 592 (56 Stat. 326).....	5,000,000,000

Total for general purposes.....	9,000,000,000
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## II. For loans, purchases of stock, securities, etc.:

Act of July 1, 1941—Public Law 144 (55 Stat. 408):

For loans in accordance with Title I of "The Bankhead-Jones Farm Tenant Act," approved July 22, 1937 (50 Stat. 522).....	50,000,000
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For additional funds for the purpose of making rural rehabilitation loans to needy farmers in accordance with Title II of "The Bankhead-Jones Farm Tenant Act" approved July 22, 1937 (50 Stat. 524).....	120,000,000
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For loans and the purchase of property in accordance with section 7 of the Rural Electrification Act of May 20, 1936, as amended (7 U. S. C. 901-914).....	100,000,000
------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------

To provide for the financing of the War Damage Corporation—act of March 27, 1942—Public Law 506 (56 Stat. 174).....	1,000,000,000
---------------------------------------------------------------------------------------------------------------------	---------------

Total loans, purchases of stock, securities, etc.....	1,270,000,000
-------------------------------------------------------	---------------

Total statutory authorizations with definite limitations.....	10,270,000,000
---------------------------------------------------------------	----------------

## Statutory authorizations with indefinite limitations:

## III. For subscriptions to preferred stock in national banking associations, State banks, or trust companies (48 Stat. 6; 12 U. S. C. 51-d).....

-179,331,263
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## IV. For loans to the Federal Housing Administrator (48 Stat. 1247; 12 U. S. C. 1705).....

5,000,000
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Total statutory authorizations with indefinite limitations.....	-174,331,263
-----------------------------------------------------------------	--------------

Total increases.....	10,095,668,737
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## DECREASES

## V. Obligations of the Reconstruction Finance Corporation canceled by the Secretary of the Treasury pursuant to act of February 24, 1938 (52 Stat. 79), on account of expenditures for—

Federal Housing Administrator (section 4 of National Housing Act).....	5,000,000
------------------------------------------------------------------------	-----------

Expenditures of the regional agricultural credit corporations (section 201 (e) of Emergency Relief and Construction Act of 1932; section 33 of Farm Credit Act of 1937).....	420,554
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Total decreases.....	5,420,554
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VI. Net increase in borrowing power.....	10,090,248,183
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The provisions of law authorizing agencies to issue obligations guaranteed by the United States have placed certain limits with respect to the total amounts that can be issued. This legislation with respect to the limitations established may be placed in three groups as follows:

(1) *Definite limitation.*—Provisions stating a specific amount of obligations which may be (a) issued, or (b) issued and outstanding at any specified time. When the legislative authority provides only for the issue of obligations, the agency may issue obligations in a definite amount but after they have been retired may not issue new obligations in an equal amount. Under the second provision, the agency may reissue obligations provided the total amount outstanding does not exceed the authorized limit.

(2) *Indirect limitation.*—Provisions not stating a specific amount of obligations that may be issued and outstanding at any time, but the amount issued and outstanding is contingent upon other specific limiting factors. As a result there is an indirect limit upon the amount which may be issued and outstanding at any one time.

(3) *No specific limitation.*—Provisions not stating a specific amount of obligations which may be issued or issued and outstanding at any one time, but the amount is contingent upon other specific factors, the amount of such factors also being indefinite.

The table that follows shows, by agencies, the amounts of obligations authorized to be outstanding as of June 30, 1942, and the amounts actually outstanding on that date.

*Borrowing power and outstanding issues of Government corporations and credit agencies whose obligations are guaranteed by the United States, June 30, 1942*

[In millions of dollars]

	Borrowing power	Outstanding obligations			
		Total	Held by Treasury	Held by others <sup>1</sup>	
				Unmatured	Matured <sup>2</sup>
I. Agencies issuing obligations for cash or in exchange for mortgages:					
Commodity Credit Corporation.....	2,650	1,101	400	701	(*)
Federal Farm Mortgage Corporation...	2,000	1,207	263	930	14
Home Owners' Loan Corporation.....	4,750	2,119	551	1,563	5
Reconstruction Finance Corporation...	17,232	3,754	2,534	1,220	(*)
Tennessee Valley Authority.....	70	65	57	8	
Federal Public Housing Authority....	8,890	388	274	114	(*)
Subtotal.....	27,502	8,634	4,079	4,535	20
II. Agencies issuing obligations only in payment of defaulted and foreclosed insured mortgages:					
Federal Housing Administration.....	4,800	21		21	(*)
United States Maritime Commission...	200				
Subtotal.....	5,000	21		21	(*)
Grand total.....	32,502	8,655	4,079	4,557	20

\* Less than \$500,000.

<sup>1</sup> Excludes matured interest, all agencies, in amount of \$3 millions.

<sup>2</sup> Funds have been deposited with the Treasurer of the United States for payment of all obligations guaranteed by the United States, representing outstanding matured principal of \$20 millions and interest of \$3 millions.

<sup>3</sup> This amount may be increased only by the amount of issues for refunding purposes.

<sup>4</sup> Issued on the credit of the United States and held by the Reconstruction Finance Corporation.

<sup>5</sup> Limit of authority to insure mortgages. This amount may be increased by \$1,000 millions upon approval by the President. Debentures may be issued and tendered only in exchange for insured property acquired through foreclosure.

<sup>6</sup> Limit which may be outstanding at any one time with respect to the insuring of mortgages.

### ABSORPTION OF THE INCREASE IN SECURITIES ISSUED OR GUARANTEED BY THE UNITED STATES

The total volume of direct interest-bearing public debt securities outstanding on June 30, 1942, amounted to \$72.0 billions, an increase of \$23.6 billions during the year; and the total volume of securities guaranteed by the United States outstanding was \$4.5 billions, a decrease of \$1.8 billions during the year. Of the net increase of \$21.8 billions in the securities issued or guaranteed by the United States, \$6.2 billions, or 28 percent, was acquired by commercial banks; \$0.5 billion, or 2 percent, by mutual savings banks; \$2.0 billions, or 9 percent, by insurance companies; \$0.5 billion, or 2 percent by the Federal Reserve Banks; \$2.1 billions, or 10 percent, by Government agencies and trust funds; and the remaining \$10.5 billions, or 48 percent, by all other investors—tax-exempt institutions other than mutual savings banks; individuals, partnerships, and personal trust accounts; and corporations other than commercial banks and insurance companies. The absorption of almost one-half of the increase in the debt by "all other investors" was due in large part to the purchases by individuals of considerable amounts of United States savings bonds offered during the year.

The following table shows the absorption of the increase in the debt by the principal types of investors during the fiscal year 1942.

*Estimated absorption of the increase in the interest-bearing United States Government debt<sup>1</sup> during the fiscal year 1942 and each half of the fiscal year, classified by type of investor*

	Amount absorbed (in billions of dollars)			Percent absorbed		
	Full year	Jan. 1, 1942–June 30, 1942	July 1, 1941–Dec. 31, 1941	Full year	Jan. 1, 1942–June 30, 1942	July 1, 1941–Dec. 31, 1941
<b>I. Total debt:<sup>2</sup></b>						
Commercial banks.....	6.2	4.6	1.6	28	36	17
Mutual savings banks.....	.5	.2	.3	2	2	3
Insurance companies.....	2.0	.9	1.0	9	7	11
Federal Reserve Banks.....	.5	.4	.1	2	3	1
Government agencies and trust funds.....	2.1	1.1	1.0	10	8	12
All other investors.....	10.5	5.5	5.0	48	43	55
<b>Total.....</b>	<b>21.8</b>	<b>12.7</b>	<b>9.0</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>II. Marketable debt:</b>						
Commercial banks.....	6.1	4.6	1.5	55	64	38
Mutual savings banks.....	.5	.2	.3	4	3	8
Insurance companies.....	1.9	.9	1.0	17	12	27
Federal Reserve Banks.....	.5	.4	.1	4	5	2
Government agencies and trust funds.....	.4	.2	.2	3	2	5
All other investors.....	1.8	1.0	.8	16	14	20
<b>Total.....</b>	<b>11.1</b>	<b>7.2</b>	<b>3.8</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>III. Nonmarketable debt:<sup>2</sup></b>						
Commercial banks.....	.1	(*)	.1	1	(*)	2
Mutual savings banks.....	(*)	(*)	(*)	(*)	(*)	(*)
Insurance companies.....	.9	.9	.9	16	16	17
Government agencies and trust funds.....	1.8	4.5	4.2	82	82	81
All other investors.....	8.8					
<b>Total.....</b>	<b>10.7</b>	<b>5.5</b>	<b>5.2</b>	<b>100</b>	<b>100</b>	<b>100</b>

\*Less than \$50 millions or 0.5 percent.

<sup>1</sup> Includes securities issued or guaranteed by the United States.

<sup>2</sup> Includes United States savings bonds at current redemption values, except for Series G which is at par value.

NOTE.—Figures are rounded and will not necessarily add to totals.

SOURCE.—Estimates based on Treasury Survey of Ownership of Government Securities.



The distribution of the ownership of the direct and guaranteed securities at the beginning and end of the fiscal year 1942 is estimated as follows:

*Estimated distribution of the ownership of the interest-bearing United States Government debt<sup>1</sup> as of June 30, 1941, and June 30, 1942, classified by type of investor*

	June 30, 1941		June 30, 1942	
	Amount held (in billions of dollars)	Percent of total	Amount held (in billions of dollars)	Percent of total
<b>I. Total debt:<sup>2</sup></b>				
Commercial banks.....	19.9	36	26.1	34
Mutual savings banks.....	3.4	6	3.9	5
Insurance companies.....	7.0	13	8.9	12
Federal Reserve Banks.....	2.2	4	2.6	3
Government agencies and trust funds.....	8.5	15	10.6	14
All other investors.....	13.8	25	24.4	32
<b>Total.....</b>	<b>54.7</b>	<b>100</b>	<b>76.5</b>	<b>100</b>
<b>II. Marketable debt:</b>				
Commercial banks.....	19.6	44	25.7	47
Mutual savings banks.....	3.3	8	3.8	7
Insurance companies.....	6.9	16	8.8	16
Federal Reserve Banks.....	2.2	5	2.6	5
Government agencies and trust funds.....	2.4	5	2.7	5
All other investors.....	9.6	22	11.4	21
<b>Total.....</b>	<b>44.1</b>	<b>100</b>	<b>55.1</b>	<b>100</b>
<b>III. Nonmarketable debt:<sup>2</sup></b>				
Commercial banks.....	.3	3	.4	2
Mutual savings banks.....	(*)	(*)	(*)	(*)
Insurance companies.....	(*)	(*)	.1	(*)
Government agencies and trust funds.....	6.1	57	7.9	37
All other investors.....	4.2	39	13.0	61
<b>Total.....</b>	<b>10.7</b>	<b>100</b>	<b>21.4</b>	<b>100</b>

\*Less than \$50 millions or 0.5 percent.

† Revised.

<sup>1</sup> Includes securities issued or guaranteed by the United States.

<sup>2</sup> Includes United States savings bonds at current redemption values, except for Series G which is at par value.

NOTE.—Figures are rounded and will not necessarily add to totals.

SOURCE.—Estimates based on Treasury Survey of Ownership of Government Securities.

## GENERAL FUND

The General Fund includes all moneys of the Government deposited with and held by the Treasurer of the United States, including the moneys covered into the Treasury which can be withdrawn only in pursuance of an appropriation by Congress. Every receipt of the Treasury, from whatever source, and every expenditure, of whatever nature, affect either the assets or liabilities, or both, of the General Fund shown in the daily statement of the Treasury. The total amount of the assets over and above the total amount of the liabilities represents the balance in the General Fund available to meet Government expenditures for general, special, and trust accounts, etc.

The assets in the General Fund consist of gold, silver, currency, coin, unclassified collection items, etc., and deposits to the credit of the Treasurer of the United States and other Government officers,

in Federal Reserve Banks, special depositaries account of sales of Government securities, national and other bank depositaries, foreign depositaries, and the treasury of the Philippine Islands.

The liabilities of the General Fund consist of outstanding Treasurer's checks, deposits of certain Government officers composed of balances to the credit of the Post Office Department, the Board of Trustees of the Postal Savings System, and postmasters, clerks of courts, disbursing officers, etc., and uncollected items, exchanges, etc.

The balance in the General Fund is classified according to increment on gold, seigniorage, and working balance.

The net change in the balance of the General Fund from the beginning to the close of the fiscal year is accounted for as follows:

*Analysis of the change in the General Fund balance between June 30, 1941, and June 30, 1942*

[On basis of daily Treasury statements (unrevised), see p. 387. For a description of accounts through which Treasury transactions are effected, see p. 388]

Balance June 30, 1941.....			\$2,633,174,062.11
Add:			
Ordinary receipts, net.....			12,799,061,621.02
Trust accounts, increment on gold, etc.....			3,190,884,099.71
Net increase in gross public debt.....			23,461,001,580.51
			42,084,121,363.35
Deduct:			
Expenditures chargeable against ordinary receipts:			
General and special accounts.....	\$32,491,307,397.69		
Less public debt retirements.....	94,722,300.00		
		\$32,396,585,097.69	
Trust accounts, increment on gold, etc.....		6,696,389,049.89	
			39,092,974,147.58
Balance June 30, 1942.....			2,991,147,215.77

<sup>1</sup> Exclusive of employment taxes collected and deposited as provided under sec. 201 (a) of the Social Security Act Amendments of 1939 less reimbursements to the General Fund for administrative expenses. Such net amount is included in "Trust accounts, increment on gold, etc." on the following line.

<sup>2</sup> On basis of classifications in effect after June 30, 1942.

A comparative analysis of the assets and liabilities and the balance of the General Fund is shown for the beginning and close of the fiscal year in the table on page 594 of this report.

**SECURITIES OWNED BY THE UNITED STATES AND PROPRIETARY INTEREST IN GOVERNMENT CORPORATIONS AND CREDIT AGENCIES**

*Securities owned*

On June 30, 1942, the United States owned securities consisting of capital stock, bonds, etc., of Government corporations and agencies and indebtedness to the Government by railroads, farmers, ship-owners, and others, in the face amount of \$6,468 millions; and obligations of foreign governments in the principal amount of \$12,661 millions. A statement of the securities owned, exclusive of foreign obligations, at the end of the fiscal year 1942 is shown in the table on page 598. A summary of the holdings of securities at the end of the last 2 fiscal years is shown in the following table.

*Summary of securities owned by the United States Government, exclusive of foreign obligations, June 30, 1941 and 1942*

Security	June 30, 1941	June 30, 1942	Increase or decrease (—)
Capital stock of Government corporations.....	\$1, 296, 986, 311. 11	\$1, 368, 650, 580. 88	\$71, 664, 269. 77
Paid-in surplus of Government corporations and agencies.....	145, 724, 985. 79	145, 861, 238. 02	136, 252. 23
Bonds and notes of Government corporations and agencies.....	301, 688, 750. 00	4, 078, 690, 945. 91	3, 777, 002, 195. 91
Other securities <sup>1</sup> .....	971, 748, 894. 15	874, 669, 305. 25	—97, 079, 588. 90
Total.....	2, 716, 148, 941. 05	6, 467, 872, 070. 06	3, 751, 723, 129. 01

<sup>1</sup> Includes loans and advances by Farm Security Administration, Rural Electrification Administration, and Public Works Administration.

An appropriation of \$150 millions was approved July 25, 1942 (Public Law 678), to effectuate the subscription to the capital stock of the Smaller War Plants Corporation by the Secretary of the Treasury, as authorized by an act of June 11, 1942. (See exhibit 63, page 343.)

In accordance with the acts approved February 24, 1938 (52 Stat. 79), and March 28, 1941 (55 Stat. 55), the Secretary of the Treasury canceled obligations of the Reconstruction Finance Corporation during 1942 amounting to \$5 millions, representing expenditures previously made by the Corporation. This brought the total of the obligations of the Reconstruction Finance Corporation canceled to \$2,740 millions, as shown in the following table.

Reconstruction Finance Corporation:	Amount
Obligations canceled to June 30, 1941.....	\$2, 734, 475, 131. 00
Obligations canceled during 1942 pursuant to the act of Feb. 24, 1938, on account of expenditures for—	
Federal Housing Administrator (sec. 4 of National Housing Act).....	\$5, 000, 000. 00
Expenses of regional agricultural credit corporations (sec. 201 (e) of Emergency Relief and Construction Act of 1932; sec. 33 of Farm Credit Act of 1937).....	420, 554. 09
	5, 420, 554. 09
Total to June 30, 1942.....	2, 739, 895, 685. 09

*Proprietary interest in Government corporations and credit agencies*

In order to reflect the amount of the Government's interest in Government corporations and credit agencies, the Treasury compiles from reports received from such agencies a "Combined statement of assets and liabilities of Government corporations and credit agencies of the United States," which is published in the daily Treasury statement at the end of each month. This statement shows the amount and classification of the assets and liabilities of the various agencies, the privately owned proprietary interest in such agencies, and the proprietary interest of the United States. The statement as of June 30, 1942, appears as table 88 beginning on page 624, and a summary table of the Government's proprietary interest in such agencies as of June 30, 1930 to 1942, appears as table 89 on page 631 of this report.

## MONETARY DEVELOPMENTS

*International monetary cooperation*

*Stabilization agreements.*—Continuing its policy of aiding friendly foreign governments in the stabilization of their currencies, the Treasury, during the fiscal year 1942, entered into stabilization agreements with the Governments of Mexico, Ecuador, and Iceland.

On November 19, 1941, a stabilization agreement was entered into by the Secretary of the Treasury, the Government of the Republic of Mexico, and the Banco de Mexico providing that up to \$40 millions of the United States stabilization fund would be used for the purpose of stabilizing the United States dollar-Mexican peso rate of exchange. (See exhibit 40, p. 291.)

On February 27, 1942, the Secretary of the Treasury and the Government of the Republic of Ecuador signed a stabilization agreement providing that up to \$5 millions of the United States stabilization fund would be used for the purpose of stabilizing the United States dollar-Ecuadoran sucre rate of exchange. (See exhibit 41, p. 291.)

As a further link in the closer relations between the Governments of the United States and Iceland, the Secretary of the Treasury, the Government of Iceland, and the National Bank of Iceland signed a stabilization agreement on May 5, 1942. This agreement provided that up to \$2 millions of the United States stabilization fund would be used for the purpose of stabilizing the United States dollar-Icelandic krona rate of exchange. (See exhibit 42, p. 292.)

In the stabilization agreements described above provision was also made for periodic conferences among representatives of the signatories to discuss monetary, financial, and economic problems of mutual interest.

At the time the stabilization agreement between Mexico and the United States was signed, a silver purchase agreement was also entered into. This agreement was a month-to-month arrangement between the United States and Mexico under which the United States Treasury undertook to purchase monthly up to 6 million ounces of newly mined Mexican silver. Actually no silver was purchased under this agreement during the fiscal year 1942, as all silver imported from Mexico since the agreement was sold on the commercial market. (See exhibit 40, p. 291.)

During the year three gold purchase agreements were made with the Union of Soviet Socialist Republics. The agreements called for future delivery of the gold purchased by the Treasury. The first purchase, amounting to \$10.5 millions, was made on August 15, 1941, on a 90-day delivery basis, and delivery was completed by October 20, 1941. The second agreement, made on October 10, 1941, was for the purchase of \$31.6 millions of gold, and called for its delivery within

180 days, by April 8, 1942. The delivery date was extended because of transportation difficulties, but by April 20, 1942, delivery had been completed. On January 3, 1942, a third agreement was entered into, the Treasury purchasing an additional \$21.1 millions of gold from the U. S. S. R., to be delivered within 180 days. By June 30, 1942, a substantial part of the gold had been delivered.

Dollar assets made available by these gold transactions were used by the U. S. S. R. to purchase in the United States goods and services in addition to materials being obtained under the terms of the lend-lease arrangement.

One of the most important international agreements during 1942 was that between the United States and China, on March 21, 1942, providing financial aid to China. By the terms of the agreement the Secretary of the Treasury established on the books of the United States Treasury a credit in the name of the Republic of China for \$500 millions. The Secretary of the Treasury agreed to make transfers from this credit to accounts of the Government of the Republic of China in the Federal Reserve Bank of New York at such times and in such amounts as the Government of the Republic of China should request.

This agreement was signed by the Secretary of the Treasury on behalf of the United States under the authority granted to him by Public Law No. 442, approved February 7, 1942.

In a joint statement, Secretary of the Treasury Morgenthau and His Excellency T. V. Soong, Minister of Foreign Affairs of the Republic of China, said that the purpose of the agreement was to "contribute substantially towards facilitating the great efforts of the Chinese people and their Government to meet the financial and economic burdens which have been imposed upon them by almost 5 years of continuous attack by Japan." (See exhibit 43, p. 292). A significant provision in the agreement defers the final determination of the terms upon which the financial aid is given, including the benefits to be rendered the United States in return, "until the progress of events after the war makes clearer the final terms and benefits which will be in the mutual interest of the United States and China and will promote the establishment of lasting world peace and security."

*Inter-American conferences.*—As a further step in the cooperation of the American Governments in the establishment of hemispheric solidarity and in accordance with agreements adopted at previous inter-American conferences, a conference of the Ministers of Foreign Affairs of the American Republics was held in Rio de Janeiro from January 15 to January 28, 1942. Three of the 41 resolutions adopted at the Rio Conference have particular significance from the point of view of inter-American financial and monetary cooperation:

1. Resolution No. V recommends the adoption of measures by the American Republics necessary, among other things, to:

(a) Cut off all commercial and financial intercourse with the Axis powers;

(b) Prevent transactions within the Western Hemisphere which might benefit the Axis; and

(c) Control the operation of Axis properties within American jurisdictions.

In accordance with this resolution many of the American Republics instituted measures which strengthened the United States Foreign Funds Control regulations with respect to transactions involving the properties of enemy nationals. Further effect to the resolution was given by the Inter-American Conference on Systems of Economic and Financial Control which was held in Washington, D. C., from June 30 to July 10, 1942. At this conference resolutions were adopted recommending more specific economic and financial measures against aggressor nations.

2. Resolution No. X recommended that the American Republics which had not already adhered to the convention for the establishment of an inter-American bank study the proposal as soon as possible.

3. Resolution No. XV recommended that the American Republics participate in a conference of Ministers of Finance to consider the establishment of an international stabilization fund. Among the purposes of the fund would be stabilization of exchange rates, encouragement of the international movement of productive capital, correction of the maldistribution of gold and the strengthening of monetary systems.

#### *Domestic monetary events*

The Treasury's principal problem during the fiscal year 1942 shifted from that of financing the defense program to that of financing the war program of the United States. To finance the huge war expenditures which grew steadily during the fiscal year the Treasury presented to Congress a tax program and instituted a war savings bond program which were designed to help raise necessary war funds and to combat inflation. These programs are discussed elsewhere in this report. (See pp. 27, 46, and 353.)

Among other measures taken to combat inflation, the Board of Governors of the Federal Reserve System, after consultation with the Secretary of the Treasury, on September 23, 1941, increased reserve requirements of the member banks to their statutory limits: on demand deposits, 26 percent for central reserve city banks, 20 percent for reserve city banks, and 14 percent for other banks; on time deposits, 6 percent for all classes of banks.

In connection with this action, the Secretary of the Treasury and the Chairman of the Board of Governors issued the following statement, in which the Board of Governors concurred:

"The Treasury and the Board of Governors will continue to watch the economic situation and to cooperate with other agencies of the Government in their efforts, through priorities, allocations, price regulation, and otherwise, to fight inflation. Recommendations on the question of what additional powers, if any, over bank reserves the Board should have during the present emergency and what form these powers should take will be made whenever the Treasury and the Board, after further consultation, determine that such action is necessary to help in combating inflationary developments."

Title IV of the Second War Powers Act, approved March 27, 1942, amended subsection (b), section 14 of the Federal Reserve Act, as amended, by authorizing the Federal Reserve Banks to acquire directly from the United States bonds, notes, or other obligations of the United States, direct or guaranteed, provided that the aggregate amount acquired directly from the United States and held at any one time by the twelve Federal Reserve Banks shall not exceed \$5 billions. (See exhibit 30, p. 273.)

Because of the growing scarcity of strategic metals, the Treasury took steps to conserve copper, tin, and nickel for the war effort.

To release copper for essential war uses, the Secretary of the Treasury entered into an agreement on May 6, 1942, with the Defense Plant Corporation to lend-lease silver from the Treasury's free silver stocks to be used by plants engaged in war production, particularly aluminum and magnesium plants. The silver lend-leased under this agreement will not be consumed in production, and title to the silver remains in the Treasury. Transfers under this arrangement were begun on June 29, 1942. The utilization of free silver in this manner will release more than 40,000 tons of copper for urgent war purposes. (See exhibit 44, p. 292.)

A measure designed to save annually almost a million pounds of nickel and up to a million pounds of copper was provided for in Title XII of the Second War Powers Act relating to the coinage of 5-cent pieces. (See exhibit 45, p. 293.) This section of the Second War Powers Act provided that until December 31, 1946, the metallic content of all 5-cent pieces coined should be one-half silver and one-half copper, but the Director of the Mint with the approval of the Secretary of the Treasury and the Chairman of the War Production Board was authorized to vary the proportions of silver and copper and to add other metals if such action was in the public interest. A third of the copper and all the nickel formerly going into the 5-cent piece would be eliminated by changing its composition to half silver and half copper.

The Bureau of the Mint announced that it also expects to save 100,000 pounds of tin a year through a change, under existing laws, in the content of the cent. In addition, 40,000 pounds of tin on hand were turned over to defense industries.

The outbreak of war in the Pacific area and the consequent possibility that the enemy would attempt an invasion of Hawaii led to action designed to prevent the enemy's seizure of United States currency should an invasion attempt succeed. Regulations issued on June 25, 1942, by the Governor of Hawaii provided that persons holding ordinary United States currency in the Territory of Hawaii exchange such currency by July 15, 1942, for United States currency of a special series to be used only in the Territory. The new series for Hawaii differs from other series of United States currency in that it bears the distinctive overprint "Hawaii" in bold-face type on each end of the face and the word "Hawaii" across the reverse side. Since this currency circulates in Hawaii only, it would not be difficult to eliminate its value to any invaders who might seize it. The Hawaiian currency replacement program resulted from the careful study of Hawaiian currency problems by the Treasury, War, Navy, and Interior Departments in collaboration with Hawaiian civil and military authorities.

As the international crisis deepened, foreign funds control developed into a very important weapon of economic warfare. A discussion of foreign funds control developments is contained on p. 56.

#### REVENUE LEGISLATION

Revenue legislation enacted in the fiscal year 1942 included the Revenue Act of 1941, the Public Debt Act of 1942, and other acts enumerated below.

##### *Revenue Act of 1941*

The Revenue Act of 1941, approved September 20, 1941, imposed the largest tax burden in the history of the United States. This was accomplished chiefly by a general increase in the rates of most of the forms of taxation imposed by the Federal Government and the addition of new excise taxes to articles heretofore untaxed.

In the case of the individual income tax, while the normal tax rate was not changed, surtax rates were increased, and the surtax was applied to the first dollar of surtax net income. The 10 percent defense tax was integrated into the income tax structure, as it was integrated into other Federal taxes. Surtax rates ranged from 6 percent on the first \$2,000 of surtax net income to 77 percent on the portion of the surtax net income in excess of \$5 millions.

This increase in the rates of the individual income tax was accompanied by a reduction of the personal exemptions from \$2,000 to \$1,500 in the case of married persons and heads of families, and from \$800 to \$750 in the case of single persons. The credit of \$400 for the



first dependent was eliminated for the head of a family who claimed a deduction as head of a family by reason of there being one or more dependents.

The rate applicable to a nonresident alien individual not engaged in business within the United States, and not having an office or place of business therein, was raised from 15 percent plus the defense tax, or a total of 16½ percent to 27½ percent.

In the case of domestic corporations with a normal-tax net income of over \$25,000, and in the case of resident foreign corporations, the tax on normal-tax net income was fixed at 24 percent. Domestic corporations with a normal-tax net income of not more than \$25,000 were taxed at the rate of 15 percent on such income not in excess of \$5,000, plus 17 percent of any excess over \$5,000 up to \$20,000, and plus 19 percent of any excess over \$20,000. The act imposed on domestic and resident foreign corporations for the first time a surtax of 6 percent on the first \$25,000 of corporation surtax net income, plus 7 percent on corporation surtax net income over \$25,000.

The rate of tax on foreign corporations not engaged in business within the United States and not having an office or place of business therein was increased from 16½ percent to 27½ percent.

Excess profits tax rates were increased by 10 percentage points in each bracket so that the rates ranged from 35 percent on the first \$20,000 of adjusted excess profits net income to 60 percent on such income over \$500,000. In the case of corporations using the invested capital method, the credit was changed from 8 percent of invested capital to 8 percent of invested capital not in excess of \$5 millions, and 7 percent of the invested capital in excess of that amount.

The capital stock tax rate, including the defense tax, was increased from \$1.10 to \$1.25 per thousand of adjusted declared value.

Estate and gift tax rates were also increased under the 1941 act. Estate tax rates ranged from 3 percent on the portion of the net estate not in excess of \$5,000 to 77 percent on the portion in excess of \$10,000,000. Under prior law, the rates (excluding the defense tax) ranged from 2 percent on the portion of the net estate in excess of \$10,000 to 70 percent on the portion in excess of \$50,000,000. The Revenue Act of 1941 made no alteration in the estate tax exemption of \$40,000 for additional estate tax purposes nor in the \$40,000 exemption for insurance. The new gift tax rates were in each case, as under the present law, three-fourths of the corresponding estate tax rate.

Defense tax rates imposed in connection with various excise taxes were made permanent. Increased taxes were levied on playing cards, safe deposit boxes, distilled spirits, imported perfume, wines, tires and tubes, radio sets and parts, mechanical refrigerators, and telephone, telegraph, cable, and radio messages. Floor stocks taxes providing for a levy on stocks of goods held by persons other

than a manufacturer, producer, or importer were imposed on tires and tubes and alcoholic beverages. New manufacturers' excise taxes were levied on phonographs, phonograph records, musical instruments, matches (except fancy wooden), sporting goods, luggage, electric, gas and oil appliances, photographic apparatus, electric signs, business and store machines, rubber articles, washing machines, optical equipment, and electric light bulbs. New retailers' excise taxes were levied on jewelry, furs, and toilet goods. New taxes were also imposed on the transportation of persons, on coin-operated amusement and gaming devices, bowling alleys, billiard and pool tables, and on the use of motor vehicles and boats.

The act amended the tax on admissions to provide that a tax of 1 cent should be imposed for each 10 cents or fraction thereof paid for admission, except that no tax was payable by children under 12 where the admission charge for such children was less than 10 cents. Exemptions previously allowed in the case of admissions to entertainments held by religious, educational, or charitable organizations were eliminated. On the other hand, the special tax rate for certain persons on reduced or free admissions were extended to members of the armed forces of the United States and the Civilian Conservation Corps when in uniform. For such persons, the tax was based upon the amount actually paid and not upon the established price.

The cabaret tax was increased from 2 cents for each 10 cents of the admission charge, which was deemed to be 20 percent of the total amount paid for refreshments, services, and merchandise, to 5 percent of the total charge.

In addition to the increases in rates, certain changes in the manner in which the taxes were imposed, computed, and collected should be noted.

One of the foremost of these changes was a simplified tax schedule for individuals with gross incomes of \$3,000 or less derived solely from salaries, wages, compensation for personal services, dividends, interest, rent, annuities, and royalties. The schedule fixed an income tax for each \$25 of gross income from \$750 to \$3,000 in the case of a single person and \$1,500 to \$3,000 in the case of a married person or the head of a family. The use of this schedule, which was optional with the taxpayer, permitted a taxpayer to determine the amount of his income tax merely by locating his gross income, diminished by \$400 for each dependent, on the schedule. In preparing the schedule, allowance was made for the average amount of deductions taken by persons in the lower-income brackets in computing their taxes in the regular manner. The taxpayer by using the form was relieved of the necessity of determining his deductions, of computing net income, and of calculating both normal tax and surtax. The schedule was designed to facilitate the filing of returns by persons with smaller incomes, particularly

those added to the list of taxpayers by the reduction of the personal exemptions. Administrative problems in reviewing such returns were likewise diminished.

For taxpayers on a cash basis, income from noninterest-bearing securities sold at a discount was, under prior law, taxable in full upon redemption of the bond. Taxpayers reporting on the accrual basis were allowed to report and pay tax on the income as it accrued. The Revenue Act of 1941 extended to taxpayers on the cash basis the privilege of electing to report income from these securities as it accrued.

The discount on obligations of the United States, States, Territories, political subdivisions, or the District of Columbia, issued on a discount basis after March 1, 1941, and payable without interest at a fixed maturity date not exceeding one year from the date of issue, was not deemed to accrue until such obligation was paid at maturity, sold or otherwise disposed of. Such obligations were not to be treated as capital assets.

Under the excess profits law, the income tax had heretofore been allowed as a deduction in computing the excess profits tax. The 1941 act provided instead that the excess profits tax was to be allowed as a deduction in computing the income tax.

To encourage the investment of new capital in corporate enterprise, a special inducement was offered in the form of a more liberal allowance for new capital in computing the excess profits credit under the invested capital method for new capital. New capital in the form of money or property paid in for stock during taxable years beginning after December 31, 1940, and of taxable stock dividends made during the same period was counted at 125 percent of its value in computing equity invested capital.

The Revenue Act of 1941 established a committee to study all expenditures of the Federal Government with a view to recommending the elimination or reduction of all such expenditures deemed to be nonessential. The Committee is composed of three members of the Senate Committee on Finance and three members of the Senate Committee on Appropriations, three members of the House Committee on Ways and Means and three members of the House Committee on Appropriations, the Secretary of the Treasury, and the Director of the Bureau of the Budget. Suggestions of the Secretary of the Treasury for reductions in nondefense expenditures are contained in the exhibit on page 379.

#### *Public Debt Act of 1942*

Under the Public Debt Act of 1942, approved March 28, 1942, the provisions of the Public Debt Act of 1941 removing the exemption from Federal income taxation previously given to obligations of the United States and its instrumentalities, were extended to shares,

certificates of stock, and other evidences of ownership issued by agencies and instrumentalities of the United States.

Obligations issued under the Second Liberty Loan Act and redeemable upon demand were made acceptable in payment of taxes imposed by the United States.

*Other revenue legislation*

Other laws affecting the revenue are as follows:

Public Law 187, July 22, 1941, amending sections 3341, 3351, and 3361 of the Internal Revenue Code, to extend the allowance of drawback of internal revenue tax on articles exported from the United States upon which an internal revenue tax has been paid to like articles when shipped from the United States to the Philippine Islands, Virgin Islands, Puerto Rico, Guam, and American Samoa, and repealing section 2907 of the Internal Revenue Code, the collection of internal revenue tax if export cases of distilled spirits are tampered with.

Public Law 285, October 30, 1941, amending section 124 of the Internal Revenue Code by extending the time for applications, and changing the procedure, for certification of national defense facilities and contracts for amortization purposes.

Public Law 386, December 26, 1941, amending section 3508 of the Internal Revenue Code to fix the date of termination of the taxes on sugar as of June 30, 1945.

Public Law 412, January 24, 1942, amending section 2883 of the Internal Revenue Code relating to the production of alcohol.

Public Law 436, February 6, 1942, amending section 124 of the Internal Revenue Code to simplify the procedure in connection with the amortization of national defense facilities.

Public Law 490, March 7, 1942. Sections 13 and 14 of this act provide for the postponement of the filing of income tax returns and the payment of Federal income taxes in the case of members of the armed forces of the United States and also in the case of Federal Government employees who are prisoners of war.

Public Law 497, March 13, 1942, suspending during the existing national emergency the tariff duties and import taxes on scrap iron, scrap steel, and non-ferrous metal scrap, payable under the Tariff Act of 1930, as amended, or under section 3425 of the Internal Revenue Code.

Public Law 508, March 27, 1942, amending section 2883 of the Internal Revenue Code relating to the production of alcohol.

Public Law 519, April 8, 1942, amending section 2901 of the Internal Revenue Code, by setting new maximum limits on allowances for losses of distilled spirits by leakage or evaporation while in internal revenue bonded warehouses.

Public Law 526, April 20, 1942, amending sections 2825, 3030, 3031, 3032, 3036, 3038, and 3045 of the Internal Revenue Code,

relating to the withdrawal of brandy for the fortification of wines and production of wines, brandy, and fruit spirits so as to remove therefrom certain unnecessary restrictions.

Public Law 635, June 27, 1942, to accord privileges of free importation to members of the armed forces of other United Nations, to enemy prisoners of war and civilian internees and detainees.

### WAR CONTRIBUTIONS FUND

#### *Conditional gifts*

Under the provisions of Title XI of the Second War Powers Act, 1942, approved March 27, 1942, the Secretary of the Treasury is authorized to accept or reject on behalf of the United States any gift of money or other property, real or personal, or services, made on condition that it be used for a particular war purpose. He may convert into money, at the best terms available, any such gift of property. The act further provides that there shall be established on the books of the Treasury a special deposit account to be designated as the "War Contributions Fund," into which shall be deposited all money received as a result of such gifts. In order to effectuate the purposes for which gifts are accepted, the Secretary of the Treasury is required to allocate the money in the special deposit account to such appropriations available for the purchase of war material and the furtherance of the war program as will best effectuate the intent of the donors. (See exhibit 62, page 342.)

From March 27 to June 30, 1942, there were accepted 105 donations of money aggregating \$1,409,124.42, of which \$985,127.19 had been covered into the Treasury by warrants as of June 30, 1942, and \$423,997.23 subsequent to that date. The latter amount represents checks which must be cleared through banks before the funds are available for covering into the Treasury. These donations are summarized as follows:

#### *Gifts of money to the war contributions fund, March 27 to June 30, 1942*

Purpose of gift	Accepted through June 30, 1942	Covered by warrant through June 30, 1942	Covered by warrant after June 30, 1942
Aircraft (representing bombers, pursuit planes, balloons, etc.)	\$1,302,995.06	\$886,683.69	\$416,311.37
Vessels (representing battleships, cruisers, destroyers, submarines, etc.)	20,456.00	20,456.00	-----
Guns and ammunition (representing rifles, cannon, mortars, machine guns, bullets, torpedoes, bombs, shells, etc.)	12,707.65	11,197.65	1,510.00
Welfare and recreation	4,601.00	4,601.00	-----
Buildings and appurtenances	62,932.85	62,188.85	744.00
Medical supplies	10.00	-----	10.00
Vehicles (representing trucks, ambulances, tanks, tractors, etc.)	5,421.86	-----	5,421.86
Total	1,409,124.42	985,127.19	423,997.23

Donations of property accepted included the following: Naval airplane, office space for use of Office of Scientific Research and Development, band music for use of Naval Training Station, Great Lakes, Ill., and Cadillac station wagon and trailer.

#### *Unconditional donations*

From December 7, 1941, the day on which Pearl Harbor was attacked, to June 30, 1942, 10,751 unconditional donations amounting to \$650,404.49 were received. The 10,751 donations do not represent the total number of donors inasmuch as the donations of approximately 16,000 individuals were grouped and treated as single donations; for example, 7,000 employees of an aeronautical corporation sent in individual checks which were recorded as one donation.

Checks and money orders, some of which were made payable to Uncle Sam, My Country, Bomber Fund, United States of America, and President of the United States, came from individuals, schools, fraternal organizations, labor organizations, groups of citizens, and employees in various corporations. In many cases employees donated one day's pay which was matched by the management. The largest donation by an individual amounted to \$25,000 and the smallest was one cent.

Besides checks, money orders, cash, war savings stamps and bonds, there were donations of wedding rings, gold watches, diamonds, old coins and medals, and other miscellaneous articles.

#### **CUSTOMS SERVICE IN THE WAR**

In addition to its normal functions, the Customs Service is charged with the physical control of exports, vessels, vehicles, and persons to insure that no articles are taken from the United States except under license or similar authorization; with the physical enforcement of the provisions of the freezing order and the rulings and regulations issued pursuant thereto insofar as they relate to the exportation and importation of currency, negotiable instruments, securities, and other evidences of indebtedness; with the control of American citizens leaving the United States to insure that they hold valid passports; with the enforcement of the Trading With the Enemy Act in the censorship of tangible communications brought into or taken from the United States otherwise than in the regular course of the mails; and with the enforcement features of the import activities of the War Production Board.

Active cooperation is given by the Customs Service to the Army and Navy intelligence services and to the Federal Bureau of Investigation. The Customs Service is also furnishing substantial assistance to the Coast Guard in protection of vessels, harbors, ports, and waterfront facilities from sabotage.

## SPECIAL PROCUREMENT ACTIVITIES

*Lend-lease*

After the enactment of the Lend-Lease Act on March 11, 1941, the Procurement Division was designated to purchase agricultural, industrial, and other commodities, automotive equipment, and miscellaneous items. This is its most important task in the present war effort, and is by far its largest activity at the present time. Purchases were comparatively small during the fiscal year 1941, amounting to only \$21,037,555, but have, however, greatly accelerated during the past year, during which they totaled \$1,126,438,327. It is anticipated that purchases under this program will be at the rate of approximately \$200,000,000 per month during the first 6 months of the fiscal year 1943.

Purchases during the latter part of the fiscal year 1942 were made in accordance with Directive No. 2 of the War Production Board, dated March 3, 1942, and the regulations of the Secretary of the Treasury designating and authorizing the Director of Procurement and certain other officers of the Procurement Division to perform and exercise the functions and powers vested in and granted to the Treasury Department by Executive Order No. 9023 of January 14, 1942, extending the provisions of Executive Order No. 9001 of December 27, 1941, to Treasury Department contracts, issued under Title II of the First War Powers Act, approved December 18, 1941.

During the past year the increased lend-lease activities of the Procurement Division have required, in addition to the expansion of the purchase groups, a field expediting and inspection force covering all the industrial areas in the country. The fast delivery of finished and raw products, called for under contracts, has brought about the necessity of arranging for warehouse facilities whereby materials may be assembled for shipment preliminary to availability of vessels for forwarding. Following allocation of funds by the Office of Lend-Lease Administration for storage facilities the Procurement Division coordinated its storage requirements with the storage program of the War Department and will have in operation at nine points by November 15 a total of 2½ million square feet of covered storage space and 2 million square feet of uncovered space.

The inspection offices throughout the country have teletype installations and the same service will be available in storage depots to eliminate as much delay as possible in the transmission of orders covering the movement of materials into storage and from storage to seaboard.

In cooperation with the Office of Defense Transportation, Federal Emergency Warehouse Associations have been set up in three cities

and others are in the process of being established. Agreements are in force with these associations to make a definite amount of storage space available to all Government activities in their operating area and to man and operate other buildings leased by the Government that can be quickly converted into warehouse space.

The movement of the many tons of material purchased under lend-lease contracts has made it necessary to increase largely the force handling the movement of traffic. The statistical group in the Procurement Division has been enlarged to take care of the greatly increased statistical work necessary to keep current records and make reports on purchases aggregating \$1,147,321,230 during the 16 months of lend-lease purchasing.

### *Strategic and critical materials*

Strategic and critical materials were contracted for during the fiscal year 1942, through the medium of the Procurement Division, in the amount of \$6,544,303, under authority of the act of June 7, 1939 (Public No. 117), an act to provide for the common defense by acquiring stocks of strategic and critical materials essential to the needs of industry for the manufacture of supplies for the armed forces and civilian population in time of a national emergency, and to encourage further development of the materials within the United States. During the fiscal year 1942, the sum of \$2,220,232 was returned to the fund due to canceled contracts and unexpended balances of encumbrances. This brought to \$46,281,051 the amount obligated since the inception of the program. Acquisitions under the acts were made at the direction of the Secretary of War and the Secretary of the Navy in accordance with specifications prepared by the Procurement Division and approved by the Secretary of War and the Secretary of the Navy.

The materials acquired under this program are stored by the Division, in accordance with the act, on military and naval reservations or in other locations approved by the Secretary of War and the Secretary of the Navy. In addition to purchasing materials, the Division arranged for the inspection and handling of the materials. Rotation of the materials in order to prevent deterioration, as provided for in the act, thus far has been unnecessary.

The act of May 28, 1941 (Public Law 76), amended section 6 of the act of June 7, 1939, to provide that "Any funds heretofore or hereafter received on account of sales or other dispositions of materials under the provisions of this act shall be deposited to the credit, and be available for expenditure for the purposes, of any appropriation available at the time of such deposit, for carrying out the provisions of sections 1 to 6, inclusive, of this act." Since May 28, 1941, the sum



of \$82,797 has been re-deposited to the credit of the strategic and critical materials appropriation due to this amendment.

Executive Order No. 9123, dated April 7, 1942, authorized and directed the Procurement Division of the Treasury Department "to make use of such quartz crystals suitable for piezo-electric use by sale or other disposition for war production purposes to such buyers or users and in such amounts as may be requested from time to time by the Chairman of the War Production Board."

In order to provide for all expenses for the acquisition, transportation, maintenance, storage, and rotation of strategic and critical materials selected for stockpiling by the Army and Navy Munitions Board, Congress authorized an appropriation of \$100,000,000 to be made by June 30, 1943, of which \$70,000,000 has been appropriated as of June 30, 1942. All funds are available until expended.

### *Refugee relief*

During the fiscal year 1942, the refugee relief program was continued by the Congress and augmented by the "Foreign War Relief Program." Under this program, the Procurement Division proceeded with the purchase of clothing, medical supplies, textiles, and hospital apparatus as in the past.

Approximately 46,000,000 units costing \$17,053,849 were purchased for delivery to the American Red Cross for export shipment and distribution abroad. Included in this program were purchases of 23,049,435 yards of fabric costing \$5,923,109 and 1,406,077 pounds of worsted yarns costing \$2,097,921. These textiles and yarns were distributed to the Red Cross chapters in continental United States and possessions for fabrication into finished garments which, on completion, were collected by the American Red Cross and shipped to refugees abroad.

### *Defense housing*

During the early part of the year, defense housing purchases were made by the Procurement Division for the account of the Public Buildings Administration and more recently purchases of similar items have been made for the Federal Public Housing Authority. A total of 226 orders, amounting to \$15,433,708 were placed with various contractors for kitchen, laundry, and bathroom fittings and other household equipment. During the preceding year defense housing purchases totaled \$5,360,572.

This program is expanding and during the current year there is every reason to believe the activity will be increased by further purchases of similar items, plus certain items of household furniture and furnishings, restaurant and cafeteria equipment, and textiles.

## FOREIGN FUNDS CONTROL

During the fiscal year 1942, Foreign Funds Control extended its program of economic warfare against the Axis. During 1940 and 1941 its efforts had been chiefly fiduciary—protecting the American assets of invaded peoples. But in 1942 it moved into a program of aggressive economic attack.

Six months before the United States entered the war, Foreign Funds Control froze all Axis assets in this country and stopped trade with the Axis countries. At the same time, in cooperation with other agencies, it began the "blacklist" program to squeeze out fascist fronts in South America. As of June 30, 1942, the Control regulated assets of \$8.6 billions owned or controlled by nationals of 36 blocked nations.<sup>1</sup>

Licensing of transactions continued to be the main method of control over blocked assets. During the year the Control considered 330,747 applications to effect specific transactions involving amounts of nearly \$6 billions. About 18 percent of them were denied. In addition, hundreds of thousands more transactions took place under "general licenses" promulgated to facilitate economic activity in safe areas. Some of the highlights of the licensing control were as follows:

(a) Millions of dollars worth of strategic materials owned by foreign interests were disclosed and channeled into the war effort through a directive license program. Directives also helped to clear congested port and rail facilities of materials which had been stranded at the outbreak of the war.

(b) By a rigid control of importations into this country the enemy was prevented from realizing on securities, currency, and valuable gems looted from invaded areas.

(c) Before the war over 500 enterprises owned or dominated by German, Italian, and Japanese interests were controlled under license. They ranged in size from the General Aniline and Film Corporation down to small stores. On the night of Pearl Harbor, Treasury agents moved in. Since then most of the firms have been liquidated. Some have been purged of subversive influence and continued under license. Some have been vested by the Alien Property Custodian.

(d) At the request of the Office of Censorship, Foreign Funds Control has undertaken the licensing of communications with the enemy which involve financial or commercial transactions.

Continued Axis efforts to gain and use economic resources in the Americas required strenuous counter measures of investigation and enforcement to make the licensing control effective. Foreign Funds Control used measures such as the following:

<sup>1</sup> Analyses of the amounts of blocked property and the licenses granted by Foreign Funds Control appear on page 159. Copies of Executive orders, a proclamation, and an act relating to foreign funds control will be found as exhibits beginning on page 294. The publication "Administration of the Wartime Financial and Property Controls of the United States Government" is reproduced as exhibit 51 on page 302.

(a) Detailed information on American holdings of foreign nationals was secured in the census of foreign-owned property taken by the order of the President. The census, the first of its kind ever undertaken, laid the groundwork for effective control.

(b) The "scorched earth" program in the Philippines which kept gold, currency, and securities from falling into Japanese hands was carried out by the Control in cooperation with the High Commissioner's Office. To guard against a possible invasion of Hawaii, currency and securities there were marked to prevent conversion.

(c) When Japanese residents were evacuated from the West Coast, Foreign Funds Control was called in by the Army to supervise the protection and liquidation of the evacuees' property. The Control acted through the Federal Reserve Bank of San Francisco.

(d) Investigations and special studies by the Control uncovered instances of evasions and violations of the freezing order. These included secretion of alien holdings, failure to secure licenses, violation of the terms of licenses, trading with blacklisted firms through "cloaks," and the like.

(e) To curb these abuses sanctions were actively applied. Some violators were blocked on an "ad hoc" basis. Treasury men supervised or liquidated questionable firms. Prosecutions in the courts were begun in other cases.

The combination of licensing control, supervision, investigation, and enforcement hit the enemy hard on the economic front.

#### CHANGES IN ORGANIZATION AND PROCEDURE

The United States Coast Guard was directed by Executive Order No. 8929, November 1, 1941, to operate from the date of the Order as a part of the United States Navy, subject to the orders of the Secretary of the Navy.

The powers of the Secretary of the Treasury in connection with the control of the movements of foreign and domestic vessels in United States harbors and waters under Section 1 of Title II of the so-called Espionage Act, approved June 15, 1917, were transferred by Public Law 292, 77th Congress, approved November 15, 1941, to the Secretary of the Navy to be exercised by him while the Coast Guard operates as a part of the Navy.

Certain functions under the navigation laws, performed by the field officers of the Bureau of Customs on behalf of the Secretary of Commerce and the Bureau of Marine Inspection and Navigation of the Department of Commerce, and the power with respect to the remission and mitigation of fines, penalties, and forfeitures incurred under these laws were transferred by Executive Order No. 9083, February 28, 1942, to the Commissioner of Customs to be exercised

by him under the direction of the Secretary of the Treasury. For a discussion of these activities see page 152.

Certain functions relating to the numbering of undocumented vessels formerly performed by the Bureau of Customs were transferred to the United States Coast Guard by the same Executive Order.

The former Division of Printing of the Treasury Department became a part of the Procurement Division under the Secretary's Order No. 42, of September 30, 1941.

Copies of Treasury orders issued during the year and of the act and Executive orders referred to above will be found as exhibits 52 to 56 beginning on page 335.

#### ESTIMATES OF RECEIPTS

The Secretary of the Treasury is required each year to prepare and submit in his annual report to Congress estimates of the public revenue for the current fiscal year and for the fiscal year next ensuing (Public No. 129, February 26, 1907). These estimates are now made in December of each year.

In its present forecast of revenues, the Treasury recognizes a situation different in many important respects from any heretofore encountered. The conversion of factories to an all-out war effort has curtailed, and will further curtail, the sources of revenue from many important excise taxes. On the other hand, industrial production, employment, and pay rolls will continue upward to new record levels under the huge increases in Government expenditures scheduled for the 1943 and 1944 fiscal years. This will further expand the bases for the corporation and individual income taxes. It is recognized that the present revenue forecasts may need to be revised from time to time as changes occur in the general outlook.

The estimates of revenue from most sources are dependent in varying degrees upon prevailing business conditions, hence it is necessary for the Treasury to forecast the general business situation, in terms of its various components, for approximately a year and a half ahead. These forecasts are based upon the analysis of a wide variety of financial and other economic data. They involve forecasts of a number of important economic series which strongly affect the various sources of Federal revenue, such as the volume of industrial production, the trends of commodity prices, security prices, employment, pay rolls, etc. From these, in turn, forecasts are made of corporation incomes, individual incomes, and the volume of consumption of various commodities upon which taxes are levied.

The fluctuations in the various indices of business activity and consumer incomes may not be reflected immediately, or in direct proportion, in the various sources of revenue. This results to some extent from the relative stability of certain of the tax bases. However, because of greater emphasis on taxes based on income and profits, the

receipts of the Federal Government have become, except for the statutory lag in collections, more sensitive to changes in business conditions. This is particularly true of the present period, in which the requirements of war expenditures have resulted not only in much higher individual income tax rate schedules but also in the reintroduction into the corporate income tax system of an excess profits tax.

The variation in the length of the interval between the creation of the tax liability and the receipt by the Government of the tax payment based on that liability is also important. The tax on the sale of certain commodities or services is collected in advance of the sale or use of these commodities. The most important of the taxes collected in this manner are the taxes on cigarettes, distilled spirits and fermented malt liquors, and the use tax on motor vehicles. On the other hand, the payment of an estate tax may be deferred as long as 15 months after the date of death.

Because of the magnitude of the income tax receipts the lag between the time income is received by the taxpayer and the time of payment of taxes based on such incomes is of particular significance. Thus, in general, the changes in incomes in the calendar year 1942 will not be reflected in income tax receipts until the income tax returns in respect of calendar year 1942 incomes are filed on or before March 15, 1943. Because of the privilege of making quarterly installment payments of these tax liabilities, the receipts will be received throughout the calendar year 1943, thus falling into the receipts of the fiscal years 1943 and 1944. Hence, the estimated current income tax receipts, both corporation and individual, for the fiscal year 1943 are made up partly of payments on calendar year 1941 incomes and partly of payments on calendar year 1942 incomes. Similarly, fiscal year 1944 estimates of income tax receipts include payments based upon the incomes of each of the calendar years 1942 and 1943.

Receipts during the fiscal year from the collection at the source of the 5 percent tax on salaries and wages in excess of an annual rate of \$624, however, are derived principally from incomes during the calendar year ending 6 months before the close of the fiscal year. The tax is to be collected by the withholding agents currently and paid over to the Treasury quarterly at the end of the month following the close of the quarter. Consequently 3 months' (January-March) withholdings in respect of the calendar year 1943 salaries and wages will be received by the Government in the fiscal year 1943 but the other 9 months' withholdings in respect of the calendar year 1943 salaries and wages plus 3 months' withholdings of the calendar year 1944 will be received in the fiscal year 1944.

The estimates are presented to show both total receipts and net receipts. Total receipts cover all taxes and nontax revenues coming into the Treasury which are credited to general and special accounts,

while net receipts represent total receipts less a deduction for the amount of the net appropriation to the Federal old-age and survivors insurance trust fund. The appropriation to this fund represents an amount equivalent to 100 percent of the taxes received under the Federal Insurance Contributions Act less reimbursement to the General Fund for administrative expenses as provided in the law. In this discussion of estimated receipts, the term "Total receipts" means "Total receipts, general and special accounts, on the basis of daily Treasury statements, unrevised." The term "Net receipts", which allows for the deduction for the appropriation to the Federal old-age and survivors insurance trust fund, means "Net receipts, general and special accounts, on the basis of daily Treasury statements, unrevised".

Total receipts, general and special accounts, are estimated (on the daily Treasury statement basis, unrevised) in the amounts of \$24,552 millions in the fiscal year 1943 and \$35,407 millions in the fiscal year 1944. The estimated total receipts in the fiscal year 1943 exceed by \$10,884 millions the actual total receipts of \$13,668 millions in the fiscal year 1942, while estimated total receipts in the fiscal year 1944 represent an increase of \$10,854 millions over the estimated total receipts in the fiscal year 1943.

The percentage distribution of total receipts in the fiscal years 1943 and 1944, as compared with actual receipts in the fiscal year 1942, is shown in the following table:

*Percentage distribution of total receipts in the fiscal years 1942, 1943, and 1944*

General and special accounts	Estimated, 1944	Estimated, 1943	Actual, 1942
Internal revenue:			
Income taxes.....	78.08	71.57	58.24
Miscellaneous internal revenue.....	13.94	18.39	28.15
Employment taxes.....	5.57	5.95	8.67
Total internal revenue.....	97.59	95.91	95.06
Railroad unemployment insurance contributions.....	.03	.04	.06
Customs.....	.58	1.03	2.85
Miscellaneous receipts.....	1.80	3.02	2.03
Total receipts.....	100.00	100.00	100.00

Estimated receipts in the fiscal years 1943 and 1944 and actual receipts in the fiscal year 1942 are presented in summary form in the table on page 61. A more detailed tabulation of receipts and estimates is shown in table 105 beginning on page 675. All year-to-year differences and percentages appearing in the text are based on this detailed table.

## REPORT OF THE SECRETARY OF THE TREASURY

61

*Actual receipts in the fiscal year 1942 and estimated receipts in the fiscal years 1943 and 1944*

[In millions of dollars]

General and special accounts	Estimated, 1944	Estimated, 1943	Actual, 1942
<b>1. Internal revenue:</b>			
<b>(1) Income and excess profits taxes:</b>			
Corporation:			
Income.....	3,870.0	3,750.0	2,764.0
Excess profits tax.....	10,270.0	5,670.0	1,618.2
Declared value excess profits tax.....	90.0	85.0	52.2
Total corporation.....	14,230.0	9,505.0	4,434.4
Individual:			
Income.....	10,111.3	7,127.5	3,108.0
Victory tax.....	2,800.5	534.6	
Total individual.....	12,911.8	7,662.1	3,108.0
Back taxes:			
Corporation and individual income.....	500.0	400.0	460.1
Unjust enrichment tax.....	3.0	4.0	4.4
Total back taxes.....	503.0	404.0	464.5
Total income taxes (collection basis).....	27,644.8	17,571.1	8,006.9
Adjustment to daily Treasury statement basis, unrevised.....			-46.4
Total income taxes (daily Treasury statement basis, unrevised).....	27,644.8	17,571.1	7,960.5
<b>(2) Miscellaneous internal revenue:</b>			
Capital stock tax.....	360.0	300.0	281.9
Estate tax.....	609.3	500.0	340.3
Gift tax.....	54.5	41.4	92.2
Liquor taxes.....	1,486.5	1,376.2	1,046.9
Tobacco taxes.....	948.2	919.8	780.8
Stamp taxes.....	42.0	40.8	41.7
Manufacturers' excise taxes.....	395.8	468.4	768.3
Retailers' excise taxes.....	137.0	143.4	80.2
Miscellaneous taxes.....	902.9	725.5	405.4
Total miscellaneous internal revenue (collection basis).....	4,936.2	4,515.5	3,837.7
Adjustment to daily Treasury statement basis, unrevised.....			+9.4
Total miscellaneous internal revenue (daily Treasury statement basis, unrevised).....	4,936.2	4,515.5	3,847.1
<b>(3) Employment taxes:</b>			
Taxes on employment by other than carriers:			
Federal Insurance Contributions Act.....	1,555.8	1,105.0	895.6
Federal Unemployment Tax Act.....	170.6	147.9	119.9
Total.....	1,726.4	1,252.9	1,015.6
Taxes on carriers and their employees (Chap. 9, Subchap. B of Internal Revenue Code).....	244.5	209.2	170.0
Total employment taxes (daily Treasury statement basis, unrevised).....	1,970.9	1,462.1	1,185.6
Total internal revenue (daily Treasury statement basis, unrevised).....	34,551.9	23,548.7	12,993.1
<b>2. Railroad unemployment insurance contributions (daily Treasury statement basis, unrevised).....</b>	11.3	10.2	8.5
<b>3. Customs (daily Treasury statement basis, unrevised).....</b>	204.3	252.6	388.9
<b>4. Miscellaneous receipts (daily Treasury statement basis, unrevised).....</b>	639.2	740.7	277.4
Total receipts, general and special accounts (daily Treasury statement basis, unrevised).....	35,406.7	24,552.3	13,667.9
Deduct: Net appropriation for Federal old-age and survivors insurance trust fund representing an amount equal to taxes collected and deposited under the Federal Insurance Contributions Act, less reimbursement to General Fund for administrative expenses.....	1,525.5	1,076.2	868.9
Net receipts, general and special accounts (daily Treasury statement basis, unrevised).....	33,881.2	23,476.1	12,799.1

NOTE.—Figures are rounded to nearest tenth of a million and will not necessarily add to totals.

*Fiscal year 1943*

Total receipts in general and special accounts in the fiscal year 1943 are estimated at \$24,552 millions, an increase of \$10,884 millions over the actual total receipts of \$13,668 millions in the fiscal year 1942. Net receipts—total receipts less the net appropriation for the Federal old-age and survivors insurance trust fund—are estimated at \$23,476 millions. This is an increase of \$10,677 millions or 83.4 percent over actual net receipts in the previous fiscal year.

Tremendous expansion of business activity consequent upon the entry of the United States into the war has raised incomes to higher levels among practically all classes of income recipients. New tax legislation has broadened considerably the tax base by lowering the exemptions. The tax rates are much higher than under previous tax laws. The combined influence of these factors is responsible for the large increase of the estimated receipts in the fiscal year 1943 over the fiscal year 1942. Receipts in the fiscal year 1943 are affected by the Revenue Acts of 1941 and 1942 as well as by certain minor tax legislation. Because of the statutory lag in receipts, the receipts in the fiscal year 1943 do not represent the full effect of the legislation in the calendar years 1941 and 1942. This is particularly true of income taxes.

*Income taxes.*—Total income and excess profits tax receipts, including back income tax collections, in the fiscal year 1943 are estimated at \$17,571 millions, more than double the receipts in any previous fiscal year. This represents an increase of \$9,611 millions or 120.7 percent over the receipts from this source in the fiscal year 1942.

Total current income and excess profits tax receipts are estimated at \$17,167 millions, an increase of \$9,625 millions or 127.6 percent over actual receipts in the preceding fiscal year. This increase in current receipts is divided almost evenly between receipts from corporation taxes and receipts from individual taxes.

Total corporation current income and excess profits tax receipts are estimated to be \$9,505 millions in the fiscal year 1943. This is an increase of \$5,071 millions or 114.3 percent over actual receipts in the fiscal year 1942. The excess profits tax receipts provide 79.9 percent of the total increase in receipts from corporation current income and excess profits taxes.

Current corporation income tax receipts, normal tax and surtax, are estimated at \$3,750 millions in the fiscal year 1943 and represent an increase of \$986 millions or 35.7 percent over actual fiscal year 1942 receipts of \$2,764 millions from this source. Receipts in the fiscal year 1943 represent the collection of income tax liabilities incurred in respect of the incomes of the calendar years 1941 and 1942, whereas



the fiscal year 1942 receipts reflect liabilities for the calendar years 1940 and 1941 incomes. While receipts of calendar year liabilities are not divided evenly between the two fiscal years affected, the proportions are such that, for the purpose of simplifying the explanation of results, the calendar year common to both may be eliminated in comparing receipts for two fiscal years. Thus, in comparing the fiscal years 1943 and 1942, the calendar year 1941 may be disregarded and the increase in receipts in the fiscal year 1943 over those in the fiscal year 1942 may be attributed almost entirely to the change in income levels and methods of taxation in the calendar year 1942 as compared with the calendar year 1940. However, only part of the full calendar year 1942 increase in liabilities, roughly 50 percent, is reflected in the fiscal year 1943 receipts.

In respect of the calendar year 1940 incomes only one income tax, the normal tax, was imposed on corporations. Corporations with normal-tax net income of \$25,000 or less were taxed at bracket rates of 13½ percent, 15 percent, and 17 percent. The addition of the defense tax equal to 10 percent of the regular tax raised the effective rates to 14.85 percent, 16.5 percent, and 18.7 percent. Corporations with normal-tax net income in excess of \$25,000 were taxed at a rate of 22.1 percent, which was raised to 24 percent by the defense tax. This rate applied to total normal-tax net income. Corporations with normal-tax net income in excess of \$25,000 were allowed an alternative to the above method of computing the tax. The alternative method was to tax the portion of normal-tax net income under \$25,000 at the bracket rates that are applicable to corporations with normal-tax net income under \$25,000, and to tax the portion in excess of \$25,000 at a 35 percent rate. This alternative method resulted in a lower tax if normal-tax net income did not exceed \$38,565.89. Above that net income it was advantageous to the corporation to compute the normal tax at the flat rate of 24 percent applicable to its entire normal-tax net income.

These tax rates were changed only slightly by the Revenue Acts of 1941 and 1942. In 1942 corporations with normal-tax net income of \$25,000 or less were taxed at bracket rates of 15 percent, 17 percent, and 19 percent. Those with net income in excess of \$25,000 were taxed at 24 percent. Corporations with normal-tax net income in excess of \$25,000 but not over \$50,000 were allowed an alternative to the above method of computing the normal tax. The alternative method was to tax the first \$25,000 of normal-tax net income at the bracket rates applicable to corporations having not more than \$25,000 of normal-tax net income, and to tax the portion of normal-tax net income in excess of \$25,000 at a rate of 31 percent.

In addition to this normal tax, corporations were subject to a surtax on 1942 incomes. Corporations with surtax net income of \$25,000

or less were subject to a tax of 10 percent. Those with surtax net income in excess of \$25,000 but not over \$50,000 were subject to rates of 10 percent on the first \$25,000 of surtax net income and 22 percent on the excess over \$25,000. Corporations with surtax net income in excess of \$50,000 were subject to a flat rate of 16 percent applicable to their entire surtax net income. Surtax net income is greater than normal-tax net income by the amount of interest received from certain United States obligations issued prior to March 1, 1941.

The potential effect of the slight increase in normal tax rates and the addition of the corporation surtax was reduced by the allowance in 1942 of the adjusted excess profits net income as a deduction in computing normal and surtax net income. In 1940 the normal tax was computed first and allowed as a deduction in computing the excess profits tax. The income tax base was further decreased in 1942 by the allowance of a two-year carry-forward of operating losses. In 1940 only one year of the carry-forward was effective.

Excess profits tax receipts in the fiscal year 1943 are estimated at \$5,670 millions, an increase of \$4,052 millions or 250.4 percent over actual receipts of \$1,618 millions from this tax in the fiscal year 1942. As excess profits tax receipts are collected in the same manner as corporation income taxes, a comparison of the calendar years 1942 and 1940 explains in the main the increase in the fiscal year 1943 over the fiscal year 1942. In respect of the calendar year 1942 incomes the base of the excess profits tax computation was net income before deduction of normal tax and surtax. In computing the calendar year 1940 tax liabilities the corporation normal tax was allowed as a deduction in computing excess profits net income. In 1940 corporations using the invested capital method in computing their excess profits credit were allowed a credit of 8 percent of invested capital. In 1942 the credit was reduced to 8 percent on the first \$5 millions of invested capital, 7 percent on the amount in excess of \$5 millions but not over \$10 millions, 6 percent on the amount in excess of \$10 millions but not in excess of \$200 millions, and 5 percent on invested capital in excess of \$200 millions. On the other hand, corporations using the average earnings method could have a greater excess profits credit in 1942 than in 1940. In 1940 base period net income was an average of the net income of the years 1936 to 1939, inclusive, with an allowance of one deficit year as zero. Under the Revenue Act of 1942, which first applied to calendar year 1942 incomes, the net income of the lowest year of the base period could be counted at a minimum of 75 percent of the average net income of the remaining three years in the base period.

The excess profits tax rate applicable in 1942 was substantially higher than the effective rate in 1940. In 1940 excess profits rates varied from 25 percent to 50 percent depending upon the absolute

size of adjusted excess profits net income. In 1942 a flat rate of 90 percent applies except where the combined income and excess profits tax exceeds 80 percent of surtax net income before deduction of the adjusted excess profits net income, in which case the excess profits tax is reduced by the amount necessary to reduce the combined rate to 80 percent. Corporations are allowed a post-war credit of 10 percent of the excess profits tax in the form of noninterest-bearing bonds maturing at specified periods after the cessation of hostilities in the present war. A current credit against the excess profits tax is allowed for debt retirement equal to 40 percent of debt retired during the taxable year. The debt retirement credit cannot exceed the post-war excess profits tax credit and is deducted in computing the amount of the post-war excess profits tax refund due the corporation.

The Revenue Act of 1942 made many other changes in corporation income and excess profits taxes, most of which decreased the yield of these taxes. The privilege of consolidated returns was extended to permit the filing of consolidated returns for normal tax and surtax purposes as well as for excess profits tax calculation. If the corporation elects to file consolidated returns it must pay an additional tax of 2 percent of surtax net income. The method of computing depletion based on a percentage of gross income was extended to fluorspar, ball and sagger clay, and rock asphalt. A credit, allowed against the corporation surtax only, equal to the amount of dividends paid on preferred stock is allowed to public utilities furnishing telephone service or selling electric energy, gas, or water. Income derived from the excess output of corporations engaged in the extraction of certain minerals was made nontaxable for excess profits tax purposes. The amount of excess output is based on the relation of production in the taxable year as compared with production in the base period 1936-1939, inclusive.

Certain changes were made which do not affect receipts immediately. A two-year carry-back of net operating losses is allowed in computing net income. In the calculation of the excess profits credit, a two-year carry-back of unused excess profits credit is permitted. Both of these are in addition to the two-year carry-forward of net operating losses and unused excess profits credit already permitted. Provision is made to alleviate the problems of corporations whose basic inventories are depleted because of war shortages. When these inventories are replaced, the corporation may recalculate its tax using an inventory valuation based on replacement cost in the year of replacement. The full effect of these changes will never be reflected in Government receipts, since part of the effect will result in an increase in Government expenditures as refunds are made to taxpayers.

Receipts from the declared value excess profits tax are estimated at \$85 millions in the fiscal year 1943 and represent an increase of \$33

millions or 62.8 percent over actual receipts in the fiscal year 1942. This increase is attributable to the substantially higher income levels in the calendar year 1942 as compared with the calendar year 1940.

Individual income tax receipts in the fiscal year 1943 are estimated at \$7,662 millions or 146.5 percent more than actual receipts of \$3,108 millions in the fiscal year 1942. Of the increase of \$4,554 millions, the amount withheld at the source on salaries and wages in excess of an annual rate of \$624 accounts for \$535 millions. Apart from the withholdings, the increase is caused by the rise in income levels, the increase in tax rates, and the broadening of the income tax base determining fiscal year 1943 receipts as compared with fiscal year 1942 receipts.

The amounts withheld at the source on salaries and wages paid during the first quarter of the calendar year 1943, computed at 5 percent on the excess over an exemption fixed at the annual rate of \$624 per recipient, are included in the tabular presentation of estimates as Victory tax receipts since the amounts withheld apply first in liquidating the Victory tax liability. The more important exemptions from collection at the source on salaries and wages (but not from ultimate liability for Victory tax) consist of the great bulk of remuneration for services in the armed forces, for agricultural labor, for domestic service, and for casual labor.

As is true for corporation income tax receipts, individual income tax receipts, excluding the Victory tax, in the fiscal year 1943 are composed of receipts from liabilities of the calendar years 1941 and 1942 while receipts in the fiscal year 1942 are derived from liabilities of the calendar years 1940 and 1941. Of the total individual income tax receipts of \$7,128 millions estimated for the fiscal year 1943, \$1,360 millions reflect partial collections of liabilities for the calendar year 1941 and \$5,768 millions arise from liabilities of the calendar year 1942. Of total actual receipts of \$3,108 millions in the fiscal year 1942, \$544 millions are receipts of collections based on liabilities of the calendar year 1940 and \$2,564 millions reflect receipts of liabilities of the calendar year 1941. In the case of the corporation income taxes, the explanation of relative fiscal year receipts could be simplified by the elimination of the calendar year common to both fiscal years, because of the equal distribution of calendar year liabilities as receipts in fiscal years. However, as may be seen from examination of the above figures relating to the individual income tax, the receipts from the liabilities of the calendar year 1941 are not distributed evenly between the fiscal years 1942 and 1943; consequently, the simplified discussion used for corporation taxes cannot be employed for the individual income tax.

The 1941 act personal exemptions of \$1,500 for married couples and heads of families and \$750 for single persons were reduced to \$1,200 and \$500, respectively, in the 1942 act. The base was further broad-

ened by reducing the dependent credit from \$400 to \$350. However, for members of the armed forces below the grade of commissioned officer an additional allowance of \$300 for married couples and heads of families and \$250 for single persons was granted as an exclusion from gross income of salary received by such personnel for active service. Surtax rates were increased throughout the entire schedule, ranging from an increase of more than double on the first \$2,000 of surtax net income (from 6 percent to 13 percent) to an increase of 1/15 on surtax net income over \$5 millions (from 77 percent to 82 percent). The normal tax rate was increased from 4 percent to 6 percent. On the other hand, the base is reduced by the allowance of deductions for certain medical expenses and certain State retail sales taxes. Small reductions of tax yield result from additions of certain minerals entitled to 15 percent depletion allowance, a two-year carry-back of net operating losses, a change in the computation of the tax liability of taxpayers whose fiscal years do not coincide with the calendar year, and an additional exclusion from gross income of pensions, annuities, etc., for disability resulting from military service.

Collections of back corporation and individual income taxes are estimated at \$400 millions, a decrease of \$60 millions or 13.1 percent as compared with actual receipts in the previous fiscal year.

*Miscellaneous internal revenue.*—Miscellaneous internal revenue receipts in the fiscal year 1943 are estimated at \$4,516 millions, an increase of \$668 millions or 17.4 percent over actual receipts in the fiscal year 1942. The bulk of miscellaneous internal revenue is derived from levies incident to the sale of goods or services. The exceptions to this are capital stock, estate, and gift taxes, the revenues from which are estimated at \$841 millions in the fiscal year 1943. The basic index of variation in the excise tax receipts is consumer purchases. The impact of war on the economy has caused an increase in the consumption of certain commodities and a decline in that of others. Restrictions upon production account for the latter. Increases in the tax rate are also of prime importance in the case of receipts from certain of these taxes. The resulting estimated collections from miscellaneous internal revenue taxes, excluding those from capital stock, estate, and gift taxes, are \$3,674 millions in the fiscal year 1943, an increase of \$551 millions or 17.6 percent over the estimated receipts in the fiscal year 1942.

Receipts from the capital stock tax are estimated at \$300 millions in the fiscal year 1943 as compared with actual receipts of \$282 millions in the previous fiscal year. Receipts in both years reflect a tax rate of \$1.25 per thousand dollars of declared valuation. The capital stock valuation reflected in receipts in the fiscal year 1943 is the basis for determining excess profits for declared value excess profits tax calculation in respect of earnings in the calendar year 1942.

Receipts in the fiscal year 1942 would represent the valuation of capital stock for declared value excess profits tax computation in the calendar year 1941. However, the difference in receipts does not reflect the relative income levels in the two calendar years. Receipts in the fiscal year 1942 represent a valuation which, under the law in effect at that time, would serve as the basic valuation not only for the calendar year 1942 but also for the succeeding two years. The Revenue Act of 1942 revised this three-year valuation method so as to allow corporations a completely new valuation every year instead of every three years.

Estate tax receipts are estimated to be \$500 millions in the fiscal year 1943. This is an increase of \$160 millions or 46.9 percent over actual receipts of \$340 millions in the fiscal year 1942. The estimated increase is a result primarily of the higher rates of the Revenue Act of 1941 applicable to approximately 50 percent of the returns filed in the fiscal year 1943. A lag of approximately 15 months between the date of death and the date of filing the return is responsible for the fact that only a part of the returns filed in the fiscal year 1943 will be subject to the higher rates of the Revenue Act of 1941.

Gift tax receipts in the fiscal year 1943 are estimated at \$41 millions. This is a decrease of \$51 millions or 55.1 percent, as compared with actual receipts of \$92 millions in the fiscal year 1942. The receipts in the fiscal year 1942 were the result of a large volume of gifts made in the calendar year 1941 caused in large measure by the increased estate, income, and gift tax rates contained in the Revenue Act of 1941. The estimated receipts in the fiscal year 1943, however, represent gift taxes based on a normal year of gifts made without comparable special incentives and following a year in which an abnormal volume of gifts had been made. The estimated receipts represent a large decrease from the fiscal year 1942 even though the increased rates of the Revenue Act of 1941 are applicable to the gifts upon which the fiscal year 1943 receipts will be based.

Total receipts from the liquor taxes are estimated at \$1,376 millions, an increase of \$329 millions or 31.5 percent over receipts in the previous fiscal year. Receipts from taxes on distilled spirits and fermented malt liquors account for \$1,238 millions or 89.9 percent of the estimated total receipts from this group. Receipts from the excise tax on distilled spirits are estimated to increase \$228 millions or 39.7 percent, to a total of \$802 millions in the current fiscal year. The higher yield is almost entirely the result of an increase in the tax rate from \$4 to \$6 a gallon imposed by the Revenue Act of 1942, effective November 1, 1942. Receipts from the excise tax on fermented malt liquors are estimated to increase \$69 millions or 18.9 percent to a total of \$435 millions. An increase in the tax rate from \$6 to \$7 a barrel imposed by the Revenue Act of 1942, effective November 1,

1942, is largely responsible for the estimated increase in receipts. Receipts from the excise tax on wines are estimated at \$33 millions, an increase of 36.7 percent over the receipts in the previous fiscal year. This gain is expected to be caused primarily by the higher tax rates now in effect. Floor stocks taxes, a nonrecurring item, on distilled spirits, wines, and fermented malt liquors are estimated to yield \$69 millions.

Receipts from the tobacco taxes are expected to total \$920 millions, an increase of \$139 millions or 17.8 percent over the yield of these taxes in the previous fiscal year. Of this total, the receipts from the tax on cigarettes will contribute \$832 millions. This item will represent the largest single source of revenue from the excise taxes. An increase of 18.1 percent in estimated receipts from the cigarette tax is accounted for by an increase in the tax rate from \$3.25 to \$3.50 per thousand cigarettes, effective November 1, 1942, and by a further increase in consumption. The yield from the tax on chewing and smoking tobacco is estimated at \$51 millions, a decline of 3.1 percent. Higher tax rates on cigars and a reclassification by tax groups, together with a growth in consumption, are expected to increase receipts from the cigar tax to \$22 millions, a gain of 55.8 percent.

Receipts from stamp taxes on issues of securities, bond and stock transfers, etc., and on playing cards and silver bullion sales are estimated at \$41 millions, a decrease of 2.2 percent. No changes in tax rates were made in this group by the Revenue Act of 1942.

The manufacturers' excise taxes, imposed on many consumers' goods which have been affected by the conversion of factories to war material production and by restrictions on civilian use of gasoline and rubber, are expected to yield \$468 millions in the fiscal year 1943. This represents a decline of \$300 millions or 39.0 percent. The tax on gasoline, with receipts estimated at \$256 millions, will continue as the most important source of revenue in this group. However, this yield represents a decline of \$113 millions or 30.7 percent compared with receipts in the preceding fiscal year. The decrease is expected to result from the adoption on December 1, 1942, of a program of rubber conservation which has necessitated the Nation-wide rationing of gasoline. Receipts from the tax on lubricating oils are estimated at \$48 millions, an increase of 2.9 percent. While the use of lubricating oils by automobiles is expected to be curtailed, the effect of this on revenues will be more than offset by an increase in industrial use and by an increase in the tax rate from 4½ cents to 6 cents a gallon, effective November 1, 1942. The tax on electrical energy for household and commercial use is estimated to yield \$51 millions. The increase of 2.4 percent is expected to be caused by a further moderate expansion in consumption.

Estimated receipts from many taxes in this group show large declines from comparable receipts of the previous fiscal year. Because of automobile rationing and the cessation of production for civilian use, receipts from the tax on passenger automobiles are expected to drop from \$77 millions to \$2 millions, or 97.4 percent. The curtailment in production of tires and inner tubes for taxable uses is responsible for a decline of \$40 millions (70.8 percent) in the estimated receipts from the tax on these items. Receipts from the taxes on such articles as automobile parts and accessories, electric, gas, and oil appliances, radios, phonographs, and musical instruments, refrigerators, business and store machines, and firearms and shells all show substantial declines because of the conversion of these industries to the production of war goods.

Certain taxes in this group were repealed by the Revenue Act of 1942. These include the excise taxes on articles made of rubber, on electric signs, on commercial washing machines, and on optical equipment. Receipts from the taxes on these items were received during part only of the fiscal year 1942, since the taxes became effective on October 1, 1941. The base for the tax on refrigerators and refrigerating equipment was changed by the Revenue Act of 1942 to cover only household refrigerators, parts, and self-contained air-conditioning units. Substantial increases are shown in the fiscal year 1943 in estimated receipts from the taxes on matches, luggage, and sporting goods because these taxes were in effect during part only of the fiscal year 1942. Declines would be indicated in each case if comparisons were made between receipts for two years throughout each of which the taxes were in effect.

The retailers' excise taxes on jewelry, etc., on furs, and on toilet preparations are estimated to yield \$143 millions in the fiscal year 1943, an increase of \$63 millions or 78.9 percent over the receipts in the previous fiscal year. For each of these three taxes the relatively large increase in estimated revenues results from the fact that the tax was in effect during part only of the previous fiscal year. Increased retail sales in response to higher consumer incomes also contributed to the increase.

The miscellaneous tax group is estimated to yield \$726 millions, an increase of \$320 millions or 79.0 percent over the receipts in the fiscal year 1942. The increase is caused principally by rate increases on certain taxes made by the Revenue Act of 1942, and by the fact that other important taxes were in effect during part only of the fiscal year 1942. Receipts from the tax on telephone, telegraph, radio, and cable facilities, etc., are estimated at \$85 millions, an increase of \$36 millions over receipts in the preceding year. An advance in the tax rates, effective November 1, 1942, from a differential rate plan approximating an average of 14.6 percent to a flat rate of 20 percent on tele-



phone messages and from 10 percent to 15 percent on telegraph messages, and some further expansion in the use of these facilities account for the estimated increase in revenues. The tax on local telephone service is estimated to yield \$74 millions in the fiscal year 1943, an increase of \$48 millions over receipts in the previous year. A change in the tax rate from 6 percent to 10 percent, effective November 1, 1942, an expected further increase in local telephone service, and the fact that the tax was in effect during part only of the previous year account for the large increase in estimated revenues.

The tax rate on the transportation of persons was increased from 5 percent to 10 percent by the Revenue Act of 1942. The higher tax rate, combined with an expected further increase in civilian travel, raises the estimated receipts from this tax to \$84 millions in the fiscal year 1943. This yield compares with receipts of \$21 millions in the previous fiscal year, during which the tax was not in effect for the entire period. The Revenue Act of 1942 imposed a tax of 3 percent on the transportation of property with certain exceptions. In the case of coal, the act substituted a levy of 4 cents a short ton. Receipts from the new tax are estimated at \$77 millions in the fiscal year 1943.

Receipts from the tax on admissions are estimated at \$155 millions, an increase of \$40 millions or 34.6 percent. Not only are rising consumer incomes expected to stimulate attendance at theaters, etc., but an extension of the tax base to include admissions under 21 cents was not in effect for the entire fiscal year 1942, the period with which comparison is made.

The use tax on motor vehicles and boats is estimated to yield \$150 millions, an increase of \$78 millions over the receipts in the previous fiscal year. The tax was in effect during 5 months only of the previous fiscal year. Gasoline rationing, tire shortages, and other factors are expected to reduce the number of motor vehicles and boats subject to the tax in the fiscal year 1943 as compared with the preceding year.

Receipts from the tax on manufacture of sugar are estimated at \$48 millions, a decline of \$20 millions or 29.8 percent from the receipts in the previous fiscal year. The decrease follows the expected reduction in the quantity of sugar to be manufactured in the United States during the fiscal year 1943.

*Employment taxes.*—Total employment taxes included in internal revenue are estimated at \$1,462 millions, an increase of \$277 millions or 23.3 percent over actual receipts of \$1,186 millions in the fiscal year 1942.

The estimated increase in receipts is attributable almost entirely to a higher level of pay rolls. The increase in the Federal Insurance Contributions Act tax rate from 1 percent to 2 percent on employer and employee (total 4 percent) which was to become effective on January 1, 1943, under the Social Security Act Amendments of 1939,

was postponed until January 1, 1944, by the provisions of the Revenue Act of 1942.

Receipts under the Federal Insurance Contributions Act are estimated at \$1,105 millions. This amount exceeds the actual receipts of \$896 millions in the fiscal year 1942 by \$209 millions or 23.4 percent.

Receipts under the Federal Unemployment Tax Act are estimated at \$148 millions. As compared with actual receipts of \$120 millions in the fiscal year 1942, this represents an increase of \$28 millions or 23.3 percent.

Receipts under the Carriers Taxing Act of 1937 are estimated at \$209 millions. This is a 23.1 percent increase over actual receipts of \$170 millions in the fiscal year 1942. The increase is the result of an increase in taxable compensation, reflecting the effect of an increase in work hours and a higher wage rate level resulting from the wage rate increase for railway labor, effective in its entirety beginning December 1, 1941, as approved by the President's Emergency Board under the Railway Labor Act. A portion of the increase is the result of an increase in tax rate, effective in January 1943 from 3 percent to 3½ percent on both employers and employees (total 6½ percent).

*Total internal revenue.*—Total internal revenue, which is the summation of the estimated receipts discussed in detail above, is estimated at \$23,549 millions in the fiscal year 1943 compared with actual receipts of \$12,993 millions in the fiscal year 1942, an increase of \$10,556 millions or 81.2 percent. A detailed tabulation of the foregoing estimates is in the table on page 675.

*Railroad unemployment insurance contributions.*—Railroad unemployment insurance contributions are estimated at \$10 millions, an increase of \$2 millions over the actual receipts of \$8 millions in the fiscal year 1942.

*Customs.*—Customs receipts, including import taxes collected and paid in the same manner as duties imposed by the Tariff Act of 1930, are estimated at \$253 millions. This is a decrease of \$136 millions or 35.1 percent from the actual receipts of \$389 millions in the fiscal year 1942.

The decrease results from a decline in the volume of imports, consequent upon Government import restrictions to conserve available cargo space, shipping difficulties, and the diversion of shipping space to war needs. The free entry of strategic materials, as provided for in Executive Order No. 9177, will also contribute to a decrease in customs receipts.

*Miscellaneous receipts.*—Miscellaneous receipts in the fiscal year 1943 are estimated at \$741 millions, an increase of \$463 millions or 167.1 percent over the receipts in the fiscal year 1942. Of this increase, \$350 millions represent estimated excessive profits from renegotiation of contracts, as provided in section 403 of the Sixth Supplemental

National Defense Appropriation Act (Public No. 528, approved April 28, 1942), as amended.

*Fiscal year 1944*

Total receipts in general and special accounts in the fiscal year 1944 are estimated at \$35,407 millions, an increase of \$10,854 millions over estimated total receipts in the fiscal year 1943. Net receipts—total receipts less the net appropriation for the Federal old-age and survivors insurance trust fund—are estimated at \$33,881 millions. This is an increase of \$10,405 millions or 44.3 percent over estimated net receipts of \$23,476 millions for the fiscal year 1943. Each major source of revenue contributes to the increase with the exception of manufacturers' and retailers' excise taxes and customs. Of the increase of \$10,854 millions in estimated total receipts in the fiscal year 1944, \$10,074 millions or 92.8 percent of the total increase comes from income taxes.

*Income taxes.*—Estimated income and excess profits tax receipts reach a new all-time high of \$27,645 millions, an increase over the fiscal year 1943 of \$10,074 millions or 57.3 percent. About 52 percent of the increase is in individual income taxes (including the net effect of the Victory tax).

Total corporation income and excess profits taxes, excluding collections of back income taxes, are estimated at \$14,230 millions, an increase of \$4,725 millions or 49.7 percent over estimated receipts in the fiscal year 1943. Practically all of this increase is reflected in the increase of \$4,600 millions in collections of the excess profits tax. Current receipts of the individual income tax including the Victory tax are estimated at \$12,912 millions in the fiscal year 1944, an increase of \$5,250 millions or 68.5 percent over estimated receipts in the fiscal year 1943.

Corporation income tax receipts in the fiscal year 1944 are estimated at \$3,870 millions, an increase of \$120 millions or 3.2 percent over estimated receipts in the previous fiscal year. In the comparison of receipts in the fiscal years 1942 and 1943, the difference was ascribed to the relative income levels of the calendar years 1942 and 1940 as collections of the liability year 1941 are distributed evenly between the two fiscal years. In a comparison of receipts in the fiscal years 1943 and 1944, the explanation of results may be limited to a comparison of the tax liabilities in respect of the incomes for the calendar years 1943 and 1941. This applies not only to the corporation income tax but to the excess profits and declared value excess profits taxes as well.

In both the calendar years 1941 and 1943 corporations were subject to a normal tax and a surtax. In both years the normal tax rates were

substantially the same. For corporations with normal-tax net income of \$25,000 or less the rates were 15 percent on the first \$5,000, 17 percent on the amount in excess of \$5,000 but not over \$20,000, and 19 percent on the excess over \$20,000. In 1941 and 1943, corporations with normal-tax net incomes in excess of \$25,000 were subject to a flat rate of 24 percent on the entire normal-tax net income. An alternative method of computing the tax was allowed which permitted corporations to compute the tax on the first \$25,000 of normal-tax net income at the bracket rates applicable to corporations with normal-tax net income of less than \$25,000. Under this alternative method normal-tax net income in excess of \$25,000 was subject to a rate of 37 percent. Corporations with normal-tax net income of less than \$38,461.54 could use the alternative method with advantage. Under the 1942 Revenue Act in effect in the calendar year 1943, the rate on normal-tax net income in excess of \$25,000 was reduced to 31 percent. This raised to net income of \$50,000 the point at which the alternative method of computing the tax resulted in a tax saving to the corporation. This was the only change in normal tax rates.

In 1941 the corporation surtax rate was 6 percent on corporation surtax net income not in excess of \$25,000 and 7 percent on surtax net income in excess of \$25,000. These bracket rates of tax applied to the surtax net income of all corporations. In 1943 corporations with surtax net income of less than \$25,000 are taxed at 10 percent. Corporations with surtax net income in excess of \$25,000 but not over \$50,000 are taxed at 10 percent on the first \$25,000 of surtax net income and at 22 percent on the excess over \$25,000. Corporations with surtax net income over \$50,000 are subject to a flat rate of 16 percent applicable to their entire surtax net income.

Despite the effect of higher surtax rates and substantially increased income levels in the calendar year 1943, as compared with those in the calendar year 1941, estimated regular corporation income tax receipts in the fiscal year 1944 are not much higher than estimated receipts in the fiscal year 1943. This situation results from the decrease in the tax base caused by the allowance of the deduction of adjusted excess profits net income in computing income tax net income for the calendar year 1943, as compared with the allowance of the excess profits tax as a deduction in computing liabilities on incomes in the calendar year 1941, when the maximum excess profits tax rate was 60 percent. Under existing law, and with rising corporate incomes, the base of the income tax will remain relatively stable as a considerable portion of increased profits is subject to excess profits tax.

Corporation excess profits tax receipts in the fiscal year 1944 are estimated at \$10,270 millions, an increase of 81.1 percent over estimated receipts of \$5,670 millions in the fiscal year 1943. The increase results from the substantially higher income levels and increased tax rates in

the calendar year 1943 as compared with those in the calendar year 1941. In the calendar year 1941 corporations were subject to excess profits tax rates varying from 35 percent to 60 percent, depending on the absolute amount of excess profits, the highest rate applicable to adjusted excess profits net income in excess of \$500,000. With respect to their calendar year 1943 incomes, corporations are subject to a flat rate of 90 percent on adjusted excess profits net income. This is reduced where the combined income and excess profits tax exceeds 80 percent of surtax net income computed without the deduction of adjusted excess profits net income, so that the combined income and excess profits taxes will equal 80 percent. Corporations are allowed a credit of 10 percent of the excess profits tax as a post-war refund. A current credit is allowed equal to 40 percent of debt retired but not to exceed the post-war credit. In each year corporations may determine their excess profits tax liability by computing their excess profits credit under either the average earnings method or the invested capital method. Corporations using the average earnings method receive more favorable treatment in 1943 than they did in 1941 since in 1943 the lowest year of the base period is counted at a minimum of 75 percent of the other three years in computing base period net income. This 75 percent minimum was not allowed in the calendar year 1941. However, some corporations using the invested capital method will have a smaller excess profits credit in 1943. In 1941 corporations were allowed a credit equal to 8 percent on the first \$5 millions of invested capital and 7 percent on the excess. The 1942 Revenue Act reduced this credit to 8 percent on the first \$5 millions of invested capital, 7 percent on the next \$5 millions, 6 percent on the next \$190 millions, and 5 percent on the excess over \$200 millions.

Other legislative changes made by the Revenue Act of 1942 affecting the corporation income and excess profits taxes were indicated in the explanation of comparative receipts in the fiscal years 1942 and 1943.

Declared value excess profits tax receipts in the fiscal year 1944 are estimated at \$90 millions, an increase of \$5 millions or 5.9 percent over estimated receipts in the fiscal year 1943. Estimated calendar year 1943 income levels are substantially higher than those of the calendar year 1941 but the effect of relative income levels is offset to some extent by the substantial change in economic conditions during 1941, making it difficult for corporations to provide against declared value excess profits tax liabilities by accurate capital stock valuations. It is believed that this condition will not exist in the calendar year 1943 to the same extent as in the calendar year 1941.

Total individual income tax receipts in the fiscal year 1944 are estimated at \$12,912 millions, an increase of \$5,250 millions or 68.5 percent over estimated total individual income tax receipts in 1943 of

\$7,662 millions. The income tax which is estimated to increase \$2,984 millions or 41.9 percent provides \$10,111 millions of the fiscal year 1944 total. Net Victory tax payments plus receipts from withholdings at source are estimated at \$2,801 millions in the fiscal year 1944. It is estimated that the post-war credit allowed under the Victory tax will be taken almost entirely as a current credit in the fiscal year 1944.

The collection at the source in any calendar year is a prepayment on the tax liability of that calendar year which is ultimately due in March of the succeeding year. If the amount collected at the source exceeds the Victory tax liability, the excess is applied against the income tax liability. The gross Victory tax liability is computed at 5 percent on the Victory tax net income during the calendar year of every individual, after allowance of a fixed exemption of \$624, but is limited to the difference between 90 percent of net income for regular income tax purposes and the regular net income tax liability. Victory tax net income is gross income in the case of wages, salaries, interest, and dividends, but is net income after allowable deductions in the case of rent and business, professional, and farm income. A post-war credit is provided of 40 percent of the gross Victory tax for married couples or heads of families not to exceed \$1,000, 25 percent for single persons not to exceed \$500, and 2 percent for each dependent not to exceed \$100 each. Subject to certain limitations, the entire credit may be absorbed currently to the extent of specified payment of premiums on life insurance, net repayment of debts, and net purchases of eligible United States obligations.

Collections of back income taxes are estimated at \$500 millions in the fiscal year 1944, an increase of \$100 millions or 25.0 percent over estimated receipts in the previous fiscal year.

*Miscellaneous internal revenue.*—Total miscellaneous internal revenue receipts in the fiscal year 1944 are estimated at \$4,936 millions. This is an increase of \$421 millions or 9.3 percent over receipts from this source in the fiscal year 1943. About 70 percent of the increase comes from miscellaneous taxes and the taxes on liquors. The estimated yield from manufacturers' excise taxes dropped \$73 millions below the fiscal year 1943 figure. This decline is due almost entirely to the restrictions upon the manufacture of consumers' durable goods.

Capital stock tax receipts in the fiscal year 1944 are estimated at \$360 millions, an increase of \$60 millions or 20.0 percent over estimated receipts in the preceding fiscal year. This increase results from the estimated increase in income levels in the calendar year 1943 as compared with the calendar year 1942.

Estate tax receipts are estimated at \$609 millions in the fiscal year 1944, an increase of \$109 millions or 21.9 percent over estimated receipts in the fiscal year 1943. The increase is accounted for prin-

cipally by the fact that for the first time the 1941 act rates will apply to practically all returns filed. The changes made by the 1942 act apply to part only of the returns filed in the fiscal year 1944 but will result in some increase of revenue. Thus, it is estimated that the change which substitutes one \$60,000 specific exemption for the former specific exemption and insurance exclusion of \$40,000 each, resulting in some loss of revenue, will be more than offset by a gain from certain changes in the powers of appointment and in the treatment of community property as jointly owned property.

Gift tax receipts in the fiscal year 1944 are estimated to be \$55 millions. This represents an increase of \$13 millions or 31.6 percent over the estimated receipts in the fiscal year 1943. The increase is caused by the reduction of the annual exclusion from \$4,000 to \$3,000 for each donee and of the specific exemption from \$40,000 to \$30,000, made by the 1942 act, as well as by an increase in the estimated total value of gifts.

Receipts from the liquor taxes are estimated at \$1,487 millions in the fiscal year 1944, an increase of \$110 millions or 8.0 percent over the estimated receipts in the previous fiscal year. Of the estimated total receipts, 62.7 percent is accounted for by the tax on distilled spirits, which in this year supplants the cigarette tax as the largest single source of excise tax revenue, and 31.3 percent is accounted for by the tax on fermented malt liquors. The increase in receipts for this group reflects a full year's collections at the higher tax rates on distilled spirits, wines, and fermented malt liquors provided in the Revenue Act of 1942, as compared with a partial year's collections at these rates in the previous fiscal year. Actual withdrawals of distilled spirits are expected to decline in the fiscal year 1944 because of a reduced quantity of these products available for consumption under the program for diversion of alcohol to war uses. Withdrawals of wine are expected to be reduced somewhat because of reduced production, and withdrawals of fermented malt liquors are expected to remain unchanged.

Total tobacco tax receipts are estimated at \$948 millions in the fiscal year 1944, representing an increase of \$28 millions or 3.1 percent over estimated receipts in the fiscal year 1943. Of this group, the largest single source of revenue is from the tax on cigarettes. This tax is estimated to yield \$30 millions or 3.6 percent more than in the previous fiscal year. This increase is ascribed principally to increased consumer income making possible the purchase of more cigarettes and to some shift from the use of manufactured tobacco to the smoking of cigarettes. The tax showing the largest percentage increase in receipts is that on large cigars, estimated to yield \$28 millions in the fiscal year 1944, an increase of \$6 millions or 27.1 percent. The greatest part of this estimated increase in yield results from the fact that

the higher tax rates imposed by the Revenue Act of 1942 are reflected in only 8 months of the fiscal year 1943 receipts.

Total stamp tax receipts in the fiscal year 1944 are estimated to yield \$42 millions, an increase of \$1 million or 2.8 percent over the fiscal year 1943.

The manufacturers' excise taxes are estimated to yield \$396 millions, a decrease of \$73 millions or 15.5 percent. This decline is caused by production curtailments, shortages of materials, rationing of automobiles, etc. The largest single source of revenue in this group is from the tax on gasoline, which is estimated to yield \$219 millions, a decrease of \$37 millions or 14.4 percent from the previous year. The estimates assume that the Nation-wide rationing of motor fuel will extend throughout the fiscal year 1944, whereas rationing on a comparable scale extended through six months only in the fiscal year 1943.

The only manufacturers' excise taxes showing increased yields over the fiscal year 1943 are those on lubricating oils and on tires and tubes. Receipts from the tax on lubricating oils are expected to reach \$58 millions, an increase of \$10 millions or 21.3 percent over the previous year. This is caused by increased consumption for industrial uses, although a further decline in its use for automotive purposes is anticipated. The tax on tires and tubes is estimated to yield \$23 millions, an increase of \$7 millions or 41.0 percent. This gain is largely attributable to some rise in tire production under the reclaimed rubber program, and to the necessity for maintaining truck tires for essential uses.

Receipts from other taxes in the manufacturers' excise group are expected to decrease. The tax on electrical energy is estimated to yield \$51 millions, a decrease of \$1 million from estimated receipts in the previous fiscal year. Receipts from the tax on parts and accessories for automobiles are estimated at \$12 millions, a decrease of \$6 millions or 32.2 percent, likewise the result of an expected curtailment of production for civilian use. The tax on photographic apparatus is expected to yield \$4 millions, a decrease of \$4 millions or 45.0 percent from the previous fiscal year. The amount of decrease in taxable sales as compared with those of the previous fiscal year is actually greater, inasmuch as receipts in the fiscal year 1943 reflect only 7 months' taxation at the increased rate.

The retailers' excise taxes are estimated to yield \$137 millions, a decrease of \$6 millions or 4.5 percent. This decline is caused chiefly by shortages of metals, etc., for jewelry, and of alcohol, glycerin, etc., for toilet preparations.

The miscellaneous tax group is estimated to yield \$903 millions, an increase of \$177 millions or 24.5 percent over the receipts in the fiscal year 1943. This increase comes principally from the taxes on telephone, telegraph, etc., local telephone service, and transportation of



property. The communication taxes are expected to yield \$204 millions, an increase of \$45 millions or 28.4 percent. This results from some further increase in the taxable use of telephone and telegraph facilities, and to the fact that the increased rates will be in effect for the entire year, whereas they were reflected in only 7 months of receipts in the fiscal year 1943. The tax most responsible for the increase in the miscellaneous group is that on the transportation of property. The higher receipts are caused by an expected further increase in business activity, and to the fact that the fiscal year 1943 estimate of receipts reflects less than a half-year's receipts, whereas those of the fiscal year 1944 reflect a full year's receipts.

The receipts from the tax on admissions are estimated at \$161 millions, an increase of \$6 millions or 3.7 percent. The use tax on motor vehicles and boats is estimated to yield \$125 millions, a decrease of \$25 millions or 16.6 percent from the previous year. This decline is the result of a smaller number of taxable vehicles and boats expected to be in use because of the rationing of tires and gasoline.

*Employment taxes.*—Total employment taxes included in internal revenue receipts are estimated to be \$1,971 millions, an increase of \$509 millions or 34.8 percent over the estimated receipts in the fiscal year 1943. The increase results partly from a higher level of taxable compensation and partly from increased tax rates affecting contributions under the Federal Insurance Contributions Act and the Carriers Taxing Act of 1937.

Receipts under the Federal Insurance Contributions Act are estimated at \$1,556 millions. This is an increase of \$451 millions or 40.8 percent over estimated receipts in the preceding fiscal year. The change in rate, effective January 1, 1944, raises the tax on both employees and employers from 1 percent to 2 percent (total 4 percent). The increase in contributions will affect the receipts of only the last three months of the fiscal year 1944 (since there is a lag of one calendar quarter between the period of liability and the period of receipts) but will amount to 71 percent of the estimated increase in receipts under this act.

Receipts under the Federal Unemployment Tax Act are estimated at \$171 millions, an increase of \$23 millions or 15.3 percent over the estimated receipts in the fiscal year 1943. The increase is the reflection of a higher pay-roll level.

Receipts under the Carriers Taxing Act of 1937 are estimated at \$245 millions, an increase over the estimated receipts in the fiscal year 1943 of \$35 millions or 16.9 percent. The increase is the result of higher railroad pay rolls and an increase in the tax rate. The higher rate (3½ percent on both employees and employers as compared with the previous rate of 3 percent on each) will affect contributions throughout the fiscal year 1944.

*Total internal revenue.*—Total internal revenue, which is the summation of the estimated receipts discussed in detail above, is estimated at \$34,552 millions in the fiscal year 1944 compared with \$23,549 millions in the fiscal year 1943, an increase of \$11,003 millions or 46.7 percent. A detailed tabulation of the foregoing estimates is in the table on page 675.

*Railroad unemployment insurance contributions.*—Railroad unemployment insurance contributions are estimated to be \$11 millions, an increase of \$1 million over the estimate for the fiscal year 1943. These receipts represent 10 percent of the 3 percent tax on covered pay rolls, the other 90 percent being deposited to the credit of the Railroad Unemployment Insurance Account in the Unemployment Trust Fund.

*Customs.*—Customs receipts in the fiscal year 1944 are expected to decline to \$204 millions from estimated receipts of \$253 millions in the fiscal year 1943. Wartime activity is expected to increase the need for concentrating all available shipping space into the movement of strategic materials and supplies. Receipts from duties on stocks which will be withdrawn from storage are expected partially to offset the estimated decline in receipts from duties on many current imports.

*Miscellaneous receipts.*—Miscellaneous receipts in the fiscal year 1944 are estimated at \$639 millions. This is a decrease of \$102 millions as compared with 1943, a decline of 13.7 percent. Of the \$639 millions, it is estimated that only \$250 millions will be received in the fiscal year 1944 from renegotiated contracts, whereas \$350 millions were estimated from this source in the fiscal year 1943.

### ESTIMATES OF EXPENDITURES

Actual expenditures for the fiscal year 1942 and estimates for the fiscal years 1943 and 1944 are summarized in the following table. Further details will be found in table 105, beginning on page 675. The estimates are based upon figures submitted to the Congress in the Budget for 1944.

*Actual expenditures for the fiscal year 1942 and estimated expenditures for the fiscal years 1943 and 1944, as exhibited in the Budget for 1944*

[In millions of dollars]

General and special accounts	Estimated, 1944	Estimated, 1943	Actual, 1942
War activities.....	97,000.0	74,000.0	26,011.1
Interest on the public debt.....	3,000.0	1,850.0	1,260.1
All other.....	4,128.9	4,587.3	5,220.2
Total expenditures, general and special accounts (daily Treasury statement basis, unrevised).....	104,128.9	80,437.3	32,491.3

NOTE.—Figures are rounded to nearest tenth of a million and will not necessarily add to totals.

Attention is invited to the attached reports of bureaus and divisions of the Treasury Department and to the exhibits and tables accompanying the report on the finances.

HENRY MORGENTHAU, Jr.,  
*Secretary of the Treasury.*



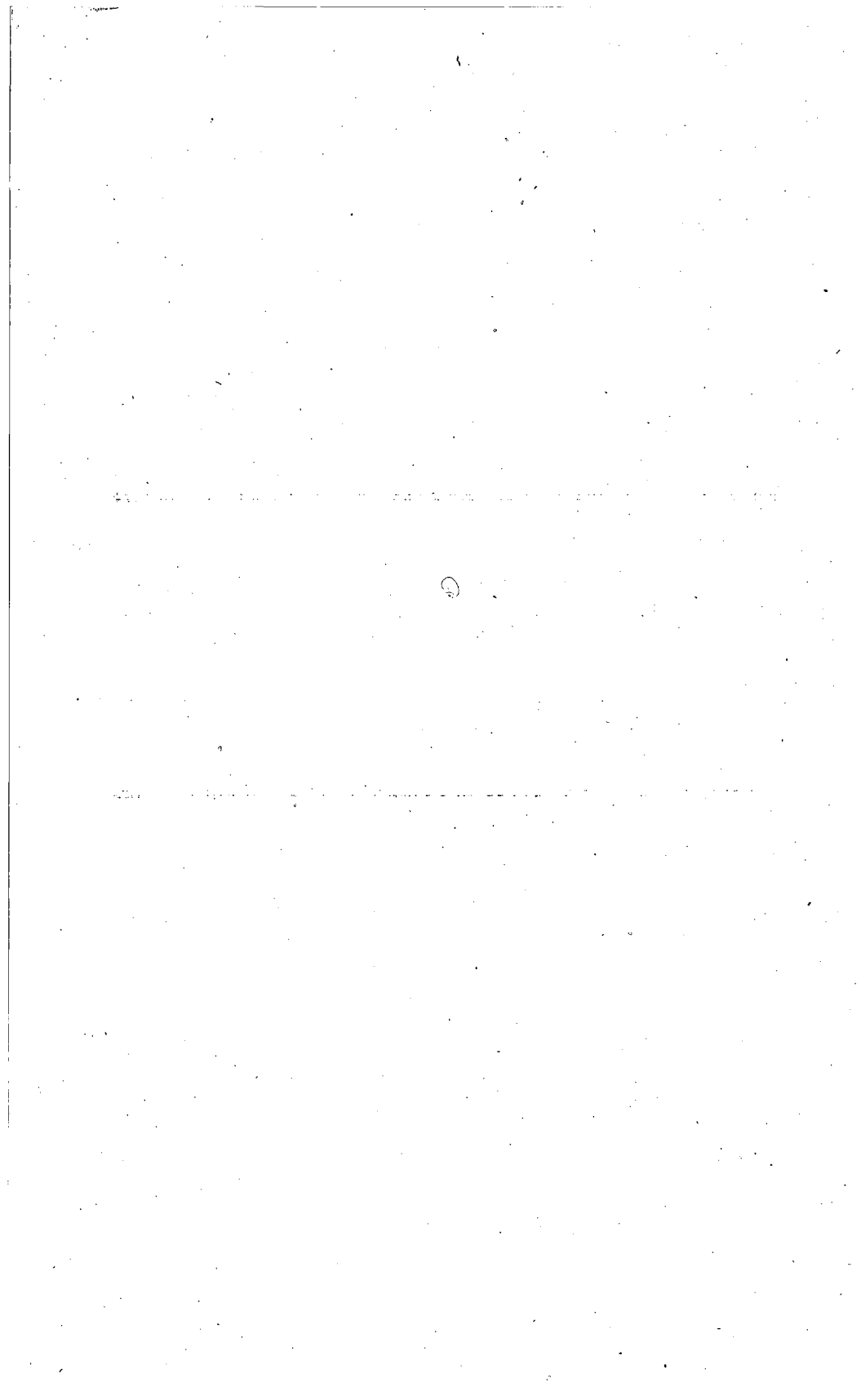
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ADMINISTRATIVE REPORTS OF  
BUREAUS AND DIVISIONS

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## FISCAL SERVICE OF THE TREASURY DEPARTMENT

The Fiscal Service of the Treasury Department, at the head of which is the Fiscal Assistant Secretary, comprises the Bureau of Accounts, the Bureau of the Public Debt, and the Office of the Treasurer of the United States. Under an order of the Secretary of the Treasury, the Under Secretary, in the event of a vacancy in the office of the Fiscal Assistant Secretary, acts as Fiscal Assistant Secretary and performs all duties and functions assigned to that office. The activities of the Fiscal Service are discussed in the following pages.

### BUREAU OF ACCOUNTS

The supervision of the administration of the accounting functions and activities in the Treasury Department and all its bureaus, divisions, and offices are exercised under the direction of the Secretary of the Treasury by the Fiscal Assistant Secretary through the Commissioner of Accounts. The function of authorizing the installation, maintenance, revision, and elimination of accounting records, reports, and procedures in the Treasury Department are exercised by the Fiscal Assistant Secretary through the Commissioner of Accounts.

The Commissioner of Accounts, at the head of the Bureau of Accounts, has supervision over the activities and functions of the Division of Bookkeeping and Warrants, Division of Disbursement, Division of Deposits, Section of Surety Bonds, Budget Section, Section of Investments, and the Emergency Relief Accounting Organization, the latter to be liquidated by December 31, 1942.

The duties and functions of the units under the Bureau of Accounts are discussed in the following pages.

The Commissioner, in collaboration with the Bureau of the Budget and General Accounting Office, also supervises work in the Treasury Department in connection with the development of standards, terminology, classifications, a system of financial reporting, and summary accounts required by Executive Order No. 8512.

#### *Office of Commissioner of Accounts*

*Budgetary administration and financial reporting.*—Under Executive Order No. 8512, dated August 13, 1940, prescribing regulations for the purpose of improving budgetary administration and financial reporting, the Secretary of the Treasury, with the approval of the Director of the Bureau of the Budget, was directed to establish (a) uniform accounting terminology, (b) uniform classifications of assets and liabilities, and revenues and expenditures, and (c) uniform standards for the valuation of assets and the determination of liabilities and the treatment of revenues and expenditures in relation thereto; and to maintain a complete system of summary accounts through which the financial data of the various agencies will be coordinated and integrated.

On March 3, 1942, the order was amended by Executive Order No. 9084, which provides that prior to establishing uniform terminology, classifications, principles and standards, they be referred to the Comptroller General of the United States for consideration and determination as to whether they are in conflict with the forms, systems, and procedures prescribed by the Comptroller General as required by section 309 of the Budget and Accounting Act. (See exhibit 59, p. 341.)

In pursuance of Budget-Treasury Regulation No. 1, agencies of the Government are submitting requests for quarterly apportionments of their appropriations to be made by the Director of the Bureau of the Budget. They also are submitting monthly reports on the financial status of their appropriations. These reports will provide the basis for production by the Treasury Department of summary financial statements to reflect a composite picture of the Government's appropriations, obligations, and expenditures and special statements on war appropriations, emergency funds of the President, and similar statements. Budget-Treasury Regulation No. 2 deals with financial reporting by corporations and credit agencies of the Government and requests annual financial statements beginning with a report covering the fiscal years 1941 and 1942.

*Daily Statement of the United States Treasury.*—During the fiscal year 1942, there were several changes in classifications shown on the daily Treasury statement. Beginning with the statement for September 30, 1941, receipts, transfers from the General Fund, and expenditures in connection with the sale and redemption of surplus commodity stamps, formerly shown on a net basis, were shown on a gross basis under the classification "Trust accounts, increment on gold, etc." On the statement for May 1, 1942, the classification "National defense" was changed to "War activities" and the expenditures made by several agencies previously shown as "General" were changed to "War activities." Changes in classification also arose under Executive Order No. 8929, transferring the Coast Guard to the Navy Department, and under Executive Orders Nos. 9054, 9069, and 9071, issued by the President under Title I of the First War Powers Act, approved December 18, 1941.

The tables for the Social Security, Railroad Retirement, and Railroad Unemployment Insurance Acts, previously published in the daily Treasury statement on the 10th of each month, were included in the statement for the 15th of each month, beginning November 15, 1941.

The preliminary public debt statement shown on the daily Treasury statement for the last day of each month has been expanded, beginning with the statement for July 1942, so as to include the details with respect to the public debt and also the contingent liabilities of the United States, previously published on the monthly Statement of the Public Debt of the United States. Since this detailed information will be shown in the daily Treasury statement, the Public Debt Statement will not be published after June 30, 1942, as a separate statement.

*Combined statement of assets and liabilities of Government corporations and credit agencies.*—The combined statement of assets and liabilities of Government corporations and credit agencies, commenced in 1934 under the provisions of Executive Order No. 6869, dated October 10, 1934, superseded by Executive Order No. 8512, is published in the Daily Statement of the United States Treasury, for the last day of



each month. This statement as of June 30, 1942, will be found as table 88 beginning on page 624 of this report.

*Surveys under Reorganization Plan No. III.*—Several important surveys and studies were made during the fiscal year 1942 to improve the accounting and reporting activities of the Department in connection with section 1 (b) of Reorganization Plan No. III, which places the supervision of the administration of accounting functions and activities in the Treasury Department under the Fiscal Assistant Secretary to be exercised through the Commissioner of Accounts. These surveys included a study in cooperation with representatives of the General Accounting Office of transactions affecting the settlement of the account of the Treasurer of the United States. A joint study resulted in a recommendation for a new procedure for the monthly settlement of this account.

Other surveys included a study of the accounting for nonexpendable items in the various offices of the Department, and a study of the accounting for pay-roll allotment deductions for the purchase of war savings bonds with the issuance of appropriate instructions thereon.

*Annual appraisal of assets and liabilities of the Commodity Credit Corporation.*—Under the act approved March 8, 1938 (52 Stat. 107), as amended by Public Law 147, approved July 1, 1941, the Secretary of the Treasury is required to make an appraisal as of March 31 of each year of the assets and liabilities of the Commodity Credit Corporation for the purpose of determining the net worth of the Corporation. In the event that any such appraisal shall establish that the net worth of the Corporation is less than \$100,000,000, the Secretary of the Treasury is required to restore the amount of the capital impairment, funds for which are appropriated by the Congress. In the event any appraisal shall establish that the net worth of the Corporation is in excess of \$100,000,000, such excess must be deposited by the Corporation in the Treasury as miscellaneous receipts. The appraisal as of March 31, 1942, resulted in the return to the Treasury of \$27,815,513.68, of which \$18,000,000 was deposited in the fiscal year 1942 and the balance in the succeeding fiscal year.

The following statement shows the results of all such appraisals:

	Amount
Appropriations for restoration of capital impairment:	
Act of June 25, 1938 (appraisal as of Mar. 31, 1938, H. Doc. 670, 75th Cong.).....	\$94,285,404.73
Act of Aug. 9, 1939 (appraisal as of Mar. 31, 1939, H. Doc. 317, 76th Cong.).....	119,599,918.05
Act of July 3, 1941 (appraisal as of Mar. 31, 1941, H. Doc. 248, 77th Cong.).....	1,637,445.51
Total appropriations.....	215,522,768.29
Less amount returned to Treasury:	
Appraisal as of Mar. 31, 1940.....	\$43,756,731.01
Appraisal as of Mar. 31, 1942.....	27,815,513.68
	<hr/> 71,572,244.69
Net payments to corporation to June 30, 1942.....	143,950,523.60

*Securities and funds, Philippine invasion.*—On December 19, 1941, pursuant to directions from the President, the Secretary of the Interior cabled the United States High Commissioner to the Philippine Islands to safeguard the rightful owners or holders of United States securities, checks, and currency in the Philippine Islands by accepting these valuables for safekeeping. In the event of the destruction of the securities, checks, and currency so deposited, the High Commissioner was advised that substitute securities, checks, or currency would be issued by the Treasury Department, provided the evidence was satisfactory and acceptable to the Secretary of the Treasury, and subject to all applicable law.

Accordingly, the High Commissioner announced a safekeeping program under which individuals or corporations depositing valuables for safekeeping were required to execute affidavits identifying the affiant and any other persons having an interest in the property, describing fully the valuables deposited, requesting they be accepted for safekeeping, and specifying the disposition to be made of substitute issues in case of destruction of the originals. Later, the safekeeping program was expanded to include gold and silver bullion, coins, Philippine currency, jewelry, all types of securities including stocks, and any other valuables which might be offered for safekeeping.

The valuables deposited under this safekeeping program were removed to Corregidor Island. Included among them were numerous securities, papers, and records of Manila banks and their clients, bars of gold bullion produced at mines in the Philippine Islands, and packages of United States and Philippine currencies. Also included were over 18,000 checks drawn on the Treasurer of the United States which were deposited with the High Commissioner by the Treasurer of the Philippine Commonwealth. These checks had been paid by the Philippine Treasury, but the Treasurer of the United States had not yet made reimbursement.

During February 1942, all valuables deposited with the High Commissioner for safekeeping except currencies, paid checks drawn on the Treasurer of the United States and some miscellaneous items were released to the custody of the U. S. Navy for transfer to the continental United States. Also, gold bullion and a portion of the coined silver belonging to the Commonwealth of the Philippines which had not been deposited with the High Commissioner for safekeeping were shipped to the continental United States by the U. S. Navy. Three counterparts of affidavits, correspondence, and related documents, including a listing of the 18,000 paid checks, were similarly released for transmission, each counterpart by separate means, to the Treasury Department in Washington. The gold, silver, and all other valuables were transported to the United States and are held by the Secretary of the Treasury. All three counterparts of the related affidavits, correspondence, and other documents have been received in Washington, and are now being examined and catalogued in the Bureau of Accounts, where records are being established to provide control over the valuables held in custody and to record the items due each depositor.

Numerous inquiries are being received in regard to establishing claims to assets believed to have been removed from the Philippine Islands. Claims presented by persons in the United States who state they are authorized to accept delivery of the gold bullion and other valuables are being investigated. The Treasury Department is endeavoring to carry out instructions of depositors who specified the disposition to be made of outstanding United States Government checks and securities delivered into custody.

The currencies, paid checks, and other valuables which could not be shipped were destroyed at Corregidor by incineration or other means, in the presence of a committee of officials who have certified to the Secretary of the Treasury the destruction of these items.

Representatives of the Treasury Department and the General Accounting Office are reviewing and correlating the available data relating to the account of the Treasurer of the United States with the Treasury of the Philippines.

*Advances to Federal Reserve Banks for industrial loans, etc.*—Advances to Federal Reserve Banks for industrial loans, etc., were authorized by the act approved June 19, 1934 (48 Stat. 1105), which amended the Federal Reserve Act, as amended, by adding section 13 (b). The provisions under which the Secretary of the Treasury makes these advances were described on pages 184 and 185 of the annual report for 1940.

No advances were made to the banks during the fiscal years 1939, 1940, 1941, and 1942, the last advance having been made on October 14, 1937. Payments received by the Treasury during the year aggregated \$141,241.11, from the following banks: Boston, \$3,133.55; Chicago, \$27,214.83; Cleveland, \$15,233.71; Philadelphia, \$81,360.36; Richmond, \$13,808.52; and Minneapolis, \$490.14.

The following statement is a summary of the transactions in connection with these advances to Federal Reserve Banks.

*Advances to Federal Reserve Banks for industrial loans, and payments received by the Treasury to June 30, 1942*

Federal Reserve Bank	Maximum advances authorized	Advances to Federal Reserve Banks to June 30, 1942	Payments received by the Treasury to June 30, 1942
Atlanta.....	\$5, 272, 031.55	\$756, 934.44	<sup>1</sup> \$23, 875.56
Boston.....	10, 230, 236.88	2, 875, 115.98	94, 899.03
Chicago.....	19, 748, 516.70	1, 417, 701.33	138, 317.80
Cleveland.....	14, 146, 863.66	1, 015, 571.33	67, 434.12
Dallas.....	4, 359, 338.10	1, 251, 788.08	<sup>1</sup> 74, 116.50
Kansas City.....	4, 131, 276.30	1, 145, 717.73	<sup>1</sup> 35, 204.38
Minneapolis.....	3, 509, 467.65	1, 007, 746.96	34, 808.60
New York.....	42, 529, 210.65	7, 752, 044.63	<sup>1</sup> 82, 987.08
Philadelphia.....	14, 620, 883.52	4, 198, 400.60	431, 345.65
Richmond.....	5, 808, 291.43	3, 420, 662.05	80, 522.78
St. Louis.....	5, 093, 112.25	547, 832.83	<sup>1</sup> 5, 947.94
San Francisco.....	9, 850, 328.30	2, 156, 795.01	-----
Total.....	139, 299, 556.99	27, 546, 310.97	1, 069, 459.44

<sup>1</sup> No payments received by the Treasury from these banks during the fiscal year 1942.

*Appropriations and expenditures under the Social Security Act.*—The Social Security Act, approved August 14, 1935, as amended (42 U. S. C., Ch. 7), provides for the establishment of a system of Federal old-age and survivors benefits, and for grants to the several States to enable them to make adequate provision for aged and blind persons, needy, dependent, and crippled children; maternal and child welfare; public health services; and the administration of State unemployment compensation laws.

Section 201 (a) of the Social Security Act Amendments of 1939, approved August 10, 1939, makes permanent appropriations to the Federal old-age and survivors insurance trust fund for the fiscal year 1941 and each year thereafter equal to 100 per centum of the employment taxes received under the Federal Insurance Contributions Act and covered into the General Fund of the Treasury.

The amounts appropriated to June 30, 1942, under the various authorizations contained in the Social Security Act, as amended, and total expenditures from such appropriations to June 30, 1942, are shown in table 16 on page 471. Receipts, expenditures, and investments of the Federal old-age and survivors insurance trust fund and the unemployment trust fund are shown in tables 76 and 86 on pages 609 and 620.

*Colorado River Dam fund.*—The Colorado River Dam fund was established under the act of December 21, 1928, which provided for the construction of works commonly referred to as the Boulder Canyon project. All revenues and expenditures pertaining to the fund are under the direction of the Secretary of the Interior.

Under an act of Congress approved July 19, 1940 (54 Stat. 774), the Secretary of the Interior was authorized to promulgate and to put into effect charges for electrical energy generated at the dam site. The act further provides that the receipts from these charges be used to meet costs of operation and maintenance; to repay to the Treasury, with interest, the advances made to the fund for the project; to provide \$300,000 annually to each of the States wherein the project is located, namely, Arizona and Nevada, beginning with the year of operation ending May 31, 1938; and to transfer \$500,000 annually to the Colorado River development fund beginning with the year of operation ended May 31, 1938.

The act states that the first \$25,000,000 of advances made by the Treasury to the Colorado River Dam fund is an allocation for flood control, and repayment may be deferred for 50 years after date of receipt by the fund of such advances, that is, to June 1, 1987, and repayments shall be made at that time in the manner Congress shall determine. For this reason, this sum of \$25,000,000 is not included under the caption "Advances" in the statement below.

The act further stipulates that interest charges for purposes of advances and reimbursements shall be computed at the rate of 3 percent, in lieu of the 4 percent rate specified in previous legislation. The statement which follows is on an operating year basis and has taken into account the necessary revisions required under the act approved July 19, 1940.

*Status of Colorado River Dam fund as of close of each operating year, 1933 to 1942*

Operating year ending May 31	Advances <sup>1</sup>	Interest on advances	Advances and interest on advances	Interest on amount outstanding preceding year	Reimbursements <sup>2</sup>	Interest on reimbursements	Total amount due
1933-----	\$11,890,532.62	\$101,529.95	\$11,992,062.57	-----	-----	-----	\$11,992,062.57
1934-----	18,424,397.76	249,674.11	18,674,071.87	\$359,761.88	-----	-----	19,033,833.75
1935-----	23,607,521.44	399,464.48	24,006,985.92	930,776.89	-----	-----	24,937,762.81
1936-----	19,976,009.81	319,761.45	20,295,771.26	1,678,909.77	-----	-----	21,974,681.03
1937-----	7,410,641.30	147,073.83	7,557,715.13	2,338,150.21	-----	-----	9,895,865.34
1938-----	5,685,000.00	88,848.90	5,773,848.90	2,635,026.17	\$1,100,000.00	\$30,221.91	7,278,653.16
1939-----	5,590,265.49	74,926.12	5,665,191.61	2,853,385.76	4,600,000.00	67,101.35	3,851,476.02
1940-----	4,050,000.00	67,278.68	4,117,278.68	2,968,930.04	3,500,000.00	56,377.05	3,529,831.67
1941-----	4,800,000.00	87,875.34	4,887,875.34	3,074,824.99	7,000,000.00	93,780.80	868,919.53
1942-----	3,550,000.00	56,182.17	3,606,182.17	3,100,892.58	2,000,000.00	41,753.42	4,665,321.33
Total.....	104,984,368.42	1,592,615.03	106,576,983.45	19,940,658.29	18,200,000.00	289,234.53	108,028,407.21

<sup>1</sup> Excludes \$25,000,000 of advances allocated to flood control, repayment of which is deferred to June 1, 1987.

<sup>2</sup> Reimbursements have been applied toward reduction of "interest on advances."

<sup>3</sup> Includes \$3,044,038.79 representing unpaid interest.

*Division of Bookkeeping and Warrants*

The Division of Bookkeeping and Warrants, in the name of the Secretary of the Treasury, issues all warrants on the Treasurer of the United States, and under section 10 of the act of July 31, 1894 (5 U. S. C. 255), maintains the official accounts relating to the receipt, appropriation, and expenditure of the public moneys, covering all

departments and establishments of the Government. The Division makes analyses of acts of Congress carrying appropriations and maintains the necessary appropriation accounts on its ledgers; it issues warrants for placing disbursing funds to the credit of disbursing officers, for the payment by the Treasury of claims settled by the General Accounting Office, and for covering into the Treasury the revenues and receipts of the Government. It handles the work involved in connection with the approval of the issuance of duplicate checks (sec. 9 of the Government Losses in Shipment Act).

The Division compiles and publishes an annual digest of the appropriations made by Congress, and also an annual combined statement of the receipts, expenditures, and unexpended balances under each appropriation account. The combined statement is submitted to Congress in accordance with the act of July 31, 1894 (5 U. S. C. 264).

In addition to the foregoing publications there are prepared various financial statements which appear in the Annual Report of the Secretary of the Treasury, in the monthly Bulletin of the Treasury Department, and monthly in the Congressional Record. Also numerous statements and reports covering receipts and expenditures and other data on war activities are prepared at various intervals.

#### *Division of Disbursement*

The Division of Disbursement exercises the disbursing functions, in Washington and in the field, for all departments and establishments of the Government with the exception of the Post Office Department, United States marshals, the Panama Canal, special disbursing agents of the War and Navy Departments, and certain Government corporations.

During the year operations in the Philippine Islands were suspended; the 37 emergency relief offices were consolidated with regional offices, and one additional regional office was established. On June 30, 1942, the Division maintained the Central Office in Washington, D. C., 20 regional offices, and 5 territorial offices in Alaska, Puerto Rico, Hawaii, the Virgin Islands, and Panama. The transfer of certain Federal activities from Washington, D. C., to other locations in the United States has resulted in the transfer of over one million payments per month from the Central Office of the Division of Disbursement in Washington to regional offices of the Division.

The total personnel of the Division on June 30, 1942, including regular, temporary, and emergency employees, was 2,189, and in addition there were 11 employees paid from the allotment for Foreign Funds Control assigned to the Washington office to assist in the work incident to the control of foreign funds.

During 1942, the Division made 81,286,289 payments by check, issued 73,182 United States war savings bonds, Series E, and made cash payments in 689,535 instances. These payments were supported in the disbursing accounts by 8,790,247 vouchers. The Division also received, deposited, and accounted for 8,955,669 collection items. The Division has handled this fiscal year 3,541,630 items of payments and collections for agencies which have been established in connection with the war effort. In the month of June 1942 approximately 500,000 such items were handled and this amount is increasing each month.

*Voluntary pay-roll allotment plan.*—In connection with the inauguration on February 8, 1942, of the voluntary pay-roll allotment plan for the purchase of war savings bonds, the Chief Disbursing Officer (Division of Disbursement) was designated by the Secretary of the Treasury as the Bond Issuing Officer for departments and agencies served by the Division of Disbursement. (See exhibit 65, p. 346.) On the basis of 90 percent participation by the employees of these departments and agencies, it is estimated that the Division of Disbursement will issue during the ensuing fiscal year, through its central and regional offices, approximately 3,000,000 war savings bonds.

*Bonding of certifying officers.*—In order more clearly to define the respective responsibilities of disbursing officers and those officers and employees of the various agencies who are authorized to certify vouchers for payment, Public Law 389 was enacted on December 29, 1941. (See exhibit 58, p. 338.) This law, effective April 1, 1942, provides that disbursing officers in the Executive Branch shall disburse money only upon vouchers certified to them by the head of a department or agency, or by an officer or employee thereof authorized in writing by such head to certify vouchers. Disbursing officers are required to make only such examination of vouchers as may be necessary to ascertain that they are in proper form, duly certified and approved, and correctly computed on the basis of the facts certified. However, the provision for proof of computation was eliminated by Public Law 528, approved April 28, 1942, which imposed the responsibility for correct computation on the certifying officer.

Public Law 389 further provided that certifying officers shall be responsible for correctness of facts and legality of proposed payments; shall be required to give bond with surety approved by the Secretary of the Treasury in amounts to be fixed by the head of the department or agency in which employed, pursuant to standards and conditions prescribed by the Secretary of the Treasury; and shall be held accountable and required to make good the amount of any illegal, improper, or incorrect payment.

The law specifically excepted disbursing functions of the War and Navy Departments, except for departmental salaries.

Pursuant to Public Law 389, the Secretary of the Treasury, in Department Circular No. 680, dated February 16, 1942, prescribed the standards and conditions with respect to bonds of certifying officers and also the administrative procedure relating to disbursements under the Division of Disbursement.

To June 30, 1942, about 7,000 officers and employees have been designated by the heads of their agencies for certifying duties, and a bond in each case has been submitted to the Treasury Department for approval. The penal sums of these bonds have been determined by the heads of their agencies, in accordance with the standards laid down by the Secretary of the Treasury. In general, \$5,000 has been deemed to be adequate, but the penal sums range from \$1,000 to \$50,000.

#### *Division of Deposits*

The Division of Deposits is charged with the administration of matters pertaining to the designation and supervision of Government depositaries and the deposit of Government funds in such depositaries, as prescribed by the regulations incorporated in Department Circulars Nos. 92 and 176, as amended; the qualification of Federal

savings and loan associations as fiscal agents of the United States under Circular No. 568; the maintenance of a record of cash collateral pledged in lieu of securities by issuing agents designated under Circular No. 657 for the sale and issuance of war savings bonds, Series E; and the execution of the duties devolving upon the Secretary of the Treasury as a result of the enactment of the Government Losses in Shipment Act, as amended.

*Depository functions.*—The following statement shows the number and classes of depositaries maintained by the Treasury and the Government deposits held by such depositaries as of June 30, 1942.

*Number of depositaries and amount of Government deposits held on June 30, 1942, by class of depositaries*

Depositaries	Number	Amount
Federal Reserve Banks (including branches) .....	12	\$602, 946, 068. 77
Federal Reserve member bank depositaries:		
To credit of Treasurer of United States .....	1, 360	{ 60, 657, 525. 88
To credit of other Government officers .....		{ 86, 133, 953. 37
Insular and territorial depositaries (including Philippine treasury):		
To credit of Treasurer of United States .....	26	{ 8, 709, 568. 87
To credit of other Government officers .....		{ 29, 204, 459. 75
Foreign depositaries:		
To credit of Treasurer of United States .....	44	{ 52, 640, 000. 00
To credit of other Government officers .....		{ 2, 247, 403. 39
Special depositaries <sup>1</sup> .....	2, 814	1, 678, 598, 000. 00
Total .....	4, 256	2, 521, 136, 980. 03

<sup>1</sup> Includes 1,554 national banks and 1,260 State banks and trust companies, of which 2,136 held deposits on June 30, 1942.

During the fiscal year 1942 there were 3,168 changes and adjustments effected in the depository system of the Treasury. These changes and adjustments are summarized in the following table:

Adjustments	Member bank depositaries	Special depositaries
Designated .....	551	572
Discontinued .....	474	52
Amounts for which qualified:		
Increased .....	607	579
Decreased .....	96	
Miscellaneous changes .....	237	
Total .....	1, 965	1, 203

The number of changes and adjustments in the depository system during the year greatly exceeded those of any preceding year and are the result of the increased need for local depository facilities by officers of the Government, particularly those connected with the military branches of the service who utilize such depositaries in obtaining payroll cash, the desire of banks designated as special depositaries under Department Circular No. 92 to make payment for issues of Government securities by credit through war loan accounts, and the continued effort to modernize the depository system.

Existing depositaries were utilized and numerous new depositaries were required in the territories, insular possessions, and foreign countries.

Prior to the approval of Public Law 603 on June 11, 1942, only banks which were members of the Federal Reserve System were eligible for designation as depositaries of public moneys and financial

agents of the Government. Under section 10 of the act, all banks which are members of the Federal Deposit Insurance Corporation are eligible for designation. (See exhibit 63, p. 343.) This will permit the Treasury to establish essential depository facilities at points where there previously were no eligible banks, and it is anticipated that this and other portions of the act will have a decided effect upon the depository system of the Treasury.

*Depository bonds.*—The details outlining the reason and purposes covering the issuance of the 2 percent depository bonds are contained in the annual report of the Secretary for 1941, on page 100.

As of June 30, 1942, 2 percent depository bonds in the face amount of \$78,958,000 had been issued, and \$5,000 had been redeemed, leaving \$78,953,000 outstanding on June 30, 1942.

*Designation of agencies for the issuance of war savings bonds, Series E.*—All the functions performed by the Division of Deposits in connection with the designation and qualification of issuing agents for the sale and issuance of United States war savings bonds, Series E, were, during February 1942, transferred to the Bureau of the Public Debt, with the exception of the collateral record of cash pledged by designated issuing agents in lieu of securities as specified in Department Circular No. 657, and referred to in the annual report of the Secretary for 1941. At the inception of the plan of pledging cash collateral, only the twelve Federal Reserve Banks were authorized to accept cash for this purpose. However, in order to create further outlets and to expedite the issuance of the war savings bonds, Series E, branch Federal Reserve Banks, in January 1942, were authorized to furnish unissued bond stock and accept cash collateral tendered by designated issuing agents.

Of the total number of fiscal agents designated as of the close of business June 30, 1942, 651 qualified by the pledge of cash collateral in the total amount of \$3,114,289.25.

*Federal savings and loan associations.*—On June 30, 1942, the Federal Home Loan Bank System reported to the Treasury that 1,464 Federal savings and loan associations were eligible to qualify as fiscal agents under Department Circular No. 568, dated September 15, 1936, for the purpose of collecting delinquent accounts arising out of insurance and loan transactions of the Federal Housing Commissioner, and of this number 101 had qualified for this purpose either by the pledge of collateral security or the filing of an acceptable surety bond.

*Social security.*—Under arrangements entered into between the Treasury and the Social Security Board, various depositories of public moneys, designated by the Secretary of the Treasury, were authorized to carry balances of Treasury funds as a basis for servicing State unemployment compensation benefit payment accounts and clearing accounts. As of June 30, 1942, 65 banks were designated for this purpose with authority to maintain Treasury balances totaling \$41,690,000.

*Government Losses in Shipment Act.*—The Government Losses in Shipment Act, approved July 8, 1937 (50 Stat. 479), as amended by an act approved August 10, 1939 (53 Stat. 1358), was designed to provide within the Government an adequate means of prompt replacement of losses resulting from the shipment by the executive departments, independent establishments, agencies, wholly owned corporations, officers and employees of the United States, of certain articles,



things, or representatives of value, thus eliminating the necessity of purchasing insurance from private companies for such replacements. The articles, things, or representatives of value declared to be "valuables" by the Secretary of the Treasury, within the meaning of that term in section 7a of the act, include money of the United States and foreign countries, securities and other instruments or documents, precious metals and stones, and works or collections of artistic, historical, scientific, or educational value. The shipment of "Valuables" is governed by regulations designed to minimize the risks of loss, destruction, or damage, and to facilitate replacement under the provisions of the act, in the event such procedure becomes necessary.

The monetary value of shipments reported to have been made under the act during 1942, of classes of valuables which were covered by the Treasury's contracts with insurance companies prior to the enactment of the Government Losses in Shipment Act, amounted to \$41,378,204,236. This represents an increase of approximately \$3,100,000,000 over shipments made during 1941. The table following indicates the estimated premium savings in connection with shipments for 1942 to be over \$860,000, and savings since the inception of the act to be over \$2,780,000, under each of the three alternate bases upon which the estimates are made.

*Estimated premium savings during the fiscal years 1941 and 1942 and the total estimated savings to June 30, 1942*

On basis of premium rates for—	Fiscal year 1941	Fiscal year 1942	Aug. 15, 1937, to June 30, 1942
Fiscal year 1938 <sup>1</sup> .....	\$798,000	\$863,000	\$2,782,000
Fiscal year 1937 <sup>2</sup> .....	1,145,000	1,239,000	3,674,000
Fiscal years 1936-38 <sup>3</sup> .....	1,098,000	1,188,000	3,518,000

<sup>1</sup> Lowest rates under insurance contract system.

<sup>2</sup> Rates in effect at time estimates of premium savings were presented to Congress.

<sup>3</sup> Average based on rates effective in last 3 years of Government insurance contract system.

Other classes of valuables covered under the provisions of the Government Losses in Shipment Act were shipped during the year having an aggregate value of \$65,935,048,845; however, these have not been included in the calculation of estimated premium savings in the above table because, as a general practice, the Government did not insure them prior to the effective date of the act.

Following is a table of the loss experience resulting from shipments of valuables, and other functions under the act during the fiscal year 1942.

*Number and value of items reported lost, settled, and unadjusted, fiscal year 1942*

Items reported lost	Number	Value
Unadjusted July 1, 1941.....	5	\$3,021.13
Reported lost during year.....	45	15,621.52
Total to be settled.....	50	18,642.65
Settled by replacement out of fund.....	9	2,874.42
Settled without replacement or credit.....	8	3,121.13
Total settled.....	17	5,995.55
Unadjusted June 30, 1942.....	33	12,647.10

Section 3a of the act provides for payment of losses arising from agency functions performed by the Post Office Department for the Treasury, irrespective of the manner in which losses occurred. Such losses may result from fire, theft, robbery of a post office, embezzlement, or similar contingencies. The increase in the number of losses reported, from 8 in 1941 to 45 in 1942, may be attributed chiefly to loss or destruction of motor-vehicle tax stamps, the sale of which was instituted on a Nation-wide basis during the year by the Post Office Department, acting in the capacity of agent for the Treasury.

Pursuant to section 3b of the act, as amended, there were executed during 1942 five agreements of indemnity in the aggregate amount of \$61,003.93, in connection with which no payments have been required. The total number of agreements executed up to and including June 30, 1942, was eleven, amounting to \$76,722.99.

*Fund for payment of Government losses in shipment (revolving fund), June 30, 1942*

#### I. RECEIPTS AND EXPENDITURES

	Cumulative to June 30, 1941	Increase or decrease (—), fiscal year 1942	Cumulative to June 30, 1942
Receipts:			
Appropriations.....	\$602,000.00	-----	\$602,000.00
Transferred from the securities trust fund (9/21/39) <sup>1</sup> .....	91,803.13	-----	91,803.13
Recoveries of payments for losses.....	-----	\$262.50	262.50
Total receipts.....	693,803.13	262.50	694,065.63
Expenditures:			
Payment of losses.....	<sup>2</sup> 1,137.29	2,874.42	<sup>2</sup> 4,011.71
Balance in fund.....	692,665.84	—2,611.92	690,053.92

#### II. FUND ASSETS

	June 30, 1941	Increase or decrease (—)	June 30, 1942
Unexpended balances:			
To credit of disbursing officer.....	\$303.25	\$3,125.58	\$3,428.83
On books of the Division of Bookkeeping and Warrants.....	692,362.59	—5,737.50	686,625.09
Total fund assets.....	692,665.84	—2,611.92	690,053.92

<sup>1</sup> The act of Aug. 10, 1939 (53 Stat. 1358), amended the Government Losses in Shipment Act, and in section 1 the Secretary of the Treasury was authorized and directed to transfer the amount standing to the credit of the securities trust fund to this fund.

<sup>2</sup> Includes payment in the amount of \$64.44 representing an excess recovery previously paid into the fund from the securities trust fund.

#### *Section of Surety Bonds*

The Secretary of the Treasury, under the act of Congress approved August 13, 1894 (28 Stat. 279), as amended by the act approved March 23, 1910 (36 Stat. 241), issues certificates of authority to corporate surety companies to qualify as acceptable sureties on bonds and other obligations in favor of the United States.

On June 30, 1942, there were 79 domestic companies holding certificates of authority from the Secretary of the Treasury, qualifying them as sole sureties on recognizances, stipulations, bonds, and undertakings permitted or required by the laws of the United States, to be given with one or more sureties. There were also 7 branches of foreign companies holding certificates of authority authorizing them to act only as reinsurers on bonds in favor of the United States.

The Section of Surety Bonds checks the financial condition of surety companies authorized to transact business with the United States; determines their underwriting limitations; reviews their quarterly financial statements; makes examinations into their financial condition at their home offices, when necessary; and performs other duties to determine whether the companies observe the requirements of the law and the regulations of the Secretary of the Treasury issued pursuant thereto.

The Section of Surety Bonds has custody of all fidelity bonds in favor of the United States, except those filed with the Post Office Department and the Federal courts, and notifies the accounting officers of the receipt and filing of such bonds. It examines and approves as to corporate surety all fidelity and surety bonds with a few exceptions as referred to above.

During the year 151,015 bonds and consent agreements cleared through the Section of Surety Bonds for approval as to corporate surety; this number is an increase of more than 44 percent over the preceding year. Only a small part of this increase was a result of the bonding of certifying officers under the act of December 29, 1941, mentioned on page 92, under the Division of Disbursement. The increase was due largely to expanded war activities. Bonds for the War and Navy Departments increased 55 percent over the preceding fiscal year.

### *Budget Section*

The Budget Section, in part, constitutes the operating staff of the Budget Officer of the Department, coordinating departmental estimates of appropriations, justifications, and reports and performing related duties in accordance with the requirements of the Budget Officer, Treasury Department. The Budget Section also performs similar duties for the Commissioner of Accounts and has administration of special deposit accounts of the Secretary of the Treasury, which cover alien property trust funds in the Treasury, offers in compromise under the provisions of section 3469 of the Revised Statutes, Philippine trust funds held in interest-bearing accounts, cash collateral furnished by issuing agents for the sale of war savings bonds, Series E, and accounts pertaining to withheld foreign check payments.

*Alien property trust fund.*—Under the act of October 6, 1917, as amended, and the Settlement of War Claims Act of 1928, approved March 10, 1928 (45 Stat. 254), as amended, securities previously held by the Secretary of the Treasury for account of the Attorney General, Alien Property Bureau, were all sold prior to the fiscal year 1942. A statement of the alien property trust fund as of June 30, 1942, follows:

#### *Alien property trust fund, June 30, 1942*

Credits (net):		
Trusts.....		\$38, 752, 906. 05.
Earnings on investments, etc.....		30, 279, 242. 29
Total.....		<u>69, 032, 148. 34</u>
Assets:		
Investments:		
Participating certificates issued under sec. 25 (e) of the Trading		
With the Enemy Act:		
Noninterest-bearing.....	\$20, 856, 446. 75	
5% interest-bearing.....	34, 347, 476. 76	
		55, 203, 923. 51
Cash balance with the Treasurer of the United States.....		13, 828, 224. 83
Total fund assets June 30, 1942.....		<u>69, 032, 148. 34</u>

Checks issued by the Treasury Department during the year to the Attorney General, Alien Property Bureau, and to the Alien Property Custodian on account of the alien property trust fund included certain expenditures for administrative expenses of the Alien Property Custodian appointed pursuant to the act of October 6, 1917, as amended by the First War Powers Act, approved December 18, 1941. The amounts of expenditures were as follows:

Distribution of income.....	\$80,000.00
Administrative expenses.....	370,000.00
Total.....	450,000.00

*Philippine funds in the United States Treasury.*—Under the act of March 8, 1902 (32 Stat. 54), reenacted in section 3343 (b) of the Internal Revenue Code, approved February 10, 1939, it was provided that all duties and taxes collected in the United States upon articles coming from the Philippine Archipelago and upon foreign vessels coming therefrom were to be held as a separate fund and paid into the treasury of the Philippine Islands to be expended for the government and benefit of the Islands.

A summary follows showing customs duties, tonnage taxes, and internal revenue taxes, exclusive of taxes with respect to coconut oil, appropriated to Philippine accounts and payments therefrom during the fiscal years 1933 to 1942.

Fiscal year	Receipts <sup>1</sup> appropriated	Payments to Philippine Government <sup>2</sup>	Unpaid balance
1933.....	\$381,500.46	\$59.67	<sup>3</sup> \$854,598.97
1934.....	527,426.40	813,371.78	568,653.59
1935.....	491,453.50	502,551.53	557,560.56
1936.....	645,890.13	745,957.75	457,492.94
1937.....	755,865.76	891,725.93	321,632.77
1938.....	813,852.30	934,689.47	200,795.60
1939.....	569,468.06	626,347.68	143,915.98
1940.....	703,874.28	482,106.02	365,684.24
1941.....	538,089.63	2,987.84	900,786.03
1942.....	420,293.47	78.32	1,321,001.18

<sup>1</sup> Reduced by amounts carried to surplus fund as follows: 1936, \$17,540.28; 1937, \$9,783.75; 1939, \$15,151.70; 1940, \$957.78; 1941, \$36,822.72; and 1942, \$747.58.

<sup>2</sup> Includes certain refunds and adjustments.

<sup>3</sup> Includes balances of \$473,153.18 in Philippine accounts as of July 1, 1932.

Under the act of June 11, 1934 (48 Stat. 929; 48 U. S. C. 1157), the Secretary of the Treasury was authorized to accept, upon such conditions as he might prescribe, deposits of public moneys of the Philippine Government. The act provided an indefinite appropriation for the payment of interest on such deposits other than demand deposits at such rates not in excess of 2 percent per annum as the Secretary might prescribe.

Thereafter, the Secretary of the Treasury agreed to accept not to exceed \$55,000,000 of Philippine moneys in a time deposit account, amounts deposited with the Treasury by the Philippine Government in excess of that sum to be maintained in a demand deposit account. Since December 10, 1934, the balance in the time deposit account has been maintained at \$55,000,000. The balance in the demand deposit account as of June 30, 1942, was \$88,720,214.56.

Section 602½ of the act of May 10, 1934 (48 Stat. 763), provided that taxes collected with respect to coconut oil wholly of Philippine production or produced from materials wholly of Philippine growth

or production should be paid to the treasury of the Philippine Islands subject to certain conditions. An agreement was consummated between the Secretary of the Treasury and the Philippine Government under which coconut oil moneys payable to the Philippine treasury would be transferred on periodic settlements of the General Accounting Office to a special deposit account in the name of the Secretary of the Treasury subject to withdrawal by the Philippine Government on ninety days' notice in writing. Interest at the rate of 2 percent per annum is paid on the daily balances in this account. A summary of transactions in the account from the time of its establishment to date follows.

Fiscal year	Deposits	Withdrawals	Balance at end of year
1938.....	\$56,854,779.06		\$56,854,779.06
1939.....	20,355,455.65	\$32,000,000.00	45,210,234.71
1940.....	4,559,016.46	17,564,016.41	32,205,234.76
1941.....	72,850.96		32,278,085.72
1942.....		5,000,000.00	27,278,085.72

Includes \$7,564,016.41 transferred to new account established under act of August 7, 1939.

Section 6 of the act of August 7, 1939 (53 Stat. 1232), provided that collections on or after January 1, 1939, on account of the excise taxes imposed by section 2470 of the Internal Revenue Code, and the import taxes imposed by sections 2490 and 2491 of the Internal Revenue Code and any moneys hereafter appropriated in accordance with the authorization contained in section 503 of the Sugar Act of 1937 (50 Stat. 915) shall be held as separate funds and paid into the treasury of the Philippines to be used for the purpose of meeting new or additional expenditures which will be necessary in adjusting Philippine economy to a position independent of trade preferences in the United States and in preparing the Philippines for the assumption of the responsibilities of an independent state.

A new account was established for the deposit of the funds referred to in section 6 of the act of August 7, 1939. Withdrawals by the Philippine Government from this account are subject to ninety days' notice in writing. Interest at the rate of 1 percent is paid on the daily balances in this account.

A summary of transactions in the account from the time of its establishment to date follows.

Fiscal year	Deposits	Withdrawals	Balance at end of year
1940.....	\$17,274,092.01		\$17,274,092.01
1941.....	15,258,938.13	\$20,000,000.00	12,533,030.14
1942.....	25,566,399.12	9,000,000.00	29,099,429.26

*Appropriation of funds to the Government of the Commonwealth of the Philippines for national defense.*—Public Law 371, approved December 23, 1941, appropriated, in accordance with the provisions of section 503 of the Sugar Act of 1937 (50 Stat. 915) such moneys as had been collected prior to the passage of the act of December 23, 1941, for the purpose of enabling the Secretary of War to meet expenses for each and every purpose necessary to provide for public relief and civilian defense in the Philippine Islands.

On January 1, 1942, there had been established upon the books of the Treasury Department approximately \$36,609,000 which was available for appropriation to the Government of the Commonwealth of the Philippines.

In accordance with provisions of Public Law 371, \$35,000,000 was appropriated for this purpose.

*Supplementary sinking fund for the payment of bonds of the Philippines.*—Under section 6 of the act of March 24, 1934, entitled "An Act to provide for the complete independence of the Philippine Islands, to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes," as amended by the act of August 7, 1939, it was provided that on and after January 1, 1941, the Philippine Government shall impose and collect an export tax on every Philippine article shipped from the Philippines to the United States, except as otherwise specifically provided. It was further provided that the Philippine Government shall pay to the Secretary of the Treasury of the United States, at the end of each calendar quarter, all of the moneys received during such quarter from export taxes (less refunds), imposed and collected in accordance with the provisions of this section, and said moneys shall be deposited in an account with the Treasurer of the United States and shall constitute a supplementary sinking fund for the payment of bonds of the Philippines, its provinces, cities, and municipalities, issued prior to May 1, 1934, under authority of acts of Congress.

Accordingly, there was established with the Treasurer of the United States a special deposit account in the name of the Secretary of the Treasury entitled "The Secretary of the Treasury for Account of the Philippine Government—Supplementary Sinking Fund for the Payment of Bonds of the Philippines, its Provinces, Cities, and Municipalities, Issued Prior to May 1, 1934, under Authority of Acts of Congress (Symbol 891-855)."

The following statement shows the cumulative transactions since the inception of the fund and its status as of June 30, 1942.

*Supplementary sinking fund for the payment of bonds, issued prior to May 1, 1934, of the Philippines, its provinces, cities, and municipalities, June 30, 1942*

#### I. RECEIPTS AND EXPENDITURES

Receipts:	
Taxes on exports.....	\$1, 586, 135. 92
Interest on investments.....	8, 259. 99
Total receipts.....	1, 594, 395. 91
Expenditures.....	
Balance in fund.....	1, 594, 395. 91

#### II. FUND ASSETS

Investments:		
Philippine Government bonds:	Face amount	Principal cost
4% due Dec. 1, 1946.....	\$207, 000	\$205, 242. 50
4½% due Dec. 1, 1950.....	33, 000	36, 872. 46
5% due Feb. 1, 1952.....	32, 000	36, 437. 17
4½% due July 1, 1952.....	258, 000	272, 929. 81
4½% due July 15, 1952.....	373, 000	406, 463. 06
5% due Apr. 1, 1955.....	20, 000	18, 875. 00
4½% due May 1, 1957.....	5, 000	5, 894. 68
4½% due July 1, 1957.....	64, 000	75, 168. 01
4½% due Mar. 1, 1958.....	43, 000	51, 113. 51
4½% due Apr. 1, 1958.....	36, 000	42, 784. 42
4½% due Apr. 1, 1959.....	70, 000	77, 511. 60
4½% due Sept. 15, 1959.....	41, 000	49, 286. 04
4½% due Oct. 1, 1959.....	19, 000	22, 822. 99
4½% due Oct. 15, 1959.....	6, 000	6, 967. 66
	1, 207, 000	\$1, 308, 368. 91
Accrued interest paid on investments.....		678. 50
Cash balance with Treasurer of the United States.....		285, 348. 50
Total.....		1, 594, 395. 91

*Foreign check control.*—In accordance with the provisions of the Executive Order No. 8389, of April 10, 1940, as amended, and Public No. 828, approved October 9, 1940 (see annual report for 1941, p. 106), disbursing officers had withheld as of June 30, 1942, from delivery to payees residing in occupied territories 243,895 checks aggregating \$9,949,318.29, of which the proceeds of 147,821 checks aggregating \$5,956,156.57 were deposited in the special deposit account entitled, "Secretary of the Treasury, Proceeds of Withheld Foreign Checks"; 6,749 checks aggregating \$377,858.30 were released to payees; and 2,059 checks aggregating \$91,974.39 were canceled on advice of administrative agencies who authorized the issue of such checks to the payees. On June 30, 1942, a balance of 87,266 checks aggregating \$3,523,329.03, the proceeds of which were subject to deposit in the special deposit account, were held by disbursing officers pending disposition.

Of the \$5,956,156.57 deposited in the special deposit account, \$14,906.16 has been paid to individual claimants; \$4,379.35 has been returned to the appropriations from which payments were made; and \$276,724.58 has been covered into the Treasury as miscellaneous receipts on account of the \$1,000 limitation on veterans' payments. On June 30, 1942, the proceeds of 143,276 checks aggregating \$5,660,146.48 remained in the special deposit account to the credit of approximately 17,500 individuals.

### *Section of Investments*

The Section of Investments supervises the collections of principal and interest on foreign obligations and on railroad obligations owned by the United States and held by the Treasury; collects on other obligations owned by the United States, which have been turned over to the Treasury by other departments for collection; handles matters relating to the investments and securities held in the custody of the Treasurer of the United States and the Federal Reserve Banks for which the Secretary is responsible, other than those related to public debt operations; and makes payments on awards under the Settlement of War Claims Act of 1928, under the claims agreement of October 25, 1934, between the United States and Turkey, and under the act of April 10, 1935, covering claims against the Republic of Mexico. In connection with these activities, accounts are kept and various related matters are handled by the Section.

### *Obligations of foreign governments*

The United States received during the year a payment from the Government of Hungary in the amount of \$19,656.32 on account of its indebtedness, which applied on interest due.

The following statement shows the payments due during the periods July 1 to December 31, 1941, and January 1 to June 30, 1942.

*Amounts due and payable, July 1 to Dec. 31, 1941, and Jan. 1 to June 30, 1942*

Country	Funding agreements		Moratorium agreements	Total
	Principal	Interest		
July 1 to Dec. 31, 1941				
Belgium		\$4,158,000.00	\$484,453.88	\$4,642,453.88
Czechoslovakia	\$1,500,000.00		182,812.78	1,682,812.78
Estonia	151,000.00	286,265.00	36,585.29	473,850.29
Finland	79,000.00	139,037.50	32,725.56	1,250,763.06
France		38,522,865.00	3,046,879.72	41,569,744.72
Great Britain	42,000,000.00	75,950,000.00	9,720,765.05	127,670,765.05
Greece	499,000.00	217,920.00	67,137.38	784,057.38
Hungary	15,865.00	33,185.08	4,225.58	53,275.66
Italy		2,490,875.00	896,155.88	3,387,030.88
Latvia	62,500.00	119,609.00	15,274.26	197,383.26
Lithuania		107,783.67	13,683.26	121,466.93
Poland	1,720,000.00	3,582,810.00	456,229.71	5,759,039.71
Rumania		907,559.81	48,750.08	956,309.89
Yugoslavia		154,062.50		154,062.50
Total	46,027,365.00	126,669,972.56	15,005,678.43	187,703,015.99
Jan. 1 to June 30, 1942				
Belgium	\$4,900,000.00	\$4,158,000.00	\$484,453.88	\$9,542,453.88
Czechoslovakia	1,500,000.00		182,812.78	1,682,812.78
Estonia		286,265.00	36,585.29	322,850.29
Finland		137,655.00	32,725.56	1,170,380.56
France	57,763,450.02	38,522,865.00	3,046,879.72	99,333,194.74
Germany (Austrian indebtedness)*	460,093.00		34,767.23	494,860.23
Great Britain		75,950,000.00	9,720,765.05	85,670,765.05
Greece	505,000.00	217,920.00	67,137.38	790,057.38
Hungary		33,185.08	4,225.58	37,410.66
Italy	17,000,000.00	2,490,875.00	896,155.88	20,387,030.88
Latvia		119,609.00	15,274.26	134,883.26
Lithuania	54,515.00	107,783.67	13,683.26	175,981.93
Poland		3,582,810.00	456,229.71	4,039,039.71
Rumania	462,000.00	907,559.81	48,750.08	1,418,309.89
Yugoslavia	562,000.00	154,062.50		716,062.50
Total	83,207,058.02	126,668,590.06	15,040,445.66	224,916,093.74

<sup>1</sup> Postponed under authority of Public Law 110, approved June 12, 1941.

<sup>2</sup> The German Government has been notified that the Government of the United States will look to the German Government for the discharge of this indebtedness of the Government of Austria to the Government of the United States.

A statement showing the principal of the funded and unfunded indebtedness of foreign governments to the United States, the accrued and unpaid interest thereon, and payments on account of principal and interest as of November 15, 1942, appears as table 66 on page 600.

The total amounts previously due from foreign governments on account of their indebtedness to the United States under the funding and moratorium agreements and not paid as of November 15, 1942, according to contract terms, are shown in the following statement.



*Total amounts due and not paid, as of November 15, 1942*

Country	Funding agreements		Moratorium agreements annuities	Total
	Principal	Interest		
Belgium.....	\$45,800,000.00	\$72,462,000.00	\$8,720,169.84	\$126,982,169.84
Czechoslovakia.....	28,170,085.83	-----	3,290,630.04	31,460,715.87
Estonia.....	1,297,000.00	5,684,405.00	658,535.22	7,639,940.22
France.....	548,222,451.39	462,274,380.00	54,843,834.96	1,065,340,666.35
Germany (Austrian indebtedness) <sup>1</sup> .....	3,220,651.00	-----	243,370.61	3,464,021.61
Great Britain.....	323,000,000.00	1,425,549,481.58	174,973,770.90	1,923,523,252.48
Greece.....	9,184,000.00	3,585,187.50	1,275,610.22	14,044,797.72
Hungary <sup>2</sup> .....	139,250.00	561,025.97	76,060.44	776,336.41
Italy.....	144,600,000.00	26,645,041.74	16,130,805.84	187,375,847.58
Latvia.....	526,200.00	2,257,040.84	274,936.68	3,058,177.52
Lithuania.....	471,100.00	1,984,706.38	246,298.68	2,702,105.06
Poland.....	15,352,000.00	71,144,370.00	8,212,134.78	94,708,504.78
Rumania <sup>3</sup> .....	12,537,560.43	5,445,358.86	877,501.44	18,860,420.73
Yugoslavia.....	4,299,000.00	847,343.78	-----	5,146,343.78
Total.....	1,136,819,298.65	2,078,440,341.65	269,823,659.65	3,485,083,299.95

<sup>1</sup> The German Government has been notified that the Government of the United States will look to the German Government for the discharge of this indebtedness of the Government of Austria to the Government of the United States.

<sup>2</sup> The Hungarian Government has deposited with the foreign creditors' account at the Hungarian National Bank an amount of Hungarian currency equivalent to the interest payments due from Dec. 15, 1932, to June 15, 1937. The debt funding and moratorium agreements with Hungary provide for payment in dollars in the United States.

<sup>3</sup> Excludes the amount of \$100,000 which the Rumanian Government paid to the United States Treasury on June 15, 1940, as "a token of its good faith and of its real desire to reach a new agreement" covering Rumanian indebtedness to the United States.

#### *Receipts from Germany*

During the fiscal year 1942 the United States received no payments from the Government of Germany under the debt funding agreement of June 23, 1930, covering the costs of the American Army of Occupation and the awards of the Mixed Claims Commission, United States and Germany. The status of the indebtedness of Germany to the United States as of June 30, 1942, under the funding and moratorium agreements is summarized in the following tables.

#### *Amount of indebtedness of Germany to the United States, June 30, 1942*

Class	Indebtedness as funded	Total indebtedness, June 30, 1942	Principal	Interest accrued and unpaid
Army costs (reichsmarks).....	1,048,100,000	1,035,543,026.21	997,500,000	<sup>1</sup> 38,043,026.21
Mixed claims (reichsmarks).....	2,121,600,000	2,152,200,000.00	2,040,000,000	112,200,000.00
Total (reichsmarks).....	3,169,700,000	<sup>2</sup> 3,187,743,026.21	3,037,500,000	150,243,026.21
Total (in dollars, at 40.33 cents to the reichsmark).....	\$1,278,340,010	\$1,285,616,762.47	\$1,225,023,750	\$60,593,012.47

<sup>1</sup> Includes interest accrued under unpaid moratorium agreement annuities.

<sup>2</sup> Includes 4,027,611.95 reichsmarks deposited by the German Government in the Konversionskasse für Deutsche Auslandsschulden and not paid to the United States in dollars as required by the debt and moratorium agreements.

*Payments received from Germany to June 30, 1942*

Class	Total payments received to June 30, 1942	Payments of principal	Payments of interest
Army costs (reichsmarks).....	51,456,406.25	50,600,000.00	856,406.25
Mixed claims (reichsmarks).....	87,210,000.00	81,600,000.00	5,610,000.00
Total (reichsmarks).....	138,666,406.25	132,200,000.00	6,466,406.25
Total (in dollars).....	\$33,587,809.69	\$31,539,595.84	\$2,048,213.85

*Amounts not paid by Germany according to contract terms, June 30, 1942*

Date due	Funding agreement		Moratorium agreement	Total
	Principal	Interest		
Sept. 30, 1933..... reichsmarks.....		2,498,562.50 <sup>1</sup>	1,529,049.45	14,027,611.95
Mar. 31, 1934..... do.....	122,400,000		1,529,049.45	123,929,049.45
Sept. 30, 1934..... do.....	20,400,000	3,855,687.50	1,529,049.45	25,784,736.95
Mar. 31, 1935..... do.....	82,900,000	4,534,250.00	1,529,049.45	88,963,299.45
Sept. 30, 1935..... do.....	29,700,000	5,212,812.50	1,529,049.45	36,441,861.95
Mar. 31, 1936..... do.....	29,700,000	5,891,375.00	1,529,049.45	37,120,424.45
Sept. 30, 1936..... do.....	29,700,000	6,569,937.50	1,529,049.45	37,798,986.95
Mar. 31, 1937..... do.....	29,700,000	7,248,500.00	1,529,049.45	38,477,549.45
Sept. 30, 1937..... do.....	28,600,000	7,927,062.50	1,529,049.45	38,056,111.95
Mar. 31, 1938..... do.....	28,600,000	8,585,687.50	1,529,049.45	38,714,736.95
Sept. 30, 1938..... do.....	28,600,000	9,244,312.50	1,529,049.45	39,373,361.95
Mar. 31, 1939..... do.....	28,600,000	9,902,937.50	1,529,049.45	40,031,986.95
Sept. 30, 1939..... do.....	29,700,000	10,561,562.50	1,529,049.45	41,790,611.95
Mar. 31, 1940..... do.....	29,700,000	11,240,125.00	1,529,049.45	42,469,174.45
Sept. 30, 1940..... do.....	29,700,000	11,918,687.50	1,529,049.45	43,147,736.95
Mar. 31, 1941..... do.....	29,700,000	12,597,250.00	1,529,049.45	43,826,299.45
Sept. 30, 1941..... do.....	33,050,000	13,275,812.50	1,529,049.45	47,854,861.95
Mar. 31, 1942..... do.....	33,050,000	14,015,093.75	1,529,049.45	48,594,143.20
Total..... do.....	643,800,000	145,079,656.25	27,522,890.10	816,402,546.35
Total (in dollars, at 40.33 cents to the reichsmark).....	\$259,644,540	\$58,510,625.37	\$11,099,981.58	\$329,255,146.94

<sup>1</sup> Includes 4,027,611.95 reichsmarks deposited by the German Government in the Konversionskasse für Deutsche Auslandsschulden and not paid to the United States in dollars as required by the debt and moratorium agreements.

*Treasury administration of alien and mixed claims*

The Settlement of War Claims Act of 1928 (45 Stat. 254) authorized the Secretary of the Treasury to make payments on account of (1) awards of the Mixed Claims Commission, United States and Germany, for claims of American nationals against the Government of Germany, (2) awards of the War Claims Arbitrator for claims of German, Austrian, and Hungarian nationals against the Government of the United States, and (3) awards of the Tripartite Claims Commission for claims of American nationals against the Governments of Austria and Hungary. For a more detailed discussion of these awards and payments see pages 123 to 128 of the annual report for 1941.

*Mixed Claims Commission and Private Law No. 509: Claims against Germany.*—During the fiscal year 1942 additional payments aggregating \$1,553.28 were made on account of the Class 2 awards on the so-called sabotage claims against Germany. One Class 2 award, has not yet been paid, as satisfactory evidence as to the persons entitled to receive payment has not yet been received. This award plus interest to January 1, 1928, amounts to \$3,850.68. The Class 3 claimants received payments aggregating \$21,763,576.77, placing them on the same basis as the Class 3 claimants who received awards prior to October 31, 1939.

Total payments made on the additional sabotage awards to September 30, 1942, are as follows:

Class	Awards (plus interest to Jan. 1, 1928)	Payments		
		Awards (plus interest to Jan. 1, 1928)	Interest from Jan. 1, 1928, to date of payment	Total
1.....	\$72,501.37	\$72,501.37	\$47,394.01	<sup>1</sup> \$119,895.38
2.....	1,058,005.23	<sup>2</sup> 1,054,154.55	688,239.04	1,742,393.59
3.....	30,598,657.59	21,763,576.77	-----	<sup>3</sup> 21,763,576.77
Total.....	31,729,164.19	22,890,232.69	735,633.05	23,625,865.74

<sup>1</sup> Payments completed prior to Sept. 30, 1941.

<sup>2</sup> One award (plus interest to Jan. 1, 1928), amounting to \$3,850.68, not yet paid.

<sup>3</sup> Payments completed during 1942.

After the Class 3 additional sabotage claims were satisfied by payment of the same percentage payments made on this class of awards certified for payment prior to October 31, 1939, they shared in the distributions of 5 percent and 4.4358855 percent authorized on March 19, 1941, and September 17, 1941, respectively, to be paid to all Class 3 claimants. No segregation of these payments has been made as the sabotage claimants and the claimants whose awards were certified prior to October 31, 1939, are receiving payments on an equal basis.

The payments to American and German nationals on account of the awards of the Mixed Claims Commission and the War Claims Arbitrator are made out of the German special deposit account established under the provisions of section 4 of the Settlement of War Claims Act of 1928. The priorities established in the act and the status as of September 30, 1942, of such priorities up to the seventh priority are as follows:

Priority No.	On account of—	Nationals	Amount due Sept. 30, 1942
1.....	Administrative expenses.....		Held in reserve.
2.....	Class 1 awards.....	American	Completed.
3.....	Class 2 awards.....	do.	\$49,520.47. <sup>1</sup>
4.....	Payment \$100,000 a/c Class 3 awards.....	do.	Completed.
5.....	Payment of 80 percent of (2), (3), and (4) and interest to Jan. 1, 1928.	do.	\$57,793.64. <sup>1</sup>
6.....	Tentative awards, War Claims Arbitrator.....	German	Completed.
7.....	50 percent of ship and patent claims.....	do.	Do.

<sup>1</sup> Applications for payment of these amounts to claimants were not received or approved as of Mar. 11, 1940, or Sept. 30, 1942.

Up to September 30, 1942, the Treasury has made payments in the aggregate amount of \$163,536,276.22 on account of awards of the Mixed Claims Commission, from which there has been deducted \$817,879.69 representing one-half of 1 percent authorized by the Settlement of War Claims Act of 1928, making net payments to claimants of \$162,718,396.53. Of the deductions \$770,233.47 has been covered into the Treasury as miscellaneous receipts in accordance with the provisions of the act as reimbursement to the United States for expenses incurred, and \$9,029.18 of the deductions have been withheld and not yet covered; and the balance of \$38,617.04 is payable

to the German Government for defraying such expenses as may be incurred by that government for the adjudication of claims.

The following summary shows the number and amount of awards certified to the Treasury by the Secretary of State, the amount paid on account, and the balance due thereon as of September 30, 1942. Further details by classes of awards may be found in table 103, page 672.

*Mixed Claims Commission, United States and Germany—Number and amount of awards, amounts paid, and balance due, certified to the Secretary of the Treasury by the Secretary of State, as of September 30, 1942<sup>1</sup>*

Awards certified	Total number of awards	Total amount
1. Amount due on account: Principal of awards.....	7, 026	\$181, 698, 235. 30
Less amounts paid by Alien Property Custodian and others.....		187, 226. 85
Interest to Jan. 1, 1928, at rates specified in awards.....		181, 511, 008. 45
Interest thereon to date of payment or, if unpaid Sept. 30, 1942, at 5 percent per annum as specified in the Settlement of War Claims Act of 1928.....		81, 465, 086. 36
Total due claimants.....		102, 583, 293. 69
2. Payment made on account to Sept. 30, 1942:		355, 559, 388. 50
Principal of awards.....	6, 670	152, 320, 280. 79
Interest to Jan. 1, 1928, at rates specified in awards.....		8, 937, 474. 29
Interest at 5 percent per annum from Jan. 1, 1928, to date of payment as directed by the Settlement of War Claims Act of 1928.....		2, 278, 521. 14
Total payments to Sept. 30, 1942.....		163, 536, 276. 22
Less one-half of 1 percent deduction from each payment.....		817, 879. 69
Net payments made to claimants to Sept. 30, 1942.....		162, 718, 396. 53
3. Balance due on account:		
Principal of awards.....	356	101, 709, 444. 91
Interest to Jan. 1, 1928, at rates specified in awards.....		8, 894. 82
Accrued interest at 5 percent per annum from Jan. 1, 1928, on total amount payable as of Jan. 1, 1928, to Sept. 30, 1942.....		100, 304, 772. 55
Balance due claimants as of Sept. 30, 1942.....		202, 023, 112. 28

<sup>1</sup> Includes payments on account of Private Law No. 509, approved July 19, 1940.

<sup>2</sup> Includes payments on account of interest to Jan. 1, 1928, on Class 3 awards and Private Law No. 509. Payments on this class of awards are first applied on account of the total amount payable as of Jan. 1, 1928 (which is treated as a principal payment for this purpose), as directed by the Settlement of War Claims Act of 1928 until total of all payments on the three classes equals 80 percent of the amount payable Jan. 1, 1928. Payment of accrued interest since Jan. 1, 1928, on this class of claims has been deferred in accordance with the act.

*War Claims Arbiter.*—Under the Settlement of War Claims Act of 1928, it was the duty of the War Claims Arbiter, within certain limitations, to hear the claims of German, Austrian, and Hungarian nationals and to determine the fair compensation to be paid by the United States for ships seized, patents sold or used by the United States, and a radio station sold to the United States.

*War Claims Arbiter: Claims of German nationals.*—The Treasury completed up to June 30, 1935, payment of 50 percent of the amount of all awards made by the War Claims Arbiter in favor of German nationals as required by paragraph 7 of section 4 (c) of the Settlement of War Claims Act of 1928. No payments were made on these awards subsequent to that date.

The following summary shows the number and amount of awards in favor of German nationals certified to the Treasury for payment, the payments made on account, and the balance due thereon as of September 30, 1942.

*War Claims Arbitrator—Number of awards, amounts paid, and balance due, on account of claims of German nationals for ships, patents, and a radio station, as of September 30, 1942.*

Awards certified	Total (315 awards)	Ships (27 awards)	Patents and radio station (288 awards)
1. Amount due on account:			
Principal of awards including interest to Jan. 1, 1929.....	\$86,738,320.83	\$74,252,933.00	\$12,485,387.83
Interest at 5 percent per annum from Jan. 1, 1929, on total amount payable as of Jan. 1, 1929, or on the principal amount remaining unpaid to Sept. 30, 1942.....	34,500,217.83	29,384,345.08	5,115,872.75
Total due claimants.....	121,238,538.66	103,637,278.08	17,601,260.58
2. Payments made on account to Sept. 30, 1942:			
Principal of awards.....	43,368,899.24	37,126,205.21	6,242,694.03
Interest at 5 percent per annum from Jan. 1, 1929, on total amount payable as of Jan. 1, 1929, or on the principal amount remaining unpaid to Sept. 30, 1942.....			
Total payments to Sept. 30, 1942.....	43,368,899.24	37,126,205.21	6,242,694.03
3. Balance due on account:			
Principal of awards.....	43,369,421.59	37,126,727.79	6,242,693.80
Interest accrued at 5 percent per annum from Jan. 1, 1929, on total amount payable as of Jan. 1, 1929, or on the principal amount remaining unpaid to Sept. 30, 1942.....	34,500,217.83	29,384,345.08	5,115,872.75
Balance due claimants.....	77,869,639.42	66,511,072.87	11,358,566.55

\* Includes awards amounting to \$522.58 to members of the former ruling family of Germany (sec. 3 (j), Settlement of War Claims Act of 1928, as amended).

*War Claims Arbitrator: Claims of Hungarian nationals.*—The awards made by the Arbitrator to Hungarian nationals in the sum of \$39,125, with interest at the rate of 5 percent per annum from July 2, 1921, to December 31, 1928, amounting to \$14,675, have been paid with the exception of one award amounting to \$137.51, together with interest thereon at the rate of 5 percent per annum from December 31, 1928. No payments were made during the year on these awards.

*German special deposit account.*—The following statement shows the total amounts deposited in the German special deposit account, the amounts paid therefrom up to September 30, 1942, and the balance held in the account.

*Funds deposited in the German special deposit account and payments made therefrom to September 30, 1942*

#### RECEIPTS

From investments by Alien Property Custodian under Trading With the Enemy Act, as amended:	
Unallocated interest fund.....	\$25,000,000.00
Less refunds.....	4,143,553.25
	20,856,446.75
20 percent German property retained.....	34,347,476.76
Earnings on 20 percent German property retained.....	5,564,469.10
	\$60,768,392.61
From Germany:	
2½ percent of Dawes' annuities available for reparations (Paris agreement of Jan. 14, 1925).....	32,183,060.87
Under German-American debt agreement, June 23, 1930.....	19,469,964.00
Interest on payments postponed under terms of debt agreement dated June 23, 1930.....	1,743,738.70
	53,396,763.57

*Funds deposited in the German special deposit account and payments made therefrom to September 30, 1942—Continued*

## RECEIPTS—Continued

Appropriation for ships, patents, and radio station.....	\$86,738,320.83	
Expenses of administration, War Claims Arbitrer, on account German nationals.....	113,624.20	\$86,851,945.03
Deposits by Attorney General of the United States (Alien Property Bureau) under section 25 (d) of Trading With the Enemy Act, as amended:		
German Government.....	137,268.13	
German nationals.....	435,847.69	
Earnings and profits on investments by Secretary of the Treasury.....		573,115.82
		5,632,094.28
Total receipts.....		\$207,222,311.31

## PAYMENTS ON ACCOUNT

Awards of the Mixed Claims Commission:		
Under agreement of Aug. 10, 1922.....	\$154,914,854.31	
Under agreement of Dec. 31, 1928.....	7,684,835.94	
Private Law No. 509.....	118,706.28	\$162,718,396.53
Awards of War Claims Arbitrer:		
For ships.....	37,126,205.21	
For patents and one radio station.....	6,242,694.03	43,368,899.24
One-half of 1 percent deducted from Mixed Claims payments covered into Treasury (\$9,029.13 withheld but not paid).....		769,438.12
One-half of 1 percent deducted from Mixed Claims payments on account of awards entered under agreement of Dec. 31, 1928 (act of June 21, 1930), and paid to Germany (\$14,466.95 withheld but not paid).....		24,150.09
One-half of 1 percent deducted on account of Private Law No. 509 withheld and covered into the Treasury.....		795.35
Advances to special fund, expenses of administration of the Settlement of War Claims Act of 1928 (Office of the Secretary of the Treasury).....		55,175.00
Expenses of administration, War Claims Arbitrer account of German nationals.....		113,624.20
Total payments.....		207,050,478.53
Cash balance in German special deposit account.....		171,832.78

*Tripartite Claims Commission: Claims against Hungary.*—The awards entered by the Tripartite Claims Commission against Hungary, in favor of American nationals, amounted to \$199,975.57. During the fiscal year 1942 no payments were made on account of such awards. As of June 30, 1942, awards aggregating \$7,257.35 had not been paid because claimants had not filed applications as required by law.

*Claims of American nationals against Turkey*

The Special Claims Commission, United States and Turkey, established under the agreement of December 24, 1923 (see page 196 of the annual report for 1940 for further details of this agreement), made awards in 33 cases aggregating \$899,338.09, which were reduced by \$70,891.06 on account of expenses incurred by the United States, leaving net awards amounting to \$828,447.03 payable from funds received from the Republic of Turkey. Under the provisions of the act of February 27, 1896 (29 Stat. 32), these awards were certified on August 19, 1937, by the Secretary of State to the Secretary of the Treasury for payment. During the fiscal year 1942 a pro rata payment was authorized to be made to the claimants by the Treasury from funds amounting to \$100,000, available for that purpose. An additional sum of \$100,000 was received June 22, 1942, but too late to enable the Treasury to make payments to claimants in the fiscal year 1942.

*Statements of awards made by Special Claims Commission, United States and Turkey,  
as of June 30, 1942*

Amount awarded to claimants:		
Amount of claims.....	\$539,844.13	
Interest allowed.....	359,493.96	
Total.....	899,338.09	
Less deductions on account of expenses incurred by the United States.....	70,891.06	
Amount of awards.....		<u>\$828,447.03</u>
Amount received from Republic of Turkey:		
To June 30, 1941.....	600,000.00	
During fiscal year 1942.....	100,000.00	
Total.....	700,000.00	
Less reimbursement for expenses by the United States.....	70,891.06	
Available for payment to claimants.....		629,108.94
Amount paid to claimants:		
To June 30, 1941.....	428,557.26	
During fiscal year 1942.....	90,895.84	
Total.....		<u>519,453.10</u>
Balance due claimants for which vouchers have not been received.....		<u>109,655.84</u>

*Claims of American nationals against Mexico*

Under the convention between the United States and Mexico dated April 24, 1934, covering the settlement of the claims presented by the Government of the United States to the Commission established by the Special Claims Convention concluded September 10, 1923, the amount to be paid by the Government of Mexico to the Government of the United States was fixed at \$5,448,020.14. (See page 129 of the annual report for 1941 for further details.)

On June 20, 1938, the Secretary of State certified to the Secretary of the Treasury for payment a list of awards entered by the Special Mexican Claims Commission aggregating \$9,137,341.79, subsequently adjusted to \$9,140,541.89, which were subject to reduction on a percentage basis as provided in section 4 of the act approved April 10, 1935. The final awards as adjusted aggregated \$5,210,108.92. The expenses of the Commission were determined to be \$241,549.31, and this amount was transferred to miscellaneous receipts on December 4, 1940.

As of June 30, 1942, there had been received and made available for distribution to claimants the sum of \$3,930,591.79. Amounts aggregating 75.44 percent of the final awards of \$5,210,108.92 have been authorized to be distributed to the claimants.

*Statement of awards made by Special Mexican Claims Commission, United States and Mexico, as of June 30, 1942*

Amount of final awards to claimants after application of sec. 4 of the act approved Apr. 10, 1935.....		<u>\$5,210,108.92</u>
Amount received from Government of Mexico:		
To June 30, 1941, \$3,500,000 principal and \$152,660.90 interest.....	\$3,652,660.90	
Jan. 3, 1942, \$500,000 principal and \$19,480.20 interest.....	519,480.20	
Total to June 30, 1942.....		<u>4,172,141.10</u>
Less amount transferred to miscellaneous receipts to cover the expenses of the Commission.....		<u>241,549.31</u>
Available for payment to claimants.....		<u>3,930,591.79</u>
Amount paid to claimants:		
Fiscal year 1939.....	2,087,193.47	
Fiscal year 1940.....	678,717.90	
Fiscal year 1941.....	537,124.56	
Fiscal year 1942.....	516,380.29	
Total to June 30, 1942.....		<u>3,819,416.22</u>
Balance due claimants:		
For which vouchers have not been received.....	111,089.96	
For subsequent distribution.....	85.61	
		<u>111,175.57</u>

*Railroad obligations*

Total receipts during the fiscal year on account of realization on railroad securities acquired under section 210 of the Transportation Act, 1920, as amended, were \$368,287.28.

The following statement shows the total amount of railroad obligations, by classes, originally held by the United States Government (exclusive of certain miscellaneous obligations acquired by the Director General of Railroads); the amount held on June 30, 1942, and payments received on account.

*Summary of railroad obligations held by the Government as of June 30, 1942, by classes*

Class	Principal amount originally held	Principal amount held on June 30, 1942	Total payments received	
			Principal	Interest
Transportation Act:				
Sec. 207.....	\$282,712,837.36	\$5,007,000.00	<sup>1</sup> \$277,695,167.90	\$54,360,339.70
Sec. 210.....	290,800,667.00	<sup>2</sup> 24,691,177.88	<sup>3</sup> 265,673,986.03	91,537,272.47
Federal Control Act:				
Equipment trust notes.....	346,556,750.00	-----	346,556,750.00	45,338,918.25
Sec. 7.....	98,401,755.00	-----	98,401,755.00	23,100,562.27
Sec. 12.....	62,103,453.28	-----	62,103,453.28	4,248,171.96
Total.....	1,080,575,462.64	29,698,177.88	1,050,431,112.21	218,585,264.65

<sup>1</sup> Stock of the Kansas, Oklahoma & Gulf Ry. Co. in the face amount of \$212,500 was sold on the market for \$201,830.54, resulting in a difference of \$10,669.46 between the receipts and the principal originally held.

<sup>2</sup> Includes loans aggregating \$4,485,600 to four carriers, the assets of which have been completely liquidated and were insufficient to meet such claims.

<sup>3</sup> Notes of Wichita Northwestern Ry. Co. and Virginia Blue Ridge Ry. were sold pursuant to the provisions of act of Aug. 13, 1940, for \$52,246.91, resulting in a difference of \$435,503.09 between the receipts and the principal originally held.

*Section 204, Transportation Act, 1920, as amended.*—On January 7, 1941, section 204 was amended by Public No. 893, to permit the re-opening by certain short-line rail carriers of claims against the United States before the Interstate Commerce Commission. Under the act the Commission is authorized to ascertain and certify to the Secretary of the Treasury the amounts payable to carriers under this section as amended. The act provides that no claim certified shall be for an amount in excess of \$150,000. No payments were made during the fiscal year as no appropriation was available for payment of any amounts certified for payment.

Under section 204 (g) of the Transportation Act, 1920 (approved February 28, 1920), an indefinite appropriation was made to pay claims of this character. The amount previously paid under section 204 was \$10,967,801.80, as reported in the Secretary's annual report for the fiscal year 1937, page 83. The Permanent Appropriation Repeal Act of 1934 repealed the indefinite appropriation made for the payment of this class of claims. However, a specific appropriation of \$800,000, available for the fiscal year 1942, was made in the Second Deficiency Appropriation Act, 1941, approved July 3, 1941 (Public Law 150). The Interstate Commerce Commission certified to the Secretary of the Treasury for payment claims aggregating \$184,602.58, of which claims aggregating \$167,529.85 were paid during the fiscal year, leaving an unexpended balance of \$632,470.15 at the end of the fiscal year. In the Treasury and Post Office Departments Appropriation Act, 1943, approved March 10, 1942 (Public Law 495), \$600,000 of the unexpended balance was made available until June 30, 1943. The total payments under this section aggregate \$11,135,331.65 as of the end of the fiscal year. One claim amounting



to \$17,072.73 has not been paid because satisfactory evidence as to who is entitled to receive payment has not been received.

*Section 207, Transportation Act, 1920, as amended.*—The following statement shows the amount of obligations of carriers acquired under section 207 and held on June 30, 1942.

*Obligations acquired under the provisions of section 207 of the Transportation Act, 1920, and held as of June 30, 1942*

Carrier	Principal amount of promissory note or of directly held security	Collateral, face amount	Class of collateral or of directly held security	Principal in default	Interest in default
Chicago, Milwaukee, St. Paul & Pacific R. R. Co.	\$3, 207, 000	( <sup>1</sup> )	5% noncumulative preferred stock of carrier.	-----	-----
Minneapolis & St. Louis R. R. Co.	1, 250, 000	\$1, 500, 000	Refunding and extension mortgage, 5% bonds of carrier.	\$1, 250, 000	\$1, 350, 000. 00
Washington, Brandywine & Point Lookout R. R. Co.	50, 000	75, 000	First mortgage, 6% bonds of carrier.	50, 000	28, 408. 98
Waterloo, Cedar Falls & Northern Ry. Co.	500, 000	625, 000	Temporary general mortgage, 7% bonds of carrier.	500, 000	604, 931. 50
Total.....	5, 007, 000	-----	-----	1, 800, 000	1, 983, 340. 48

<sup>1</sup> Securities directly held.

*Section 210, Transportation Act, 1920, as amended.*—This section established a revolving fund of \$300,000,000 to be used for loans to railroads under the conditions set forth in a certificate of the Interstate Commerce Commission authorizing each loan, and also for paying judgments, decrees, and awards rendered against the Director General of Railroads. No new loans are being made as the time for making application has expired. No expenditures under this section were made during the fiscal year. The net expenditures on this account amounted to \$33,640,740.24 to June 30, 1942.

Total loans (including renewal loans and repayments thereof aggregating \$59,800,000) to June 30, 1942, amounted to \$350,600,667; repayments amounted to \$325,473,986.03; and losses on sales under the act of August 13, 1940, aggregating \$435,503.09 reduced the loans outstanding as of that date to \$24,691,177.88.

The following statement shows the amount of obligations held on June 30, 1942, on account of loans to carriers under section 210, and the amount of principal and interest in default.

*Obligations held on June 30, 1942, on account of loans to carriers under sec. 210 of the Transportation Act, 1920, as amended, and the amount of principal and interest in default*

Carrier	Loans outstanding	Principal in default	Interest in default
Alabama, Tennessee & Northern R. R. Corporation.....	\$151, 500. 00	\$151, 500. 00	\$77, 265. 00
Des Moines & Central Iowa R. R. Co. (formerly the Inter-Urban Ry. Co.).....	633, 500. 00	633, 500. 00	520, 651. 34
Fort Dodge, Des Moines & Southern R. R. Co.....	200, 000. 00	200, 000. 00	133, 164. 91
Gainesville & Northwestern R. R. Co.....	75, 000. 00	-----	-----
Georgia & Florida Ry. (receiver).....	792, 000. 00	792, 000. 00	594, 000. 00
Minneapolis & St. Louis R. R. Co.....	1, 382, 000. 00	1, 382, 000. 00	1, 538, 129. 73
Missouri & North Arkansas Ry. Co.....	13, 500, 000. 00	-----	-----
Salt Lake & Utah R. R. Co.....	872, 600. 00	-----	-----
Seaboard Air Line Ry. Co.....	14, 440, 577. 88	14, 440, 577. 88	9, 498, 349. 09
Seaboard-Bay Line Co.....	1, 256, 000. 00	1, 256, 000. 00	291, 746. 96
Virginia Southern R. R. Co.....	138, 000. 00	-----	-----
Waterloo, Cedar Falls & Northern Ry. Co.....	1, 260, 000. 00	1, 260, 000. 00	1, 496, 983. 29
Wilmington, Brunswick & Southern R. R. Co.....	90, 000. 00	90, 000. 00	64, 800. 00
Total.....	24, 691, 177. 88	20, 205, 577. 88	14, 215, 090. 32

<sup>1</sup> Assets of these carriers have been completely liquidated, and were insufficient to meet these claims.

*Federal control of railroads*

*Administration.*—The Treasury continued during the fiscal year 1942 the liquidation of matters growing out of the control of the American transportation system, which was exercised through the United States Railroad Administration during the period from December 28, 1917, to February 29, 1920.

*Finances.*—Total receipts on account of the Federal control of railroads for the fiscal year 1942 were \$292,786.30; and expenditures were \$2,671.03, resulting in net receipts of \$290,115.27, as compared with net receipts of \$180,616.02 for 1941.

At the close of business on June 30, 1942, the cash and appropriation balance aggregated \$415,377.98 as compared with \$525,262.71 at the close of 1941.

A statement of receipts and expenditures follows.

*Receipts and expenditures in connection with Federal control of railroads, fiscal years 1941 and 1942*

	1941	1942
Balances at beginning of year:		
Secretary of the Treasury, special deposit account:	\$76,233.01	\$72,849.47
Unrequisitioned appropriation balances:		
Federal control of transportation systems.....	268,413.68	452,413.24
Loans to railroads after termination of Federal control.....		
Total balances.....	\$344,646.69	\$525,262.71
Receipts:		
Collections of principal on obligations of carriers.....	253.09	
Collections of interest on obligations of carriers.....	1,023.67	
Income taxes of Federal carriers repaid by Treasury.....	181,373.37	287,986.34
Collection of miscellaneous claims referred to Washington from field, including transportation charges, undercharges, etc.....	1,475.54	4,799.96
Total receipts.....	184,125.67	292,786.30
Total balances and receipts.....	528,772.36	818,049.01
Expenditures:		
Employees' compensation liability awards.....	782.13	767.13
Deposit with the Workmen's Compensation Board of Ontario, account of compensation liability.....	764.27	
Claims for unpaid wages, back-pay awards, and Liberty bond subscription refunds.....	215.75	138.90
Administrative expenses (pay rolls).....	1,747.50	1,765.00
Total expenditures.....	3,509.65	2,671.03
Transfers from appropriation account to surplus fund.....		490,000.00
Balances at end of year:		
Secretary of the Treasury, special deposit account.....	72,849.47	30,236.44
Federal control of transportation systems.....	452,413.24	385,141.54
Total balances.....	525,262.71	415,377.98
Total expenditures and balances.....	528,772.36	818,049.01

Pursuant to the provisions of section 12 of the Federal Control Act and with the approval of the President \$40,000 derived from operating revenues of railroads was transferred from the special deposit account to the appropriation account "Federal Control of Railroads," and \$400,000 of the appropriation balance was transferred to the surplus fund.

*Securities, etc.*—No collections were made since November 24, 1936, on account of the obligations of carriers acquired under section 207

of the Transportation Act, 1920, as amended, which are listed on page 111.

The miscellaneous securities acquired under section 202 of the Transportation Act, 1920, as amended, were obtained from non-Federal controlled railroads and others for indebtedness, such as inter-line balances, freight charges, undercharges, etc. No collections were made from this source during the fiscal year. A statement of the amounts carried on June 30, 1941, and June 30, 1942, follows.

Carrier	Indebtedness June 30, 1941.	Indebtedness June 30, 1942
E. F. Drew and Co., Inc. (stock).....	\$4,065.00	\$4,065.00
Virginia Blue Ridge Ry. Co. (loans and bills receivable).....	16,592.36	16,592.36
Total.....	20,657.36	20,657.36

*Claims.*—The principal claims presented during the period were on account of refunds of installments paid on subscriptions for Liberty Loan bonds by employees of carriers during Federal control. Total payments on account of allowed claims of this character amounted to \$138.90 during the year.

*Compensation payments—United States railroad employees.*—Expenditures on account of the compensation award of a railroad employee residing in the United States amounted to \$767.13 during the year.

*Canadian Workmen's Compensation Board.*—The Canadian Workmen's Compensation Board, located at Toronto, Canada, has jurisdiction over certain cases of disability resulting from accidents during the period of Federal control on those railroads having lines extending into Canada. Payments under Canadian compensation awards, made from funds so deposited with the Board, amounted to \$2,706.00 during the calendar year 1941. Interest amounting to \$1,352.25 was added to the fund, leaving a balance of \$25,928.91 to cover awards as of December 31, 1941. The figures showing the balance as of June 30, 1942, are not available inasmuch as the Board's reports are on a calendar year basis. However, the status of the fund as of December 31, 1941, was as follows:

Balance Dec. 31, 1940.....	\$26,518.39
Payments from Treasury.....	764.27
Interest Jan. 1, 1941, through Dec. 31, 1941.....	1,352.25
Total.....	28,634.91
Payments of awards by Board during 1941.....	2,706.00
Balance Dec. 31, 1941.....	25,928.91

*Tax refunds and other collections.*—Under the terms of the Federal Control Act and the standard contract with the carriers, the Director General paid 2 percent of all Federal income taxes assessed against carriers formerly under Federal control. Subsequently, the United States Board of Tax Appeals held that such taxes should not have been assessed against either the carriers or the Director General. As a result of further tax adjustments, there was received during the year \$287,986.34 on account of these items. Further claims for such paid taxes amounting to \$438,770.84 are still pending before the Board of Tax Appeals and it is anticipated that substantial sums will be received when such cases are finally adjusted by the Bureau of Internal Revenue.

All unpaid judgments which have not expired by reason of the statute of limitations, and other claims are being reviewed from time to time to determine whether any amounts can be collected thereon. Collections from this source amounted to \$14 during 1941 and \$58 during 1942.

*Federal Farm Mortgage Corporation*

Under section 32 of the Emergency Farm Mortgage Act of 1933, approved May 12, 1933 (49 Stat. 43), as amended, the Secretary of the Treasury is authorized to pay to the Federal Farm Mortgage Corporation such amount as the Governor of the Farm Credit Administration certifies to the Secretary of the Treasury is equal to the amount by which interest payments on mortgages held by such Corporation have been reduced. Public Law 629, approved June 27, 1942, (56 Stat. 391), extended to June 30, 1944, the period for which payments are to be made to the Federal Farm Mortgage Corporation on account of reductions in interest, and made this provision applicable to interest on purchase-money mortgages and on real estate sales contracts taken by the Federal Farm Mortgage Corporation which is payable on installment dates on or after July 1, 1942, and prior to July 1, 1944.

A statement of the amounts appropriated and payments to the Federal Farm Mortgage Corporation follows.

*Appropriations on account of reductions in interest rate on mortgages, and payments to the Federal Farm Mortgage Corporation for this purpose, fiscal years 1938 to 1942*

	<i>Amount</i>
1. Amounts appropriated:	
To Oct. 9, 1940.....	\$33,125,000.00
Treasury Department Appropriation Act, 1942, May 31, 1941.....	9,600,000.00
Total to June 30, 1942.....	42,725,000.00
2. Payments to Federal Farm Mortgage Corporation: <sup>1</sup>	
To June 30, 1941.....	\$30,010,422.22
Fiscal year 1942.....	9,607,575.24
Total to June 30, 1942.....	39,617,997.46
3. Unexpended appropriations, June 30, 1942.....	3,107,002.54

<sup>1</sup> On basis of daily Treasury statements (unrevised).

*Federal land banks*

*Capital stock.*—Under the act of January 23, 1932 (12 U. S. C. 698), amending the Federal Farm Loan Act, it is the duty of the Secretary of the Treasury on behalf of the United States, upon the request of the board of directors of any Federal land bank made with the approval of the Farm Credit Administration, to subscribe from time to time for capital stock of such bank. The act further provides that such stock may at any time, in the discretion of the directors and with the approval of the Farm Credit Administration, be paid off at par and retired in whole or in part and that the Farm Credit Administration may at any time require such stock to be paid off at par and retired in whole or in part if in its opinion the bank has resources available for such purpose. The proceeds of all repayments on account of stock subscribed for by the Secretary of the Treasury are held in the Treasury and are available for the purpose of paying for other stock thereafter issued pursuant to said act.

To enable the Secretary of the Treasury to pay for said stock, \$125,000,000 was appropriated under the act approved February 2, 1932. The following statements show the transactions in connection with subscriptions to stock of Federal land banks during 1942.

*Subscriptions by the Secretary of the Treasury to stock of Federal land banks and repayments thereon, fiscal year 1942*

[Par value of shares]

Federal land bank	Shares held June 30, 1941	Shares sub- scribed fiscal year 1942 <sup>1</sup>	Shares repaid fiscal year 1942 <sup>1</sup>	Shares held June 30, 1942 <sup>2</sup>
Baltimore.....	\$3, 182, 165		\$24, 230	\$3, 157, 935
Columbia.....	4, 949, 430		30, 225	4, 919, 205
St. Paul.....	40, 061, 040	\$208, 800	49, 320	40, 220, 520
Wichita.....	5, 504, 620		65, 680	5, 438, 940
Omaha.....	5, 693, 030		141, 085	5, 551, 945
Spokane.....	8, 126, 400		42, 980	8, 083, 420
Total.....	67, 516, 685	208, 800	353, 520	67, 371, 965

<sup>1</sup> On basis of daily Treasury statements (unrevised).

<sup>2</sup> The Federal land banks of Springfield, Louisville, New Orleans, St. Louis, Houston, and Berkeley had no outstanding capital stock held by the Secretary of the Treasury as of June 30, 1942.

*Payments on account of reductions in interest rates on mortgages and subscriptions to paid-in surplus.*—The Secretary of the Treasury is directed, under certain conditions, to make payments to Federal land banks equal to the amount by which interest payments on mortgages held by such banks have been reduced pursuant to the Federal Farm Loan Act, as amended, and he also subscribes, under specified conditions and in the manner prescribed by the Federal Farm Loan Act, as amended, to the paid-in surplus of each Federal land bank an amount equal to the amount of all extensions and deferments of any obligation that may be or may become unpaid under the terms of any mortgage.

Amendments to the law under which subscriptions are made to the paid-in surplus of the Federal land banks are contained in the Farm Credit Act of 1937, approved August 19, 1937. The period for which payments to Federal land banks on account of reductions in interest rates may be made was extended to June 30, 1944, pursuant to Public Law 629, approved June 27, 1942 (56 Stat. 391). This law also made the provisions relating to the reduction of interest applicable to interest on real estate sales contracts taken by Federal land banks which is payable on installment dates after June 30, 1942.

A statement as of June 30, 1942, of the amounts appropriated on account of reductions in interest rates on mortgages and of payments to Federal land banks for this purpose is here set forth.

*Appropriations on account of reductions in interest rates on mortgages and payments to Federal land banks for this purpose to June 30, 1942*

1. Amounts appropriated:  
 To June 30, 1942..... \$209,267,000  
 Treasury Department Appropriation Act, 1942, May 31, 1941..... 26,800,000  
 Total to June 30, 1942..... 236,067,000

2. Payments to Federal land banks:

Federal land bank	Amount paid to June 30, 1941	Amount paid fiscal year 1942 <sup>1</sup>	Amount paid to June 30, 1942
Springfield.....	\$7,389,515.22	\$973,751.34	\$8,363,266.56
Baltimore.....	8,862,617.69	1,104,503.66	9,967,121.35
Columbia.....	8,307,455.53	1,063,268.45	9,370,723.98
Louisville.....	20,357,972.37	2,582,209.47	22,940,181.84
New Orleans.....	10,690,879.49	1,335,844.96	12,026,724.45
St. Louis.....	17,715,857.43	2,421,372.41	20,137,229.84
St. Paul.....	28,807,656.29	3,934,001.70	32,741,657.99
Wichita.....	16,309,089.91	2,108,876.20	18,417,966.11
Houston.....	22,977,860.37	2,950,122.19	25,927,982.56
Berkeley.....	11,873,990.80	1,615,217.45	13,489,208.25
Omaha.....	35,066,496.31	4,845,620.46	39,912,116.77
Spokane.....	12,426,008.33	1,566,714.82	13,992,723.15
Total.....	200,785,399.74	26,501,503.11	227,286,902.85

3. Unexpended appropriations, June 30, 1942..... \$8,780,097.15

<sup>1</sup> On basis of daily Treasury statements (unrevised).

Appropriations for subscriptions to paid-in surplus to June 30, 1937, amounted to \$189,000,000. No appropriation for this purpose has been made since that date. A statement as of June 30, 1942, of the amounts appropriated for subscriptions to the paid-in surplus of Federal land banks on account of extensions and deferments, and net repayments by the Federal land banks follows.

*Appropriations for subscriptions to the paid-in surplus of Federal land banks on account of extensions and deferments, and payments for this purpose to June 30, 1942*

1. Amounts appropriated:  
 To June 30, 1941..... \$189,000,000.00  
 Total to June 30, 1942..... 189,000,000.00

2. Payments to Federal land banks:

Federal land bank	Amount paid to June 30, 1941	Net amount paid fiscal year 1942 <sup>1</sup>	Amount paid to June 30, 1942
Springfield.....	\$8,317,138.66		\$8,317,138.66
Baltimore.....	4,190,251.29		4,190,251.29
Columbia.....	9,386,953.42	<sup>2</sup> \$250,000.00	9,136,953.42
New Orleans.....	11,675,585.41		11,675,585.41
St. Louis.....	11,413,256.57		11,413,256.57
St. Paul.....	33,128,017.71	1,636,252.23	34,764,269.94
Wichita.....	16,850,213.90		16,850,213.90
Berkeley.....	4,550,945.55		4,550,945.55
Omaha.....	30,740,238.50		30,740,238.50
Spokane.....	15,472,384.78	<sup>2</sup> 1,250,000.00	14,222,384.78
Total.....	145,724,985.79	136,252.23	145,861,238.02

3. Unexpended appropriations, June 30, 1942..... \$43,138,761.98

<sup>1</sup> On basis of daily Treasury statements (unrevised).

<sup>2</sup> Excess of repayments (deduct).

*Federal savings and loan associations*

Under the act of June 13, 1933 (48 Stat. 133), as amended April 27, 1934 (48 Stat. 645), the Secretary of the Treasury was authorized on behalf of the United States to subscribe for preferred shares and full-paid income shares in Federal savings and loan associations upon request of the Federal Home Loan Bank Board. An appropriation of \$50,000,000 to enable the Secretary of the Treasury to purchase such shares was reduced by an allocation of \$700,000 to the Federal Home Loan Bank Board. The details concerning the provisions of law under which these subscriptions were made and the appropriations are contained in the annual report for 1940, pages 176 and 177.

The Home Owners' Loan Corporation also was authorized to purchase full-paid income shares of Federal savings and loan associations after the funds available to the Secretary of the Treasury for the purchase of such shares had been exhausted. The funds available to the Secretary of the Treasury were exhausted on October 25, 1935.

During the fiscal year 1942 the sum of \$4,228,300 was received on account of shares repaid, making the total shares repaid to June 30, 1942, \$29,857,400.

The following statement shows the transactions in connection with the subscriptions by the Secretary of the Treasury to preferred and full-paid income shares in these associations during the fiscal year 1942.

*Preferred and full-paid income shares of Federal savings and loan associations subscribed by the Secretary of the Treasury to June 30, 1942, and dividends received*

[Par value of shares]

	Preferred shares	Full-paid in- come shares	Total
Total shares subscribed and paid.....	\$637, 800	\$48, 662, 200	\$49, 300, 000.00
Shares held on June 30, 1941.....		23, 670, 900	23, 670, 900.00
Less shares repaid during 1942.....		4, 228, 300	4, 228, 300.00
Shares held on June 30, 1942.....		19, 442, 600	19, 442, 600.00
Dividends received on preferred and full-paid income shares:			
To June 30, 1941.....			8, 883, 741.01
During 1942.....			697, 205.86
To June 30, 1942.....			9, 580, 946.87

*Trust and special funds invested by the Treasury Department*

Under various provisions of law creating trust and special funds, the Secretary of the Treasury or the Treasurer of the United States is authorized to invest such portions of the funds as are not required to meet current withdrawals. The following statement shows the amount of Government and other securities held in these funds at the close of the fiscal year. Further details on each of these funds are shown in the tables beginning on page 602.

*Securities held as investments in trust and special funds, at par value, June 30, 1942*

[000 omitted]

Fund	Government securities	Government guaranteed securities	Other securities	Total
Adjusted service certificate fund.....	\$18,435			\$18,435
Ainsworth Library fund, Walter Reed General Hospital.....	10			10
Alaska Railroad retirement and disability fund.....	1,300			1,300
Canal Zone retirement and disability fund.....	6,678			6,678
Civil service retirement and disability fund.....	782,650			782,650
District of Columbia teachers' retirement fund.....	8,264	\$95	\$1,257	9,615
District of Columbia water fund.....	1,773			1,773
District of Columbia workers' compensation fund.....	32		11	43
Federal old-age and survivors insurance trust fund.....	3,201,634			3,201,634
Foreign service retirement and disability fund.....	5,442			5,442
Library of Congress trust fund.....	4		187	191
Longshoremen's and harbor workers' compensation fund.....	199	10	43	251
National Cancer Institute gift fund.....	79			79
National Institute of Health gift fund.....	17			17
National park trust fund.....	17			17
National service life insurance fund.....	38,775			38,775
Pershing Hall Memorial fund.....	191			191
Railroad retirement account.....	91,500			91,500
Unemployment trust fund.....	3,139,000			3,139,000
U. S. Government life insurance fund.....	905,468		41,999	947,467
Total.....	8,201,449	105	43,497	8,245,051

NOTE.—Figures have been rounded to nearest thousand dollars and will not necessarily add to totals.

During the fiscal year 1942, a change was made in the investment procedure for the national service life insurance fund and the United States Government life insurance fund. In order to expedite the investment of monies in these two funds, there was established with the Treasurer of the United States, pursuant to Public Law 448, approved February 10, 1942, a special deposit account in the name of the Chief Disbursing Officer, Division of Disbursement, for each of these trust funds. (See Exhibit 61, p. 342.) Into these special deposit accounts were deposited the cash balances to the credit of these two funds on the books of the Division of Bookkeeping and Warrants and also balances with disbursing offices. Under this arrangement, investments can be made by means of a voucher paid by the Chief Disbursing Officer, thereby permitting investments to be completed more rapidly than under the prior warrant procedure.

#### *Emergency Relief Accounting Organization*

Under authority of section II (a) of Executive Order No. 7034, dated May 6, 1935, and Department Circular No. 543, approved by the President, the Commissioner of Accounts continued during the year to maintain accounting and disbursing facilities for handling appropriations made by the Congress for the emergency relief program. The provisions of this Executive Order were extended by Executive Orders Nos. 7396 and 7649 and the provisions of Department Circular No. 543 were extended by Department Circulars Nos. 592 and 616, approved by the President to apply to funds appropriated in the Emergency Relief Appropriation Acts for the fiscal years 1935 to 1942.

During the year the 52 Treasury State accounts offices were regionalized and the number reduced to 19 Treasury regional accounts offices; and the 37 Treasury State disbursing offices were consolidated with



the Treasury regional offices handling disbursement of other than emergency relief funds. The Treasury accounts and disbursing offices had 853 employees on June 30, 1942, which was a reduction of 1,609 employees, or 65 percent, since June 30, 1941.

In a letter to the President dated April 9, 1942, the Secretary of the Treasury recommended that, effective July 1, 1942, the emergency Treasury accounts offices discontinue (1) the maintenance of accounts, (2) the preparation of financial reports (except for a final financial report similar to those previously transmitted annually to the Congress), (3) the examination of disbursing officers' accounts, and (4) all other functions performed by the emergency Treasury accounts offices pursuant to Executive Order No. 7034 as recommended and extended. The letter further proposed that a small staff of employees be maintained during the fiscal year 1943 to wind up the affairs of these offices. (See exhibit 57, p. 338.)

These recommendations, which were approved by the President on April 14, 1942, were in line with the policy of reducing nondefense expenditures and making available the maximum trained personnel for war activities. Appropriation was made by the Congress to cover the liquidation expenses of the emergency Treasury accounts offices to December 31, 1942.

In view of the provisions of Public Law 389, approved December 29, 1941, providing for the bonding of officers and employees authorized to certify vouchers for payment by disbursing officers in the executive branch of the Government, the Secretary of the Treasury also recommended in his letter dated April 9, 1942, that the executive preaudit by the emergency Treasury accounts offices of all vouchers and pay rolls relating to the emergency work-relief program be discontinued effective May 1, 1942. This recommendation was also approved by the President. Prior to this date, all pay rolls and vouchers were examined before payment to insure that the expenditure was made within the purview of Federal laws and regulations. The Treasury emergency organization from April 8, 1935, to June 30, 1942, transmitted to the General Accounting Office accounts covering expenditures totaling \$13,586,817,322.07. Against this amount, the General Accounting Office has issued formal certificates of settlement of account for approximately \$11,213,661,937.00, or 82.5 percent of the expenditures.

The Treasury State and regional accounts offices have handled since their inception more than 300,000 emergency relief project accounts for approximately 80 administrative agencies. There were about 13,000 accounts, including project accounts, which were active on June 30, 1942. The disbursing offices during the fiscal year 1942 issued approximately 30,000,000 checks payable from emergency relief funds, which were verified for accuracy in the accounts offices.

Reports of operations, obligations, and expenditures, as required by law, were submitted by the President to the Congress before January 30 of each calendar year. Such reports set forth the status of funds as of the close of the previous calendar year. The following comparative financial statement shows summary information relative to expenditures under the emergency relief and work relief program from its inception to June 30, 1942. Additional tables showing the status of emergency relief appropriation funds by organizations and by States may be found on pages 448 to 461 of this report.

*Expenditures (checks issued) under the emergency relief program, April 8, 1935, to June 30, 1942<sup>1</sup>*

## I. BY TYPE OF WORK

Type of work	Fiscal years 1935 to 1938 <sup>2</sup>	Fiscal year 1939	Fiscal year 1940	Fiscal year 1941	Fiscal year 1942	Cumulative to June 30, 1942
Highways, roads, streets, etc.	\$1,988,741,711	\$916,225,557	\$580,101,448	\$466,811,644	\$251,778,987	\$4,203,659,347
Public buildings	631,771,129	218,240,793	145,967,559	140,097,604	96,086,535	1,232,163,620
Housing projects	111,708,332	7,590,536	2,146,721	1,691,082	808,697	123,945,368
Public recreational facilities	633,194,739	189,937,965	96,972,490	64,016,769	30,535,528	1,014,657,491
Conservation work	1,005,424,721	128,194,981	80,107,267	45,258,840	20,276,491	1,279,262,300
Electric utilities, water and sewage systems, etc.	501,767,475	200,512,028	144,277,531	126,653,385	80,806,563	1,054,016,982
Transportation facilities	221,819,347	51,245,093	27,530,131	59,453,113	70,707,342	430,755,026
Educational, profes- sional, and clerical projects	785,783,130	359,680,885	336,503,098	261,241,547	219,631,890	1,962,840,550
Miscellaneous	631,086,722	259,144,153	176,225,420	140,134,677	92,605,982	1,299,196,954
Administrative ex- penses	441,606,407	129,336,701	110,909,466	98,788,525	45,593,071	826,234,170
Rural rehabilitation, suburban projects, loans, relief	411,066,915	157,766,679	134,546,635	27,114,431	4,544,106	735,038,766
Grants to States for continuing relief	922,343,199	99,397	2,732	31,869	1,693	922,478,890
Total	8,286,313,827	2,617,974,768	1,835,290,498	1,431,293,486	913,376,885	15,084,249,464

## II. BY OBJECT OF EXPENDITURE

Object of expenditure	Fiscal years 1935 to 1938 <sup>2</sup>	Fiscal year 1939	Fiscal year 1940	Fiscal year 1941	Fiscal year 1942	Cumulative to June 30, 1942
Personal services (Federal pay roll only)	\$4,921,064,257	\$2,139,113,369	\$1,523,498,795	\$1,240,561,617	\$770,642,706	\$10,594,880,744
Supplies and materi- als	599,472,024	140,568,540	87,149,310	84,691,313	76,040,730	987,921,917
Rent	251,820,064	65,354,382	29,753,511	31,435,217	31,174,837	409,538,011
Construction, main- tenance, and re- pair contracts	236,408,910	16,858,149	7,570,669	5,744,518	1,698,440	268,280,686
Grants	1,709,693,915	68,739,705	43,506,592	28,424,676	5,181,796	1,855,546,684
Contractual serv- ices:						
Communications	12,760,859	3,190,954	2,405,266	1,982,181	1,478,005	21,817,265
Travel, including subsistence	70,536,568	17,275,359	16,659,538	16,235,148	9,158,020	129,864,633
Printing and binding	8,525,473	2,468,471	1,830,181	1,575,988	936,637	15,336,750
Other contractual services	54,481,378	6,973,287	5,640,843	4,249,137	5,579,946	76,924,591
Equipment pur- chased	80,943,248	16,659,697	11,123,309	7,022,547	5,088,570	120,837,371
Land acquisition	75,208,181	10,738,782	284,366	476,519	147,150	86,854,998
Loans	253,245,662	122,401,135	97,528,234	1,719,300	1,323,823	476,218,154
Employees' (acci- dent) compensa- tion	12,153,288	7,632,938	8,339,884	7,175,325	4,926,225	40,227,660
Total	8,286,313,827	2,617,974,768	1,835,290,498	1,431,293,486	913,376,885	15,084,249,464

Footnotes at end of table.

*Expenditures (checks issued) under the emergency relief program, April 8, 1935, to June 30, 1942—Continued*

## III. AMOUNT OF EXPENDITURES AND NUMBER OF PAYMENTS, BY MONTHS

Month	Fiscal years 1935 to 1938 <sup>1</sup>	Fiscal year 1939	Fiscal year 1940	Fiscal year 1941	Fiscal year 1942
Amount of expenditures					
July.....	\$544,985,212	\$200,501,723	\$155,842,701	\$122,728,121	\$94,454,105
August.....	574,304,485	224,398,400	156,267,880	127,327,366	80,102,115
September.....	576,206,518	228,548,380	123,634,080	113,447,400	79,967,505
October.....	599,016,423	229,881,972	135,993,389	124,488,081	84,382,823
November.....	606,733,661	218,820,722	142,722,271	116,279,017	78,762,251
December.....	709,952,659	243,806,203	157,752,654	122,745,254	81,450,770
January.....	643,384,835	211,720,732	148,328,283	124,912,524	79,514,436
February.....	589,005,343	194,921,450	150,327,963	114,523,585	69,823,149
March.....	743,431,577	252,689,052	183,834,339	121,403,855	71,612,563
April.....	847,065,722	207,154,675	173,854,722	119,742,482	69,847,929
May.....	857,486,677	199,075,346	161,474,123	114,350,853	63,858,199
June.....	994,740,715	206,456,113	145,258,093	109,344,948	59,601,040
Total expenditures.....	8,286,313,827	2,617,974,768	1,835,290,498	1,431,293,486	913,376,885
Number of payments					
July.....	12,033,710	6,976,666	5,751,752	4,446,437	3,095,376
August.....	12,248,514	7,687,508	5,378,951	4,351,894	2,522,706
September.....	12,920,967	7,601,271	4,480,420	3,960,436	2,523,915
October.....	14,986,613	8,214,831	4,913,273	4,358,831	2,630,137
November.....	15,840,922	8,195,920	5,112,827	4,198,533	2,419,013
December.....	20,560,450	8,934,048	5,870,892	4,451,373	2,668,156
January.....	19,736,407	7,810,869	5,843,135	4,694,416	2,660,364
February.....	19,032,436	6,915,252	5,710,956	4,168,851	2,301,528
March.....	23,537,029	8,663,956	6,521,372	4,451,626	2,440,562
April.....	21,548,145	7,080,200	5,990,224	4,121,959	2,252,354
May.....	20,926,449	6,792,201	5,719,132	3,870,648	2,021,451
June.....	21,499,806	6,665,297	5,171,977	3,582,690	1,866,802
Total number of payments.....	214,871,448	91,538,019	66,464,911	50,657,694	29,402,364
Cumulative total number of payments.....	214,871,448	306,409,467	372,874,378	423,532,072	452,934,436

<sup>1</sup> Does not reflect items in transit as of June 30, 1942, amounting to \$170.<sup>2</sup> Includes \$525,848,046 for fiscal year 1935 (Apr. 8 to June 30, 1935), \$2,898,716,470 for 1936, \$2,860,508,932 for 1937, and \$2,001,240,379 for 1938.

NOTE.—On the basis of amounts reported on the daily Treasury statement of July 15, 1942.

## BUREAU OF THE PUBLIC DEBT

The Bureau of the Public Debt, in the Fiscal Service, is charged with the conduct of transactions in the public debt securities of the United States, and in securities of the insular governments and of Government-owned corporations, for which the Treasury Department acts as agent. The Bureau is also charged with the verification of United States currency redeemed by the Treasurer of the United States and of imperfect securities delivered by the Bureau of Engraving and Printing, the destruction of redeemed currency and other securities authorized to be destroyed, and the procurement of distinctive paper for currency and public debt securities. In January 1942, all matters relating to the designation and qualification of agents for the sale and issue of United States war savings bonds of Series E were transferred from the Bureau of Accounts and have since been administered by the Bureau of the Public Debt.

The Bureau organization includes the Office of the Commissioner of the Public Debt, the Division of Loans and Currency, the Office of the Register of the Treasury, the Division of Public Debt Accounts and Audit, the Division of Savings Bonds, and the Division of Paper

Custody. Transactions in public debt issues are conducted by the Federal Reserve Banks as fiscal agents of the United States. The Postal Service acts as agent for the sale of United States savings bonds and stamps, and other branches of the Government service have been designated as agencies for the sale of war savings bonds.

In order to provide for the greatly expanded organization required for the savings bond program, for which an appreciable amount of additional space was required which it was not possible to obtain in Washington, all the activities of the Bureau of the Public Debt concerned with war savings bonds, after their issue, were moved to Chicago late in the fiscal year. The Chicago office of the Bureau of the Public Debt was established, and includes the Division of Savings Bonds in its entirety and branches of the Office of the Commissioner, of the Division of Loans and Currency, of the Office of the Register of the Treasury, and of the Division of Public Debt Accounts and Audit.

The following statements, submitted by units of the Bureau, generally indicate their functions and summarize the transactions conducted during the year.

#### *Division of Loans and Currency*

The Division of Loans and Currency is the active agent of the Secretary of the Treasury for the issue of all public debt obligations of the United States and for conducting transactions in such obligations after issue. It is also responsible for the issue of bonds or other obligations of Puerto Rico and the Philippine Islands, for which the Treasury Department acts as agent, and of the securities of various Government corporations and credit agencies. The Division undertakes the safekeeping of these securities for certain Government offices. It also counts and delivers to the Destruction Committee the United States currency canceled as unfit and mutilated paper (spoilage, etc.) received from the Division of Paper Custody and the Bureau of Engraving and Printing.

*Issue and retirement of securities.*—The following is a summary of the issue and retirement of securities conducted through this Division during the fiscal year 1942. Detailed accounts of all transactions in public debt securities of the United States are presented in formal statements elsewhere in the report.

*Transactions in United States and insular securities and in securities of various Government corporations and credit agencies, fiscal year 1942*

[Principal amount]

Transaction	Bearer	Registered	Total
<b>Public debt securities:</b> <sup>1</sup>			
On hand June 30, 1941.....	\$29,035,044,800	\$6,081,159,550	\$35,116,204,350
Unissued stock returned to Division.....		226,473,100	226,473,100
Spooled unissued stock returned to Division.....		308,255,855	308,255,855
Received from Bureau of Engraving and Printing.....	31,798,440,000	33,307,209,540	65,105,649,540
Total to be accounted for.....	60,833,484,800	39,923,098,045	100,756,582,845
<b>Stock shipments to Federal Reserve Banks and post offices.....</b>	<b>30,964,324,200</b>	<b>17,102,527,250</b>	<b>48,066,851,450</b>
Issued by Division.....	174,029,450	8,012,449,115	8,186,478,565
Unissued stock delivered to Register of the Treasury.....	832,964,450	544,381,675	1,377,346,125
Spooled unissued stock delivered to Register of the Treasury.....		252,846,130	252,846,130
Total disposals.....	31,971,318,100	25,912,204,170	57,883,522,270
On hand June 30, 1942.....	28,862,166,700	14,010,893,875	42,873,060,575
Retired and redeemed.....	862,423,490	* 5,015,040,330	* 5,877,463,820
<b>Insular securities and securities of Government corporations and credit agencies:</b>			
On hand June 30, 1941.....	5,763,815,800	1,256,014,650	7,019,830,450
Received from Bureau of Engraving and Printing.....	1,084,068,999	838,022,500	1,922,091,499
Total to be accounted for.....	6,847,884,799	2,094,037,150	8,941,921,949
<b>Stock shipments to Federal Reserve Banks and post offices.....</b>	<b>863,068,000</b>	<b></b>	<b>863,068,000</b>
Issued by Division.....	102,087,175	565,260,900	667,348,075
Unissued stock delivered to Register of the Treasury.....	783,731,600	369,027,450	1,152,759,050
Total disposals.....	1,748,886,775	934,288,350	2,683,175,125
On hand June 30, 1942.....	5,098,998,024	1,159,748,800	6,258,746,824
Retired and redeemed.....	6,398,575	163,426,850	169,825,425

<sup>1</sup> Includes adjusted service bonds and United States savings bonds.

\* Includes \$251,991,000 (maturity value) United States savings bonds. Figures subject to verification pending completion of audit.

*United States savings bonds.*—Original registration stubs from United States savings bonds sold which were received and audited, savings bonds redeemed prior to maturity which were received and registration discharged before payment, and savings bonds redeemed prior to maturity which were received and registration discharged after payment, during the fiscal year 1942, are shown in the following table.

Transactions concerning United States savings bonds; fiscal year 1942

Series	Number of pieces								Sales price	Maturity value
	\$25	\$50	\$100	\$500	\$1,000	\$5,000	\$10,000	Total		
Original registration stubs from savings bonds sold—received and audited <sup>1</sup>										
C-1937.....					4			4	\$3,000	\$4,000
C-1938.....	24	4	8	5	6			47	7,575	10,100
D-1939.....	6	1	7	3	5			22	5,550	7,400
D-1940.....	14	1	13	11	28			67	26,400	35,200
D-1941.....	76,905	58,610	90,195	24,013	41,309			291,032	50,391,093	67,188,125
E-1941.....	6,866,311	2,767,575	3,704,351	646,275	618,674			14,603,186	1,216,712,344	1,622,283,125
E-1942.....	17,350,664	4,376,543	5,379,943	885,933	827,991			28,821,074	1,846,159,162	2,461,545,550
F-1941.....	16		74,296	25,945	67,459	10,323	10,185	188,224	178,581,610	241,326,500
F-1942.....	52,360		164,375	41,894	87,013	12,753	12,461	370,856	232,420,310	314,081,500
G-1941.....			185,121	85,802	263,598	39,692	44,549	618,762	968,961,100	968,961,100
G-1942.....			277,324	122,908	286,188	38,487	44,521	769,428	1,013,019,400	1,013,019,400
Total registration stubs.....	24,346,300	7,202,734	9,875,633	1,832,789	2,192,275	101,255	111,716	45,662,702	5,506,287,545	6,688,462,000
Savings bonds redeemed prior to maturity—received and registration discharged before payment										
A-1935.....	559	521	1,672	655	816			4,223		\$1,350,725
B-1936.....	777	742	2,219	805	1,396			5,939		2,076,925
C-1937.....	1,001	849	2,609	844	1,801			7,104		2,551,375
C-1938.....	1,401	1,177	3,178	1,003	2,367			9,126		3,280,175
D-1939.....	2,316	2,301	5,782	1,503	7,002			18,904		8,504,650
D-1940.....	2,162	1,766	5,378	1,702	12,597			23,605		14,128,150
D-1941.....	509	457	1,218	381	1,369			3,934		1,716,875
E-1941.....	4,576	2,230	5,152	1,518	2,441			15,917		3,941,100
E-1942.....	1,930	742	1,441	406	616			5,135		1,048,450
F-1941.....			561	243	839	113	207	1,963		3,651,600
F-1942.....	3		27	14	28		9	93		202,775
G-1941.....			2,054	914	2,870	471	547	6,856		11,357,400
G-1942.....			38	14	59	19	31	161		474,800
Total.....	15,234	10,785	31,329	10,002	34,201	612	797	102,960		54,285,000

Savings bonds redeemed prior to maturity—received and registration discharged after payment									
A-1935.....	3,434	2,684	6,370	2,162	2,072	-----	-----	16,722	\$4,010,050
B-1936.....	7,284	7,114	12,643	3,839	5,284	-----	-----	36,164	9,005,600
C-1937.....	14,591	11,797	19,148	5,149	7,361	-----	-----	58,046	12,804,925
D-1938.....	24,529	17,533	25,806	6,393	10,492	-----	-----	84,753	17,758,975
D-1939.....	45,932	28,460	44,198	10,329	18,698	-----	-----	147,617	30,853,600
D-1940.....	67,796	38,260	60,624	14,039	24,946	-----	-----	205,665	41,635,800
D-1941.....	38,772	17,716	28,013	7,344	12,531	-----	-----	104,376	20,859,400
E-1941.....	74,157	23,040	36,429	6,946	6,228	-----	-----	146,800	16,349,825
Total.....	276,495	146,604	233,231	56,201	87,612	-----	-----	800,143	153,278,175
Grand total savings bonds.....	291,729	157,389	264,560	66,203	121,813	612	797	903,103	207,563,175

<sup>1</sup> Includes an aggregate of 1,425,158 pieces, \$209,752,700 maturity value, representing sales of United States savings bonds made prior to June 30, 1941, and adjustments of amounts previously reported.

*Individual registered accounts.*—Individual accounts are maintained in connection with registered issues of the United States and of securities of various Government corporations and credit agencies; and interest is paid periodically in the form of checks on the interest-bearing debt. The accounts open on June 30, 1942, were as follows:

Registered issues	Number of accounts	Principal
<b>Public debt:</b>		
Interest-bearing loans <sup>1</sup> .....	401,977	\$12,252,061,116.40
Matured loans (Liberty, Victory, Treasury bonds, etc.).....	11,142	6,476,810.00
Total public debt issues.....	413,119	12,258,537,926.40
<b>Others:</b>		
Interest-bearing loans:		
Home Owners' Loan Corporation bonds.....	2,836	631,827,000.00
Federal Farm Mortgage Corporation bonds.....	11,239	124,703,300.00
Consolidated Federal farm loan bonds.....	6,551	34,791,900.00
Federal Housing Administration debentures.....	720	21,463,605.28
Matured loans:		
Home Owners' Loan Corporation bonds.....	37	128,000.00
Federal Farm Mortgage Corporation bonds.....	351	737,900.00
Federal Housing Administration debentures.....	4	12,700.00
Total other issues.....	21,738	813,664,405.28
Grand total.....	434,857	13,072,202,331.68

<sup>1</sup> Does not include United States savings bonds and adjusted service bonds.

There were 42,628 individual accounts closed for registered Liberty bonds, Victory notes, special Treasury notes, postal savings issues, Treasury bonds, etc.; and 6,597 accounts were decreased, representing retirements of securities in the amount of \$3,700,643,630 par value. In connection with the same loans, 39,234 new accounts, involving \$6,004,878,090 of principal, were opened. During the year 18,930 changes of address for mailing of interest checks were made.

Interest on registered Treasury bonds was paid on due dates in the form of 733,835 checks amounting to \$86,778,939.44; on registered securities of the postal savings loans, etc., 61,600 checks for \$4,227,510.75 were issued; and on registered Treasury notes and certificates of indebtedness, interest payable by 11 checks amounting to \$34,570,019.40 were issued. Also 1 check was issued in payment of interest amounting to \$22,507,108.04 on the 4½ percent adjusted service bonds—United States Government life insurance fund series, and 960 checks were issued in payment of interest amounting to \$1,115,498.64 on the 2 percent depositary bonds. There were received from the Bureau of Engraving and Printing 867,600 checks as stock.



*Claims.*—Claims for relief on account of lost, stolen, destroyed, and mutilated securities handled by the Division of Loans and Currency within the fiscal year were as follows:

Claims	Number of claims	Number of securities	Par amount of securities
Public debt issues <sup>1</sup>			
On hand June 30, 1941.....	11,221	35,913	\$6,148,316.50
Received.....	9,035	16,523	2,379,145.75
Total to be accounted for.....	20,256	52,436	8,527,462.25
Settled by:			
Reissue or redemption of securities.....	1,953	4,945	1,047,942.50
Recovery of securities.....	1,642	3,829	742,050.00
Disallowance of claims and credit allowed.....	176	1,315	192,990.00
Other dispositions.....	89	247	969.00
Total disposals.....	3,860	10,336	1,983,951.50
On hand June 30, 1942.....	16,396	42,100	6,543,510.75
Home Owners' Loan Corporation, Federal Farm Mortgage Corporation, and consolidated Federal farm loan bonds			
On hand June 30, 1941.....	275	1,216	\$434,650.00
Received.....	42	150	57,252.50
Total to be accounted for.....	317	1,366	491,902.50
Settled by reissue, redemption, recovery, or no relief.....	35	132	45,052.50
On hand June 30, 1942.....	282	1,234	446,850.00

<sup>1</sup> Includes adjusted service bonds.

*Safekeeping of securities.*—During the fiscal year transactions in securities held in safekeeping were as follows:

Issues	On hand June 30, 1941	Received and receipts issued	Released	On hand June 30, 1942
Public debt issues.....	\$5,986,958,206.40	\$6,242,850,700.00	\$4,321,734,000.00	\$7,908,074,906.40
Adjusted service bonds.....	2,050.00	750.00		2,800.00
Insular securities.....	6,601,500.00	403,000.00	550,000.00	6,454,500.00
Home Owners' Loan Corporation bonds.....		551,000,100.00	50.00	551,000,050.00
Total.....	5,993,561,756.40	6,794,254,550.00	4,322,284,050.00	8,465,532,256.40

*Mutilated paper and redeemed currency.*—Mutilated paper verified and delivered to the Destruction Committee consisted of 65,877,197 sheets and coupons, of which 64,245,029 sheets and coupons were received from the Bureau of Engraving and Printing and 1,632,168 sheets from the Division of Paper Custody.

Redeemed currency, unfit for circulation, counted and delivered to the Destruction Committee during the year amounted to 992,593,281 pieces, representing \$1,728,725,657.83, detailed as follows:

Currency	Pieces	Face value
United States notes.....	50,087,629	\$199,692,830.00
Silver certificates.....	942,337,833	1,525,122,622.00
Gold certificates.....	162,904	3,906,310.00
Treasury notes.....	492	2,900.00
Fractional currency.....	4,423	.995.83
Total.....	992,593,281	1,728,725,657.83

In addition to the securities which were delivered to the Register of the Treasury, the Division canceled and delivered to the Register 1,921,463 coupons amounting to \$270,181,345.82. Of these, 1,631,057 were public debt coupons amounting to \$229,089,269.87 and 290,406 amounting to \$41,092,075.95 were coupons from securities of Government corporations and credit agencies.

### *Register of the Treasury*

The Register of the Treasury conducts the final audit and has custody of all retired public debt securities, including interest coupons and checks, and performs a like function with respect to the securities of the Home Owners' Loan Corporation, Federal Farm Mortgage Corporation, Federal Housing Administration, Reconstruction Finance Corporation, Federal National Mortgage Association, Commodity Credit Corporation, Federal Public Housing Authority, and the consolidated obligations of the Federal home loan banks and the Federal land banks. The Register also retires bonds of the insular possessions which are exchanged for other securities.

The Register renders monthly certification to the Comptroller General of all public debt securities redeemed by the Treasurer of the United States, and establishes credits due the Federal Reserve Banks and the Division of Loans and Currency for securities forwarded by them on account of exchanges, replacements, transfers of registration, etc.

The following statement sets forth, by class of security, the total number and face value of documents which were received by the Register's Office on account of transactions during the fiscal year 1942.

## Summary of securities received by the Register of the Treasury on account of transactions, fiscal year. 1942

Security	Bearer		Registered	
	Pieces	Amount	Pieces	Amount
Redeemed				
Public debt securities:				
Postal savings bonds, etc.	28	\$5,900.00	140	\$287,280.00
Liberty loans	11,322	2,954,900.00	1,633	764,100.00
Treasury bonds	64,051	89,900,750.00	6,689	7,492,600.00
Treasury notes	44,821	644,293,950.00	303	887,362,000.00
Treasury notes—tax series			314,486	1,124,833,125.00
United States savings bonds			538,079	188,561,618.50
Depository bonds			1	5,000.00
Adjusted service bonds			269,386	13,469,300.00
Certificates of indebtedness	128	961,050.00	177	3,526,965,000.00
Treasury bills	119,519	7,183,891,000.00		
Treasury (war) savings securities	74,995	74,601.00	1,948	25,235.00
Interest coupons	11,282,986	853,669,668.88		
Other securities:				
Home Owners' Loan Corporation:				
Bonds	74,562	843,324,300.00	329	7,935,000.00
Interest coupons	1,363,024	51,749,573.65		
Interest checks			5,906	2,687,850.00
Federal Farm Mortgage Corporation:				
Bonds	120,937	317,623,400.00	11,249	8,196,100.00
Interest coupons	1,227,496	32,697,286.07		
Interest checks			26,493	3,963,658.98
Consolidated Federal farm loans of the Federal land banks:				
Interest coupons	913,985	31,144,892.88		
Interest checks			14,324	1,156,389.48
Federal Housing Administration:				
Debentures			4,637	3,221,150.00
Interest checks			3,101	704,544.99
Federal home loan banks:				
Consolidated debentures	6,263	67,329,000.00		
Interest coupons	30,319	860,419.60		
Reconstruction Finance Corporation:				
Notes	45,459	1,093,260,000.00		
Interest coupons	227,459	16,777,650.41		
Commodity Credit Corporation:				
Notes	21,171	406,752,000.00		
Interest coupons	74,694	4,815,287.25		
Federal National Mortgage Association				
Interest coupons	24,615	1,495,710.82		
Federal Public Housing Authority:				
Notes	8,396	112,094,000.00		
Interest coupons	41,766	1,710,359.21		
Total	15,777,996	11,757,382,699.77	1,198,881	5,677,629,951.95
Retired on account of exchanges for other securities, etc. <sup>3</sup>				
Public debt securities:				
Postal savings bonds, etc.	1,159	\$354,640.00	8,674	\$4,794,700.00
Liberty loans	1,234	97,200.00		
Treasury bonds	910,512	4,717,828,850.00	83,054	258,319,000.00
Treasury notes	91,192	1,283,534,300.00	26	363,357,000.00
Treasury notes—tax series			4,473	150,094,025.00
United States savings bonds			115,003	46,606,325.00
Depository bonds			3	20,000.00
Adjusted service bonds			670	33,500.00
Certificates of indebtedness	7,085	209,257,000.00	3	2,050,000.00
Treasury bills	12,982	1,106,857,000.00		
First 3½% Liberty loan interim certificates	7	1,000.00		
Other securities:				
Insular possessions loans			302	739,000.00
Home Owners' Loan Corporation bonds	61,545	103,849,000.00	2,151	130,994,000.00
Federal Farm Mortgage Corporation bonds	36,550	32,128,400.00	4,902	6,828,900.00
Consolidated Federal farm loans of the Federal land banks, bonds	21,273	51,895,400.00	4,727	4,393,600.00
Federal Housing Administration debentures			1,182	896,100.00

Footnotes at end of table.

*Summary of securities received by the Register of the Treasury on account of transactions, fiscal year 1942—Continued*

Security	Bearer		Registered	
	Pieces	Amount	Pieces	Amount
Retired on account of exchanges for other securities, etc.—Con.				
<b>Other securities—Continued.</b>				
Federal home loan banks, consolidated debentures.....	514	\$2,605,000.00		
Reconstruction Finance Corporation notes.....	14,083	111,469,000.00		
Commodity Credit Corporation notes.....	7,383	42,146,000.00		
Federal National Mortgage Association notes.....	575	3,490,000.00		
Federal Public Housing Authority notes <sup>1</sup> .....	1,187	4,679,000.00		
<b>Total</b> .....	1,167,281	7,670,191,790.00	225,170	\$969,126,150.00
Unissued stock retired				
<b>Public debt securities:</b>				
Postal savings bonds, etc.....			3	\$2,000.00
Treasury bonds.....	145,642	\$722,857,050.00	40,509	183,218,650.00
Treasury notes.....	50,510	781,669,800.00		
Treasury notes—tax series.....			17,022	78,096,725.00
United States savings bonds.....			3,117,452	1,135,514,000.00
Adjusted service bonds.....			14	700.00
Certificates of indebtedness.....			81	No value
Treasury bills.....	11,354	780,436,000.00		
Standard full-paid interim certificates.....	24,483	No value		
Interest coupons.....	2,966,546	335,297,521.78		
<b>Other securities:</b>				
Home Owners' Loan Corporation:				
Bonds.....	32,354	148,576,300.00	3	21,000.00
Interest coupons.....	229,679	35,721,945.89		
Federal Farm Mortgage Corporation:				
Bonds.....	208,170	362,937,000.00	10,922	368,947,000.00
Interest coupons.....	170,480	8,616,997.98		
Consolidated Federal farm loans of the Federal land banks:				
Bonds.....	1	5,000.00	2	600.00
Interest coupons.....	143,702	7,158,438.24		
Federal Housing Administration debentures.....			66	58,850.00
Federal home loan banks:				
Consolidated debentures.....	6,117	34,920,000.00		
Interest coupons.....	14,542	749,498.75		
Reconstruction Finance Corporation:				
Notes.....	31,213	599,884,000.00		
Interest coupons.....	63,521	3,260,766.19		
Commodity Credit Corporation:				
Notes.....	11,133	107,961,000.00		
Interest coupons.....	24,843	1,460,271.54		
Federal National Mortgage Association:				
Notes.....	9,930	39,151,000.00		
Interest coupons.....	79,197	2,469,457.27		
Federal Public Housing Authority: <sup>1</sup>				
Notes.....	4,228	32,965,000.00		
Interest coupons.....	9,167	811,957.20		
<b>Total</b> .....	4,276,817	4,006,909,004.84	3,186,074	1,765,859,525.00
Recapitulation				
<b>Public debt securities:</b>				
Postal savings bonds, etc.....	1,187	\$360,540.00	8,817	\$5,083,980.00
Liberty loans.....	12,556	3,052,100.00	1,633	764,100.00
Treasury bonds.....	1,120,205	5,530,586,650.00	130,252	449,030,250.00
Treasury notes.....	226,523	2,709,498,050.00	329	1,250,719,000.00
Treasury notes—tax series.....			335,981	1,353,023,875.00
United States savings bonds.....			3,770,534	1,270,681,943.50
Depository bonds.....			4	25,000.00
Adjusted service bonds.....			270,070	13,503,500.00
Certificates of indebtedness.....	7,213	210,218,050.00	261	3,529,015,000.00
Treasury bills.....	143,855	9,071,184,000.00		
First 3½% Liberty loan interim certificates.....	7	1,000.00		
Standard full-paid interim certificates.....	24,488	No value		
Treasury (war) savings securities.....	74,995	71,601.00	1,948	25,235.00
Interest coupons.....	14,249,532	1,188,967,190.66		

Footnotes at end of table;

*Summary of securities received by the Register of the Treasury on account of transactions, fiscal year 1942—Continued*

Security	Bearer		Registered	
	Pieces	Amount	Pieces	Amount
Recapitulation—Continued				
Other securities:				
Insular possessions loans.....			302	\$739,000.00
Home Owners' Loan Corporation:				
Bonds.....	168,461	\$1,095,749,600.00	2,483	138,950,000.00
Interest coupons.....	1,592,703	87,471,519.54		
Interest checks.....			5,906	2,687,850.00
Federal Farm Mortgage Corporation:				
Bonds.....	365,657	712,688,800.00	27,073	383,972,000.00
Interest coupons.....	1,397,976	41,314,284.05		
Interest checks.....			26,493	3,963,658.98
Consolidated Federal farm loans of the Federal land banks:				
Bonds.....	21,274	51,900,400.00	4,729	4,394,200.00
Interest coupons.....	1,057,687	38,303,331.12		
Interest checks.....			14,324	1,156,389.48
Federal Housing Administration:				
Debentures.....			5,885	4,176,100.00
Interest checks.....			3,101	704,544.99
Federal home loan banks:				
Consolidated debentures.....	12,894	104,854,000.00		
Interest coupons.....	44,861	1,609,918.35		
Reconstruction Finance Corporation:				
Notes.....	90,755	1,804,613,000.00		
Interest coupons.....	290,990	20,038,416.60		
Commodity Credit Corporation:				
Notes.....	39,687	556,859,000.00		
Interest coupons.....	99,537	6,275,558.79		
Federal National Mortgage Association:				
Notes.....	10,505	42,641,000.00		
Interest coupons.....	103,812	3,965,168.09		
Federal Public Housing Authority: <sup>2</sup>				
Notes.....	13,811	149,738,000.00		
Interest coupons.....	50,933	2,522,316.41		
Total.....	21,222,094	23,434,483,494.61	4,610,125	8,412,615,626.95

<sup>1</sup> Represents audited figures through December 1941 settlement. Receipts for January through June 1942 settlements incomplete.

<sup>2</sup> Formerly U. S. Housing Authority.

<sup>3</sup> Figures on United States savings bonds are incomplete.

*Division of Public Debt Accounts and Audit*

This Division maintains administrative control accounts for all official transactions in the public debt conducted by the various Treasury offices and the Federal Reserve Banks as fiscal agents of the United States, and also for transactions involving paper used for printing public debt and other securities, United States currency, stamps, etc., and miscellaneous securities and documents in the Bureau of Engraving and Printing. Also included in the administrative control accounts of the Division are transactions in bonds of the Home Owners' Loan Corporation and the Federal Farm Mortgage Corporation, in consolidated Federal farm loan bonds of the Federal land banks, in notes of the Commodity Credit Corporation, Reconstruction Finance Corporation, and the Federal Public Housing Authority, and in debentures of the Federal home loan banks and the Federal Housing Administration, conducted by the Treasury and Federal Reserve Banks, similar to those in public debt securities. Numerous administrative audit functions are performed in connection with the foregoing. The Division maintains control accounts for various classes of unissued currency in reserve stocks of the Treasurer

of the United States, and conducts administrative examinations and physical audits of such unissued stocks of currency and of cash balances in custody, and of collateral securities held in trust in the offices of the Treasurer of the United States.

During the fiscal year, 98 audits were conducted, involving physical counts of securities, currency, distinctive and nondistinctive paper, interest checks, etc., amounting to about \$1,017,000,000 in face value and 104,538,000 in number of pieces; an examination and audit of 17,200,000 individual accounts of holders of registered bonds; and an audit of the numerical registers involving an examination of 48,000 spaces representing bonds retired or outstanding. Other special audits under instructions of the Secretary of the Treasury were also conducted. The increase in the number of individual accounts of holders of registered bonds from 5,500,000 in 1941 to 17,200,000 in 1942 was due to greater activity in transactions involving United States savings bonds and resulted in a corresponding decrease in other audits usually made.

The Division determined and certified credits to the cumulative sinking fund and amounts in the sinking fund available for expenditure from time to time, interest on all classes of public debt securities and securities of various Government corporations and credit agencies which became due and payable on their respective interest-payment dates, and the amount of each form of such securities and unpaid interest outstanding each month. It prepared estimates of interest to become payable on public debt securities in future fiscal years, and of expenditures to be made on account of retirements for the sinking fund and other special accounts, and prepared statements showing the accountability of Federal Reserve Banks for public debt and other securities for the use of Federal Reserve Board examiners in their periodical examinations of those banks. Numerous data pertaining to public debt and other transactions for various interested offices and individuals were also compiled.

#### *Division of Savings Bonds*

The Division of Saving Bonds is charged with the distribution of publicity literature in connection with the sale of United States savings bonds. During the year the Division maintained a plate file of about 12,500,000 active and prospective purchasers to whom savings bond literature was sent at given intervals. The Division also maintained a file of purchasers under the Regular Purchase Plan, consisting of approximately 110,000 names of those to whom memorandum statements were sent in advance of the purchase periods designated by the purchasers, and approximately 8,000 names of persons in the Navy, Coast Guard, Marine Corps, etc., whose purchases were made from salary allotments. Approximately 600,000 pieces of mail were handled during 1942.

A large volume of correspondence was carried on in reply to requests for information concerning savings bonds and the regular purchase plan.

*Division of Paper Custody*

The Division of Paper Custody receives from the contractors all distinctive paper used in printing public debt obligations and paper currency of the United States, Cuba, and the Philippine Islands; and issues such paper to the Bureau of Engraving and Printing against orders to print. The Division also maintains records of all receipts and issues of Federal Reserve notes stored in the Federal Reserve vault.

The following tables summarize the operations of this Division during the fiscal year 1942.

*Receipts and issues of distinctive and nondistinctive paper, fiscal year 1942*

[In sheets]

Kind	On hand July 1, 1941	Received	Issued	On hand June 30, 1942
<b>DISTINCTIVE</b>				
United States currency and Federal Reserve notes.....	19,438,687	124,042,036	130,300,020	13,180,703
United States bonds.....	2,766,159	39,214,634	34,300,902	7,679,891
Cuban currency.....	22,203	2,168,051	1,100,016	1,090,238
Philippine currency.....	655,393		471,300	184,093
Total.....	22,882,442	165,424,721	166,172,238	22,134,925
<b>NONDISTINCTIVE</b>				
Parchment, artificial parchment, and parchment deed.....	207,520	471,151	286,336	392,335
Philippine Islands postal card.....	9,189	49,611	9,195	49,605
Miscellaneous.....	1,849,886	1,842,155	1,688,480	2,003,561
Total.....	2,066,595	2,362,917	1,984,011	2,445,501

*Federal Reserve notes, series 1934, received and issued, fiscal year 1942*

On hand July 1, 1941.....	\$2,414,600,000
Received.....	4,088,420,000
Total.....	6,503,020,000
Issued.....	4,314,320,000
On hand June 30, 1942.....	2,188,700,000

During the year 163,420,026 sheets of paper were counted prior to issue to the Bureau of Engraving and Printing for authorized work.

There were no transactions during the year in Federal Reserve notes, Series 1928, or in Federal Reserve Bank notes, Series 1929, of which \$2,813,100,000 and \$450,800,000, respectively, were on hand.

*Destruction Committee*

The following table summarizes the securities (including redeemed canceled currency) and miscellaneous items received from the various offices and destroyed by the Destruction Committee during the year.

*Number and face amount of securities and miscellaneous items destroyed by the  
Destruction Committee, fiscal year 1942*

Office making delivery, and items	Number of pieces	Face value
<b>Division of Loans and Currency and Treasurer of the United States:</b>		
United States notes.....	50, 195, 599	\$200, 232, 230. 00
Silver certificates.....	944, 466, 583	1, 529, 665, 472. 00
Gold certificates.....	162, 904	3, 906, 310. 00
Treasury notes.....	492	2, 900. 00
Fractional currency.....	4, 423	995. 83
<b>Total.....</b>	<b>994, 830, 001</b>	<b>1, 733, 807, 907. 83</b>
<b>Comptroller of the Currency, national banks, and Federal Reserve Bank agents:</b>		
National bank notes.....	828, 016	11, 582, 632. 00
Federal Reserve Bank notes.....	621, 055	8, 948, 160. 00
Federal Reserve notes.....	107, 884, 421	1, 373, 982, 210. 00
<b>Total.....</b>	<b>109, 333, 492</b>	<b>1, 394, 513, 002. 00</b>
<b>Register of the Treasury:</b>		
Principal pieces.....	8, 032, 504	4, 089, 153, 537. 42
Coupons.....	2, 648, 492	325, 734, 934. 36
<b>Total.....</b>	<b>10, 680, 996</b>	<b>4, 414, 888, 471. 78</b>
<b>Farm Credit Administration:</b>		
Principal pieces.....	44, 903	46, 889, 100. 00
Coupons.....	3, 742, 071	98, 060, 301. 57
<b>Total.....</b>	<b>3, 786, 974</b>	<b>144, 949, 401. 57</b>
<b>Bureau of Internal Revenue, miscellaneous stamps.....</b>		<b>780, 906, 413. 43</b>
<b>Grand total.....</b>	<b>1, 118, 631, 463</b>	<b>8, 469, 065, 196. 61</b>
<b>Bureau of Engraving and Printing, registered proof sheets.....</b>	<b>20, 281</b>	
<b>Division of Loans and Currency:</b>		
For Bureau of Engraving and Printing—mutilated work (sheets).....	36, 027, 823 <sup>3</sup> / <sub>4</sub>	
For Division of Paper Custody—paper (sheets).....	1, 632, 168	
Void coupons.....	28, 217, 050	
Nondistinctive coupons.....	156	
Checks.....	32, 799	
Treasury Archivist—Forms T. F. E. L. 2.....	10, 240	
<b>Total.....</b>	<b>65, 940, 517<sup>3</sup>/<sub>4</sub></b>	

### TREASURER OF THE UNITED STATES

Public moneys are received and disbursed through the accounts of the Treasurer of the United States. Depositary accounts are carried with several hundred designated Government depositories. Checking accounts with disbursing officers of the Government are maintained on the books of the Treasurer. Funds appropriated by Congress for the use of the various departments and establishments of the Government are advanced to disbursing officers as required through credits to their accounts with the Treasurer, and disbursements are made by checks drawn by disbursing officers against such accounts. The Treasurer is the official custodian of the public money; he is also fiscal agent for the payment of the principal of and interest on the public debt, for the issue and redemption of United States paper currency, for the redemption of Federal Reserve notes, Federal Reserve Bank notes, and national bank notes,\* and is treasurer of the Board of Trustees of the Postal Savings System and trustee and custodian of miscellaneous securities and trust funds. He acts as special agent for the payment of the principal of and interest on bonds and other obligations of the insular governments and of Government corporations and agencies.

\* Funds for the retirement of Federal Reserve Bank notes and national bank notes have been deposited in the Treasury.



The figures in this report of the Treasurer (pp. 135 to 139) are on the basis of daily Treasury statements (unrevised).<sup>b</sup>

A comparison of the receipts and expenditures of the Government for the fiscal years 1941 and 1942, exclusive of postal revenues and payments payable therefrom, is shown in the following tables:

*Summary of receipts and expenditures, general and special accounts, fiscal years 1941 and 1942*

	1941	1942	Increase or decrease (—)
Receipts.....	\$8,268,512,585.50	\$13,667,914,823.84	\$5,399,402,238.34
Deduct:			
Net appropriations to Federal old-age and survivors insurance trust fund.....	661,300,733.42	868,853,202.82	207,552,469.40
Net receipts.....	7,607,211,852.08	12,799,061,621.02	5,191,849,768.94
Expenditures:			
General.....	6,214,698,804.75	5,986,225,630.43	—228,473,174.32
War activities.....	6,301,043,165.91	26,011,065,089.39	19,710,021,923.48
Revolving funds (net).....	136,286,103.84	18,394,391.22	154,680,495.16
Transfers to trust accounts, etc.....	331,173,957.25	380,899,986.65	49,726,029.40
Subtotal.....	12,710,629,823.97	32,396,585,097.69	19,685,955,273.72
Public debt retirements.....	64,260,500.00	94,722,300.00	30,461,800.00
Total.....	12,774,890,323.97	32,491,307,397.69	19,716,417,073.72
Gross deficit.....	5,167,678,471.89	19,692,245,776.67	14,524,567,304.78
Deduct: Public debt retirements.....	64,260,500.00	94,722,300.00	30,461,800.00
Net deficit.....	5,103,417,971.89	19,597,523,476.67	14,494,105,504.78

<sup>1</sup> Revised to basis of classifications in effect after June 30, 1942.

<sup>2</sup> Excess credits (deduct).

*Summary of receipts and expenditures, trust accounts, etc., fiscal years 1941 and 1942*

	1941	1942	Increase or decrease (—)
Receipts:			
Federal old-age and survivors insurance trust fund:			
Appropriations.....	\$688,140,728.28	\$895,618,838.82	\$207,478,110.54
Less: Reimbursements to General Fund.....	26,839,994.86	26,765,636.00	—74,358.86
Net appropriations.....	661,300,733.42	868,853,202.82	207,552,469.40
Interest on investments.....	55,958,278.12	71,006,562.23	15,048,284.11
Net.....	717,259,011.54	939,859,765.05	222,600,753.51
Agricultural Marketing Administration.....	244,024,414.25	331,448,633.75	87,424,219.50
Unemployment trust fund.....	1,113,922,996.42	1,243,587,217.14	129,664,220.72
Railroad retirement account.....	126,883,857.53	143,993,058.91	17,109,201.38
All other <sup>1</sup> .....	435,754,981.59	531,995,424.86	96,240,443.27
Total.....	2,637,845,261.33	3,190,884,009.71	553,038,838.38
Expenditures: <sup>2</sup>			
Federal old-age and survivors insurance trust fund.....	706,841,884.66	931,314,952.20	224,473,067.54
Agricultural Marketing Administration.....	217,001,988.25	336,759,089.20	119,757,100.95
Unemployment trust fund.....	1,118,127,110.94	1,243,142,328.20	125,015,217.26
Railroad retirement account.....	115,773,514.47	143,743,910.67	27,970,396.20
All other <sup>1</sup> .....	628,164,368.38	4,041,428,769.62	3,413,264,401.24
Total.....	2,785,908,866.70	6,696,389,049.89	3,910,480,183.19
Excess of expenditures.....	148,063,605.37	3,505,504,950.18	3,357,441,344.81

<sup>1</sup> Revised to basis of classifications in effect after June 30, 1942.

<sup>2</sup> Includes investments.

<sup>3</sup> Includes net transactions in checking accounts of Government agencies, etc.

The total public debt obligations outstanding on June 30, 1941, were \$48,961,443,535.71, and the receipts and retirements during

<sup>b</sup> For a description of the bases used in the tables in this report and of the accounts through which Treasury transactions are effected, see pp. 387 and 388.

the fiscal year 1942 were \$37,164,349,683.56 and \$13,703,348,103.05, respectively, making \$72,422,445,116.22 of obligations outstanding on June 30, 1942, an increase for the year of \$23,461,001,580.51.

The public debt retirements chargeable against ordinary receipts during the year amounted to \$94,722,300.00 and are included in the total retirements shown above. Public debt retirements chargeable against ordinary receipts are classified as follows:

Cumulative sinking fund.....	\$75,341,600.00
Forfeitures, gifts, etc.....	19,380,700.00
Total.....	94,722,300.00

The amount of interest paid on the public debt during the year is classified as follows:

Class of interest payment	Amount
Interest coupons paid.....	\$853,562,112.84
Registered interest checks paid.....	170,869,713.05
Accrued interest paid in cash on obligations at redemption.....	46,500,216.14
Discount on Treasury bills sold.....	4,657,069.51
Discount accrued on United States savings bonds.....	87,535,400.15
Interest paid on obligations, special series (transfer-counter warrant transactions).....	104,939,397.02
Total paid.....	1,268,063,908.71
Less repayments.....	7,978,572.25
Net payments.....	1,260,085,336.46

The number of pieces of public debt principal obligations examined, verified, and redeemed during the year was 2,550,245 as compared with 1,914,738 pieces for the previous year. Checks in payment of interest on the registered obligations of the United States verified and paid totaled 1,108,712 pieces, and the matured interest coupons of Government obligations examined, verified, and paid totaled 11,284,699 pieces.

The gold holdings of the Treasury as of June 30, 1942, were 649,-614,376 ounces amounting to \$22,736,503,160.69, valued at \$35 an ounce, an increase of 3,212,000 ounces and \$112,419,993.51 over the previous year. The details of these gold holdings are shown in the table on page 594 of this report. The increase in gold holdings was made up as follows: Net acquisitions by mints and assay offices on account of imports, etc. (valued at \$35 an ounce), \$111,690,689.79; received under the order of the Secretary of the Treasury of December 28, 1933 (paid for at \$20.67 + an ounce), \$430,744.03; and increment resulting from reduction in the weight of the gold dollar, \$298,559.69.

Paper currency of each class issued and redeemed during the year and the amounts outstanding, including Treasury and Federal Reserve Bank holdings on June 30, 1941 and 1942, were as follows:

Class	Outstanding June 30, 1941	Issued	Redeemed	Outstanding June 30, 1942	
				In Treasury	Outside Treasury
Gold certificates.....	\$2,879,505,809		\$3,919,680	\$712,240	\$2,874,873,889
Silver certificates.....	1,928,233,028	\$1,448,084,000	1,395,458,800	12,738,163	1,968,120,065
United States notes.....	346,681,016	185,276,000	185,276,000	2,096,305	344,584,711
Treasury notes of 1890.....	1,162,048		2,900	1,326	1,157,822
Federal Reserve notes.....	7,001,520,625	4,303,470,000	1,514,263,760	42,678,543	9,748,048,322
Federal Reserve Bank notes.....	20,703,704		1,727,740	153,032	18,822,932
National bank notes.....	151,909,100		11,572,058	383,502	139,953,540
Total.....	12,329,715,330	5,936,830,000	3,112,220,938	58,763,111	15,095,561,281

United States paper currency shipped during the year from the Treasury in Washington to Treasury offices, Federal Reserve Banks and branches, and others amounted to \$1,611,771,570, a decrease of \$272,534,189 over the previous year. The Treasurer's Office directed shipments of current silver and minor coins between the United States Treasury, the United States mints, and the Federal Reserve Banks and branches for use in public disbursements, etc., as follows:

Kind	Shipments from Treasury to Federal Reserve Banks and branches	Shipments from mints to Treasury and Federal Reserve Banks and branches	Shipments between Federal Reserve Banks and branches
Silver:			
Standard dollars.....		\$19,455,340	\$655,000
Half dollars.....	\$179,998	25,455,301	310,000
Quarter dollars.....		27,644,349	50,000
Dimes.....		23,241,199	275,000
Minor:			
Nickels.....	280,000	10,809,450	15,000
Cents.....		10,503,250	
Total.....	459,998	117,108,889	1,305,000

Shipments and transfers of gold coin and bullion and of uncurrent silver and minor coins to the mints from the Treasury and the Federal Reserve Banks and branches were authorized in the amounts of \$770,143.17 and \$3,376,012.01, respectively.

The proceeds of currency received into the Treasurer's cash by the Currency Redemption Division during the year amounted to \$307,275,082, of which \$209,731,840 was in Federal Reserve notes, \$1,531,258 in Federal Reserve Bank notes, \$11,512,635 in national bank notes, and \$84,499,349 in United States currency.

Canceled Federal Reserve notes amounting to \$1,295,367,000 were received from Federal Reserve Banks and branches for credit of Federal Reserve agents. These notes are not taken into the Treasurer's cash because settlement therefor is made between the Federal Reserve Banks and the Federal Reserve agents.

Public moneys on deposit in designated Government depositaries on June 30, 1942, to the credit of the Treasurer and to the credit of other Government officers amounted to \$2,403,551,164 and \$117,585,817, respectively, including items in transit. The table on page 594 shows the amounts in the various depositaries on June 30 of the last two years.

Principal obligations of Government corporations and agencies and insular governments redeemed by the Treasurer during the year amounted to \$2,865,115,300; checks issued by the Treasurer in payment of interest on such registered obligations paid during the year amounted to \$9,056,637; interest coupons on such obligations paid amounted to \$142,248,759; and interest paid in cash when such obligations were redeemed amounted to \$12,821,708.

Funds were advanced to United States disbursing officers by accountable warrants issued in an aggregate amount of \$42,200,581,622. Warrants aggregating \$19,151,508,895 were also issued covering public debt transactions. Treasurer's checks aggregating \$536,651,598 were issued on settlement warrants in payment of claims settled by the Comptroller General.

Checks drawn on the Treasurer of the United States by disbursing officers and agencies were paid during the year to an estimated number of 131,600,000, of which 28,300,000 for emergency relief payments were paid for the Treasurer by Federal Reserve Banks acting as his agents. The total number of checks paid during the previous year was 131,851,141, including 49,183,138 checks for emergency relief payments paid through the Federal Reserve Banks. Thus, the number of regular checks increased during the fiscal year by 25 percent, while the number of emergency relief payments decreased by 42 percent.

Balances to the credit of disbursing officers and Government agencies in 5,725 accounts on June 30, 1942, amounted to \$10,087,282,582, an increase of \$7,372,495,506, as compared with the total of such balances in 3,900 accounts on June 30, 1941.

Payments to correct irregularities in negotiation of checks were made in 1942 to the number of 5,734, amounting to \$207,637, while in the previous year the number was 8,665 amounting to \$248,721.

Under the Check Forgery Insurance Act of November 21, 1941 (55 Stat. 777), the Treasurer of the United States is authorized to make prompt settlements with payees of lost or stolen checks, which have been paid on forged endorsements, in advance of reclamation. The act authorizes an appropriation of \$50,000 to constitute a revolving fund for this purpose. (See exhibit 60 on p. 341.) From February 21, 1942, when the act became effective, to June 30, 1942, there were 31 instances in which early settlements were made with payees, the amount involved being \$1,164.88. Until this legislation became effective, the payee could not receive payment from the Treasurer until that officer had recovered from the endorsers the funds improperly paid to other than the payee of the check.

Duplicate checks to the number of 18,245 were requested by payees or endorsees during 1942, as compared with 15,937 during the previous year, the original check in each case having been lost, stolen, wholly or partly destroyed, or so mutilated or defaced as to impair its value to the owner or holder.

Drafts in 34 different kinds of foreign currencies, aggregating 1,949 in number, were purchased during the year by the Treasurer for various agencies of the Government at a cost of \$666,419.

Commercial checks, drafts, and postal and express money orders, aggregating 2,429,898 items and amounting to \$603,240,624, were deposited by Government officers with the Treasurer of the United States for collection.

The Treasurer is custodian of securities pledged for the safekeeping and prompt payment of Government deposits in bank depositaries, of postal savings funds in depositaries designated to receive such funds, and, under provisions of law or by direction of the Secretary of the Treasury, of various trust funds comprised of bonds and other obligations and of securities placed in safekeeping by various Government executive departments and bureaus. The face value of such securities held on June 30, 1941, and June 30, 1942, classified according to the purpose for which held, is shown in the following table:

Purpose for which held	June 30, 1941	June 30, 1942
To secure deposits of public moneys in depository banks.....	\$34,539,375	\$107,106,050
To secure deposits of postal savings funds.....	28,529,500	24,061,750
For District of Columbia:		
Teachers' retirement fund.....	9,064,750	9,615,250
Water fund.....	1,773,000	1,773,000
Other.....	370,620	398,620
United States savings bonds held for various depositors.....	10,518,400	15,561,800
For the Board of Trustees, Postal Savings System.....	1,138,555,840	1,134,004,640
For the Secretary of War.....	9,320,330	10,370,330
For the Secretary of the Treasury:		
Foreign obligations.....	12,072,484,757	12,072,484,757
Obligations on account of sales of surplus property.....	46,737,095	46,737,095
Capital stock and obligations of Government corporations and agencies.....	1,496,678,292	4,733,763,451
Other.....	2,623,720	2,499,288
For Federal Deposit Insurance Corporation.....	178,746,350	213,746,350
For Federal Savings and Loan Insurance Corporation.....	100,034,500	98,034,500
For Federal Farm Mortgage Corporation.....	715,229,840	689,116,820
For Alien Property investment account.....	19,832,056	20,856,447
Miscellaneous.....	116,475,107	122,484,907
Total.....	15,981,513,532	19,302,615,055

\* Revised.

### BUDGET AND IMPROVEMENT COMMITTEE

The Budget and Improvement Committee is responsible, under the direction of the Budget Officer, for the preparation and review of estimates submitted by Treasury bureaus and divisions for annual or deficiency appropriations. It is also responsible, under the direction of the Budget Officer, for the investigation of administrative methods and procedure in their relation to appropriation estimates and for other investigations upon assignment by the Administrative Assistant to the Secretary. To facilitate the investigations, a Subcommittee on Investigations is assigned the responsibility for determining, through the inspection of field as well as departmental activities, the justification for proposed increases in appropriations and makes other surveys upon assignment.

The review of appropriation estimates includes a thorough examination of the items by the individual committee members to whom respective bureaus or divisions are assigned. The entire committee then conducts formal hearings at which the bureau or division heads, or their representatives, present oral testimony in further support of the estimates. The committee, after deliberation, submits its recommendations to the Budget Officer for his guidance in determining the items which should be approved for transmittal to the Bureau of the Budget.

In addition to the regular estimates of appropriations for the fiscal year 1943, supplemental and deficiency estimates aggregating \$747,355,125 were received during the fiscal year.

Reserves amounting to \$5,824,455 were set aside from the ordinary appropriations for the fiscal year 1942 by the bureaus and offices of the Department. During the year, reserves amounting to \$3,420 were released by the Director of the Bureau of the Budget after approval of the committee, leaving a reserve of \$5,821,035 at the end of the year. Of the appropriations made to the Treasury Department for the fiscal year 1943, \$5,782,844 has been set aside as reserves for savings and contingencies.

For the fiscal year 1944, estimates aggregating \$7,133,940,312 were approved by the Departmental Budget Officer and submitted to the Director of the Bureau of the Budget. Such estimates included \$188,745,805 for annual appropriations; \$340,352,750 for permanent and indefinite appropriations and special funds; \$3,010,934,206 for trust funds; \$3,000,000,000 for interest on the public debt; and \$593,907,551 for public debt retirements chargeable against ordinary receipts.

#### BUREAU OF THE COMPTROLLER OF THE CURRENCY<sup>1</sup>

The Bureau of the Comptroller of the Currency is responsible for the execution of all laws relating to the supervision of national banking associations and all banks and building and loan associations in the District of Columbia. The Bureau is also responsible for the liquidation of suspended national banks placed in charge of receivers. Under the Emergency Banking Act of March 9, 1933, approval of the Comptroller of the Currency is required for the issuance and retirement of preferred stock of national banking associations. Other duties include those incident to the formation and chartering of new national banking associations, the establishment of branch banks, the consolidation of banks, and the conversion of State banks into national banks.

#### *Changes in the condition of active national banks*

The total assets of the 5,107 active national banks on June 30, 1942, amounted to \$44,719 millions, an increase of \$3,404 millions since June 30, 1941, when 5,136 banks reported. The deposits of the active banks in 1942 totaled \$40,659 millions, which was \$3,308 millions more than in 1941. Since the current figures exclude \$439 millions in reciprocal interbank demand deposits, reported gross on previous call dates, the increase in both deposits and in total assets on a comparable basis would be greater by that amount. The loans and investments totaled \$29,545 millions, representing an increase of \$3,668 millions during the year.

The assets and liabilities of active national banks on the date of each report from June 30, 1941, to June 30, 1942, are shown in the following statement.

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<sup>1</sup> More detailed information concerning the Bureau of the Comptroller of the Currency is contained in the annual report of the Comptroller.

*Abstract of reports of condition of active national banks on the date of each report from June 30, 1941, to June 30, 1942*

[In thousands of dollars]

	June 30, 1941 (5,136 banks)	Sept. 24, 1941 (5,131 banks)	Dec. 31, 1941 (5,123 banks)	Apr. 4, 1942 (5,115 banks)	June 30, 1942 (5,107 banks)
<b>ASSETS</b>					
Loans and discounts, including overdrafts	10,922,483	11,470,256	11,751,792	11,569,311	10,901,795
U. S. Government securities, direct obligations	8,856,499	8,593,247	9,786,743	10,665,769	13,299,723
Obligations guaranteed by U. S. Government	2,279,453	2,534,541	2,286,309	2,116,310	1,629,269
Obligations of States and political subdivisions	2,020,242	2,068,091	2,024,715	2,082,182	1,960,534
Other bonds, notes, and debentures	1,590,191	1,606,133	1,588,006	1,563,719	1,558,910
Corporate stocks, including stock of Federal Reserve Banks	208,409	203,946	201,735	197,688	194,952
<i>Total loans and investments</i>	<i>25,877,277</i>	<i>26,476,214</i>	<i>27,639,300</i>	<i>28,194,979</i>	<i>29,545,183</i>
Cash, balances with other banks including reserve balances, and cash items in process of collection	14,521,658	15,142,138	15,001,930	14,410,735	14,316,563
Bank premises owned, furniture and fixtures	592,897	591,544	590,579	591,922	588,690
Real estate owned other than bank premises	96,568	91,620	81,697	76,910	72,494
Investments and other assets indirectly representing bank premises or other real estate	61,764	60,629	54,036	53,445	52,526
Customers' liability on acceptances outstanding	49,977	39,492	40,139	34,950	32,316
Interest, commissions, rent, and other income earned or accrued but not collected	61,469	65,759	64,346	74,141	63,594
Other assets	53,025	53,710	66,207	59,455	47,599
<b>Total assets</b>	<b>41,314,635</b>	<b>42,521,106</b>	<b>43,538,234</b>	<b>43,496,537</b>	<b>44,718,965</b>
<b>LIABILITIES</b>					
Demand deposits of individuals, partnerships, and corporations	19,194,051	19,944,103	20,480,952	20,287,746	21,945,397
Time deposits of individuals, partnerships, and corporations	8,042,313	8,044,337	7,964,912	7,721,120	7,841,032
Deposits of U. S. Government, and postal savings	540,937	603,581	1,142,734	1,493,858	1,189,410
Deposits of States and political subdivisions	2,529,179	2,578,267	2,590,940	2,735,059	2,741,720
Deposits of banks	6,591,645	6,957,718	6,789,685	6,843,042	6,498,697
Other deposits (certified and cashiers' checks, etc.)	453,178	410,314	585,549	396,668	442,861
<b>Total deposits</b>	<b>37,351,303</b>	<b>38,538,320</b>	<b>39,554,772</b>	<b>39,477,493</b>	<b>40,659,117</b>
<i>Demand deposits</i>	<i>28,856,324</i>	<i>30,041,996</i>	<i>31,103,009</i>	<i>31,309,194</i>	<i>32,867,109</i>
<i>Time deposits</i>	<i>8,514,979</i>	<i>8,496,324</i>	<i>8,451,763</i>	<i>8,168,299</i>	<i>8,292,008</i>
Bills payable, rediscounts, and other liabilities for borrowed money	2,005	9,275	3,778	12,270	2,014
Mortgages or other liens on bank premises and other real estate	59	59	67	99	76
Acceptances executed by or for account of reporting banks and outstanding	59,379	45,931	47,558	41,277	37,232
Interest, discount, rent, and other income collected but not earned	55,644	59,998	52,613	48,508	42,042
Interest, taxes, and other expenses accrued and unpaid	56,215	68,168	62,570	74,779	73,567
Other liabilities	191,889	171,034	167,777	169,529	225,425
<b>Total liabilities</b>	<b>37,716,494</b>	<b>38,892,785</b>	<b>39,889,135</b>	<b>39,823,955</b>	<b>41,039,473</b>
<b>CAPITAL ACCOUNTS</b>					
Capital stock (see memoranda below)	1,523,383	1,514,706	1,515,794	1,511,895	1,507,670
Surplus	1,336,090	1,350,710	1,388,672	1,396,118	1,411,407
Undivided profits	498,376	521,283	499,081	515,127	515,949
Reserves (see memoranda below)	240,292	241,622	245,552	249,442	244,466
<b>Total capital accounts</b>	<b>3,598,141</b>	<b>3,628,321</b>	<b>3,649,099</b>	<b>3,672,582</b>	<b>3,679,492</b>
<b>Total liabilities and capital accounts</b>	<b>41,314,635</b>	<b>42,521,106</b>	<b>43,538,234</b>	<b>43,496,537</b>	<b>44,718,965</b>

<sup>1</sup> Excludes reciprocal bank balances of \$439,310 thousands, reported gross on prior call dates.

*Abstract of reports of condition of active national banks on the date of each report from June 30, 1941, to June 30, 1942—Continued*

[In thousands of dollars]

	June 30, 1941 (5,136 banks)	Sept. 24, 1941 (5,131 banks)	Dec. 31, 1941 (5,123 banks)	Apr. 4, 1942 (5,115 banks)	June 30, 1942 (5,107 banks)
<b>MEMORANDA</b>					
Par value of capital stock:					
Class A preferred stock.....	171,260	159,527	155,547	147,254	139,928
Class B preferred stock.....	13,181	13,098	12,983	12,745	12,451
Common stock.....	1,340,705	1,343,743	1,348,834	1,353,386	1,356,521
Total.....	1,525,146	1,516,368	1,517,364	1,513,385	1,508,900
Retirable value of preferred capital stock:					
Class A preferred stock.....	219,908	207,724	202,908	191,862	184,343
Class B preferred stock.....	15,129	15,046	14,945	14,693	14,399
Total.....	235,037	222,770	217,856	206,555	198,742
Reserves:					
Reserves for dividends payable in common stock.....	6,667	241,622	6,187	249,442	8,612
Reserves for other undeclared dividends.....	8,494		8,155		4,418
Retirement account for preferred stock.....	20,503		19,312		18,658
Reserves for contingencies, etc.....	204,628		211,898		212,778
Total.....	240,292	241,622	245,552	249,442	244,466
Pledged assets and securities loaned:					
U. S. Government obligations, direct and guaranteed, pledged to secure deposits and other liabilities.....	2,673,112	2,787,388	3,374,484	3,801,844	3,801,926
Other assets pledged to secure deposits and other liabilities, including notes and bills rediscounted and securities sold under repurchase agreement.....	601,405	580,382	635,813	595,492	542,287
Assets pledged to qualify for exercise of fiduciary or corporate powers, and for purposes other than to secure liabilities.....	100,882	101,866	94,481	94,116	92,981
Securities loaned.....	19,344	27,152	17,518	23,733	20,942
Total.....	3,394,743	3,496,788	4,122,296	4,515,185	4,458,136
Secured liabilities:					
Deposits secured by pledged assets pursuant to requirements of law.....	2,746,217	2,802,808	3,462,951	3,840,459	3,529,848
Borrowings secured by pledged assets, including rediscounts and repurchase agreements.....	1,984	8,613	3,096	10,006	1,965
Other liabilities secured by pledged assets.....	521	549	612	424	517
Total.....	2,748,722	2,811,970	3,466,659	3,850,889	3,532,330

*Summary of changes in the national banking system*

The authorized capital stock of the 5,109 national banks in existence on June 30, 1942 (including 2 banks that had discontinued business, although not in formal liquidation), consisted of common capital stock aggregating \$1,357 millions, an increase during the year of \$16 millions, and preferred capital stock aggregating \$153 millions, a decrease during the year of \$33 millions. The total net decrease of capital stock was \$17 millions. During the year charters were issued to 6 national banking associations which had common capital stock aggregating over half a million dollars. There was a net decrease of 32 in the number of national banks in the system during the year by reason of voluntary liquidations and 2 receiverships.



Changes in the number and capital stock of national banks during the fiscal year 1942 are shown in the following summary.

*Organization, capital stock changes, and liquidations of national banks, fiscal year 1942*

	Number of banks	Capital stock	
		Common	Preferred
Charters granted.....	6	\$542,089	
Increase of preferred capital stock:			
4 banks, by issues of new preferred capital stock.....			\$425,000
Increase of common capital stock:			
29 banks, by regular increases.....		5,886,775	
638 banks, by common capital stock dividends.....		15,305,485	
3 banks, by conversion of preferred capital stock.....		180,200	
2 banks, by consolidation under act Nov. 7, 1918, as amended.....		125,000	
Total increases.....	6	22,039,549	425,000
Voluntary liquidations.....	36	4,954,000	1,691,500
Receiverships.....	2	90,000	70,000
Decreases of capital stock:			
10 banks, by reduction of common capital stock.....		622,500	
922 banks, by retirement of preferred capital stock.....			31,708,825
1 bank, by decrease of par value of preferred capital stock.....			111,375
Total decreases.....	38	5,666,500	33,581,700
Net changes during the year.....	-32	+16,373,049	-33,156,700
Charters in force June 30, 1941.....	5,141	1,340,140,866	186,043,967
Charters in force June 30, 1942.....	5,109	1,356,513,915	152,887,267

<sup>1</sup> This figure differs from that shown in the table on p. 141. Banks that have discontinued business although not in formal liquidation do not submit reports of condition but are included in this table.

## BUREAU OF CUSTOMS

### *Collections*

After 2 years of successive increases, customs collections of \$390,059,109 in 1942 were six-tenths of 1 percent less than those in 1941. Monthly collections in 1942 fluctuated within narrow limits, but for each of the first 7 months of the fiscal year they were larger than for the corresponding months of the previous year, so that at the end of January 1942 collections amounted to \$239,654,659, and were 24.8 percent greater than for the first 7 months of the fiscal year 1941. During the last 5 months of 1941, however, customs collections had risen very sharply due to largely increased importations of unmanufactured wool and of certain metals. During the last 5 months of 1942, on the other hand, collections averaged \$4,000,000 per month less than during the first 7 months of the year which resulted in collections of only \$150,404,564 from February to June 1942, inclusive, as compared with \$200,270,039 during the corresponding months of 1941. The types of collections during each of the past 2 years are shown in the following table.

*Customs collections<sup>1</sup> and refunds, fiscal years 1941 and 1942*

[On basis of accounts of Bureau of Customs]

Type	1941	1942	Percentage increase or decrease (—)
<b>Collections:</b>			
<b>Duties:</b>			
Consumption entries.....	\$210,724,762	\$195,296,996	-7.3
Warehouse withdrawals.....	173,976,473	186,298,749	7.1
Mail entries.....	1,260,477	889,800	-29.4
Baggage entries.....	310,343	252,672	-18.6
Informal entries.....	692,847	655,448	-5.4
Appraisement entries.....	82,536	118,237	43.3
Increased and additional duties.....	4,089,543	5,084,673	24.3
Other duties.....	183,522	204,258	11.3
<b>Total duties.....</b>	<b>391,320,502</b>	<b>388,800,833</b>	<b>- .6</b>
<b>Miscellaneous:</b>			
Fines and forfeitures.....	612,044	524,602	-14.3
Liquidated damages.....	106,997	110,567	3.3
Sale of seizures.....	30,182	13,235	-56.2
Sale of Government property, unclaimed and abandoned merchandise.....	50,211	128,986	156.9
Tonnage tax and navigation fees.....		370,759	
All other customs receipts.....	113,217	110,127	-2.7
<b>Total miscellaneous.....</b>	<b>912,651</b>	<b>1,258,276</b>	<b>37.9</b>
<b>Total customs collections.....</b>	<b>392,233,153</b>	<b>390,059,109</b>	<b>- .6</b>
<b>Refunds:</b>			
Excessive duties.....	8,503,960	4,900,037	-42.4
Drawback payments.....	16,932,341	16,295,119	-3.8
Other.....	20,047	44,460	121.8
<b>Total refunds.....</b>	<b>25,456,348</b>	<b>21,239,616</b>	<b>-16.6</b>

<sup>1</sup> Excludes customs duties of Puerto Rico, which are deposited to the credit of the government of Puerto Rico, but includes fines and other minor collections of Puerto Rico.

Duties on warehouse withdrawals increased substantially over the previous year but this increase was more than offset by the decline in duties on consumption entries. The increase in duties collected on warehouse withdrawals was due chiefly to the greater quantity of imports of wool and sugar, commodities which are usually placed in customs bonded warehouse upon arrival in the United States and are withdrawn only as needed for use in manufacturing or for direct consumption. Importations of those commodities which are not usually warehoused, on the other hand, were considerably curtailed as a result of the further spread of hostilities.

Almost four-fifths of the duties collected during 1942 were reported by nine customs districts, two of these, New York and Boston, collecting 55 percent. Collections in three Pacific seacoast districts, Los Angeles, San Francisco, and Oregon, declined from the previous year. Diminished collections were also reported in all of the Gulf coast districts except Mobile and in all the South Atlantic districts except South Carolina. Collections increased in all of the North Atlantic districts except New York and in all of the Canadian border districts except Rochester and Montana. Among the interior districts, only Minnesota, Indiana, and Tennessee reported increased collections.

*Volume of business*

In order to present statistics of the volume of customs business which are analogous to collections, the data which follow are limited

to the area in which all collections are turned into the Treasury of the United States. Since all customs receipts in the Virgin Islands and all except fines and other minor collections in Puerto Rico are deposited to the credit of those respective governments, none of the data for the former district and none except those on seizures for the latter district are included below.

*Entries of merchandise.*—There was a decline in the number of all types of entries of merchandise, except informal entries, during 1942, thus continuing the trend begun in 1939. The increase in the number of informal entries was particularly noticeable in the customs district of Maine and New Hampshire and in the three eastern districts along the Mexican border. The number of entries of merchandise during the past 2 years is shown in the following table.

*Number of entries of merchandise, fiscal years 1941 and 1942*

Type	1941	1942	Percentage increase or decrease (—)
Consumption entries.....	389,125	365,216	-6.1
Warehouse and rewarehouse entries.....	62,914	51,059	-18.8
Warehouse withdrawals.....	327,707	249,995	-23.7
Mail entries.....	294,513	258,482	-12.2
Baggage entries.....	465,011	391,161	-15.9
Informal entries.....	179,328	202,600	13.0
Appraisement entries.....	12,177	9,925	-18.5
All other.....	644,192	603,101	-6.4
Total.....	2,374,967	2,131,539	-10.2

*Vessel, airplane, and highway traffic.*—Contrary to the tendency during the previous fiscal year, traffic crossing the border increased in 1942. The only traffic declines appeared in the number of ferries and passenger trains entering the United States and in the passengers arriving by vessel from abroad. The following statement covers the leading classes of traffic for the last 2 years.

*Number of vehicles and persons entering the United States from abroad, fiscal years 1941 and 1942*

Kind of entrant	1941	1942	Percentage increase or decrease (—)
<b>Vehicles:</b>			
Automobiles and busses.....	8,910,950	9,446,396	6.0
Documented vessels.....	33,461	33,981	1.6
Undocumented vessels.....	20,821	25,279	21.4
Ferries.....	86,818	81,544	-6.1
Passenger trains.....	32,155	31,945	-.7
Aircraft.....	10,565	13,867	31.3
Other vehicles.....	395,761	419,612	6.0
<b>Passengers by:</b>			
Automobiles and busses.....	23,525,373	25,706,441	9.3
Documented vessels.....	443,238	305,190	-31.1
Undocumented vessels.....	73,804	81,182	10.0
Ferries.....	1,475,719	1,754,037	18.9
Passenger trains.....	852,416	1,111,863	30.4
Aircraft.....	93,969	133,715	42.3
Other vehicles.....	1,611,237	1,848,857	14.7
<b>Pedestrians.....</b>	<b>7,933,828</b>	<b>9,320,250</b>	<b>17.5</b>
Total passengers and pedestrians.....	36,009,584	40,261,535	11.8

Airplane traffic on international lines continued its expansion, showing for the eleventh consecutive year an increase in the number of airplanes used. The number of passengers arriving by air from abroad was 42 percent larger than during the preceding year. Almost two-fifths of the airplane passengers who reached the United States on the international lines arrived in the Florida customs district, most of these at the port of Miami. Large gains over the previous year were also recorded at Detroit, Mich., Buffalo, N. Y., Great Falls, Mont., Bangor, Maine, and Fairbanks, Alaska. Airplane traffic at Miami, Fla., Brownsville, Tex., Los Angeles, Calif., Juneau, Alaska, and Seattle, Wash., also increased substantially. The following table shows the number of airplanes and airplane passengers entering the United States during the past 2 fiscal years.

*Number of airplanes and airplane passengers entering the United States, fiscal years 1941 and 1942*

District	Airplanes		Airplane passengers		Percentage increase or decrease (—)	
	1941	1942	1941	1942	Airplanes	Passenger
Northern border:						
Maine.....	314	659	481	1,990	109.9	313.7
Vermont.....	1,667	1,525	11,089	13,554	-8.5	22.2
New York.....	853	1,639	11,204	19,692	92.1	75.8
Maryland.....	41	26	575	552	-36.6	-4.0
Rochester.....	23	30	57	92	30.4	61.4
Buffalo.....	218	1,122	621	4,436	414.7	614.3
Michigan.....	149	641	305	5,399	330.2	1,670.2
Dakota.....	712	775	3,573	3,958	8.8	10.8
Washington.....	1,530	1,349	4,428	7,224	-11.8	63.1
Montana.....	63	361	353	1,996	473.0	465.4
Other districts.....	70	128	210	413	82.9	96.7
Total.....	5,640	8,255	32,896	59,306	46.3	80.3
Southern border:						
Los Angeles.....	208	287	2,036	2,690	38.0	32.1
San Diego.....	35	10	57	4	-71.4	-93.0
Arizona.....	14	13	33	16	-7.1	-51.5
El Paso.....	25	21	42	35	-16.0	-16.7
Laredo.....	917	1,024	9,483	13,487	11.7	42.2
Total.....	1,199	1,355	11,651	16,232	13.0	39.3
Alaska.....	1,048	1,286	3,781	6,197	22.7	63.9
Hawaii.....	76	38	965	673	-50.0	-30.3
Florida.....	2,602	2,933	44,676	51,307	12.7	14.8
Total.....	3,726	4,255	49,422	58,177	14.2	17.7
Grand total.....	10,565	13,867	93,969	133,715	31.3	42.3

*War activities.*—Prior to December 7, 1941, numerous problems arose regarding the interpretation and enforcement of the Neutrality Act of 1939 and other laws relating to neutrality and national defense. Subsequent to that time, most of the special problems confronting the customs service were those in connection with the prosecution of the war. Among these were the handling of communications or correspondence coming into or going out of this country by courier or otherwise than in the regular course of the mails, the seizure of Italian and German vessels for violation of the so-called Espionage Act of June 15, 1917, and the changed procedure due to importation and

exportation of merchandise by various governmental agencies for use in national defense or belligerent operations.

Movements of the armed forces which caused United States personnel to be stationed abroad resulted in legislation for the purpose of relieving such individuals from certain liabilities for customs duties. The authority vested in the Secretary of the Navy to make emergency purchases of war material abroad without payment of duty on importation into the United States was extended by Executive order of the President to the Secretary of War, Secretary of Agriculture, Secretary of the Treasury, and the Board of Directors of the Reconstruction Finance Corporation, and the procedure for facilitating the customs clearance for shipments made under this authority was set up.

Supervision continued over exports to enforce export licensing requirements for strategic materials and to control shipments to blocked nationals. The volume of work connected with exports is partially indicated by the 4,444,801 export declarations which were filed in 1942 compared with 4,397,350 in 1941. An examination of each of these more than 4 million documents as well as the actual shipments was required to enforce the Export Control Act.

*Drawback transactions.*—A larger number of drawback entries was received in 1942 than in the preceding year but the amount of drawback allowed decreased by \$2,109,930. The actual payments were considerably in excess of the total allowed under the various provisions of the Tariff Act of 1930 due to the payment during the current year of vouchers certified during the previous year. More than 99 percent of the drawback allowed consisted of drawback on merchandise manufactured from imported materials, the most important of which were copper, sugar, lead, and zinc. The number of notices of intent to export with benefit of drawback during 1942 were 50,515 fewer than during the previous year. A comparison of these transactions during the past 2 years is presented in the following table.

*Drawback transactions, fiscal years 1941 and 1942*

Transaction	1941	1942	Percentage increase or decrease (—)
	<i>Number</i>	<i>Number</i>	
Drawback entries received.....	19,573	22,112	13.0
Drawback notices of intent:			
Originating in the district.....	251,978	201,464	—20.0
Received from other districts.....	143,474	121,670	—15.2
Forwarded to other districts for disposition.....	135,507	114,437	—15.5
Certificates of manufacture received.....	12,409	14,839	19.6
Import entries used in drawback liquidation.....	23,106	17,286	—25.2
Certificates of importation issued.....	6,073	6,446	6.1
Drawback allowed:	<i>Amount</i>	<i>Amount</i>	
Manufactures from imported merchandise.....	\$16,790,804.02	\$14,739,192.73	—12.2
Duty paid on merchandise exported from continuous customs custody.....	51,109.96	11,404.62	—77.7
Merchandise which did not conform to sample or specifications and returned to customs custody and exported.....	35,476.88	17,296.71	—51.2
Imported materials used in construction and equipment of vessels built for foreigners.....	353.77		
Salt used in curing fish.....	3,287.63	3,207.83	—2.4
Total drawback allowed.....	16,881,032.26	14,771,101.89	—12.5
Internal revenue refund on account of domestic alcohol.....	217,230.98	285,733.26	31.5
Total.....	17,098,263.24	15,056,835.15	—11.9

The following table shows the principal commodities on which drawback was paid.

*Principal commodities on which drawback was paid, fiscal years 1941 and 1942*

Commodity	1941	1942	Percentage increase or decrease (—)
Copper.....	\$2,449,215.16	\$5,725,523.23	133.8
Sugar.....	5,673,168.36	2,667,573.87	-53.0
Lead ore, matte, pigs.....	683,466.33	1,033,201.36	51.2
Zinc ore and blocks.....	666,797.55	855,047.21	28.2
Petroleum, crude.....	593,975.91	465,993.14	-21.5
Aluminum, crude.....	883,653.60	446,148.10	-49.5
Nickel.....	240,899.90	445,528.00	84.9
Manganese.....	286,921.49	399,253.96	39.2
Raw wool and mohair.....	1,893,899.80	377,923.56	-80.0
Tungsten ore.....	587,931.04	324,229.70	-44.9
Tobacco, unmanufactured.....	237,122.12	202,301.68	-14.7
Bauxite ore.....	37,426.49	170,358.24	355.2
Burlap.....	262,375.75	151,367.91	-42.3
Motion picture films.....	238,020.62	141,914.51	-40.4
Flaxseed.....	831,033.28	134,359.19	-83.8
Soybean oil.....	146,930.89	105,750.78	-28.0

*Protests and appeals.*—A smaller number of protests were filed during 1942 than during the previous year, due, in part, to the decline in imports of those types of goods which involved difficulties in classification and, in part, to closer supervision by the Bureau over the classification of merchandise. The number of appeals for reappraisalment, on the other hand, more than doubled, a condition due to fluctuating market values and to the difficulties encountered by appraising officers in ascertaining the correct foreign value of imported merchandise. The following statement shows the progress of this work during the past 2 years.

*Number of protests and appeals, fiscal years 1941 and 1942*

Status	1941	1942	Percentage increase or decrease (—)
Protests:			
Filed with collectors by importers.....	35,589	23,481	-34.0
Allowed by collectors.....	1,002	1,342	33.9
Denied by collectors and forwarded to customs court.....	31,479	21,202	-32.6
Appeals for reappraisalment filed with collectors.....	3,266	7,783	138.3

### *Law enforcement activities*

*Seizures.*—There was a larger number of seizures during 1942 than in the preceding year, every type of seizure except narcotic seizures being more numerous. The value of goods seized by customs officers was also very much larger than in 1941. Much of this increase in value was due to the inclusion as customs seizures of the value of certain foreign boats and cargoes some of which, prior to March 1, 1942, would have been classed as seizures under Department of Commerce laws. However, merchandise and vehicles seized showed a decided increase in value. Two seizures of precious stones alone in 1942 were valued at \$831,273.

Narcotic seizures, although fewer in number, were valued at almost twice as much as in 1941. This was the second successive year to show a decline in the number of narcotic seizures accompanied by a

pronounced increase in their value. The quantity of seized narcotics during 1942, however, was considerably smaller than during the previous year, 3,161 ounces of marihuana and 920 ounces of other narcotic drugs being seized in 1942 as compared with 8,589 ounces of marihuana and 4,011<sup>1</sup> ounces of other narcotic drugs during the previous year. Customs seizures in the Southwest districts indicated that there was a continued trickle of marihuana into the United States although most of the seizures were of no great importance.

Liquor seizures, although increasing numerically, showed only a small increase in quantity and an actual decrease in value.

The number and principal types of seizures made by the Customs Service and other governmental agencies during the past 2 years are shown in the following table.

*Seizures for violations of the customs laws, fiscal years 1941 and 1942*

Seizure	1941	1942	Percentage increase or decrease (—)
Merchandise:			
Number.....	4, 223	4, 619	9. 4
Value:			
Jewelry, precious metals and stones, watches and parts.....	\$462, 029	\$1, 340, 759	190. 2
Wearing apparel and luggage.....	47, 432	25, 145	-47. 0
Toilet articles and medicine.....	5, 009	6, 747	34. 7
Textiles and raw wool.....	229, 130	182, 365	-20. 4
Furs—skins and manufactured.....	23, 849	29, 588	24. 1
Edibles and farm produce.....	8, 719	28, 024	221. 4
House furnishings, including rugs.....	27, 179	51, 187	88. 3
Guns and ammunition.....	602	607	. 8
Hardware.....	3, 027	2, 798	7. 6
Cameras and other sport goods.....	5, 346	9, 177	71. 7
Books and stationer's supplies.....	2, 358	2, 222	-5. 8
Cigars, cigarettes, and tobacco.....	4, 825	4, 766	-1. 2
Prohibited articles.....	11, 549	7, 473	-36. 9
Livestock, etc. (excluding horses).....	12, 982	4, 429	-65. 9
Colors, dyes, etc.....	903	20, 569	2, 177. 9
Lubricating oil.....		61, 210	
Cargo of seized vessels.....		2, 980, 901	
Miscellaneous.....	8, 621	19, 439	125. 5
Total value of merchandise.....	853, 860	4, 777, 406	459. 5
Prohibited articles:			
Obscene, number.....	433	558	28. 9
Lottery, number.....	150	351	134. 0
Narcotics:			
Number.....	789	593	-24. 8
Value.....	\$43, 821	\$84, 162	92. 1
Liquors:			
Number.....	2, 778	3, 174	14. 3
Quantity (gallons).....	3, 793	3, 862	1. 8
Value.....	\$38, 154	\$37, 820	-. 9
Boats, automobiles, airplanes, and horses, value.....	\$246, 232	\$13, 364, 566	5, 327. 6
Grand total:			
Number.....	8, 373	9, 295	11. 0
Value.....	\$1, 182, 067	\$18, 263, 960	1, 445. 1

In addition to the goods that were seized, claims aggregating \$12,485,911 were initiated by the customs service against importers in connection with various irregularities and frauds which did not necessitate a seizure or were discovered after the goods had gone into consumption.

The following table presents the record of customs seizures classified according to the various agencies which were instrumental in apprehending violators of customs laws.

<sup>1</sup> Revised.

*Seizures and arrests for violations of customs laws, classified according to agencies participating, fiscal year 1942*

	Seizures								
	Total		Narcotics		Liquor		Lottery and obscene, number	Merchandise	
	Number <sup>1</sup>	Value	Number	Value	Number	Value		Number	Value
Customs Agency Service:									
Investigative Unit.....	330	\$1,755,407	11	\$576	3	\$210	7	309	\$1,328,065
Enforcement Unit.....	349	74,537	35	26,022	76	6,130	-----	238	9,266
Customs Service, exclusive of Agency Service.....	8,480	16,414,911	526	56,578	3,048	28,965	902	4,004	3,437,512
Total Customs Service.....	9,159	18,244,855	572	83,176	3,127	35,305	909	4,551	4,774,843
Immigration.....	74	3,520	9	213	34	1,800	-----	31	491
Customs Service assisted by other services.....	27	4,989	9	770	9	659	-----	9	170
Other Federal and local officers.....	35	10,596	3	3	4	62	-----	28	1,902
Grand total.....	9,295	18,233,960	593	84,162	3,174	37,826	909	4,619	4,777,406

	Seizures—Continued								Number of arrests	
	Total value boats, automobiles, air-planes, and horses	Boats		Automobiles		Airplanes		Horses		
		Number	Value	Number	Value	Number	Value	Number		Value
Customs Agency Service:										
Investigative Unit.....	\$426,556	5	\$409,431	44	\$17,075	-----	-----	1	\$50	33
Enforcement Unit.....	33,119	12	898	90	28,994	1	\$500	71	2,727	159
Customs Service, exclusive of Agency Service.....	12,891,856	42	12,840,250	113	47,781	1	2,300	14	1,525	180
Total Customs Service.....	13,351,531	59	13,250,579	247	93,850	2	2,800	86	4,302	372
Immigration.....	1,016	7	31	5	980	-----	-----	1	5	54
Customs Service assisted by other services.....	3,390	1	5	9	3,365	-----	-----	1	20	47
Other Federal and local officers.....	8,629	-----	-----	19	8,629	-----	-----	-----	-----	13
Grand total.....	13,364,566	67	13,250,615	280	106,824	2	2,800	88	4,327	486

<sup>1</sup> Excludes number of boats, automobiles, airplanes, and horses, as they were seized in connection with narcotics, etc., seizures.

Fewer automobiles were seized in 1942 than for any other year for which a record was kept. During the course of the year 19 automobiles valued at \$7,970 were seized by the Secret Service officers and delivered to the Customs Service for forfeiture, as compared with 41 automobiles valued at \$12,391 during the previous year.

The following table summarizes the number of boats, automobiles, etc., seized for customs violations during the past 2 years.



*Boats, automobiles, airplanes, and horses seized, fiscal years 1941 and 1942*

Seizure	For liquor violations		For narcotic violations		For other violations		Total	
	1941	1942	1941	1942	1941	1942	1941	1942
Boats:								
Number.....	3	4	1	-----	49	63	53	67
Value.....	\$103	\$15,814	\$9,500	-----	\$120,025	\$13,234,801	\$129,628	\$13,250,615
Automobiles:								
Number.....	53	43	37	35	234	200	324	280
Value.....	\$9,106	\$9,057	\$10,730	\$13,669	\$84,938	\$84,098	\$104,774	\$106,824
Airplanes:								
Number.....	-----	-----	-----	-----	3	2	3	2
Value.....	-----	-----	-----	-----	\$8,000	\$2,800	\$8,000	\$2,800
Horses:								
Number.....	2	1	-----	-----	159	87	161	88
Value.....	\$26	\$20	-----	-----	\$3,804	\$4,307	\$3,830	\$4,327
Total value.....	\$9,235	\$24,891	\$20,230	\$13,669	\$216,767	\$13,326,006	\$246,232	\$13,364,566

During the year 168 seized automobiles and trucks were returned to petitioners because the violations were not sufficiently flagrant to warrant forfeiture. Of the 79 automobiles forfeited, 23 were assigned for official use either to the Customs Service or to some other governmental agency, and 56 were sold at public auction.

In the course of their regular duties officers often apprehend violators of other than customs laws. During the year, 879 seizures were made for other departments and agencies, of which 730 were made for the Department of Agriculture and 127 for the Post Office Department. There were 194 persons apprehended of whom 136 were for the Immigration Service. In addition, 6,284 violations of the Department of Agriculture laws were detected.

*Legal proceedings.*—As the result of narcotic seizures, 228 persons were presented for prosecution. Including cases pending from the previous year, those which were concluded resulted in 111 convictions and only 29 acquittals. Prison sentences aggregating over 105 years and fines amounting to \$13,750 were imposed by the court on convicted offenders. In addition, penalties aggregating \$21,480 were assessed against the masters of 33 vessels on which narcotic drugs were found concealed; many of these cases have not been concluded, but, including cases initiated prior to 1942, \$17,552 was collected from the masters of vessels.

In connection with all seizures there were 486 arrests, a decrease of 40 during the year. The high ratio of convictions in the number of cases disposed of continued: Of the 460 cases disposed of in 1942, 298 convictions were secured, or 65 percent; of the 587 cases disposed of in 1941, 403 convictions were secured, or 69 percent. Prison terms to which customs violators were sentenced aggregated more than 189 years in 1942 as compared with 308 years in 1941, while the total amount of fines imposed by the courts was \$27,206 in 1942 and \$37,660 in 1941.

*Fines, penalties, etc.*—Collections from fines, penalties, and liquidated damages and sales of seizures aggregated \$648,404 in 1942, a decrease of \$100,819 from the previous year. Of this total only \$13,235 in 1942 consisted of the net proceeds from the sale of seized and forfeited articles compared with \$30,182 in the previous year.

*Marine and tariff administration*

*Marine administration.*—For many years customs field officers performed duties over which the Bureau of Marine Inspection and Navigation, Department of Commerce, exercised administrative control. This anomalous situation was finally corrected by Executive Order No. 9083 of February 28, 1942, which transferred, as of March 1, 1942, to the Commissioner of Customs, under the direction and supervision of the Secretary of the Treasury, those functions of the Bureau of Marine Inspection and Navigation and of the Secretary of Commerce pertaining to registry, enrollment, and licensing of vessels including the issuance of commissions to yachts, the assignment of signal letters, and the preparation of all reports and publications in connection therewith; the admeasurement of vessels, administration of tonnage duties, and collection of tolls; the entrance and clearance of vessels and aircraft, regulation of vessels in the coasting and fishing trades, and limitation of the use of foreign vessels in waters under the jurisdiction of the United States; the recording of sales, conveyances, and mortgages of vessels; the protection of steerage passengers; and all other functions of the Bureau of Marine Inspection and Navigation and of the Secretary of Commerce which were performed by the Bureau of Customs on their behalf. The power to remit and mitigate fines, penalties, and forfeitures incurred under the laws governing these functions was also transferred to the Bureau of Customs.

To supervise these additional duties, the Division of Tariff and Marine Administration was created, formerly designated as the Division of Tariff Administration, with an additional assistant deputy commissioner who has direct supervision over the Section of Admeasurement, the Section of Marine Administration, and the Section of Marine Publications. These sections administer the laws and regulations covering those functions transferred to the Bureau of Customs by Executive Order No. 9083 insofar as they apply to vessels.

The entrance of the United States into the war affected to a great degree the maritime commerce of the United States and the administration of the laws under the jurisdiction of the Bureau. Orders were issued by the Secretary of the Treasury waiving compliance with the navigation laws in several instances where such action was deemed necessary in the conduct of the war, pursuant to the authority contained in the Second War Powers Act of 1942. The majority of these orders, due to their close relation to the war effort, was given a confidential status and related to a waiver of the coastwise laws. The orders waiving compliance with the navigation laws in effect on April 1, 1942, whether issued by the Secretary of Commerce under authority of Executive Order No. 8976, dated December 12, 1941, or by the Secretary of the Treasury under authority of Executive Order No. 8976, as modified by Executive Order No. 9083, were confirmed and continued by the Secretary of the Treasury under this act.

*Tariff administration.*—Although considerable attention was devoted to cases involving the possible application of countervailing duties under section 303 of the Tariff Act of 1930, the facts developed were not sufficient to warrant the issuance of any new countervailing-duty orders or to change any outstanding orders. No findings of dumping were issued or revoked during the year.

No new quotas were established during the fiscal year 1942. One quota, that on cotton established by the President's proclamation of December 9, 1940, was further modified by a proclamation of June 29, 1942, which, in effect, made a global quota of the quota on cotton having a staple length  $1\frac{1}{8}$  inches or more but less than  $1\frac{1}{4}$  inches.

Under the authority contained in section 318 of the Tariff Act of 1930, the President issued during the year three proclamations declaring the existence of an emergency and authorizing the Secretary of the Treasury to permit the importation of certain commodities free of duty. Proclamation No. 2498, dated July 25, 1941, permitted until June 30, 1942, the importation free of duty of forage for livestock in drought-affected areas to be designated by the Secretary of Agriculture. Proclamation No. 2542, dated April 1, 1942, permitted until the termination of the emergency the importation free of duty in Puerto Rico of jerked beef as a substitute low-cost food to replace codfish which had been previously imported from Canada, Newfoundland, and Labrador. Proclamation No. 2553, dated April 27, 1942, permitted until the termination of the emergency the importation free of duty of food, clothing, and medical, surgical and other supplies by or directly for the account of the American National Red Cross for its use in relief work. Appropriate regulations were issued by the Acting Secretary of the Treasury in connection with such free importations and were published in the case of forage for livestock as T. D. 50449; jerked beef in Puerto Rico as T. D. 50599; and supplies for the Red Cross as T. D. 50626.

### *Customs Agency Service*

The Division of Investigations and Patrol, better known as the Customs Agency Service, is the investigative unit of the Customs Service. Its customary work, although continued throughout the year, was greatly curtailed as is revealed by the following partial summary of its activities during the past 2 fiscal years.

#### *Activities of the Customs Agency Service, fiscal years 1941 and 1942*

	Number		Percentage increase or decrease (-)
	1941	1942	
<b>Investigations of violations of customs laws:</b>			
Undervaluation.....	965	586	-39.3
Marking violations.....	130	85	-34.6
Baggage violations.....	599	716	19.5
Diamond and jewelry smuggling.....	384	366	-4.7
Narcotic smuggling.....	1,054	819	-22.3
Other smuggling.....	1,113	727	-34.7
Touring permits.....	550	269	-51.1
<b>Other investigations:</b>			
Alleged erroneous customs procedure.....	150	110	-26.7
Drawback.....	1,209	1,083	-10.4
Classification and market value.....	1,273	631	-50.4
Customs bonds to determine solvency and sufficiency.....	170	99	-41.8
Applications for customhouse brokers' licenses.....	62	70	12.9
Applications for bonded truckmen's licenses.....	84	89	6.0
Petitions for relief from additional duty.....	376	306	-18.6
Personnel.....	360	1,399	288.6
Navigation violations.....	1,289	234	-81.8
Pilferage of merchandise.....	221	181	-18.1
Foreign, by members of domestic service.....	541	445	-17.7
Miscellaneous.....	3,067	3,011	-1.8
Examinations of customhouse broker's records.....	205	108	-47.3
Cases of cooperation with other agencies.....	2,201	11,965	443.6

Only four of the types of investigations listed above showed any increased activity—investigations of applications for customhouse brokers' and bonded truckmen's licenses, baggage investigations, and personnel investigations.

*Personnel investigations.*—These investigations include complaints by individuals returning from abroad of treatment accorded them by customs inspectors, collisions involving official automobiles, thefts of Government property, employees under consideration for promotion, derelictions and alleged political activity by customs employees, and character investigations of employees probationally appointed to positions in the Customs Service, the latter accounting largely, if not entirely, for the great increase in 1942. By arrangement with the Civil Service Commission, Customs Agents in 1942 made the character investigations of the large number of probational appointees.

*Baggage investigations.*—Violations included under this category covered several types of false declarations, newly purchased merchandise claimed to be used and therefore entitled to free entry as personal effects, merchandise undervalued, false claims by returning tourists that they had been in Canada 48 hours or more, false claims that no exemption had been granted during the preceding 30 days, assertions that purchases were incidental to the trip when they had actually been ordered previously, and claims to the ownership of merchandise which was actually the property of others. As a result of these investigations, substantial recoveries were effected.

The number of investigations conducted by the Agency Service under the provisions of the Export Control Act, although rather large prior to the declaration of war, progressively and substantially increased during the last 7 months of the fiscal year. Numerous attempts to export critical, strategic, or other prohibited materials in violation of export control provisions were discovered, seizures made, and offenders prosecuted. Among these were attempts to export platinum, prohibited merchandise under the guise of ship's stores, and goods to prohibited nationals by listing a fictitious consignee in a neutral or allied country.

In addition to the detailing of several customs agents to Foreign Funds Control, many investigations were directly conducted by the Customs Agency Service under the Foreign Funds Control provisions. Prior to the entrance of the United States into the war, many Japanese nationals who were returning to Japan were prevented from taking with them money or other articles, the export of which was forbidden. An even more rigid supervision was exercised during the last 7 months of this fiscal year.

The Supervising Customs Agent at Seattle participated in and subsequently supervised the plans for insuring the security of the Seattle waterfront. After actively aiding in organizing the same system in Tacoma, Wash., and Portland, Oreg., he served in an advisory capacity in the promotion of similar plans at seaports in California and elsewhere.

Investigations in connection with alien property control, trading with the enemy, and other measures connected with the war and with national defense required the services of many members of the Customs Agency Service.

*Cooperation with other agencies.*—The coordination plan established in 1934, under which customs investigative officers cooperated with

investigative officers of the Coast Guard and of other agencies of the Treasury, was effectively continued, but cooperation in law enforcement efforts was not confined either to this field or to the war activities enumerated above. A total of 11,965 instances of joint efforts was recorded during 1942, more than five times as many as in the previous year. These included almost every agency of this Government and of our neighbors to the north and south, who availed themselves whenever possible of the technical skill, experience, and specialized knowledge of customs agents and patrolmen.

### *Miscellaneous*

*Appraisal Unit.*—The widespread wartime disturbance of foreign markets, which are the source of many commodities subject to ad valorem rates of duty, caused fluctuations in the foreign value of imported merchandise accompanied by a generally upward trend in world prices. Appraising officers, in consequence, found it increasingly difficult to determine correctly the value of imported merchandise, and this difficulty was aggravated by the final withdrawal during 1942 of Treasury representatives from Europe and the Orient. Information regarding values was, therefore, necessarily obtained locally through the cooperation of importers and was interchanged among appraising officers through the medium of the Customs Information Exchange. Differences in appraised values thus discovered at the various ports were adjusted through correspondence, supplemented by investigations in the countries in the Western Hemisphere. Of the 15,339 reports of value or classification, 3,229 differences were discovered, slightly more than in the previous year and more than twice as many as in 1940; differences in classification between the various field offices amounted to 991 in 1942 and 1,169 in 1941, but differences in value were 2,238 in 1942 and 1,950 in the previous year.

The activities of the Customs Information Exchange, which serves as a clearing house for the dissemination of information for the Customs Service, are summarized as follows:

	<i>Number</i>
Appraisers' reports of value or classification received.....	15,339
Differences in classification reported.....	991
Differences in value reported.....	2,238
Appraisal appeals reports received.....	2,341
Changes in value circulated.....	635
Reports and price lists affecting values circulated.....	1,146
Requests for foreign investigation.....	448

*Customs School of Instruction.*—Continued emphasis was placed by the customs school of instruction during the year on the promotion and organization of local training classes and discussion groups to supplement the correspondence course of instruction by a discussion of lesson papers and the application of them to local problems. Instruction classes were conducted at 37 ports of entry with an average of 30 customs officers and employees in attendance at each class. Discussion classes were conducted at 28 additional ports of entry and customs stations where the number of regularly assigned personnel was too small to warrant formal classes. A total of 1,598 classes and 400 discussion groups were conducted during the year, an aggregate of 1,998 meetings.

*Division of Engineering and Weighing.*—Extraordinary measures were required in 1942 to provide weighing, gauging, and measuring

facilities so as to avoid delay in the handling of imports at new locations and in unusual quantities as a result of the dislocation of commerce due to World War conditions. The increasing use of larger trucks to move from the piers critical materials, especially wool, for which there was an urgent need in industry and which was imported in much larger quantities than formerly, necessitated the increase in the capacity of many customs scales and the relocation of others. Both of these accomplishments were performed without delay or serious interference with the movement of merchandise and without detriment to the revenue.

In addition, this Division assisted, as in the past, in the preparation of data and plans for customs houses, appraiser's stores, and border stations as well as the selection of sites for new buildings necessitated by the relocation or new construction of highways crossing the border.

*Division of Laboratories.*—During the fiscal year 1942, the ten customs laboratories tested a total of 100,562 samples of merchandise, only 2.8 percent fewer than in the previous year. The number of samples of sugar, ores, petroleum products, and most other types tested constituted about the same ratio of the total as in 1941. The number of wool samples tested, however, greatly increased from 1,318 in 1941 to 8,000 in 1942 as a result of the inception of the wool testing program on October 1, 1941. The increase in revenue derived from importations of wool directly attributable to the increased accuracy of the sampling and testing procedure is estimated to be approximately \$5,000,000 annually.

The Division of Laboratories also made available to the Army, Navy, Lend-Lease Administration, Office of Price Administration, Postal Censors, and other Federal agencies the services of the customs laboratories. These agencies utilized to a considerable extent the diversified experience, technical skill, and equipment available in customs laboratories to satisfy some of their technical needs.

*Changes in ports and stations.*—During the year two ports of entry were established and three were abolished. The ports of entry established were at Guayanilla and at Jobos, Puerto Rico, and those abolished were at Lancaster, Minn., Grand Forks, Mich., and Peskan, Mont. No stations were established during the year, but the one at Fargo, N. Dak., was abolished.

*Cost of administration.*—The total revenues collected by the Customs Service, including collections for other departments and Puerto Rican collections other than duties, amounted to \$428,596,660 as compared with \$429,544,621 in 1941, a decrease of two-tenths of 1 percent during the year. The expenses, however, were \$21,194,075, an increase of \$570,650 over 1941, due to increases in salaries provided under the Mead-Ramspeck Act and to the employment during the last months of the year of 600 additional temporary guards. The cost to collect \$100 was \$4.94 in 1942 as compared with \$4.80 in 1941.

#### BUREAU OF ENGRAVING AND PRINTING

The deliveries of currency, securities, stamps, and miscellaneous printings by the Bureau during 1942 amounted to 613,538,841 sheets, an increase of 152,924,283 sheets over the previous year, or 33 percent.

A comparative statement of deliveries of finished work in the fiscal years 1941 and 1942 follows:

*Deliveries of finished work, fiscal years 1941 and 1942*

Class	Sheets		Face value
	1941	1942	1942
<b>Currency:</b>			
United States notes.....	3,650,000	4,515,000	\$216,180,000
Silver certificates.....	76,775,000	89,370,000	1,633,080,000
Overprinted "Hawaii".....		250,000	3,000,000
Federal Reserve notes.....	11,362,950	24,165,867	4,066,420,000
Overprinted "Hawaii".....		179,167	22,000,000
Specimens.....	33	3	
<b>Total.....</b>	<b>91,787,983</b>	<b>118,480,037</b>	<b>5,940,680,000</b>
<b>Bonds, notes, bills, certificates, etc.:</b>			
<b>Bonds:</b>			
Panama Canal.....		500	500,000
Postal savings.....	881	1,545	946,900
Treasury.....	985,056	1,595,505	14,886,389,500
United States savings.....	11,852,000	65,554,500	9,756,075,000
United States war savings.....		15,187,000	636,850,000
Consolidated Federal farm loan for the Federal land banks.....	9,800	500	50,000
Depository.....	2,000		
Farm loan.....	17,383	2,476	3,427,000
Federal Farm Mortgage Corporation.....	4,500	1,000	750,000
Home Owners' Loan Corporation.....	1,055	2,668	800,000,000
<b>Insular:</b>			
Philippine.....	7,850		
Puerto Rican.....	13,856		
<b>Notes:</b>			
Treasury.....	138,900	1,550,900	16,577,200,000
Commodity Credit Corporation.....	38,750	64,000	870,000,000
Reconstruction Finance Corporation.....	136,900	12,000	65,000,000
United States Housing Authority.....	27,800		
Treasury bills.....	82,030	33,900	7,595,000,000
<b>Certificates:</b>			
Indebtedness.....	300	69,300	5,705,000,000
Cuban silver.....		15,000	6,000,000
Philippine treasury.....	32,000	2,664,400	16,770,000
<b>Debentures:</b>			
Consolidated collateral trust for the Federal intermediate credit banks.....	39,000	37,500	485,000,000
Consolidated for Federal home loan banks.....	23,860	8,305	104,000,000
Federal Housing Administration:			
Defense housing insurance fund.....		3,375	4,975,000
Housing insurance fund.....	500	2,575	26,947,500
Mutual mortgage insurance fund.....	8,200	17,100	30,350,000
<b>Interim certificates:</b>			
Treasury bonds.....		217,500	
Puerto Rican bonds.....	250		
Interim transfer certificates for postal savings bonds.....	1,000	2,000	
<b>Interim receipts:</b>			
Federal home loan banks.....		13	
Federal Savings and Loan Insurance Corporation.....		100	
<b>Specimens:</b>			
Bonds.....	279	88	
Notes and bills.....	24	7	
Certificates.....		2	
Debentures.....	36	89	
Interim certificates.....	4	4	
<b>Total.....</b>	<b>13,424,214</b>	<b>87,043,852</b>	<b>57,571,230,900</b>
	Sheets		Number of stamps, etc., 1942
	1941	1942	
<b>Stamps:</b>			
Customs.....	101,875	175,000	3,950,000
Internal Revenue.....	149,712,063	157,305,191	15,644,720,394
District of Columbia.....	139,340	200,883	40,176,650
Federal migratory-bird hunting.....	23,489	25,000	2,800,000
Philippine.....	250,300		
Puerto Rican.....	1,164,300	2,300,270	139,055,700

*Deliveries of finished work, fiscal years 1941 and 1942—Continued*

Class	Sheets		Number of stamps, etc., 1942
	1941	1942	
Stamps—Continued.			
Specimens:			
United States.....	145	101	4,322
For experimental purposes, United States.....	2		
District of Columbia.....		3	600
Postage:			
United States.....	160,508,890	186,579,088	19,752,724,833
Canal Zone.....	150,239	220,468	20,298,800
Philippine.....	895,661	187,589	11,020,760
Specimens, United States.....	113	35	1,770
Postal savings.....	1,349,189	17,154,946	1,926,176,290
Specimens.....	5		
Total.....	314,295,611	364,148,574	37,540,930,119
Miscellaneous:			
Checks.....	27,386,154	29,086,821	145,481,915
Warrants.....	62,377	85,414	287,507
Commissions.....	521,075	462,670	275,955
Certificates.....	4,936,972	5,727,213	19,801,033
Drafts.....	25,775	13,313	26,625
Transportation requests.....	1,316,751	1,256,442	6,282,210
Nontransferable food order and nontransferable surplus-food order stamps.....	5,906,963	6,201,300	1,239,589,000
Nontransferable cotton order and nontransferable surplus-cotton order stamps.....	299,085	455,220	2,91,044,000
Other miscellaneous.....	587,369	503,894	2,276,290
Specimens.....	2,324	3,451	17,235
Blank paper.....	61,905	70,640	
Total.....	41,106,750	43,866,378	1,505,081,770
Grand total.....	460,614,558	613,538,841	

<sup>1</sup> Excludes 64,370 blank fillers.<sup>2</sup> Excludes 6,270 blank fillers.

Dies were engraved for the following new issues of postage stamps:

Issue	Denomination (cents)
Sesquicentennial of the Statehood of Kentucky, series 1942.....	3
"Win the War," series 1942.....	3
"Free China," series 1942.....	5

New dies and plates were prepared for various classes of bonds, notes, revenue stamps, and other printed work. The principal items comprised Treasury bonds, United States war savings bonds and stamps, Treasury notes including four series of tax notes, revenue stamps for distilled spirits, special tax stamps, and Federal use tax stamps for motor vehicles and pleasure boats.

The most outstanding task was the production of United States savings bonds. The printing of these bonds, designated as defense savings bonds, series E, F, and G, was begun in the previous year and continued until April 1942. In the latter month the designation was changed to United States war savings bonds, the same series classifications being maintained. Production was increased from 100,000 bonds per day at the beginning of the year to 1,000,000 per day in January 1942. Total deliveries for the year amounted to 80,741,500 bonds, with a face value of \$10,392,925,000.

The number of employees on the pay roll at the beginning of the fiscal year was 6,345. The increased requirements for United States and Federal Reserve currency, bonds, postal savings stamps, and postage and revenue stamps made it necessary to secure additional



personnel, and at the end of the year the number of employees was 7,803, an increase of 1,458 persons, or 23 percent.

Expenditures for the year amounted to \$17,348,492.43, an increase of \$4,144,580.90 over the previous year, or 31.39 percent. The following statement shows the appropriations, reimbursements, and expenditures for the fiscal years 1941 and 1942, respectively.

	1941	1942	Increase or decrease (—)
Appropriations:			
Salaries and expenses.....	\$8,450,000.00	\$10,050,000.00	\$1,600,000.00
Deficiency.....	260,000.00	—	260,000.00
Reimbursements to appropriation from other bureaus for work completed.....	4,562,477.23	7,753,724.13	3,191,246.90
Total.....	13,272,477.23	17,803,724.13	4,531,246.90
Expenditures, salaries and expenses <sup>2</sup> .....	13,203,911.53	17,348,492.43	4,144,580.90
Unexpended balance.....	68,565.70	455,231.70	386,666.00

<sup>1</sup> An additional amount of \$227.50, received from employees for lost identification cards, locker keys, package-booth checks, and badges, was deposited to the credit of the Treasurer of the United States as miscellaneous receipts; and \$62.50, received from reimbursement for jury service by employees, was deposited to the general fund receipt account.

<sup>2</sup> Includes \$11,300 transferred to the Bureau of Standards for research work in each of the fiscal years 1941 and 1942; \$40,000 in the fiscal year 1941 and \$80,000 in the fiscal year 1942 transferred to salaries and expenses, guard force, Treasury Department, for service rendered in connection with the protection of currency, bonds, stamps, and other papers of value; and \$1,776 transferred to United States official mail and messenger service, Post Office Department, in the fiscal year 1941. The amounts of \$377,132.19 and \$430,965.84 were transferred to the retirement fund in the fiscal years 1941 and 1942, respectively.

### FOREIGN FUNDS CONTROL

By virtue of the authority given the Secretary of the Treasury by Executive Order No. 8389, as amended, and by Executive Order No. 9095, as amended, under the Trading with the Enemy Act (U. S. C., 1940 ed., title 50, App., Sec. 3; Supp. I, Sec. 5 (b)), Foreign Funds Control has blocked the holdings subject to the jurisdiction of the United States of 36 countries and their nationals.

The total volume of property now frozen and subject to regulation by Foreign Funds Control is about \$8.5 billions. By principal type this property is divided as follows:

	(In millions)
Short-term funds, including earmarked gold.....	\$4,000.0
Securities.....	2,000.0
Direct investments and miscellaneous.....	2,000.0
Holdings of blocked nationals resident in United States.....	500.0

The distribution of blocked property by nationality of the owner is as follows:

	(In millions)
Netherlands, including Netherlands (East) Indies.....	\$1,800.0
Switzerland.....	1,500.0
France and Monaco.....	1,400.0
Belgium.....	400.0
Sweden.....	600.0
China.....	300.0
Norway.....	100.0
Japan.....	150.0
Germany.....	150.0
Italy.....	100.0
All others.....	750.0
Blocked nationals resident in the United States (other than business enterprises owned abroad).....	500.0
Holdings of American citizens in blocked enterprises.....	750.0
Total.....	8,500.0

During the fiscal year 1942, Foreign Funds Control considered 330,747 applications for licenses to effect specific transactions involv-

ing total values of about \$5.8 billions. This total was distributed by types of transactions approximately as follows:

	(In millions)
Operating licenses for blocked business enterprises.....	\$2,563.8
Securities (exclusive of release of imported securities).....	889.5
Ships and shipping.....	360.5
Foreign trade.....	308.1
Diamonds, pictures, etc.....	232.5
Remittances from the United States.....	139.5
Checks and drafts from abroad.....	87.2
Foreign exchange.....	29.1
Patents, royalties, etc.....	5.8
Miscellaneous.....	1,197.6
Total.....	5,813.6

## BUREAU OF INTERNAL REVENUE \*

### General

*Internal revenue collections.*—During the fiscal year 1942 internal revenue collections, including trust fund collections, totaled \$13,048 millions, an increase of \$5,678 millions over collections for 1941. The total amount collected included back income taxes of \$460 millions, which is approximately \$154 millions more than back income tax collections for 1941.

Miscellaneous internal revenue collections amounted to \$3,856 millions, which is an increase of \$883 millions over collections for 1941. The largest increases were as follows: Capital stock tax, \$115 millions; gift taxes, \$40 millions; liquor taxes, \$228 millions; tobacco taxes, \$83 millions; manufacturers' excise taxes, \$155 millions; and miscellaneous taxes, \$193 millions.

Employment tax collections totaled \$1,185 millions, an increase of \$260 millions over the preceding year. Total collections under the Federal Insurance Contributions Act were \$895 millions; collections under the Federal Unemployment Tax Act, \$120 millions; and collections of carriers taxes, \$170 millions.

Total collections of internal revenue during the fiscal years 1941 and 1942 are shown in the following summary, classified according to the administrative organization responsible for the tax. A detailed statement of collections appears in table 7, page 434 of this report.

### Summary of internal revenue collections, fiscal years 1941 and 1942

[On basis of reports of collections, see p. 338]

Administrative unit	1941	1942	Increase
Income Tax Unit <sup>1</sup> .....	\$3,471,123,930.57	\$8,006,883,543.68	\$4,535,759,613.11
Alcohol Tax Unit.....	820,056,178.33	1,048,516,706.56	228,460,528.23
Miscellaneous Tax Unit.....	2,153,071,808.38	2,807,106,423.79	654,034,615.41
Accounts and Collections Unit (employment tax activities).....	925,856,460.38	1,185,361,843.69	259,505,383.31
Total collections.....	7,370,108,377.66	13,047,863,517.72	5,677,760,140.06

<sup>1</sup> Includes collections from the tax on unjust enrichment.

\* More detailed information concerning the activities of the Bureau of Internal Revenue will be found in the annual report of the Commissioner of Internal Revenue.

*Refunds, drawbacks, and stamp redemptions.*—During the year refunds of tax collections, together with interest, were made from the following appropriations:

Refunding internal revenue collections, 1941 and prior years.....	\$5, 199, 328. 19
Refunding internal revenue collections, 1942 and prior years.....	49, 259, 680. 34
Refunds and payments of processing and related taxes, 1939-1942.....	22, 073, 066. 12
Total, interest included.....	76, 532, 074. 65

The following is a summary of the refunds, showing the number of schedules and claims, the amount of refunds and repayments allowed, and the total amount refunded, including interest, on each class of tax during the fiscal year 1942, with comparison of the totals for 1941.

*Number of schedules and claims, amount of refunds and repayments, and total refunds, repayments, and interest, by class of tax, fiscal year 1942 and totals for 1941*

Class of tax	Number of schedules	Number of claims	Amount of refunds and repayments	Total refunds, repayments, and interest
Bituminous coal.....	17	79	\$5, 140. 18	\$5, 338. 46
Capital stock.....	95	2, 803	364, 979. 19	408, 135. 80
Carriers' taxes.....	58	61	19, 336. 64	22, 035. 24
Distilled spirits.....	316	8, 439	457, 538. 55	464, 153. 83
Distilled spirits stamps redeemed.....	83	1, 620	80, 787. 69	81, 180. 68
Distilled spirits drawbacks (420 certificates).....		992	413, 075. 80	413, 075. 80
Estate.....	1, 865	3, 565	11, 759, 938. 52	13, 144, 514. 25
Gift.....	380	432	418, 938. 29	505, 530. 75
Income.....	7, 021	196, 969	24, 843, 127. 68	30, 304, 259. 18
Miscellaneous.....	111	1, 714	610, 429. 84	655, 513. 95
Miscellaneous stamps redeemed.....	126	6, 880	552, 241. 69	568, 056. 18
Narcotics.....	27	150	237. 33	237. 33
Narcotic stamps redeemed.....	27	47	278. 77	278. 77
Sales.....	80	719	1, 495, 985. 73	1, 798, 853. 14
Federal Insurance Contributions Act.....	3, 505	41, 253	1, 211, 867. 47	1, 262, 411. 01
Federal Unemployment Tax Act.....	3, 224	16, 392	2, 113, 653. 88	2, 190, 546. 14
Sugar.....	34	525	938, 451. 28	938, 729. 92
Tobacco.....	20	117	1, 986. 55	2, 060. 12
Tobacco stamps redeemed.....	26	1, 997	1, 687, 035. 19	1, 687, 035. 19
Tobacco drawbacks.....	8	35	7, 062. 79	7, 062. 79
Total income and miscellaneous internal revenue.....	17, 023	284, 789	46, 982, 093. 06	54, 459, 008. 53
Agricultural adjustment.....	270	458	19, 838, 530. 41	22, 073, 066. 12
Grand total, fiscal year 1942.....	17, 293	285, 247	66, 820, 623. 47	76, 532, 074. 65
Fiscal year 1941:				
Income and miscellaneous internal revenue.....	13, 564	167, 393	45, 727, 315. 92	54, 006, 883. 18
Agricultural adjustment.....	1, 329	12, 864	6, 871, 008. 69	8, 125, 017. 63
Grand total, fiscal year 1941.....	14, 893	180, 257	52, 598, 324. 61	62, 131, 900. 81

<sup>1</sup> Excludes refunds from trust funds set up for Philippine coconut oil, Philippine trust fund, and Puerto Rico trust fund. The amounts refunded from these accounts were for 1941, \$985,003.34, \$1,457.49, and \$1,933.48, respectively; and for 1942, \$234,146.39 (coconut oil) and \$225.13 (Puerto Rico).

NOTE.—The figures in this table will not agree with those given in later sections of this report for the reason that the amounts shown in the later sections relate to claims disposed of by the units, whereas this table shows the actual payments made.

If the tax refunds made during the fiscal year 1942 on account of erroneous or illegal collections of internal revenue and agricultural adjustment taxes and payments for export drawbacks, redemption of stamps, and refunds from trust funds, amounting to \$76,766,445, were deducted from the gross collections of \$13,047,868,518, the net collections for the fiscal year 1942 would be \$12,971,102,073. The gross collections, however, are used for comparative purposes in these reports.

*Additional assessments.*—The additional assessments resulting from office audits and field investigations made during the fiscal years 1941 and 1942 were as follows:

*Additional assessments, fiscal years 1941 and 1942, by class of tax*

Class of tax	1941	1942
Income <sup>1</sup> .....	\$269,725,157.00	\$300,539,626.00
Miscellaneous internal revenue:		
Estate.....	55,539,688.33	71,390,182.91
Gift.....	9,263,764.22	5,990,702.88
Capital stock.....	994,812.55	1,177,930.86
Sales.....	3,003,389.26	4,491,257.97
Liquors.....	5,476,957.12	3,609,027.11
Miscellaneous.....	6,591,263.80	12,381,042.79
Tobacco.....	82,428.18	185,098.44
Coal.....	659,393.18	401,147.15
Silver.....		4.75
Sugar.....	239,077.24	1,208.52
Total miscellaneous internal revenue.....	81,850,773.88	99,627,603.38
Employment taxes.....	31,744,653.82	38,273,869.01
Grand total.....	383,320,584.70	438,441,098.39

<sup>1</sup> Includes assessments of \$23,049,262 for 1941 and \$31,854,839 for 1942 made under the jeopardy provisions of section 279 of the Revenue Act of 1926 and section 273 of subsequent revenue acts.

*Cost of administration.*—The amount of \$77,725,421 was appropriated for the fiscal year 1942 for salaries and expenses in connection with the assessment and collection of internal revenue taxes and the administration of the internal revenue law. The Bureau transferred the sum of \$1,300,000 to the Post Office Department for expenses in connection with the sale of motor vehicle use stamps. The expenditures and obligations against the Bureau appropriation were \$73,805,704, leaving an unexpended balance of \$2,619,717. The expenditures do not include amounts expended for refunding taxes illegally or erroneously collected and for redeeming stamps. The cost of collecting \$12,976,589,177 (excluding \$71,279,340 collected by post offices) during the year was \$0.57 per \$100, compared with \$0.89 per \$100 for 1941.

The amount of \$1,100,000 was appropriated for the fiscal year 1942 for salaries and administrative expenses in connection with making refunds authorized by Titles IV and VII of the Revenue Act of 1936. The amount expended and obligated from this fund amounted to \$853,021, leaving an unexpended balance of \$246,979.

### *Income Tax Unit*

*General functions.*—The Income Tax Unit is charged with the administration of the internal revenue laws with reference to taxes on income, excess profits of corporations, and refunds of certain processing taxes, and the laws limiting profits on certain Army and Navy contracts. The administration includes the preparation of regulations and interpretative and procedural rulings and instructions regarding such laws and the examination and adjustment of returns filed thereunder, through office audits and field investigations, for the purpose of determining the correct tax liability as required by law.

*Returns filed.*—The number of all types of income and excess profits tax returns filed during the fiscal year 1942 on which tax was reported and assessed was 18,164,900, as compared with 7,867,319 returns filed in the fiscal year 1941,<sup>1</sup> an increase of 10,297,581. In addition, 9,608,179 taxpayers filed returns during the fiscal year 1942 showing no income subject to tax, compared with 8,283,177 such returns for the preceding fiscal year. The total number of income tax returns filed by individuals was 26,369,044, which is nearly double the number received in the preceding year.

*Examination of income and excess profits tax returns upon receipt by the Washington office.*—Of the 27,773,079 income and excess profits tax returns filed during the fiscal year 1942, 4,111,734, consisting primarily of the more important returns, were forwarded to the Washington office of the Income Tax Unit. Upon initial review of the returns forwarded to Washington (including those on hand in Washington on July 1, 1941, relating to previous taxable years), 4,212,556 were closed and 1,139,605 were transmitted, with related information returns and other documents, to the field offices of the Income Tax Unit for further consideration and investigation during the fiscal year 1943.

*Investigation of tax returns by the field offices.*—The number of income tax returns, including partnerships and fiduciaries, investigated during the fiscal year 1942 was 525,384, as compared with 470,876 for the previous year; an increase of 11.6 percent. In addition, 26,477 excess profits tax returns were investigated during 1942. These figures include all returns for which the examiners' reports have been submitted, whether or not the cases have been finally released by reviewing officers.

Estate and gift tax returns investigated by field offices during the fiscal year numbered 18,044, as compared with 17,355 for the previous year, an increase of 4.0 percent.

The total number of individual, taxable fiduciary, and corporation income tax returns on which action was completed by the field offices during the year was 939,398, including those investigated as well as those for which investigations were deemed unnecessary. In addition, the field offices completed action on 432,329 partnership and non-taxable fiduciary income tax returns, 36,460 excess profits tax returns, and 21,701 estate and gift tax returns.

Of the 939,398 income tax returns on which action was completed by the field offices, deficiency adjustments were recommended in 272,255 cases. This compares with a total of 924,358 income tax returns for the preceding year with deficiency adjustments numbering 230,806. Out of 21,701 estate and gift tax returns on which action was completed during the fiscal year, deficiency adjustments were recommended in 11,415 cases, as compared with 10,708 deficiency adjustments out of a total of 20,579 returns for the preceding year.

Petitions to the Board of Tax Appeals filed during 1942 involved 5,159 returns and proposed tax deficiencies of \$79,435,744. This compares with 5,891 returns and tax deficiencies of \$117,927,968 for 1941.

*Revenue results of investigations of income and excess profits tax returns.*—The total amount of additional tax, interest, and penalty

<sup>1</sup> Including in each fiscal year the delinquent returns filed during that year relating to prior years.

assessed during 1942 was \$288,566,028, of which \$280,728,657 applied to income tax returns and \$7,837,371 to excess profits tax returns. Excluding jeopardy and duplicate items, the amounts for these two classes of taxes were \$248,389,459 and \$7,184,260, respectively.

*Stage at which additional tax was assessed.*—Further progress was made in settling cases of proposed additional tax liability by agreements with taxpayers without issuing formal notices of deficiency, which are otherwise required by law, and from which taxpayers may appeal to the Board of Tax Appeals. Of the total number of 271,709 income tax returns on which regular additional assessments (including duplicate-regular) were made, 258,766 additional assessments, or 95.2 percent, were made by agreement with the taxpayers without the necessity of a statutory notice. Of the total regular additional tax assessed (including duplicate-regular) aggregating \$209,004,867, the amount assessed by agreement was \$169,447,676, or 81.1 percent.

*Refunds, abatements, and credits.*—The number of income and excess profits tax cases involving refunds or credits of tax or interest to taxpayers or abatement of tax audited and closed by the Income Tax Unit during 1942 was 77,405, as compared with 73,627 such cases closed during 1941, an increase of 3,778, or 5.1 percent. Of the total of 77,405 overassessments for 1942, 42,361 were made to taxpayers without the necessity for filing claims. This compares with 39,730 in the previous year.

Of the overassessments settled in the fiscal year 1942 by the Income Tax Unit, 60,149 represented refunds or credits of tax or interest involving \$37,907,010, as compared with 57,511 involving \$50,438,931 in 1941.

The amount involved in overassessments of all types for 1942 represented by refunds, credits, interest, and abatements for income and excess profits tax cases audited in the collectors' offices as well as by the Income Tax Unit was \$99,526,248, as compared with \$113,600,916 the previous year.

There were also allowed 30,469 collectors' claims, of which 12,908 recommended abatements or credits and 17,561 recommended refunds. These claims were largely multiple-item claims, i. e., claims in behalf of a number of taxpayers, and involved 33,793 items for abatement or credit and 142,156 items for refund.

*Inventory of returns on hand in the field offices.*—The number of open income tax returns on hand in the field offices as of June 30, 1942, was 407,934, compared with 373,889 on the same date last year. The net increase between the two dates was 34,045, or 9.1 percent. The net increase in number of returns of prior-year work was 7,187, or 13.2 percent. The percent of open prior-year work to open current-year work at the end of 1942 was 17.8, as compared with 17.1 percent for 1941.

#### *Miscellaneous Tax Unit*

The Miscellaneous Tax Unit is concerned with the administration of all internal revenue taxes except the income and excess profits taxes, the taxes applicable to alcoholic beverages, and those relating to employment.

The collections of miscellaneous taxes for the fiscal year 1942 were \$2,807,106,424, an increase of \$654,034,615 as compared with collections from these sources for the preceding year.

*Estate Tax Division.*—There were 19,633 estate tax returns and 30,048 gift tax returns received during the year. Collections of estate tax for the year amounted to \$340,322,905, representing a decrease of \$14,871,128 as compared with the collections for the preceding year. Collections of gift tax amounted to \$92,217,383, which exceeded the collections for the preceding year by \$40,353,669.

Assessment and collection of proposed deficiencies in estate tax and gift tax cases aggregating \$51,981,606, asserted in 338 cases, were withheld pending the adjudication of appeals filed with the United States Board of Tax Appeals.

As a result of field investigations and Bureau audits, assessments of \$64,239,168 were made in estate tax cases and \$5,243,927 in gift tax cases.

*Tobacco Division.*—The collections of tobacco taxes for the year amounted to \$780,982,216, the largest annual collection from this source since these taxes were first imposed, and represented an increase of \$82,905,325 over the collections for the previous year. Of this amount, \$704,933,505 was collected from the tax on small cigarettes.

A detailed comparison of the tobacco taxes collected during the fiscal years 1941 and 1942 is shown in table 7, page 434 of this report.

*Sales Tax Division.*—On October 1, 1941, the administration of various taxes was transferred from the Sales Tax Division to the Miscellaneous Division. The Sales Tax Division was assigned the administration of the manufacturers' excise taxes and the retail dealers' excise taxes on the sale of jewelry, furs, and toilet preparations. Collections from these taxes during 1942 amounted to \$852,069,383, an increase of \$234,696,860 as compared with collections from similar taxes in the preceding year. A summary of these collections during the last 2 years follows; and a more detailed comparison of the collections is shown in table 7, page 434.

*Summary of taxes collected by the Sales Tax Division, fiscal years 1941 and 1942*

Source	1941	1942	Increase or decrease (—)
Manufacturers' excise taxes (Title IV, Revenue Act of 1932, as amended, and Subtitle C, Chapter 29, Internal Revenue Code, as amended).....	\$563,500,164.42	\$718,200,329.75	\$154,700,165.33
Electrical energy.....	47,021,015.62	49,977,581.17	2,956,565.55
Pistols and revolvers.....	85,301.13	84,494.05	-807.08
Repealed manufacturers' excise taxes.....	6,766,041.76	3,639,853.54	-3,126,188.22
Total manufacturers' excise taxes.....	617,372,522.93	771,902,258.51	154,529,735.58
Retailers' excise taxes (Chapter 19, Internal Revenue Code).....		80,167,124.46	80,167,124.46
Total.....	617,372,522.93	852,069,382.97	234,696,860.04

*Capital Stock Tax Division.*—The collections of capital stock tax during the year amounted to \$281,900,135, compared with \$166,652,640 for the preceding year, an increase of \$115,247,495, or 69.2 percent. The collections in 1942 were the largest from this source since the tax was first imposed.

Domestic and foreign corporations filed a total of 523,436 returns, of which 27,630 were submitted by corporations organized since June 30, 1940. There were 38,395 delinquent returns filed for the years 1933 to 1940, inclusive.

As a result of the review and audit of returns, 17,874 assessments were made, involving tax, penalty, and interest in the amount of \$1,177,931, compared with 19,921 assessments totaling \$994,813 made during the previous year.

*Miscellaneous Division.*—The Miscellaneous Division was created on October 1, 1941, and is concerned with the administration of the documentary stamp taxes, taxes on oleomargarine, etc., narcotics and marihuana, bituminous coal, silver, hydraulic mining, transportation of oil by pipe line, admissions, dues, safe deposit boxes, telephone, telegraph, radio and cable facilities, processing of coconut oil and other vegetable oils, and the administration of the National Firearms Act and the Federal Firearms Act. The administration of these taxes was transferred from the Sales Tax Division. The Miscellaneous Division is likewise concerned with the duties formerly performed by the Processing Tax Division, including the administration of the tax on manufactured sugar, as well as certain taxes imposed under the Revenue Act of 1941 on the transportation of persons, the use of motor vehicles and boats, and the special taxes on maintaining coin-operated and gaming devices for use, and the operation of bowling alleys and billiard and pool tables. The Processing Tax Division was abolished at the time of the creation of the Miscellaneous Division.

The collections of the taxes administered in the Miscellaneous Division are shown in the following table:

*Summary of taxes collected by the Miscellaneous Division, fiscal years 1941 and 1942*

Source of taxes	1941	1942	Increase or decrease (—)
<b>Stamps:</b>			
Use of motor vehicles		\$72,625,488.49	\$72,625,488.49
Documentary	\$34,249,000.32	35,903,807.17	1,654,806.85
Coin-operated devices		6,484,999.54	6,484,999.54
Playing cards	4,756,586.50	5,737,937.58	1,001,371.08
All others	2,908,900.83	5,007,567.93	2,098,667.10
<b>Total stamp taxes</b>	<b>41,914,487.65</b>	<b>125,779,820.71</b>	<b>83,865,333.06</b>
<b>Miscellaneous:</b>			
Admission to theaters, concerts, cabarets, etc.	70,963,094.06	115,032,268.75	44,069,174.69
Club dues and initiation fees	6,582,649.28	6,791,899.71	209,250.43
Telegraph, telephone, cable, and radio	27,331,113.61	75,022,771.58	47,691,657.97
Sugar	74,834,839.60	68,229,803.06	-6,605,036.54
Coconut oils, etc., processed	23,185,936.03	24,372,187.79	1,186,251.76
Transportation of persons		21,378,895.32	21,378,895.32
Transportation of oil	12,480,585.65	13,474,822.61	994,236.96
All others	6,601,704.54	9,159,450.34	2,557,745.80
<b>Total miscellaneous taxes</b>	<b>221,979,922.77</b>	<b>333,662,099.16</b>	<b>111,682,176.39</b>
<b>Other miscellaneous receipts</b>	<b>14,154.11</b>	<b>170,379.54</b>	<b>156,225.43</b>
<b>Grand total</b>	<b>263,908,564.53</b>	<b>459,612,299.41</b>	<b>195,703,734.88</b>

### *Alcohol Tax Unit*

For the first time Federal liquor tax receipts exceeded a billion dollars during a fiscal year. The collection of \$1,048,516,707 during the fiscal year 1942, compared with \$820,056,178 in the preceding year, represented an increase of \$228,460,529, or 27.9 percent. Details of these collections will be found in table 7 on page 434.

Because of war requirements, the demand for industrial alcohol greatly increased during the year. Amendment of the statutes



governing alcohol production was necessary and was accomplished by the acts of January 24, 1942, and March 27, 1942. These statutes made it possible for beverage distillers legally to engage in the production of industrial alcohol and where necessary to transfer spirits of low proof to other plants equipped to raise the spirits to the necessary degree of proof. The Alcohol Tax Unit operated in close coordination with the various war agencies in bringing about the production of increased supplies of alcohol.

On June 30, 1942, the following premises and proprietors, qualified under internal revenue laws and engaged in the production, distribution, or use of alcohol and alcoholic liquors, were under the supervision of the Alcohol Tax Unit.

Under permit requirements of the Federal Alcohol Administration Act: <sup>1</sup>	Number
Importers: <sup>2</sup>	968
Distilleries:	
Alcohol: <sup>3</sup>	45
Brandy	127
Registered	127
Warehousing and bottling:	
Bonded warehouses: <sup>4</sup>	
Alcohol	62
Internal revenue	268
Tax-paid bottling houses	113
Wine producers and blenders:	
Wineries	957
Bonded wine storerooms	108
Rectifying plants	229
Wholesalers: <sup>5</sup>	
Wholesale liquor dealers	5,635
Wholesale malt liquor dealers	9,650
Not under permit requirements of the Federal Alcohol Administration Act:	
Breweries	492
Denaturing plants: <sup>6</sup>	63
Bonded dealers in specially denatured alcohol	52
Bonded manufacturers using specially denatured alcohol	4,158
Hospitals, laboratories, and educational institutions using tax-free alcohol	6,709
Vinegar plants using vaporizing process	15
Bottle manufacturers	61
Retail liquor dealers	260,539
Retail malt liquor dealers	142,868
Carriers	437

<sup>1</sup> Separate permits are required for lessee operations. In addition to the number of premises shown, the lessees are as follows: Registered distilleries, 58; tax-paid bottling houses, 7; rectifying plants, 9. A lessee authorized to operate two or more premises is counted once for each premise.

<sup>2</sup> An importer is required to hold only one permit regardless of the number of his premises.

<sup>3</sup> Permits are required only where alcohol is produced for nonindustrial use.

<sup>4</sup> Permits are required only if the proprietor conducts bottling operations.

<sup>5</sup> Total number of premises. Permits are required for those making sales to trade buyers. A wholesaler is required to hold only one permit regardless of the number of his premises.

<sup>6</sup> Includes ten denaturing plants established in connection with registered distilleries and three distillery denaturing bonded warehouses.

*Procedure Division.*—This Division is responsible for planning and developing procedure for the headquarters and field offices of the Alcohol Tax Unit; assists in drafting regulations, Treasury decisions, mimeographs, and circulars; reviews for revision all forms prescribed by the Alcohol Tax Unit; and is charged with the administration of regulations relating to traffic in containers of distilled spirits and the supervision of the Statistical Section. Special procedure was developed during the year to enable the Unit to furnish to war agencies current statistical data concerning production and uses of industrial alcohol and other liquors. Historical statistics covering such items were also prepared for the information of such agencies.

*Enforcement Division.*—The activities of the Enforcement Division include the investigation, detection, and prevention of willful and fraudulent violations of the internal revenue laws relating to distilled spirits, wines, and fermented malt liquors.

During the fiscal year, 11,372 stills having an aggregate cubic

capacity of 2,170,612 gallons<sup>1</sup> were seized, and in connection therewith 5,471,993 gallons of mash were seized and destroyed. Investigators also seized 185,741 gallons of spirits and 3,501 automobiles and trucks. The total appraised value of the property seized was \$1,971,618. A total of 20,183 persons were arrested for Federal liquor law violations.

In carrying out the Liquor Enforcement Act of 1936, relating to the introduction of tax-paid spirits to dry States, 216 cars and 13,380 gallons of tax-paid liquor were seized, and 312 persons were arrested. Indictments totaling 316 were returned and 357 persons were convicted in cases under the act.

The preventive and enforcement program under Regulations No. 17 and Regulations No. 92 continued to be an important factor in reducing the number and size of illicit distilleries. The shortage of cane and beet sugar and the promulgation of the sugar rationing regulations by the Office of Price Administration were of material aid in preventing sugar from getting into illicit channels. In the meantime, moonshiners have experimented with many substitutes for refined sugar, but the preventive raw materials work continues to be effective notwithstanding the frequent changes in the type of materials used and the sources of supply developed.

*Field Inspection Division.*—This Division plans, coordinates, and supervises the permissive functions in the field offices of the 15 field districts. A group of technically trained field inspectors, who serve as representatives of the Alcohol Tax Unit in maintaining an efficient permissive organization in the field offices, are assigned and directed by this Division. They make frequent examinations, by actual inspection of records, documents, and otherwise, to determine whether law, regulations, established policy, and procedure are being followed, and devise and recommend plans and methods for greater efficiency and economy in the conduct of the work.

As a result of new legislation, many more changes in the premises, construction, and equipment of established plants were made during the fiscal year than are normally necessary. Administrative examination of applications, notices, bonds, consents of surety, plats, plans, and other documents submitted in connection with such changes are necessary to insure compliance with the requirements of the law and regulations for the proper protection of the revenue. The total number of such examinations, including those covering 174 new plants and 227 discontinued plants, was 23,396.

*Laboratory Division.*—The Laboratory Division comprises a central laboratory in Washington, D. C., with 13 branch laboratories located throughout the country, and one in San Juan, Puerto Rico.

The Laboratory Division performs all the chemical work for the Bureau of Internal Revenue, and its branch laboratories analyze samples of suspected narcotics submitted by officers of the Bureau of Narcotics.

The activities of the Washington laboratory include the examination of formulae, samples, and processes in which denatured alcohol is used before permits are issued by the district supervisors for the withdrawal of alcohol. Preparations made with tax-paid alcohol and wine are

<sup>1</sup> Represents the cubic capacity of still pots and cookers. Column stills which operate without a still pot or cooker are not reflected in this total. The size of illicit stills is reflected more properly by the mash facilities. The cubic measurement of the mash fermenters of all the illicit stills seized during the fiscal year was 8,387,371 gallons.

examined for the purpose of determining whether they are fit for beverage use and, therefore, subject to the rectification tax. Processes used in distilleries, industrial alcohol plants, wineries, breweries, and rectifying plants are reviewed in the laboratory.

The laboratory examines samples of oleomargarine, mixed flour, filled cheese, butter, lubricating oil, and soaps for the Miscellaneous Tax Unit. The Washington laboratory also frequently assists the Bureau of Customs, Secret Service, Post Office Department, State Alcoholic Beverage Control Boards, and Police Departments. Odors simulating war gases were furnished instructors in air raid defense.

*Audit Division.*—The Audit Division has general supervision over the work relating to the operation of registered distilleries, internal revenue bonded warehouses, rectifying plants, industrial alcohol plants, industrial alcohol bonded warehouses, denaturing plants, breweries, wineries, bonded wine storerooms, dealers in specially denatured alcohol, and users of tax-free alcohol. It also conducts the tax accounting, assessment, claim, and compromise functions of the Unit.

This Division also determines and lists assessments against persons engaging in illicit liquor traffic. It also examines for allowance or rejection all claims for abatement or refund of taxes, and for the redemption of tax stamps and strip stamps, and reviews and recommends acceptance or rejection of offers in compromise of tax, forfeiture of seized property, or criminal liability.

At the beginning of the fiscal year there were on hand 742 offers in compromise aggregating \$49,420 submitted in settlement of liabilities incurred in connection with the internal revenue laws. During the year, 5,781 offers amounting to \$309,063 were received. Of the number to be disposed of, 278 were forwarded to the Department of Justice, 552 were returned to the field offices for further investigation, 4,799 offers aggregating \$266,060 were accepted, and 629 offers totaling \$31,620 were rejected, leaving 265 offers on hand at the end of the fiscal year.

There were on hand at the beginning of the year 3 offers in compromise aggregating \$160 submitted in settlement of liabilities incurred in connection with the Federal Alcohol Administration Act. During the year, 64 offers amounting to \$20,795 were received, 58 offers aggregating \$19,505 were accepted, and 9 offers totaling \$1,450 were rejected, leaving none on hand.

*Basic Permit and Trade Practice Division.*—This Division is charged with administering the provisions of the Federal Alcohol Administration Act and regulations which have been issued thereunder. The Federal Alcohol Administration Act requires that all producers (other than brewers), importers, and wholesale distributors of alcoholic beverages secure basic permits, which are conditioned upon compliance with the provisions of the act, the Twenty-first Amendment and its enabling statutes, and all other Federal alcohol beverage laws. The broad purpose of the statute is the regulation of the conduct of the legitimate liquor industry.

War conditions, which prevailed during most of the fiscal year, caused permits in effect to decline from 15,481 on July 1, 1941, to 14,695 on June 30, 1942.

The following table reflects the permit activities under the Federal Alcohol Administration Act during the year and the number of permits of each class in effect on June 30, 1942.

*Permit activities, fiscal year 1942*

	In effect at beginning of year	Amended	Issued	Terminated	In effect at end of year
Wholesalers.....	12,042	1,310	1,382	1,963	11,461
Wine producers and blenders.....	1,130	70	103	148	1,085
Distillers.....	354	31	69	89	334
Rectifiers.....	314	23	45	78	281
Warehousing and bottling.....	627	50	86	174	539
Importers.....	1,014	83	109	128	995
Total.....	15,481	1,567	1,794	2,580	14,695

The Federal Alcohol Administration Act provides that no bottler or importer shall bottle or remove from customs custody for consumption distilled spirits, wine, or malt beverages, unless the bottler or importer, upon application, has obtained and has in his possession a certificate of label approval or a certificate of exemption from label approval covering such products. The number of label applications submitted during the year declined from 78,989 for 1941 to 56,064.

In the enforcement of the advertising regulations promulgated under the Federal Alcohol Administration Act, the Division reviewed 82,830 advertisements appearing in 19,867 periodicals, representing a substantial increase over similar activities for the preceding year, and took appropriate regulatory action in 1,023 cases involving various types of irregularities. Radio continuities numbering 14,147 and 5,120 pieces of point-of-sale advertising were also reviewed.

*Accounts and Collections Unit*

The Accounts and Collections Unit is the central administrative organization for the 64 internal revenue collection districts and makes the administrative audit of all expenditures for the Internal Revenue Service. The Unit also administers the employment taxes imposed under Chapter 9 of the Internal Revenue Code, the taxes under Subchapter A (Federal Insurance Contributions Act) with respect to employment by others than carriers, Subchapter B with respect to employment by carriers, and Subchapter C (Federal Unemployment Tax Act) with respect to the tax on employers of eight or more.

There were 44,751,746 tax returns filed in collectors' offices during the fiscal year 1942, an increase of 16,674,509 over the previous year. Of the total returns filed, 27,773,079 were income tax returns, an increase of 11,622,583 during the year.

During the fiscal year, 70,420 income tax, 41,781 miscellaneous tax, and 531,250 employment tax returns were investigated by field deputy collectors, and 2,646,645 information returns were verified. At the close of business June 30, 1942, there were outstanding in the 64 collection districts 12,190 income tax returns, and 1,231,400 information returns were on hand.

Deputy collectors of internal revenue served 476,240 warrants for distraint, which resulted in the collection of \$62,572,099. An average of 4,720 deputy collectors made 2,873,404 revenue-producing investigations, including the serving of warrants for distraint, compared with 2,220,467 revenue-producing investigations made by an average of 3,732 deputy collectors in the preceding year. The total amount collected and reported for assessment by deputy collectors was \$113,794,106, compared with \$90,285,877 in the previous year. The average number of investigations made per deputy and the average amount of tax collected and reported for assessment were 609 and \$24,109, respectively, compared with 595 and \$24,192, respectively, in 1941. There were 174,840 warrants for distraint in custody in the collectors' field forces on June 30, 1942, as compared with 183,594 on hand June 30, 1941.

A total of 15,642,869,033 revenue stamps, valued at \$3,107,143,869, was issued to collectors of internal revenue and the Postmaster General during the year, compared with 13,878,586,593 stamps valued at \$1,455,156,314 issued during 1941. Revenue stamps returned by collectors of internal revenue and by the Postmaster General, and credited to their accounts, amounted to \$652,233,280. There were 231 applications allowed for restamping packages from which the original stamps had been lost, mutilated, or destroyed, compared with 318 applications in the preceding year.

The Disbursement Accounting Division administratively examined and recorded 1,539 monthly accounts, comprising 143,158 vouchers, of collectors of internal revenue, internal revenue agents in charge, heads of staff divisions, and district supervisors, including the San Juan, Puerto Rico, branch of the District of Maryland, and the Honolulu, Hawaii, branch of the San Francisco Alcohol Tax District No. 14. In addition, 6,042 expense vouchers of employees and 19,346 vouchers covering passenger and freight transportation and miscellaneous expenses were audited and passed to the Chief Disbursing Officer, Treasury Department, or the General Accounting Office for payment.

*Taxes under the Federal Insurance Contributions Act.*—Collections of taxes imposed under the Federal Insurance Contributions Act amounted to \$895,335,861 for 1942, as compared with \$687,327,551 for 1941, an increase of \$208,008,310. These amounts include both the employees' tax and the employers' tax, each of which was imposed at the rate of 1 percent of taxable wages paid. Returns under the act are required on a quarterly basis, 9,470,856 being filed during the fiscal year 1942, as compared with 8,684,639 filed in the preceding year.

The following table sets forth information relative to claims disposed of under the Federal Insurance Contributions Act and/or Title VIII of the Social Security Act.

*Claims under the Federal Insurance Contributions Act and/or Title VIII of the Social Security Act received and disposed of, fiscal year 1942*

Claims	Under section 1401 (d) of the Federal Insurance Contributions Act	All other
	Number	
Pending July 1, 1941.....	8,542	5,045
Received during year.....	32,997	15,367
Total to be disposed of.....	41,539	20,412
Allowed in full or in part.....	34,894	12,644
Rejected.....	156	3,506
Canceled.....	26	103
Total disposed of.....	35,076	16,253
Pending June 30, 1942.....	6,463	4,159
Certificates of allowance issued when no claims were filed.....		4,711
	Amount	
Overassessments settled by--		
Abatement.....		\$889,044
Credit.....		298,197
Refund.....	\$784,900	385,060
Total.....		1,572,301
Interest.....		47,665
Grand total.....	784,900	1,619,966

Under the provisions of section 1401 (d) of the Federal Insurance Contributions Act, effective with the calendar year 1940, an employee performing services for more than one employer during a calendar year may obtain a refund of the amount of employee's tax deducted from his wages and paid to the collector which is in excess of the tax on the first \$3,000 of such wages. To obtain such a refund, the employee must file a claim after the calendar year in which the services were performed and within 2 years after the calendar year in which the wages involved are paid. Refunds in the total amount of \$784,900 were recommended and the claims rejected involved \$3,565.

The following table shows the status of the offers in compromise submitted in settlement of liabilities incurred under the Federal Insurance Contributions Act and/or Title VIII of the Social Security Act.

*Offers in compromise under the Federal Insurance Contributions Act and/or Title VIII of the Social Security Act received and disposed of, fiscal year 1942*

Offers in compromise	Number of offers	Amount offered	Liability involved
Pending July 1, 1941.....	253	\$51,363	\$172,322
Received during year.....	1,319	178,748	562,445
Total to be disposed of.....	1,572	230,111	734,767
Accepted.....	698	86,495	254,331
Rejected.....	173	28,088	133,438
Withdrawn.....	26	1,797	13,553
Terminated by default.....	11	537	3,623
Total disposed of.....	908	116,917	404,945
Pending June 30, 1942.....	664	113,194	329,822

*Tax under the Federal Unemployment Tax Act.*—The tax under the Federal Unemployment Tax Act is imposed on employers of eight or more. The rate is 3 percent on taxable wages paid during 1941 with respect to employment. Collections during 1942 amounted to \$119,616,968, an increase of \$18,959,246 over 1941. Returns are required on an annual basis, 417,647 being filed during 1942, as compared with 368,639 filed during the preceding year.

Data on the returns, revenue agents' reports, claims, and offers in compromise in connection with the tax under the Federal Unemployment Tax Act are shown in the following tables.

*Number of Federal unemployment tax returns received, reopened, and disposed of, fiscal year 1942*

Returns:	Number
Pending July 1, 1941.....	369,038
Received during year.....	417,647
Reopened during year.....	45,132
Total to be disposed of.....	831,817
Closed.....	420,684
Pending June 30, 1942.....	411,133

*Number of revenue agents' reports received and disposed of, fiscal year 1942*

Reports:	Number
Pending July 1, 1941.....	1,238
Received during year.....	5,379
Total to be disposed of.....	6,617
Closed:	
No change in tax liability.....	863
Deficiencies in tax.....	4,301
Overassessments.....	758
Total.....	5,922
Pending June 30, 1942.....	695

*Claims under the Federal Unemployment Tax Act and/or Title IX of the Social Security Act received and disposed of, fiscal year 1942*

Claims:	Number
Pending July 1, 1941.....	9,569
Received during year.....	27,081
Total to be disposed of.....	36,650
Allowed in full or in part.....	20,694
Rejected.....	5,645
Canceled.....	120
Total.....	26,459
Pending June 30, 1942.....	10,191
Certificates of overassessment and certificates of allowance issued when no claims were filed.....	8,300

Overassessments settled by—	Amount
Abatement.....	\$3,799,468
Credit.....	90,829
Refund.....	1,989,511
Total.....	5,879,808
Interest.....	73,259
Grand total.....	5,953,067

*Offers in compromise under the Federal Unemployment Tax Act and/or Title IX of the Social Security Act received and disposed of, fiscal year 1942*

Offers in compromise	Number of offers	Amount offered	Liability involved
Pending July 1, 1941.....	207	\$29, 294	\$240, 910
Received during year.....	983	133, 708	1, 008, 752
Total to be disposed of.....	1, 190	163, 002	1, 249, 662
Accepted.....	467	48, 138	320, 627
Rejected.....	204	39, 927	334, 724
Withdrawn.....	21	2, 555	17, 360
Total disposed of.....	692	90, 620	672, 711
Pending June 30, 1942.....	498	72, 382	576, 951

*Carriers taxes.*—Collections of carriers taxes under Chapter 9, Subchapter B, of the Internal Revenue Code aggregated \$170,409,014 for the fiscal year 1942, an increase of \$32,537,827 over 1941. The amount for 1942 includes \$170,395,247 of collections from the employers' tax and the employees' tax, both of which were imposed at the rate of 3 percent of the taxable compensation; collection of the employee representatives' tax for 1942, which was imposed at the rate of 6 percent of the taxable compensation, amounted to \$13,767, as compared with \$20,637<sup>1</sup> for the previous year, a decrease of \$6,870. Returns are required on a quarterly basis, 30,954 being filed by employers, a decrease of 40, and 1,583 being filed by employee representatives, an increase of 43 over the previous year.

The following table sets forth information relative to claims disposed of under Chapter 9, Subchapter B, Internal Revenue Code, and/or the Carriers Taxing Act of 1937.

*Claims under Chapter 9, Subchapter B, Internal Revenue Code, and/or the Carriers Taxing Act of 1937 received and disposed of, fiscal year 1942*

Claims:	Number
Pending July 1, 1941.....	60
Received during year.....	195
Total to be disposed of.....	255
Allowed in full or in part.....	133
Rejected.....	72
Canceled.....	1
Total disposed of.....	206
Pending June 30, 1942.....	49
Certificates of allowance issued when no claims were filed.....	5
Overassessments settled by—	Amount
Abatement.....	\$89, 105
Credit.....	20, 782
Refund.....	18, 736
Total.....	128, 623
Interest.....	2, 640
Grand total.....	131, 263

### *Technical Staff*

The Technical Staff is the appellate agency within the Bureau of Internal Revenue for the determination of tax liability in contested income, profits, estate, and gift tax cases. The Staff organization consists of an administrative office in Washington and 10 field divisions with 37 local offices. The heads of the Staff field divisions exclusively represent the Commissioner of Internal Revenue within their terri-

<sup>1</sup> Revised.



torial jurisdiction (a) in the determination of tax in disputed cases not before the Board of Tax Appeals, and (b) in the settlement by stipulation of cases docketed by the Board, subject to concurrence of division counsel in all such stipulations. The Staff considers certain offers in compromise and applications for extensions of time for payment of income taxes, and also reviews final closing agreements under section 3760 of the Internal Revenue Code.

A brief analysis of the work of the Staff field divisions is shown in the following table.

*Analysis of the work of all field divisions of the Technical Staff, fiscal year 1942*

Cases	Docketed cases	Nondocketed cases
On hand July 1, 1941.....	4,253	13,324
Received (transfers, etc., deducted) during year.....	3,793	6,024
Total to be disposed of.....	8,046	9,348
Closed by stipulation or agreement.....	2,474	3,494
Dismissals and defaults.....	175	646
Unagreed cases submitted to Board.....	1,269	
Cases appealed to Board.....		1,558
Unagreed action on overassessment and claims cases.....		430
Total disposed of.....	3,918	6,128
On hand June 30, 1942.....	4,128	23,220

<sup>1</sup> Includes 678 cases awaiting taxpayers' action on statutory notices directed or sustained.

<sup>2</sup> Includes 620 cases awaiting taxpayers' action on statutory notices directed or sustained.

The nondocketed cases disposed of by agreement, by default, and by unagreed action on claims involved proposed deficiencies in tax and penalties aggregating \$72,720,048 and tentatively determined overassessments of \$2,811,827. The deficiencies and penalties agreed to amounted to \$23,915,900 and overassessments of \$1,697,305 were allowed. Defaults totaled \$2,706,001 in tax and penalties with \$78,875 in overassessments. In addition, overassessments were allowed in unagreed claims cases amounting to \$502,444.

The docketed cases closed by stipulation involved asserted deficiencies in tax and penalties amounting to \$92,675,986 and overassessments of \$799,946 shown for other years or in associated cases. The amount agreed to consisted of \$25,463,101 in tax and penalties and \$1,503,495 in overassessments.

An analysis of the work of the Staff on compromise, extension of time, and closing agreement cases is shown in the following table.

*Analysis of the work of the Technical Staff on compromise, extension of time, and final closing agreement cases, fiscal year 1942*

Cases	Compromise cases	Extension of time cases	Final closing agreement cases
On hand July 1, 1941.....	645	2	79
Received (net) during year.....	1,277	98	602
Total to be disposed of.....	1,922	100	681
Accepted, granted, or approved.....	683	5	602
Rejected.....	458	92	53
Withdrawn.....	177		
Transferred.....	36		
Total disposed of.....	1,354	97	655
On hand June 30, 1942.....	568	3	26

*Office of the Chief Counsel*<sup>1</sup>

The activities of the Office of the Chief Counsel for the Bureau of Internal Revenue include the defense of all Federal tax cases appealed to the United States Board of Tax Appeals; the review of refunds, credits, and abatements in excess of \$20,000; consideration of various administrative and internal revenue tax matters referred to that office by the Secretary, the Under Secretary, an Assistant Secretary of the Treasury, the General Counsel for the Department of the Treasury, the Commissioner, the assistant to the Commissioner, the heads of units of the Bureau, collectors of internal revenue, and other branches of the Department. They include also the preparation, at the request of the Department of Justice or of the United States attorneys, of data for use in the prosecution or defense of tax cases (civil and criminal) in suit, and compliance with requests for assistance in such cases; and the preparation, revision, and review of regulations, Treasury decisions, mimeographs, and rulings for the guidance of the officers and employees of the Bureau of Internal Revenue and others concerned. The office is made up of the Chief Counsel's Committee, and eight divisions, viz: Alcohol Tax, Appeals, Civil, Claims, Interpretative, Legislation and Regulations, Penal, and Review.

*Chief Counsel's Committee.*—The Committee, consisting of three members, serves in an advisory capacity to the Chief Counsel and the immediate members of his staff, who refer to the Committee cases from all divisions of the office. The Committee considers these cases and makes written recommendations as to their proper disposition. The Committee is also charged with the final review of cases involving compromises and closing agreements, previous to their being sent to the Secretary of the Treasury for his approval.

*Alcohol Tax Division.*—This Division performs the legal work arising in connection with the administration and enforcement of the internal revenue liquor laws. The work includes the preparation of opinions and briefs relating to assessment, collection, abatement, and refund of liquor taxes and penalties; compromise of civil and criminal liabilities; and the remission or mitigation of forfeitures. This Division prepares citations to revoke industrial and denatured alcohol permits, conducts permit hearings, and reviews revocation records. It performs similar work in connection with the issuance, suspension, and revocation of permits under the Federal Alcohol Administration Act. It assists the Department of Justice in connection with civil and criminal cases arising under the internal revenue laws and the Federal Alcohol Administration Act; gives legal advice to the Deputy Commissioner of Internal Revenue in charge of the Alcohol Tax Unit, district supervisors, and other officials on questions involving interpretation or construction of said laws; and reviews all correspondence prepared in the Alcohol Tax Unit involving legal questions.

*Appeals Division.*—This Division has charge of all cases involving income, excess-profits, unjust enrichment, estate, and gift taxes pending before the United States Board of Tax Appeals. Counsel assigned to the various field offices, which were created under the decentralization program of the Bureau of Internal Revenue, prepare

<sup>1</sup> For a more detailed statement concerning, and statistical tables showing, the work performed by the Chief Counsel's Committee and the respective divisions of the Chief Counsel's Office, reference is made to the Annual Report of the Commissioner of Internal Revenue for the fiscal year 1942.

answers to petitions filed with the Board of Tax Appeals and advise the various Staff divisions upon legal questions arising in the determination of income, profits, estate, and gift tax liability. All proposed settlements are concurred in by counsel. Counsel also have exclusive authority to represent the Commissioner of Internal Revenue in the defense of all cases set for hearing before the Board of Tax Appeals.

This Division also has a general supervision of the preparation of the contents of the records on review in all cases wherein are filed petitions for review by the United States Circuit Courts of Appeals of final decisions of the United States Board of Tax Appeals. In such proceedings, where the Commissioner of Internal Revenue is petitioner, this duty is performed in the Division subject to approval by the Department of Justice; in cases where a taxpayer is petitioner, the Division has sole charge of the preparation of the record.

*Civil Division.*—The work of this Division includes the preparation of statements of fact for the Department of Justice in all actions brought by taxpayers to recover taxes and for injunctions in the Federal courts, which statements set forth the position of the Bureau on the issues involved and contain references to applicable sections of the revenue acts, regulations, and decisions of the courts. The Division also assembles the evidence, obtains witnesses, and assists at the trial of cases when requested by the Department of Justice; prepares recommendations for or against the institution of suits in connection with claims of the Government against taxpayers, transferees, bonding companies, and others; and, when suits are recommended, prepares statements for the Department of Justice similar to those in actions brought by taxpayers. Stipulations of facts for the use of the Department of Justice and for submission to the courts in actions in the district courts and in the Court of Claims are examined and approved, modified, disapproved, or new stipulations prepared; and the Division makes recommendations for or against an appeal from adverse judgments of district courts and for or against applications to the Supreme Court for writs of certiorari in cases of adverse decisions rendered by the circuit courts of appeal and the Court of Claims. The Division makes recommendations for or against acceptance of offers submitted for settlement or compromise of cases pending in court. It also handles all cases in which liens for taxes are involved in mortgage foreclosure actions pending in Federal and State courts, and considers all applications for the release of Federal tax liens and the discharge of property from such liens which is permissible under sections 3673, 3674, 3675, 3676, and 3677 of the Internal Revenue Code.

*Claims Division.*—This Division is comprised of four sections, viz: Processing Tax, Reorganization, Bankruptcy and Receivership, and Compromise.

The Processing Tax Section has jurisdiction over all matters involving processing, floor stocks, compensating, and custom processing taxes, as well as over unjust enrichment tax matters not within the jurisdiction of any decentralized office. It represents the Commissioner of Internal Revenue in all cases before the United States Processing Tax Board of Review involving refunds of amounts collected under the Agricultural Adjustment Act. The Section has the same jurisdiction and duties in matters involving Titles III, IV, and VII of the Revenue Act of 1936 as have the Civil, Interpretative, Legis-

lation and Regulations, and Review Divisions with respect to questions involving income, excess-profits, capital stock, estate, and miscellaneous taxes. The section prepares records on review in all cases wherein the Commissioner files petitions for review by the United States Circuit Courts of Appeals of final decisions of the United States Processing Tax Board of Review. In cases in which petitions for review are filed by taxpayers, the records are subject to the approval of this Section.

The Reorganization Section is charged with the duty of protecting the interests and claims of the United States in proceedings instituted under sections 77, 77B, Chapters X and XV of the National Bankruptcy Act, and arrangement proceedings under Chapters XI, XII, and XIII of the act.

The Bankruptcy and Receivership Section performs all legal work incident to the protection of the interests and claims of the United States in bankruptcy and receivership proceedings.

The Compromise Section is charged with the prosecution of claims filed by collectors against the estates of deceased taxpayers, against insolvent banks, and in liquidation proceedings, including assignments for the benefit of creditors. At the request of the Department of Justice, the Section assists in trials involving the aforementioned types of claims.

*Interpretative Division.*—The functions of this Division consist of the preparation of letters and memoranda for the signature of the Head of the Division, the Chief Counsel, the Commissioner, or the Secretary, interpreting internal revenue statutes, and the review of all correspondence, for the signature of the Commissioner or of the Secretary or of an official of his office, containing a ruling or opinion regarding internal revenue laws prepared in the administrative units of the Bureau and routed through the Chief Counsel's office for approval; assisting in the preparation and review of briefs to be filed with the United States Board of Tax Appeals in key cases; reviewing actions on decisions in special cases; reviewing closing agreements covering proposed transactions; editing the material submitted for publication in the Internal Revenue Bulletin; and the preparation of opinions and rulings in special cases assigned by the Chief Counsel.

Included in this Division is the Digest Section, the functions of which are to preserve, digest, and make readily available to the members of the Chief Counsel's staff all opinions, rulings, and other documents which have been prepared or reviewed by the Chief Counsel's office.

*Legislation and Regulations Division.*—The regulations issued under the internal revenue laws, including tax conventions with foreign countries, and the reports on legislation introduced in the Congress affecting the internal revenue, except such as relate to taxes on alcoholic beverages, are prepared or reviewed in this Division. In addition, the Division considers suggestions for amendments of and additions to the various internal revenue laws, and prepares reports thereon for the consideration of the Commissioner and the General Counsel. It participates in the preparation of income tax forms and assists in the drafting of tax conventions.

*Penal Division.*—This Division deals with practically all classes of internal revenue tax cases when criminal liability is alleged, including income and profits, miscellaneous, and social security tax cases; con-

siders offers in compromise of liability where criminal proceedings have been instituted or recommendations for prosecution have been made to the Bureau or by the Bureau to the Department of Justice; and prepares opinions construing the criminal and percentage penalty statutes. It also considers claims for reward under section 3463 of the Revised Statutes or section 3792 of the Internal Revenue Code, and whether cases closed by agreement under section 606 of the Revenue Act of 1928, and similar provisions of other revenue acts and the Internal Revenue Code, should be reopened because of "fraud or malfeasance, or misrepresentation of a material fact." Whenever requested by the Department of Justice, attorneys from this division assist in the prosecution of criminal cases.

*Review Division.*—This Division reviews overassessments of income, excess profits, war profits, estate, gift, and miscellaneous taxes proposed for allowance (also deficiencies when coupled with overassessments), where the amount of the overassessments in any case exceeds \$20,000, and proposed refund of any tax in excess of \$20,000. It prepares reports to the Joint Committee on Internal Revenue Taxation required by section 3777 of the Internal Revenue Code, where the overpayments of income, excess profits, war profits, estate, or gift taxes exceed \$75,000; and prepares public decisions where the overassessments exceed \$20,000. It also examines and reviews special cases referred to it by the Chief Counsel.

#### *Intelligence Unit*

The Intelligence Unit is principally concerned with the investigation of tax fraud cases in cooperation with internal revenue agents and deputy collectors. During the year, 863 investigations were made of alleged evasion of income and miscellaneous taxes, and of this number, 223 cases, involving 364 individuals, were recommended for prosecution. On this charge there were convictions of 119 individuals, and 2 acquittals. Recommendation was made in these cases for assessment of additional taxes and penalties amounting to \$37,766,629.

In addition to collections by the Bureau of Internal Revenue of taxes, penalties, and interest, amounts are covered into the Treasury as a result of fines imposed in criminal cases. In some jurisdictions the courts have imposed an additional penalty by requiring the defendants to pay the costs of the investigations, that is, the salaries and expenses of the agents while employed on the cases.

There were 2,696 investigations of applications of attorneys and agents to practice before the Treasury Department and 76 investigations of charges against enrolled agents and attorneys, resulting in the disbarment of 11, the suspension of 1, the reprimand of 3, and the rejection of applications of 6. There were 5 names stricken from the rolls during the course of disbarment proceedings, and 2 resignations were accepted "with prejudice."

The investigation of charges against employees of the Bureau of Internal Revenue in 114 cases resulted in the separation from the Service of 63 employees, and the prosecution of 36 of whom 30 were convicted.

There were 13,581 cases of miscellaneous character investigated, including a number for the Bureau of Narcotics and the Customs Service, and of persons under consideration for appointment to various positions in the Treasury Department.

## LEGAL DIVISION

The General Counsel, chief law officer of the Department and in charge of all legal activities thereof, heads a Legal Division composed of the Office of the General Counsel and the legal staffs in all branches of the Department.

Since the entrance of the United States into the war, the work of the Division has been greatly expanded. In connection with the duty of the Bureau of Customs under T. D. 50536 to enforce section 3 (c) of the Trading With the Enemy Act and under delegation from the Director of Censorship to censor tangible communications, outside the mails, from and to foreign countries, the Division aided in drafting orders, regulations, instructions, and licenses, and made numerous legal interpretations. Under the lend-lease program, the Division has passed upon the legality of lend-lease contracts involving the purchase of more than one and one-half billion dollars of supplies for the Allies and has drafted more than 17,000 such contracts.

The difficulty, resulting from the war, of securing supplies of opium for medicinal and scientific uses has necessitated provision for a stock pile of opium by the Bureau of Narcotics to guard against the contingency of future closing out of sources of supply. In that connection, the Division has assisted in the formation of plans for the possible growing of opium poppies under Government supervision and in the furtherance of other proposals to augment and conserve the supply of narcotics.

The development and expansion of the foreign funds freezing control program has expanded the work of the Division. The Division has collaborated with the Department of State and the Board of Economic Warfare in the development of economic and financial controls over transactions deemed inimical to the defense of the Western Hemisphere. The General Counsel represented the United States at the Inter-American Conference on Economic and Financial Controls. The Division also performed the legal work involved in connection with the interpretation of the laws and regulations applicable to monetary and industrial transactions in gold and silver, the acquisition by the United States of monetary metals, transactions in gold and foreign exchange with foreign governments and foreign central banks, and the stabilization of the exchange value of the dollar, including the drafting of stabilization agreements and other international monetary arrangements.

In relation to the activities of the Coast Guard, the Division performed numerous services, until it was transferred to the Navy Department by Executive Order No. 8929. As it is the maritime police force of the United States and also a branch of the armed forces, the activities of the Coast Guard gave rise to numerous legal problems. The Division aided in the drafting of the act of July 11, 1941, 55 Stat. 584, providing for the making of contracts, the deposit of damage payments, and other matters concerning the Coast Guard. The Division also assisted in drafting the various orders transferring Coast Guard equipment and personnel to the Navy.

The Division assisted in drafting the Public Debt Act of 1942, did work in the preparation and issuance of war savings bonds, and cooperated in revising regulations governing savings bonds.

Problems relating to the acceptance, under Title XI of the Second War Powers Act, 1942, of conditional gifts to the United States for

the furtherance of the war program and to the handling of securities and gold bullion taken from the Philippine Islands were also of importance in the Division's activities.

The war has also resulted in an increase in the various ordinary and routine duties of the Division.

The Division prepared 54 formal opinions and many informal opinions, studies, and memoranda for the guidance of the administrative officers of the Department. Thirty-five legislative proposals considered desirable for the efficient functioning of the Department were drafted. Representatives of the Division frequently appeared before Congressional committees to furnish technical assistance and to explain the purpose, effect, and legality of legislation affecting the Department and furnished other technical assistance to such committees. Assistance was rendered in the preparation of 414 legislative reports and in drafting numerous executive orders and proclamations. Action was taken on offers to compromise claims of the United States and in suits filed against officers of the Department and the United States.

The Division passed upon the legal sufficiency of 350 assignments executed under the Assignment of Claims Act of 1940 involving contracts entered into by the Department, examined 13,467 indemnity or official bonds, drafted legislation concerning payment of claims of American nationals against Mexico, performed legal functions in connection with the Comptroller of the Currency's supervision of national banking associations, aiding in litigation involving receivership banks in liquidation, and did other legal work relating to monetary, fiscal, and public debt matters.

The Division approved a large number of cases for settlement without administration arising under the Adjusted Compensation Payment Act of 1936, as amended, and under certain regulations, and handled a number of escheat cases. Assistance was rendered to the Department of Justice in numerous cases involving matters affecting the Treasury Department. In connection with the liquidation of indebtedness of certain carriers under the Transportation Act of 1920, representatives of the Division participated in the equity receivership proceedings of one of the country's major carriers and continued participation in the reorganization proceedings of three other carriers under section 77 of the Bankruptcy Act.

The Division furnished advice concerning the award, execution, and performance of procurement contracts; examined surety bonds in connection therewith; and rendered services in connection with the revision of, and approval of deviations from, various standard contract forms.

The Division considered questions concerning Federal narcotic drug and marihuana laws, prepared drafts of legislation relating to traffic in narcotic drugs, and assisted States in the adoption or amendment and enforcement of the Uniform State Narcotic Drug Act.

In addition to furnishing legal advice to the Bureau of Customs, the Division maintained liaison with the Assistant Attorney General in charge of customs litigation and made numerous studies in connection with pending litigation. Assistance was given to that Assistant Attorney General in the drafting of briefs and the preparation of certain cases for trial. Drafts of trade agreements affecting the collection of revenue were studied, and consideration was given to proposed legis-

lation revising and clarifying customs laws. Drafting and review work was done on a new edition of the customs regulations. The work of the Division has been expanded considerably as a result of the transfer to the Bureau of Customs, under Executive Order No. 9083, of jurisdiction over many of the functions formerly performed by the Customs field service on behalf of the former Bureau of Marine Inspection and Navigation of the Department of Commerce.

In the field of taxation, the Division handled 4,724 income, excess-profits, unjust enrichment, estate, and gift tax appeals involving \$176,849,521 and recoveries of \$73,844,595; closed 71 appeals to the Processing Tax Board of Review involving \$26,726,491, of which \$3,113,988 was recovered by claimants; handled 2,169 claims against estates of deceased taxpayers, insolvent banks, and in liquidation proceedings, the total payments received being \$5,505,013; disposed of 3,033 civil and 962 criminal cases; handled 299 claims for reward under section 3792 of the Internal Revenue Code; reviewed 503 claimed overassessments of income, excess-profits, war-profits, gift, and other taxes, approving refunds in the amount of \$36,907,231, and reviewed 333 claims, involving \$215,109,036, representing amounts paid as processing and floor stocks taxes; and disposed of 3,387 cases involving compromises and closing agreements. In 1,468 corporate reorganization cases closed under sections 77 and 77B and Chapters X, XI, XII, XIII, and XV of the Bankruptcy Act, claims in the amount of \$6,258,459 were settled for \$941,267; and 407 cases under that act were closed in which no tax claims were filed. In 5,446 bankruptcy and receivership cases disposed of during the year the sum of \$1,688,299 was collected on claims amounting to \$11,818,072. In connection with the administration and enforcement of the internal revenue liquor laws, the Division prepared or reviewed 6,631 memoranda, 349 briefs, 5,518 opinions, 246 libels, 29 indictments, 8,262 case reports, 80 claims of over \$5,000 each, 5,031 compromise cases, 3 revocations, and 785 petitions for remission and mitigation of forfeiture. The Division drafted numerous regulations under the internal revenue laws, and assisted in drafting tax conventions with foreign countries and a large number of reports on legislation introduced in the Congress affecting the internal revenue. Legal opinions on interpretative questions arising under the internal revenue laws were rendered.

## BUREAU OF THE MINT<sup>1</sup>

### *Institutions of the Mint Service*

During the fiscal year 1942, seven mint institutions were in operation: Coinage mints at Philadelphia, San Francisco, and Denver; assay office at New York, which handles the major portion of the gold imported and exported, and its auxiliary silver bullion depository at West Point; gold bullion depository at Fort Knox, Ky.; mint at New Orleans, conducted as an assay office; and assay office at Seattle. The two last-named institutions are, in effect, bullion-purchasing agencies but also serve the public by making assays of ores and bullion. Electrolytic refineries are maintained at the New York, Denver, and San Francisco institutions.

<sup>1</sup> More detailed information concerning the activities of the Bureau of the Mint is contained in the annual report of the Director of the Mint.



The mint at New Orleans, originally established in 1835, was discontinued as of June 30, 1942. The appropriation granted for operation of the mints and assay offices during the fiscal year 1943 did not provide funds for operation of the New Orleans Mint.

### *Coinage*

Domestic coin manufactured during the fiscal year 1942, amounting to 2,114,890,662 pieces, exceeded the production of any previous fiscal year in the history of the Government. The nearest approach to this production was 1,599,349,007 pieces in 1941, and 768,090,830 in 1940. As in previous years, the coin most largely produced was the 1-cent piece. The total production in 1942, in amount \$111,006,180, consisted of 449,336,162 subsidiary silver coins, \$85,307,259; 226,084,400 nickel coins, \$11,304,220; and 1,439,470,100 bronze coins, \$14,394,701.

Coinage for foreign governments amounted to 281,050,000 pieces, compared with 170,672,500 pieces during the prior year. The foreign coinage consisted of silver and bronze coins for Australia, the Netherlands Government, and Peru.

The grand total of domestic and foreign coins made in 1942 amounted to 2,395,940,662 pieces, an increase of 625,919,155 over the prior year.

### *Minor coinage alloys*

Manufacture of the nickel-copper 5-cent coin was discontinued in May 1942 by reason of the need of those metals for other uses in connection with the war effort. The Second War Powers Act, approved March 27, 1942, contained provision for a 5-cent coin of half silver and half copper, with authority to vary those proportions and to add other metals if in the public interest. (See exhibit 45, page 293.) An effect of this law would be to save for war use all the nickel and up to one-third of the copper contained in the alloy previously used—25 percent nickel and 75 percent copper. A satisfactory alloy for the 5-cent coin—one that would produce a coin acceptable for operating the many vending and slot machines in use, as well as for other purposes—had not been determined upon at the end of the fiscal year.

At the end of the year consideration was also being given the subject of substitutes for the alloy in the 1-cent coin—95 percent copper, 5 percent tin and zinc—and to other measures for conserving, for war use, metals heretofore used in manufacture of coin.

### *Bullion deposit transactions*

The number of bullion deposit transactions during the year totaled 35,521, including 83 inter-mint-service transactions, as compared with 48,147 and 75, respectively, during the prior year. The deposit transactions required 52,406 assay determinations, which compares with 74,716 assay determinations in 1941.

### *Transfers of bullion for long-term storage*

Refined gold bullion having a value of approximately \$1,004,500,000 was transferred during the fiscal year 1942 from the New York Assay Office to the bullion depository at Fort Knox, and approximately

\$1,189,900,000 in refined, and unrefined, gold bullion was transferred from the mint at San Francisco to the mint at Denver for long-term storage.

The balance of silver bullion in the bullion depository at West Point remained unchanged at 1,542,697,791<sup>1</sup> fine ounces, all of which was transferred from Government buildings and rented quarters in New York City since completion of the depository in 1938.

Silver bullion, in quantity 4,817,828 fine ounces, was delivered in June 1942 to the Defense Plant Corporation under the terms of a contract dated May 6, 1942, providing, in effect, for the loan of about one billion ounces of silver to be used as a substitute for copper or other strategic materials in plants that are engaged in or essential to the war effort. Its principal use is understood to be in bus bars, for transmission of electric current. This silver is to be returned to Treasury custody under the terms of the contract, after it has performed its function.

### *Gold operations*

Gold acquisitions by the mints and assay offices during the year, stated on the usual basis of classified melted receipts, amounted to \$664,440,587; receipts from other Treasury offices of domestic coin melted during the year amounted to \$470,600; and transfers between mint-service institutions amounted to \$2,226,584,768. These transactions total \$2,891,495,955, compared with \$12,938,276,121 for the prior year.

The acquisitions include \$10,854 of gold received at \$20.67+ per fine ounce, which had not been previously surrendered under the nationalization orders. The increment on this gold amounted to \$7,523.

### *Silver operations*

The Government's acquisitions of silver during the year totaled 122,712,671 fine ounces, at an average cost of 57.2 cents per fine ounce and a total cost of \$70,230,843. The acquisitions consist of the following:

Item	Amount (fine ounces)	Cost
Newly mined domestic silver.....	68,512,907.50	\$48,681,543.77
Purchase Act silver.....	53,414,124.16	21,282,146.90
Silver contained in gold bullion deposits, etc.....	257,495.27	87,582.83
Silver received in exchange for Government-stamped bars.....	528,144.23	179,569.09
Total.....	122,712,671.16	70,230,842.59

United States coin received for recoinage totaled 1,828,660 fine ounces, with a recoinage value of \$2,527,955. Silver deposited by other governments, for foreign coinage, totaled 7,345,556 fine ounces. Silver transfers between mint-service institutions totaled 4,625,656 fine ounces. These items plus the silver acquired during the year brought the total transactions in silver to 136,512,543 fine ounces, compared with the prior year's total of 273,974,554.

During the year \$69,934,545 of silver certificates were issued against 54,090,000 fine ounces of silver bullion valued at \$1.29+ per

<sup>1</sup> Revised.

fine ounce, the statutory monetary value of silver. Such silver had been acquired at an average price of 63+ cents per ounce. The difference between the cost of the silver held to secure such certificates and the monetary value of such silver is \$35,458,194, and this amount constitutes seigniorage.

The open-market price of silver in New York (mean of bid and asked) during the fiscal year 1942 averaged \$0.35284. The price remained unchanged at \$0.35062 from July 1, 1941, to November 28, 1941, when it advanced to \$0.35437, which price prevailed, without change, through June 30, 1942.

For newly mined domestic silver a return to the depositor of \$0.7111+ per fine ounce, established by the act of July 6, 1939, prevailed during the fiscal year 1942.

### *Refineries*

The electrolytic refineries produced during the fiscal year 7,749,270 fine ounces (265.7 tons) of electrolytically refined gold bullion and 6,272,610 fine ounces (215.1 tons) of silver bullion. During the prior year the quantities produced were 7,508,837 fine ounces (257.4 tons) of gold and 5,073,331 fine ounces (173.9 tons) of silver.

Stocks of unrefined gold and silver bullion in mint institutions decreased during the year by approximately 99.5 tons, leaving a total of 2,051.6 tons. There was an increase in the fiscal year 1941 of about 78.1 tons.

### *Stock of coin and monetary bullion in the United States*

On June 30, 1942, the estimated stock of domestic coin in the United States was \$1,301,639,122, of which \$547,077,254 was standard silver dollars, \$529,814,276 subsidiary silver coin, and \$224,747,592 minor coin.

The stock of gold bullion, including coin, held in the Treasury on the same date was valued at \$22,736,704,552, an increase of \$112,506,840, and the stock of silver bullion was 2,524,328,815 fine ounces, an increase of 33,194,358.

### *Domestic production of gold and silver*

Domestic gold production during the calendar year 1941 was 5,976,419 fine ounces, with a monetary value of \$209,174,600, compared with 6,003,105 fine ounces, with a monetary value of \$210,108,700 in 1940, which was the previous year of largest production.

Domestic silver production during the calendar year 1941 totaled 72,336,029 ounces. This compares with 69,585,734 ounces for 1940 and with the record production of 74,961,075 fine ounces for 1915.

### *Industrial consumption of gold and silver*

Gold consumption in the industrial arts during the calendar year 1941 is estimated at \$67,977,110. Gold returned from industrial use amounted to \$30,975,490. These items give a net industrial consumption of new gold during the year of \$37,001,620, compared with \$13,306,032 during the calendar year 1940.

Silver used in the arts is estimated at 92,793,574 fine ounces, of which 72,432,318 fine ounces were new material.

Compared with the prior year, there was an increase in gold consumption of approximately 765,700 ounces and an increase in silver consumption in industry of about 25,700,000 ounces.

### *Appropriations, expenses, and income*

Regular appropriations available for the Mint Service during the fiscal year 1942 totaled \$3,512,840; the First Deficiency Appropriation Act of February 21, 1942, provided \$1,895,900, \$500,000 of which was for special movements of bullion during the fiscal year 1942, to remain available until June 30, 1943; the Third Supplemental National Defense Appropriation Act, approved December 17, 1941, provided \$6,335; and reimbursements to appropriations for services rendered amounted to \$1,107,534, making a total of \$6,522,609.

Expenses amounted to \$6,294,712, of which \$5,847,733 was chargeable to appropriations and \$446,979 chargeable to income.

The regular income realized by the Treasury from the Mint Service aggregated \$69,025,597, of which \$65,583,203 was seigniorage. The seigniorage on subsidiary silver coin was \$42,354,043, and on minor coin, \$23,229,160. Extraordinary income aggregated \$35,465,717, of which \$35,458,194 was seigniorage on silver bullion revalued to \$1.29 + per ounce, and \$7,523 was the increment to \$35 per ounce on revalued gold.

### *General activities*

The number and value of deposits, transfers, gross income, and expenses for the fiscal year 1942, and the number of employees on June 30, 1942, at each institution are shown in the following table.

*Deposits of gold and silver, income, expenses, and employees, by institutions, fiscal year 1942*

Institution	Number of bullion deposit transactions <sup>1</sup>	Number of assay determinations on bullion deposits	Monetary value of gold and silver receipts, including transfers <sup>1</sup>	Gross regular income	Gross expenses	Excess of income or of expenses (-)	Employees, June 30, 1942
Philadelphia.....	4, 258	5, 702	\$18, 445, 203	\$42, 676, 525	\$2, 784, 974	\$39, 891, 551	958
San Francisco.....	14, 742	16, 413	223, 177, 687	12, 300, 971	1, 399, 562	10, 901, 409	438
Denver.....	4, 115	6, 686	1, 260, 128, 693	12, 710, 772	1, 079, 466	11, 631, 306	396
New York.....	8, 359	18, 971	523, 163, 950	1, 249, 344	734, 069	515, 275	220
New Orleans.....	866	866	417, 157	4, 376	38, 926	-34, 550	-----
Seattle.....	3, 181	3, 768	26, 315, 672	83, 609	47, 457	36, 152	14
Fort Knox.....	-----	-----	1, 004, 487, 044	-----	76, 356	-76, 356	36
Total.....	35, 521	52, 406	3, 056, 135, 406	69, 025, 597	6, 160, 810	62, 864, 787	2, 062
Bureau of the Mint.....	-----	-----	-----	133, 903	-----	-133, 903	50
Grand total.....	35, 521	52, 406	3, 056, 135, 406	69, 025, 597	6, 294, 713	62, 730, 884	2, 112
Prior fiscal year.....	48, 147	74, 716	13, 153, 340, 866	51, 653, 974	6, 871, 717	44, 782, 257	2, 428

<sup>1</sup> Includes 83 inter-institution transactions amounting to \$2,232,565,414.

### **DIVISION OF MONETARY RESEARCH**

The Division of Monetary Research in the Office of the Secretary provides information, economic analyses, and recommendations for the use of the Secretary of the Treasury and other Treasury officials to assist in the formulation and execution of the monetary policies of the Department in connection with the stabilization fund, other

operations under the Gold Reserve Act, and operations under the Silver Purchase Act.

Analyses are made pertaining to gold and silver, the flow of capital funds into and out of the United States, the position of the dollar in relation to foreign currencies, monetary, banking, and fiscal policies of foreign countries, exchange and trade restrictions abroad, and similar problems. Analyses are also prepared relating to the customs activities of the Department and to the duties of the Secretary of the Treasury under the Tariff Act and on other matters pertaining to international trade, including the trade agreement program.

In addition, the Division provides economic analyses in connection with the Treasury's Foreign Funds Control, and supervises the collection and use of data obtained in the census of foreign-owned assets in the United States. Economic analyses and reports are also prepared in connection with the Treasury's participation in the Board of Economic Warfare.

The Division also is responsible for the economic and financial work in connection with the negotiation of exchange stabilization agreements, made by the United States with foreign governments and central banks for the purpose of promoting international exchange stability. The Treasury's operations under these agreements are performed under the stabilization fund, which is administered by the Division. Stabilization fund gold transactions with foreign governments and central banks constitute further responsibilities of the Division.

#### BUREAU OF NARCOTICS<sup>1</sup>

The Bureau of Narcotics, following its established policy, continued to direct its principal enforcement activities against major narcotic law violators and toward the elimination of the primary sources of supply of illicit narcotic drugs. These activities, together with the reduced smuggling from abroad, resulted in a further decrease in the quantities of such drugs available in the illicit market. Prices remained high and adulteration increased.

The number of thefts of drugs from wholesalers and retailers during the year showed an increase over 1941, but, due to the policy of the Bureau in urging a reduction in the size of such stocks, the quantities of drugs lost by these thefts were somewhat less than during the previous year. The forgery and false execution of prescriptions and the improper prescribing and dispensing of narcotics remain significant enforcement problems.

The activities of the Bureau resulted in 1,777 arrests for violations of the Federal narcotic laws and the seizure of 1,614 ounces of narcotic drugs and 171 vehicles during the year, as compared with 1,809 arrests and seizures of 1,852 ounces of narcotic drugs and 185 vehicles during 1941. There was an increase in the total number of violations reported under the narcotic laws, a total of 2,617 violations having been reported for 1942 compared with a total of 2,424 during the previous year.

There were 1,090 arrests under the Federal marihuana laws and seizures of 723 pounds of bulk marihuana, 13 pounds marihuana seeds, 31,123 marihuana cigarettes, and 1,693 growing plants, as

<sup>1</sup> Further information concerning narcotics is available in the separate report of the Commissioner of Narcotics.

compared with 1,010 arrests and seizures of 699 pounds bulk marihuana, 3 pounds marihuana seeds, 16,509 marihuana cigarettes, and 569 growing plants during 1941.

In addition to these seizures of marihuana in connection with prosecutions under the law, the Bureau of Narcotics, in cooperation with State and local authorities, conducted a campaign of marihuana eradication in which the Alcohol Tax Unit of the Bureau of Internal Revenue participated. It involved growths of varying density found on 9,742 acres. A total of 1,159 violations under the Federal marihuana law was reported as compared with 1,111 violations reported during 1941. None of those reported was against persons registered under the law.

The tables following show the number of violations, by registered and nonregistered persons, of the narcotic and marihuana laws and the number disposed of during the fiscal year as reported by Federal narcotic enforcement officers.

*Violations of the narcotic laws and the cases disposed of, fiscal year 1942*

	Registered persons			Nonregistered persons								
	Federal court		State court	Federal court		State court						
Pending July 1, 1941.....	479			1,061								
Reported during 1942:												
Federal.....	781			1,378								
Joint.....	60			398								
Total to be disposed of.....	1,320			2,837								
Convicted:												
Federal.....	133		5	765		202						
Joint.....	10		2	151		145						
Acquitted:												
Federal.....	5		1	16		5						
Joint.....				7		4						
Dropped:												
Federal.....	312		5	312		34						
Joint.....	16		5	66		28						
Compromised: <sup>1</sup>												
Federal.....	297			3								
Joint.....	7		1									
Total disposed of.....	799			1,738								
Pending June 30, 1942.....	521			1,099								
Sentences imposed:	Years	Months	Days	Years	Months	Days						
	Years	Months	Days	Years	Months	Days						
	Years	Months	Days	Years	Months	Days						
	Years	Months	Days	Years	Months	Days						
Federal.....	247	4	3	3	6		1,534	4	24	145	5	17
Joint.....	15	6	1	1			317	7	5	132	8	12
Total.....	262	10	4	4	6		1,851	11	29	278	1	29
Fines imposed:												
Federal.....	\$73,902.47		\$350.00	\$44,448.00		\$888.21						
Joint.....	950.00		750.00	651.00		871.00						
Total.....	74,852.47		1,100.00	45,099.00		1,759.21						

<sup>1</sup> Represents 4 cases involving tax liability which were closed on payment of taxes and penalties in the sum of \$9.80; and 304 cases which were compromised in the sum of \$36,448.50.

NOTE.—Federal cases are made by Federal officers working independently, while joint cases are made by Federal and State officers working in cooperation with each other.

*Violations of the marihuana laws and the cases disposed of, fiscal year 1942*

	Registered persons			Nonregistered persons		
	Federal court	State court		Federal court	State court	
Pending July 1, 1941.....		3			322	
Reported during 1942:						
Federal.....		--			780	
Joint.....		--			379	
Total to be disposed of.....		<u>3</u>			<u>1,481</u>	
Convicted:						
Federal.....	--	--		570	28	
Joint.....	--	--		264	27	
Acquitted:						
Federal.....	--	--		14	5	
Joint.....	--	--		9	--	
Dropped:						
Federal.....	2	--		145	9	
Joint.....	--	--		55	8	
Total disposed of.....		<u>2</u>			<u>1,134</u>	
Pending June 30, 1942.....		<u>1</u>			<u>347</u>	
	Years	Months	Days	Years	Months	Days
Sentences imposed:						
Federal.....				893	--	23
Joint.....				349	9	10
Total.....				1,242	10	3
Fines imposed:						
Federal.....				\$4,062.00		\$132.70
Joint.....				1,452.00		478.00
Total.....				5,514.00		610.70

NOTE.—Federal cases are made by Federal officers working independently, while joint cases are made by Federal and State officers working in cooperation with each other.

*Registrations under the Federal narcotic and marihuana laws, June 30, 1942*

Registrants	Narcotic law	Marihuana law
Importers, manufacturers, producers, and compounders.....	152	11
Importers, manufacturers, and compounders.....		8,929
Producers (growers).....		228
Dealers.....		
Wholesale.....	1,248	
Retail.....	51,025	
Practitioners.....	158,765	685
Dealers in and manufacturers of untaxed preparations.....	150,355	
Users for purposes of research, instruction, or analysis.....	106	172
Total.....	361,651	10,025

<sup>1</sup> Includes registrations for which payment of occupational tax is not required under the act, because also registered in some other class.

Opium supplies continued to be available for import and additional quantities were imported during the year. In addition to the considerable reserve stocks imported by manufacturers and stored for normal domestic consumption and export, provision was made for a large Government-owned stock of this strategic material to be held as a further emergency reserve.

Coca leaves continued to be imported both for medicinal purposes and the manufacture of nonnarcotic flavoring extracts.

Exports of narcotic drugs of all kinds amounted to 22,642 ounces in 1942, a decrease of 515 ounces under the previous year. The drugs exported during 1942 involved 188,823 taxable ounces of products.

The net quantity of pure drugs of all kinds sold by manufacturers to domestic purchasers for civilian use amounted to 488,902 ounces, a decrease of 13,588 ounces under the previous year.

#### DIVISION OF PERSONNEL

The Division of Personnel is charged with the supervision of the personnel activities of the entire Department, and its general functions include initiating, planning, and formulating personnel policies, procedures, practices, and programs, and coordinating and exercising control over the Department's personnel operations so that they will conform to approved policies and procedures. The functions of the Division are principally in the nature of advisory and control activities, with the personnel operations of the Department being actually carried out in the personnel units of the several branches, bureaus, and offices. This decentralization of personnel work, with control being retained in the central personnel office, is in line with the Department's policy of facilitating and strengthening the functioning of the operating organizations.

The Division, headed by the Director of Personnel for the Treasury Department, has been organized to include activities relating to position-classification, salary administration, recruitment, appointment, placement, promotion, separation, retirement, discipline, investigation, efficiency rating, employee relations, leave, forms and records, and civil service rules and regulations.

On June 30, 1942, there were 24,610 employees in the departmental service and 43,586 employees in the field service of the Treasury Department, as compared with 20,483 employees in the departmental service and 64,501 employees in the field service on June 30, 1941. The 1941 figures include the military and civilian personnel of the United States Coast Guard which has since been transferred to the Navy Department. During the year the Division considered and acted upon 115,596 personnel recommendations relating to the appointment, promotion, reassignment, retirement, suspension, and separation of employees; reviewed and processed 21,373 classification actions for departmental positions, as compared with 10,275 classification actions for the same service in the fiscal year 1941. The Division of Personnel was also engaged in fostering, developing, and maintaining a comprehensive program of personnel management, in the interests of bettering employee-employer relations, attaining higher standards of performance, and increasing the efficiency and effectiveness of administration.

#### COMMITTEE ON PRACTICE

The Committee on Practice, formerly the Committee on Enrollment and Disbarment, is an administrative and judicial body. It has charge of the enrollment of attorneys and agents for practice



before the Treasury Department and conducts hearings in disbarment proceedings. An attorney, not a member of the committee, represents the Government before the committee. All complaints are filed with the attorney for the Government, who institutes proceedings in disbarment or suspension if the charges warrant such action. The committee also issues licenses to customhouse brokers and makes findings of fact and recommendations to the Secretary in proceedings for the revocation or suspension of such licenses.

The following statement summarizes the work of the committee for the fiscal year 1942.

Attorneys and agents:	Number
Applications for enrollment approved.....	2, 582
Applications for enrollment disapproved.....	6
Applications withdrawn on advice of committee.....	121
Formal hearings on applications.....	3
Complaints against enrolled persons:	
Pending July 1, 1941.....	33
Filed during the year.....	24
	57
Disposed of:	
Disbarred.....	11
Stricken from the rolls in the course of disbarment proceedings.....	5
Suspensions.....	1
Reprimands.....	3
Dismissed.....	4
	24
Pending June 30, 1942.....	33
Charges made, names stricken from the rolls.....	2
Cases of minor infractions of the regulations in which enrollees were given an opportunity to show cause why proceedings should not be instituted.....	13
Customhouse brokers:	
Applications for licenses approved.....	45
Applications withdrawn.....	4
Licenses canceled.....	26
Licenses revoked.....	1
Suspensions.....	0
Reprimands.....	0

Since the organization in 1921 of the Committee, 61,761 applications for enrollment have been approved and 757 disapproved. Two hundred and thirty-seven practitioners have been disbarred from further practice before the Treasury Department, 137 have been suspended from practice for various periods, and 179 have been reprimanded.

#### PROCESSING TAX BOARD OF REVIEW

The Processing Tax Board of Review has jurisdiction to review the allowance or disallowance by the Commissioner of Internal Revenue of claims for refund of processing tax paid under the Agricultural Adjustment Act and to determine the amount of refund due any claimant with respect to such claim. The decisions of the Board are reviewable by the Circuit Courts of Appeals of the United States and the United States Court of Appeals for the District of Columbia and subject to further review by the Supreme Court of the United States, upon certification or certiorari as provided in the Judicial Code, as amended. The Secretary of the Treasury designates the members of the Board and assigns to it such personnel in the Treasury Department as may be necessary to perform its functions.

The following table summarizes the work of the Board during the fiscal years 1941 and 1942.

Cases	1941		1942	
	Number	Refund claimed	Number	Refund claimed
Before the Board of Review:				
On hand at beginning of year.....	59	\$6,993,216.08	62	\$11,952,147.07
Filed during year.....	103	23,472,557.76	36	19,638,819.99
Reconsidered during year.....	3	162,598.25	7	419,165.10
Total to be reviewed.....	165	30,628,372.09	105	32,010,132.16
Decided.....	103	18,676,225.02	53	23,395,493.24
On hand at end of year.....	62	11,952,147.07	52	8,614,648.92
Decisions appealed to Circuit Courts of Appeals:				
On hand at beginning of year.....	12	981,081.16	9	338,661.59
Filed during year.....	17	1,113,633.23	9	1,474,132.41
Total to be reviewed.....	29	2,094,714.39	18	1,812,794.00
Decided by Circuit Courts.....	20	1,756,052.80	12	1,077,278.23
On hand at end of year.....	9	338,661.59	6	735,515.77
Before the Supreme Court:				
Filed during year for writ of certiorari.....	2	262,229.66		
Certiorari denied.....	2	262,229.66		
Pending in Supreme Court.....				

13 reversed, 4 affirmed, and 5 dismissed.

### PROCUREMENT DIVISION

Augmented by the assignment of important tasks in the prosecution of the war and the greater utilization of its facilities by other agencies of the Government, the functions and activities of the Procurement Division, as assigned under Executive Order No. 6166 and expanded under Executive orders and regulations issued under the First and Second War Powers Acts, have increased in both scope and volume. The following table summarizes the purchases by the Division under its various activities during the fiscal years 1941 and 1942.

	1941	1942
Regular activities.....	\$15,430,464	\$21,648,545
Printing and binding.....	2,380,148	6,061,395
Emergency relief.....	219,287,390	171,711,188
Strategic and-critical materials.....	29,378,252	6,544,303
Lend-lease activities.....	21,037,555	1,126,438,327
Defense housing projects.....	5,360,572	15,433,708
Refugee relief program.....	18,452,198	17,053,849
Total purchases.....	311,326,579	1,364,891,315

Purchases made under General Schedule of Supply contracts by the various governmental departments and agencies during 1942 amounted to \$273,522,472. This was a record high and was \$154,497,711 more than the total during 1941 of \$119,024,761.

Purchasing under the lend-lease program, which started during April 1941, gained momentum and during 1942 totaled \$1,126,438,327. The First War Powers Act, approved December 18, 1941, afforded the greatest possible latitude in the making of wartime purchases, emphasis being placed upon speed, and, in accordance with the authority, formal processes of purchasing were set aside for prompt purchase through direct negotiation.

The normal process of public bid openings and award to the lowest bidder of the entire quantity required was found to be ineffective

in the procurement of supplies under war conditions, which necessitate the utmost speed and the consideration of special economic aspects.

During the year considerable progress was made in placing the contracting and purchasing of commercial items in common use by Government agencies on a planned basis. The primary aim has been to provide for the procurement of essential nonmilitary requirements promptly and economically with due regard for the demands of the war program. Emphasis was placed on the conservation of critical materials by eliminating nonessential items and by modifying specifications and on broadening the sources of supply by means of zoning and the making of negotiated contracts.

Requirements of nonwar agencies for a number of essential classes of commodities have been channeled through the Division, which effects purchases on a centralized basis, providing opportunities for consolidated purchases. Consolidated purchase plans were put in operation with respect to motor vehicles, wood office desks and file cases, typewriters, paper products, lumber, electrical equipment, and machinery. The details of the individual plans vary somewhat depending upon the extent of central control required. In the case of items of limited supply subject to rationing, such as motor vehicles and typewriters, requisitioning agencies are required to submit formal justifications of need on standard forms prescribed for the purpose, and formal approval by the rationing authorities is secured in advance of making the purchase.

Limitation and Conservation Orders issued by the War Production Board for the conservation of critical materials in connection with the war effort has brought about changes in the design and details of construction in a number of items of office furniture. The need for a less expensive type of desk was recognized, and a table type of desk for clerical and typewriter use was designed. Contracts were let with a number of manufacturers all over the country to provide for immediate delivery to widely separated offices. The entire program since January first approximates 250,000 desks of all types.

For the first time contracts were executed for the standard types of maple household furniture. Prior to the adoption of a standard, a number of agencies in the Government were making separate contracts covering a variety of types and qualities.

Contracts covering the purchase of gasoline, based on estimated requirements, indicated an approximate increase of 160 percent over that for 1941. The increase in the purchase of fuel oil was approximately 78 percent. This increase was due in part to the increased military activity; for example, during the first quarter of the fiscal year only 35 ordnance plants were supplied as against 71 during the last quarter.

Among the special activities of the Division was an arrangement made with the Office Machinery and Equipment Procurement Committee of the War Production Board whereby the Division undertook the purchase of some 600,000 used standard typewriters required by the armed forces and other vital war agencies during the next two years. Plans were made to purchase machines held in stock by dealers, and to locate and procure excess typewriters in the hands of business firms, the general public, and Federal agencies. At the close of the year bid invitations had been sent to dealers all over the country to secure offerings from their stocks of serviceable typewriters; type-

writer manufacturers had supplied names of firms which had purchased machines in substantial volume over the past few years, and steps were being taken to solicit offerings from these holders; and a survey questionnaire had been circulated among Federal agencies. Later plans call for an organized appeal to the general public to turn in all typewriters which can possibly be spared.

Working in collaboration with the War Production Board and other war agencies the Division took active steps to conserve critical supplies and materials used by the Government. Early in the year Federal agencies were requested to survey immediately existing supplies and equipment to insure their full utilization, and to make available for use elsewhere all material not required for current use.

Specifications were also revised to provide for the various types of wood vertical files. These changes and revisions have resulted in a saving of thousands of dollars and many tons of critical materials.

In order to conserve strategic and critical materials and apply them to war purposes, 347 Emergency Alternate Federal Specifications and 95 revisions to these specifications were issued. The principal purpose of these specifications, which were prepared in conjunction with the War Production Board, has been to develop commodities made of substitute materials such as electric cable having only a small amount of rubber insulation and no rubber in the jacket; wood or plastic substitutes for metals; and the elimination of aluminum, brass, tin, and chromium. In addition, 334 revisions and amendments were made to existing Federal Specifications, and 86 new specifications were promulgated, bringing the number of Federal Specifications in effect as of June 30, 1942, to a total of 1,437.

During the year, 102 new Procurement Division Specifications were issued, and 75 were revised. There were 305 Procurement Division Specifications in effect as of June 30, 1942. Procurement Division Specifications are used when there are no existing Federal Specifications for the commodities and are frequently the basis for the preparation of Federal Specifications.

The Procurement Division continued to coordinate purchases by the Federal Government of blind-made products of 55 institutions. Purchases made by the Government departments and agencies increased during 1942 and amounted to \$3,502,510.64, compared with \$2,157,000 recorded in 1941.

The Defense Housing Unit purchased plumbing equipment for kitchen, laundry, and bath, water and oil tanks, medicine cabinets, heating and cooking units, lighting fixtures and refrigerators for defense housing to the extent of \$15,433,708 during 1942. For a discussion of the Division's activities in this connection, see page 55.

The Warehouse, in which are stocked commodities in common use in the Government, filled requisitions received from the various activities, both in the District of Columbia and the field, amounting to \$7,937,490 for 1942, compared with \$5,017,224 for 1941. This represented 19,824 tons of material delivered by Warehouse trucks in the District of Columbia and vicinity and the shipment of 10,692 tons to field activities, or a total of 30,516 tons for 1942 as compared with 14,648 tons in the District of Columbia and 7,819 tons to field activities, or a total of 22,467 tons for 1941.

In order to handle expeditiously the increased volume of business, the General Supply Fund, which is used as a revolving fund to finance

the Warehouse, Fuel Yard, and similar activities, was increased during the year by \$2,000,000, making a total fund of \$5,020,196. This increase permitted an appreciation in the average Warehouse inventory in 1942 to \$2,056,231, as compared with \$1,119,676 for 1941. Similarly, the Warehouse storage, shipping, and delivery space used in the Procurement Division building was increased in 1942 from 271,470 square feet to 321,470 square feet. In addition to the use of electric platform trucks, the Warehouse Division acquired 10 gasoline tiering trucks in order that the maximum vertical space could be used in the building.

As a result of the rigid inspections and tests given to deliveries, improvement in the quality of commodities supplied on Government order continued. Of the total of 3,308 inspections and tests during 1942, only 409 were performed at the Bureau of Standards and 37 at other departments, the balance being performed in the laboratory of the Inspection Division. Rejections of material were only 4.58 percent, which is an indication that the vendors supplying material are familiar with the standards required by the applicable specifications.

Fuel deliveries to the departments and agencies in and adjacent to the District of Columbia during the year amounted to 385,443 tons of coal and 15,991,128 gallons of fuel oil. Because of the expansion of the Government activities in the District of Columbia, 418 additional locations were served during the year. This represents a total of 1,413, as compared with only 995 locations during the previous year. Negotiations are under way for the purchase of fuel oil and gasoline either in railroad cars or tank wagons for the purpose of conserving transportation and the elimination of railroad crosshauling. Arrangements have been made for the standby storage of 500,000 gallons of fuel oil for the use of Government activities in the District of Columbia. Storage facilities have also been provided for approximately 90,000 tons of coal in addition to the storage facilities at the Procurement Division Fuel Yard.

During 1942 a total of 373,478 gallons of gasoline and 7,729 gallons of oil were issued to the automobiles of Federal agencies in the District of Columbia which utilized the facilities of the Garage. The number of service transactions amounted to 38,603, and 5,223 repair orders were completed for the fiscal year 1942.

Overhauls and adjustments of typewriters for various agencies totaled 32,575 during 1942. Savings on this work indicated an economy of approximately \$20,000 to the using offices.

In the disposition of surplus and forfeited personal property during the year, this Division arranged for the transfer between Government agencies of approximately 29,000 items valued at \$4,070,000. The sales of surplus and waste material in the District of Columbia and vicinity, determined to be of no further use, totaled \$250,076. The Division also participated in the collection and sale of scrap aluminum collected in the national scrap aluminum campaign, and acted as receiving agent in collecting rubber and unserviceable paint brushes donated for salvage purposes by Government agencies.

Under the Federal Alcohol Administration Act, the Division distributed by gift among charitable institutions 24,000 gallons of alcohol, wines, and malt beverages, with an appraised value of \$98,757.

Surplus chairs, desks, and other equipment were reconditioned in the Furniture Repair Shop and transferred for re-use to Government

agencies in the District of Columbia. In addition, the Furniture Repair Shop manufactured new furniture to meet the need of specific requirements of the various war agencies. The total value of this material was in excess of \$60,000 during 1942.

The duties of the Central Traffic Service (formerly the Federal Traffic Division) were extended in accordance with Bureau of the Budget Circular No. 387, dated February 12, 1942, to provide a central transportation rate information service for all Government agencies in Washington, D. C., to conduct surveys of Government traffic practices, to negotiate with carriers and their agents for special rates, and to prepare and file complaints before the Interstate Commerce Commission and other public regulatory bodies.

On October 1, 1941, the Division of Printing was transferred to and consolidated with the Procurement Division. The procurement of the stationery requirements for the various bureaus and offices of the Treasury Department was thereafter performed by the regular purchasing units of the Division. The functions of requisitioning of the printing and binding requirements of the Treasury Department, including the maintenance of control over field printing, the authorizing of engraving work to be performed by the Bureau of Engraving and Printing, and the supervision of newspaper and periodical advertising for the Treasury Department were established in a new section known as the Printing and Binding Section.

During the year \$580,361 was made available specifically for printing and binding by appropriations to the Treasury Department, and there were also transfers from other funds to the regular printing and binding fund. Of the total appropriated, \$575,289 was expended, leaving an unobligated balance of \$5,072.

There were 5,562 requisitions placed with the Public Printer at a cost of \$6,061,395. Of these, 1,629 requisitions, in the amount of \$4,292,028, submitted by the Bureau of the Public Debt, were chargeable to funds other than the printing and binding appropriation. Approximately 86 percent of the 1,629 requisitions were for the War Savings Staff for the promotion and sale of war savings bonds and stamps.

During the year there were 5,627 requisitions placed with the Bureau of Engraving and Printing, calling for a total of 172,155,245 disbursing officers' checks, commissions, certificates, drafts, transportation requests, and warrants, as compared with 4,526 requisitions calling for 163,187,605 checks, drafts, commissions, etc., for 1941. This work was ordered at the instance of the Government service at large, and the increase is attributable to the prevailing war conditions.

The Division continued during the year the purchasing of clothing, medical supplies, textiles, and hospital apparatus for the American Red Cross under the refugee relief program, as augmented by the foreign war relief program. A more detailed discussion appears on page 55.

During the year contracts and purchases of strategic and critical materials under the act of June 7, 1939 (Public No. 117), totaled \$6,544,303. For a discussion of the activities of the Division in this connection see page 54.

On page 53 appears a summary of the Procurement Division's activities under the Lend-Lease Act. This is its most important task in the present war effort, and is by far its largest activity at the present

time. Purchases during the past year totaled \$1,126,438,327, and have required the establishment of warehousing facilities for assembly of shipments.

There were issued by the field procurement offices during the year 466,352 purchase orders covering purchases valued at \$171,711,188, of which amount more than \$100,000,000 was for projects directly connected with the war program, such as airports, military highways, water supply systems and repairs, and alterations on military reservations. Included in the purchases also were 14,034,000 yards of textiles for the Work Projects Administration at a cost of \$2,630,500 and more than \$1,000,000 in new and used machine shop equipment for the National Youth Administration for use in its defense training program.

There were executed for field offices of agencies engaged in emergency relief work approximately 3,000 new leases and 1,975 renewals of leases; also, several thousand agreements for space on a \$1 per annum basis were executed.

In the interest of efficiency and economy, the Emergency Relief Branch at the close of the fiscal year had formulated plans to consolidate its field offices into eight regional offices with purchasing officers in each of the several States.

Federal Business Associations, acting under the direction of the Director of Procurement, continued their activities of promoting economy and efficiency in the conduct of Federal business within the particular localities of the 107 associations. The associations cooperated with the Post Office Department in the solicitation by that Agency for the loan from various Government establishments of trucks for handling Christmas mail for the 1941 season, which project resulted in a saving of \$166,147 in vehicle rental for the Postal Service. The associations also conducted patriotic rallies in the larger cities, organized banquets and obtained prominent speakers, promoted and assisted in the promotion of military and civic parades and celebrations for the purpose of stimulating the war effort. They also organized committees to further campaigns for the sale of war savings bonds and stamps, for contributions to the Blood Bank, to fight inflation, to prevent freight congestion, to finance the Red Cross, to further civilian defense activities and to participate generally in such national movements.

#### DIVISION OF RESEARCH AND STATISTICS

The Division of Research and Statistics in the Office of the Secretary serves as a research staff for the Secretary and other Treasury officials on matters relating to fiscal operations and policies, the estimated volume and source of future revenues, actuarial considerations involved in certain Treasury functions, and various general economic problems arising in connection with Treasury activities.

In connection with Treasury borrowing operations, the Division prepares reports for the use of officials concerned with the management of the public debt. Current and prospective conditions in the money and capital markets are studied in relation to both longer-term programs of Federal financing and to the types of securities, the coupon rates, and the maturities to be employed in particular financing operations. The effects of actual and proposed fiscal operations on the credit structure and general economy of the country are analyzed.

and long-range trends are appraised. Studies are made of existing laws and of legislative proposals in their relation to Treasury financing and Federal fiscal policies.

Estimates of Federal receipts from internal revenue taxes and from customs duties under existing laws are prepared for use in forecasting the Treasury's cash position for financing purposes and in all regular and interim Budget reports, and for such other purposes as may be required. Special revenue estimates are prepared for Treasury officials and for congressional committees working on tax legislation.

Reports are prepared on the actuarial status of pension and trust funds for which the Treasury is responsible. In connection with retirement legislation, estimates are made of probable cost of existing and proposed plans. Other actuarial analyses are made as required. The Government Actuary, who is on the staff of the Division, is a member of the Board of Actuaries, established under the Civil Service Retirement Act, and is the Treasury Department's representative on the Actuarial Advisory Committee of the Railroad Retirement Board.

### SECRET SERVICE DIVISION

An outstanding accomplishment of the Secret Service Division during the year was the smashing of a conspiracy to flood the country with counterfeit 25¢ war savings stamps. In New York City on May 12, 1942, Secret Service Agents and Post Office Inspectors arrested six men comprising the engravers, printers, financial backers and distributors of these stamps, and captured 200,692 bogus stamps with a representative value of \$50,173, together with a 25-design plate from which the counterfeits were printed. This venture was suppressed before anyone was defrauded, as none of the stamps were placed in circulation. Five defendants were sentenced in New York on June 11 to serve 10 years each, and one was sentenced to serve 8 years.

Cooperating with the Royal Canadian Mounted Police, agents of the Secret Service and the United States Customs Service on October 4, 1941, arrested two men at Buffalo, N. Y., and seized \$10,000 in gold which they attempted to smuggle from Canada into the United States. Investigation disclosed that these men and their Canadian accomplices had stolen almost \$3,000,000 in gold from mines in Ontario and Quebec and were smuggling it into the United States for sale. The accomplices also were arrested, and all were convicted in the courts of both countries.

Following the appearance in Tacoma, Wash., in December 1941 of a deceptive bogus \$20 note, Secret Service Agents identified it as the work of a counterfeiter who, up to 1939, had served 20 years in United States prisons for counterfeiting. This man was arrested by cooperating Mexican police in Mexico City on March 26, 1942, with a complete plant for the manufacture of \$50 and \$100 notes and Mexican currency.

As a result of the Secretary's directive of January 1, 1937, that more intensive efforts be extended by the Secret Service towards the suppression of counterfeiting, losses suffered by victims of counterfeit notes totaled \$47,882, a drop of 93 percent from the yearly average during the period 1933 to 1936, prior to the Secret Service program of Crime Prevention Through Education. In this program, the Secret Service received hearty cooperation from publishers of school text-



books, who are incorporating in many such books information about counterfeit money and how to detect it. It is expected that the texts will be widely adopted by schools and will be supplemented by the Secret Service motion picture "Know Your Money," which has already been seen by some 4,500,000 students and more than 3,000,000 merchants, bankers, and other adult groups. The Secret Service "Know Your Money" booklet, already in use in schools, was formally endorsed by the National Education Association in October 1941. Educational Secret Service displays are on view in many parts of the country and the program of Crime Prevention Through Education has even been carried to the comic strips.

As a part of the crime prevention program and as a service to the banks of the country, the Secret Service early in 1942, in cooperation with the Board of Governors of the Federal Reserve System, distributed to all banks a card index describing all counterfeit bills which appeared in circulation since the size of United States currency was changed in 1929. The index is kept current and makes it possible for every bank in the country to identify quickly any bogus bill. An order issued January 29, 1942, authorizes all banks and banking institutions of any nature whatsoever, organized under general or special Federal or State statutes, to take possession of and deliver to the Secret Service all counterfeit money presented at their places of business.

Following the attack on Pearl Harbor, the Secret Service and other Treasury agencies cooperated with the Foreign Funds Control Unit of the Treasury Department in impounding and freezing the assets of the enemy and organized a force of guards to insure the safety of the seized property.

The White House Detail of Secret Service Agents assigned to protect the President has necessarily been augmented since the declaration of war, and the agents have received special instruction in the use and effect of war gases and bombs. Members of the White House Police and of the Secret Service Uniformed Force have also had similar training.

There were 22 new counterfeit note issues detected during the year, 9 of which warranted the distribution of descriptive warning circulars.

Agents captured 34 metal plates for the printing of counterfeit obligations, including one brass plate bearing 25 impressions for bogus war savings stamps; 23 plates with impressions of the Treasury Seal, serial numbers, and portraits from paper money; 23 film negatives for counterfeit obligations, and 4 film negatives for the Treasury Seal, serial numbers, and portraits; 12 steel dies, 252½ plaster molds, and 26½ metal molds for the manufacture of counterfeit coins; and other counterfeiting paraphernalia.

Agents seized counterfeit and altered notes with a total representative value of \$72,950. Of this amount, \$10,441 was seized before it reached circulation, and of the balance only \$47,882 represented losses suffered by victims of passers of counterfeit notes.

Counterfeit coin seizures had a representative value of \$39,807, of which \$5,289 was captured before it reached circulation. Of the balance, only \$28,768 represented losses to the public.

During the year there were 26,821 cases disposed of. In the 1,898 cases brought to trial, convictions were obtained in 97.6 percent of

the cases, as compared to 97.1 percent in convictions during the previous year. Fines in criminal cases totaled \$32,988 and imprisonments totaled 1,692 years, 3 months, 3 days, and 5 hours. Additional sentences totaling 2,260 years and 7 days were suspended or probated.

The Secret Service investigated 11,985 cases relating to forged Government checks.

The following tables present data relating to the seizure of counterfeit money and other work of the Secret Service during the fiscal year.

*Counterfeit money seized, fiscal years 1941 and 1942*

	1941	1942	Increase or decrease (—)	Percentage increase or decrease (—)
Counterfeit and altered notes seized:				
After being circulated.....	\$91,097	\$62,510	—\$28,587	—31.38
Before being circulated.....	18,314	10,441	—7,873	—42.99
Total.....	109,411	72,951	—36,460	—33.32
Counterfeit coins seized:				
After being circulated.....	49,866	34,518	—15,348	—30.78
Before being circulated.....	2,427	5,289	2,862	117.92
Total.....	52,293	39,807	—12,486	—23.88
Grand total.....	161,704	112,758	—48,946	—30.27

*Number of investigations of criminal and noncriminal activities, fiscal years 1941 and 1942*

	1941	1942	Increase or decrease (—)	Percentage increase or decrease (—)
Criminal cases:				
Making or passing:				
Counterfeit notes.....	752	622	—130	—17.29
Counterfeit coins.....	761	624	—137	—18.00
Altered currency.....	147	173	26	17.69
Forgery of Government checks.....	14,161	11,985	—2,176	—15.37
Stolen or altered bonds.....	88	71	—17	—19.32
Violation of Gold Reserve Act.....	152	132	—20	—13.16
Violation of Farm Loan Act.....	32	19	—13	—40.63
Miscellaneous offenses.....	2,002	5,614	3,612	180.42
Total.....	18,095	19,240	1,145	6.33
Noncriminal cases:				
Personnel (applicants).....	2,987	5,785	2,798	93.67
Miscellaneous.....	548	1,796	1,248	227.74
Total.....	3,535	7,581	4,046	114.46
Grand total.....	21,630	26,821	5,191	24.00

*Number of arrests and cases disposed of, fiscal years 1941 and 1942*

	1941	1942	Increase or decrease (—)	Percentage increase or decrease (—)
<b>Arrests for:</b>				
Making or passing:				
Counterfeit notes.....	198	117	—81	—40.91
Counterfeit coins.....	554	200	—354	—63.90
Altered obligations.....	64	55	—9	—14.06
Forgery of Government checks.....	1,859	1,171	—688	—37.01
Violation of Gold Reserve Act.....	25	27	2	8.00
Violation of Farm Loan Act.....	7	7		
Miscellaneous offenses.....	242	308	66	27.27
<b>Total arrests.....</b>	<b>2,949</b>	<b>1,885</b>	<b>—1,064</b>	<b>—36.08</b>
<b>Cases disposed of:</b>				
<b>Convictions in connection with:</b>				
Counterfeit notes.....	189	119	—70	—37.04
Counterfeit coins.....	396	211	—185	—46.72
Altered obligations.....	62	46	—16	—25.81
Forgery of Government checks.....	1,736	1,173	—563	—32.43
Violation of Gold Reserve Act.....	16	11	—5	—31.25
Violation of Farm Loan Act.....	6	4	—2	—33.33
Miscellaneous offenses.....	167	289	122	73.05
<b>Total convictions.....</b>	<b>2,572</b>	<b>1,853</b>	<b>—719</b>	<b>—27.95</b>
Acquittals.....	76	45	—31	—40.79
Dismissed, not indicted, or died before trial.....	228	185	—43	—18.86
<b>Total cases disposed of.....</b>	<b>2,876</b>	<b>2,083</b>	<b>—793</b>	<b>—27.57</b>

**OFFICE OF THE TAX LEGISLATIVE COUNSEL**

The Office of the Tax Legislative Counsel assists the Secretary and those persons designated by him to supervise the tax program of the Treasury in planning and coordinating the legislative recommendations of the Treasury Department with respect to internal revenue and in drafting internal revenue legislation. This Office represents the Department before the congressional committees in matters involving internal revenue legislation.

During the fiscal year 1942, the efforts of the Office of the Tax Legislative Counsel have been directed toward the formulation of a war tax program which will provide sufficient revenue for the successful prosecution of the war and will distribute the burden equitably among all portions of the population and upon the various types of business enterprise. The principal revenue legislation in the fiscal year 1942 was the Revenue Act of 1941, which increased substantially the rates of most of the various Federal taxes. The Office also began an extensive study of the administration of the internal revenue laws in order to be of assistance to the Congress in the preparation of the current revenue revision to be enacted as the Revenue Act of 1942.

The act postponing income tax payments of persons in the military or naval forces, and the act extending the time for applications, and changing the procedure, for certification of national defense facilities and contracts for amortization purposes, exemplify the legislation affecting internal revenue which was drafted with the assistance of the Office of the Tax Legislative Counsel.

The Tax Legislative Counsel participated in numerous conferences with representatives of the War Production Board, the War Department, the Navy Department, and the Maritime Commission upon the question of excessive profits derived from war contracts and renegotiation of contracts. The Office supervised the preparation of reports

by the Treasury upon bills pending before congressional committees and represented the Department in committee hearings on many of the bills. Other duties included assistance in the preparation of regulations interpreting the Internal Revenue Code, review of Treasury decisions amending existing regulations, and handling of a large volume of correspondence consisting of suggestions for improvement of the tax structure and inquiries concerning existing provisions of the tax law.

#### DIVISION OF TAX RESEARCH

The Division of Tax Research in the Office of the Secretary conducts research in the economic aspects of taxation essential to the formulation of Treasury tax policy. In this connection the Division prepares reports and studies and conducts surveys for the use of the Secretary of the Treasury and other designated officials of the Treasury Department. When requested, it also provides information on various aspects of taxation and tax policy for the use of the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, the Joint Committee on Internal Revenue Taxation, and the several Federal executive and administrative agencies.

The research functions consist primarily of making basic surveys of the tax problems of the Federal Government and devising alternative methods of meeting the Government's revenue requirements. Comprehensive analyses are made of the relationship of revenue yields to prospective revenue requirements, the desired economic objectives of the tax system, and the economic effects of taxation. Individual taxes are studied with relation to their effects on the particular groups of taxpayers involved, the equitable treatment of taxpayers within a particular group, the administrative and compliance problems inherent in the tax, and the integration of the particular tax with the tax system as a whole. Studies are made of the distribution of the tax burden of specific taxes, the total Federal tax load, and the combined Federal, State, and local burden. The inter-relationships of Federal, State, and local taxes are studied from the broader view of intergovernmental fiscal relations. Specific State and local taxes are also studied to determine the joint effect of such taxes and Federal taxes and also with a view to giving the Federal Government the benefit of State and local tax experience. Similar studies are made of foreign tax systems and selected taxes in foreign countries for the purpose of comparing tax policies and obtaining the benefit of foreign experience. In a limited number of cases field surveys are made for the purpose of supplementing office research.

After Pearl Harbor the need of transforming our economy to an all-out war basis required drastic steps in the field of taxation. The existing tax system would have provided revenue sufficient to meet only a small fraction of the necessary expenditures. Moreover, the growing pressure on prices of rising money incomes in the face of a declining volume of civilian goods and services pointed to the necessity of fiscal measures to maintain the stability of the economy. The development of the tax system to meet the needs of wartime fiscal policy thus became a major problem.

Against this background of requirements of the tax system, the Division of Tax Research has had to expand greatly the scope of its

studies. Changes in economic conditions, shifts in the distribution of income, and the need for increasing production have presented new problems and rendered tax problems more difficult. Additional research has been necessary in two principal directions: First, the development of new taxes to meet special war revenue needs in such a manner as to facilitate the conversion of industry to war production and to contribute to the control of inflation; and second, the adjustment of existing taxes to meet the requirements of a nation at war.

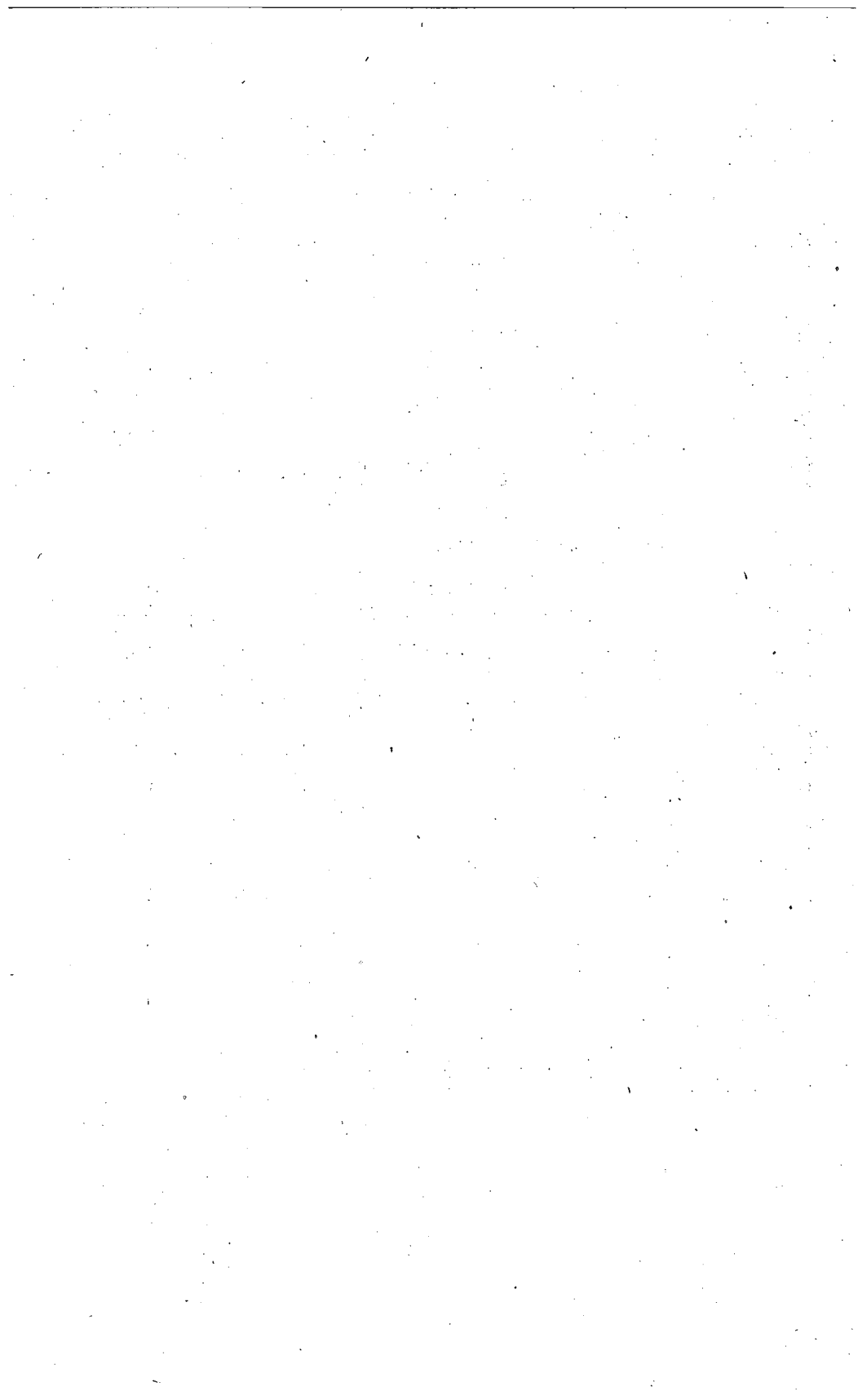
Increases in tax rates have intensified the problems of equitable treatment of taxpayers and of maintaining incentives for production. Equity considerations have required that attention be given to the elimination of provisions affording unduly favorable treatment to certain classes of taxpayers as well as to the provision of relief for undue hardship in other cases. The imposition of higher taxes on corporation incomes, particularly very high excess profits tax rates, have made it necessary to reexamine many provisions of the law relating to the definition of taxable income and to devise special provisions to prevent the taxation of fictitious income. The need of providing special relief for the purpose of avoiding undue hardship or providing incentives needed for war production has greatly complicated the problems of business taxation. In the case of individuals, it has been necessary to give greatly increased attention to the fixed commitments of taxpayers and to variations in individual expenditure patterns.

The Director and members of the Division assist in the presentation of the Treasury's tax programs to the congressional committees and confer with members of these committees and the staff of the Joint Committee on Internal Revenue Taxation for the purpose of explaining and developing research on various tax matters. Members of the Division also participate in conferences with taxpayers who desire to call special problems to the attention of the Treasury Department.

The Division also is responsible for the assembly and publication of all statistical information pertaining to Federal taxation, and in this connection exercises general supervision over the work of the Statistical Section of the Income Tax Unit in the Bureau of Internal Revenue. Correspondence relating to taxation is handled by the Division.

#### WAR SAVINGS STAFF

On April 15, 1942, by Treasury Department Order No. 45, the name of the Defense Savings Staff was changed to War Savings Staff. Throughout the year, the organization continued its work of promoting the sale of United States savings bonds and stamps. Sales of bonds amounted to slightly more than \$6 billions. Stamp sales amounted to \$308 millions.



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## EXHIBITS

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## PUBLIC DEBT

### Issues and redemptions of Treasury bonds and Treasury notes

#### Exhibit 1

#### *Offering of Treasury notes of Tax Series A-1943 and Tax Series B-1943*

On July 22, 1941, Secretary of the Treasury Morgenthau offered for sale two issues of nontransferable Treasury notes of Tax Series A-1943 and Tax Series B-1943, both acceptable at par and accrued interest in payment of Federal income taxes. These notes were on sale from August 1 to December 31, 1941.

[Department Circular No. 667. Public Debt]

TREASURY DEPARTMENT,  
Washington, July 22, 1941.

#### I. OFFERING OF NOTES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, offers for sale, to the people of the United States, through the Federal Reserve Banks, at par and accrued interest, two issues of nontransferable notes of the United States, designated Treasury notes of Tax Series A-1943 and Treasury notes of Tax Series B-1943. As hereinafter provided, the notes of both series will be acceptable at par and accrued interest in payment of Federal income taxes: *Provided, however*, that not exceeding \$1,200 principal amount of notes of Tax Series A-1943, and the accrued interest thereon, will be accepted from any one owner in any period of twelve consecutive months in payment of taxes due from such owner. If not presented in payment of taxes, the notes will be redeemable at the purchase price as hereinafter provided.

2. Descriptions of the notes of both series and their terms are hereinafter fully set forth. The notes will be placed on sale beginning August 1, 1941, and the sale will continue until December 31, 1941, unless earlier terminated, as to either or both series, by the Secretary of the Treasury.

#### II. DESCRIPTION OF NOTES

1. *General.*<sup>1</sup>—The notes of both series will be dated August 1, 1941, and will mature August 1, 1943. The owner's name and address and the date of issue will be entered on each note at the time of its issue by a Federal Reserve Bank. The month in which payment is received by a Federal Reserve Bank or branch, or by the Treasurer of the United States, will determine the purchase price and issue date of each note. The notes may not be transferred. No hypothecation of the notes on any account will be recognized by the Treasury Department, and they will not be accepted to secure deposits of public money. Except as herein provided, the notes will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing bonds and notes of the United States.

2. *Denominations and interest.*<sup>2</sup>—The notes of Tax Series A-1943 will be issued in denominations of \$25, \$50, and \$100, and interest thereon will accrue during each month after August 1941 in the amount of 16 cents on each \$100 principal amount, that is, 4 cents on each \$25, 8 cents on each \$50, and 16 cents on each \$100 denomination of note. The notes of Tax Series B-1943 will be issued in denominations of \$100, \$500, \$1,000, \$10,000, and \$100,000, and interest thereon will accrue each month after August 1941 in the amount of 4 cents on each \$100 principal amount, that is, 4 cents on each \$100, 20 cents on each \$500, 40 cents on each \$1,000, \$4 on each \$10,000, and \$40 on each \$100,000 denomination of note. In no case, however, shall interest accrue beyond the month in which the note is presented in payment of taxes, or beyond its maturity. Exchanges of

<sup>1</sup> Amended, see p. 212.

<sup>2</sup> Amended, see p. 211.

authorized denominations of each series from higher to lower, but not from lower to higher, may be arranged at the Federal Reserve Bank of issue.

3. *Purchase price, and tax-payment value.*—The notes of both series will be sold at par during August 1941, and will be sold at par and accrued interest during each subsequent month while they remain on sale, the purchase price for a note of any denomination of either series advancing each month after August 1941 in the amount of one month's interest on that note. Tables, showing for each month from August 1941 to August 1943, for each denomination of each series, the principal amount of the notes with accrued interest added, are appended to this circular. The total shown for any denomination for any month—August through December 1941—while the notes remain on sale, is the purchase price, or cost, of the note during that month. Also, the total shown for any denomination for any month thereafter is the tax-payment value, or the amount at which the note will be acceptable during that month in payment of Federal income taxes as herein provided.

4. *Acceptability in payment of taxes.*—The notes of both series (but not more than \$1,200 principal amount of notes of Tax Series A-1943 from any one owner in any period of twelve consecutive months) will be acceptable, at par and accrued interest, in payment of Federal income taxes (current and back personal and corporation taxes, and excess-profits taxes). The conditions of presentation, surrender and acceptance of the notes in payment of such taxes are set forth in section IV of this circular.

5. *Payment or redemption for cash.*—The notes of either series may not be called by the Secretary of the Treasury for redemption prior to maturity. If such notes are not presented in payment of taxes: (1) they will be payable at maturity, or (2) they will be redeemable prior to maturity, at the owner's option and request, as hereinafter provided in section V and in either case payment will be made only at the price paid for the notes.

6. *Taxation.*—Income derived from the notes shall be subject to all Federal taxes, now or hereafter imposed. The notes shall be subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

### III. PURCHASE OF NOTES

1. *Applications and payment.*—Applications will be received by the Federal Reserve Banks and branches, and by the Treasurer of the United States, Washington, D. C. Banking institutions generally may submit applications for account of customers, but only the Federal Reserve Banks and the Treasurer of the United States are authorized to act as official agencies. Every application must be accompanied by payment in full, at par and accrued interest to the month in which payment is received by a Federal Reserve Bank or branch, or the Treasurer of the United States. Any form of exchange, including personal checks, will be accepted subject to collection, and should be drawn to the order of the Federal Reserve Bank or of the Treasurer of the United States, as the case may be. Any depositary, qualified pursuant to the provisions of Treasury Department Circular No. 92 (revised February 23, 1932, as supplemented) will be permitted to make payment by credit for notes applied for on behalf of itself or its customers up to any amount for which it shall be qualified in excess of existing deposits.

2. *Reservations.*—The Secretary of the Treasury reserves the right to reject any application in whole or in part, and to refuse to issue or permit to be issued hereunder any notes in any case or in any class or classes of cases if he deems such action to be in the public interest, and his action in any such respect shall be final. If an application is rejected, in whole or in part, any payment received therefor will be refunded. The Secretary of the Treasury, in his discretion, may designate agencies other than those herein provided for the sale of, or for the handling of applications for, Treasury notes to be issued hereunder.

3. *Delivery of notes.*—Upon acceptance of full-paid applications, notes will be duly issued and, unless delivered in person, will be delivered by registered mail within the Continental United States, the Territories and Insular Possessions of the United States, the Canal Zone, and the Philippine Islands. No deliveries elsewhere will be made.

4. *Form of application.*—In applying for notes under this circular, care should be exercised to specify whether those of Tax Series A-1943 or Tax Series B-1943 are desired, and there must be furnished the name and address of the individual,

corporation, or other entity in which the notes are to be issued; and if address for the delivery of the notes is different, appropriate instructions should be given. The name should be in the same form as that used in the Federal income tax return of the purchaser. The use of an official application form is desirable, but not necessary. Appropriate forms may be obtained on application to any Federal Reserve Bank or branch, and banking institutions generally will supply such forms.

#### IV. PRESENTATION IN PAYMENT OF TAXES

1. After three months from month of purchase (as shown by the date of issue on each note), but not before January 1, 1942, during such time, and under such rules and regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe, notes issued hereunder in the name of a taxpayer (individual, corporation, or other entity) may be presented and surrendered by such taxpayer, his agent, or his estate, to the Collector of Internal Revenue to whom the tax return is made, and will be receivable by the Collector at par and accrued interest from August 1941 to the month, inclusive (but no accrual beyond August 1943), in which presented in payment of any Federal income taxes (current and back personal and corporation taxes, and excess-profit taxes) assessed against the original purchaser or his estate, but not more than \$1,200 principal amount of notes of Tax Series A-1943, and the accrued interest thereon, may be accepted by the Collector in any period of twelve consecutive months in payment of Federal income taxes due from such owner. The notes must be forwarded to the Collector at the risk and expense of the owner, and, for his protection, should be forwarded by registered mail, if not presented in person.

#### V. CASH REDEMPTION AT OR PRIOR TO MATURITY

1. *General.*—Any Treasury note of Tax Series A-1943 or Tax Series B-1943 will be redeemed for cash at the purchase price at or before maturity. Notes of Tax Series A-1943 may be redeemed before maturity without advance notice, but notes of Tax Series B-1943 may be redeemed before maturity only after 60 days from date of issue and on 30 days' advance notice. The timely surrender of a note of Tax Series B-1943, bearing a properly executed request for payment, will be accepted as constituting the advance notice required hereunder.

2. *Execution of request for payment.*—The owner in whose name the note is inscribed must appear before one of the officers authorized by the Secretary of the Treasury to witness and certify requests for payment, establish his identity, and in the presence of such officer sign the request for payment appearing on the back of the note, adding the address to which check is to be mailed. After the request for payment has been so signed, the witnessing officer should complete and sign the certificate provided for his use.

3. *Officers authorized to witness and certify requests for payment.*—Any officers authorized to witness and certify requests for payment of United States savings bonds, as set forth in Treasury Department Circular No. 530, Fourth Revision, as amended, are hereby authorized to witness and certify requests for cash redemption of Treasury notes issued under this circular. Such officers include United States postmasters, certain other post office officials, and the executive officers of all banks and trust companies incorporated in the United States or its organized territories, including officers at branches thereof who are certified to the Treasury Department as executive officers.

4. *Presentation and surrender.*—Notes bearing properly executed requests for payment must be presented and surrendered to the Federal Reserve Bank of issue, at the expense and risk of the owner. For the owner's protection, notes should be forwarded by registered mail, if not presented in person.

5. *Disability or death.*—In case of the disability or death of the owner, and the notes are not to be presented in payment of Federal income taxes due from his estate, instructions should be obtained from the Federal Reserve Bank of issue before the request for payment is executed, or the notes presented.

6. *Partial redemption.*—Partial cash redemption of notes of either series, corresponding to an authorized denomination, may be made in the same manner, appropriate changes being made in the request for payment. In case of partial redemption of a note, the remainder will be reissued with the same date of issue as the note surrendered.

7. *Payment.*—Payment of any note, either at maturity or on redemption before maturity, will be made only by the Federal Reserve Bank that issued the note, and will be made by check drawn to the order of the owner, and mailed to the

address given in his request for payment. In any case, payment will be made at the purchase price of the note, that is, at par and accrued interest (if any) paid at the time of purchase.

#### VI. GENERAL PROVISIONS

1. Federal Reserve Banks, as fiscal agents of the United States, are authorized to perform such services or acts as may be appropriate and necessary under the provisions of this circular, and under any instructions given by the Secretary of the Treasury.

2. The Secretary of the Treasury may at any time or from time to time supplement or amend the terms of this circular, or of any amendments or supplements thereto, and may at any time or from time to time prescribe amendatory rules and regulations governing the offering of the notes, information as to which will promptly be furnished to the Federal Reserve Banks.

HENRY MORGENTHAU, Jr.,  
Secretary of the Treasury.

#### TREASURY NOTES—TAX SERIES A-1943

##### Purchase price and tax-payment value during successive months

Table, showing for each month from August 1941 to August 1943, for notes of each denomination, the principal amount with accrued interest added. The total shown for any denomination, for any month—August through December 1941—while the notes remain on sale, is the purchase price, or cost, of the note during that month. Also, the total shown for any denomination for any month thereafter is the tax-payment value, or the amount at which the note will be acceptable during that month in payment of Federal income taxes.

##### PURCHASE PRICE

	\$25	\$50	\$100		\$25	\$50	\$100
August 1941.....	\$25.00	\$50.00	\$100.00	November 1941.....	\$25.12	\$50.24	\$100.48
September 1941.....	25.04	50.08	100.16	December 1941.....	25.16	50.32	100.64
October 1941.....	25.08	50.16	100.32				

##### TAX-PAYMENT VALUE

	\$25	\$50	\$100		\$25	\$50	\$100
January 1942.....	\$25.20	\$50.40	\$100.80	November 1942.....	\$25.60	\$51.20	\$102.40
February 1942.....	25.24	50.48	100.96	December 1942.....	25.64	51.28	102.56
March 1942.....	25.28	50.56	101.12	January 1943.....	25.68	51.36	102.72
April 1942.....	25.32	50.64	101.28	February 1943.....	25.72	51.44	102.88
May 1942.....	25.36	50.72	101.44	March 1943.....	25.76	51.52	103.04
June 1942.....	25.40	50.80	101.60	April 1943.....	25.80	51.60	103.20
July 1942.....	25.44	50.88	101.76	May 1943.....	25.84	51.68	103.36
August 1942.....	25.48	50.96	101.92	June 1943.....	25.88	51.76	103.52
September 1942.....	25.52	51.04	102.08	July 1943.....	25.92	51.84	103.68
October 1942.....	25.56	51.12	102.24	August 1943.....	25.96	51.92	103.84

## TREASURY NOTES—TAX SERIES B-1943

## Purchase price and tax-payment value during successive months

Table, showing for each month from August 1941 to August 1943, for notes of each denomination, the principal amount with accrued interest added. The total shown for any denomination, for any month—August through December 1941—while the notes remain on sale, is the purchase price, or cost, of the note during that month. Also, the total shown for any denomination for any month thereafter is the tax-payment value, or the amount at which the note will be acceptable during that month in payment of Federal income taxes.

## PURCHASE PRICE

	\$100	\$500	\$1,000	\$10,000	\$100,000
August 1941.....	\$100.00	\$500.00	\$1,000.00	\$10,000	\$100,000
September 1941.....	100.04	500.20	1,000.40	10,004	100,040
October 1941.....	100.08	500.40	1,000.80	10,008	100,080
November 1941.....	100.12	500.60	1,001.20	10,012	100,120
December 1941.....	100.16	500.80	1,001.60	10,016	100,160

## TAX-PAYMENT VALUE

	\$100.20	\$501.00	\$1,002.00	\$10,020	\$100,200
January 1942.....	100.20	501.00	1,002.00	10,020	100,200
February 1942.....	100.24	501.20	1,002.40	10,024	100,240
March 1942.....	100.28	501.40	1,002.80	10,028	100,280
April 1942.....	100.32	501.60	1,003.20	10,032	100,320
May 1942.....	100.36	501.80	1,003.60	10,036	100,360
June 1942.....	100.40	502.00	1,004.00	10,040	100,400
July 1942.....	100.44	502.20	1,004.40	10,044	100,440
August 1942.....	100.48	502.40	1,004.80	10,048	100,480
September 1942.....	100.52	502.60	1,005.20	10,052	100,520
October 1942.....	100.56	502.80	1,005.60	10,056	100,560
November 1942.....	100.60	503.00	1,006.00	10,060	100,600
December 1942.....	100.64	503.20	1,006.40	10,064	100,640
January 1943.....	100.68	503.40	1,006.80	10,068	100,680
February 1943.....	100.72	503.60	1,007.20	10,072	100,720
March 1943.....	100.76	503.80	1,007.60	10,076	100,760
April 1943.....	100.80	504.00	1,008.00	10,080	100,800
May 1943.....	100.84	504.20	1,008.40	10,084	100,840
June 1943.....	100.88	504.40	1,008.80	10,088	100,880
July 1943.....	100.92	504.60	1,009.20	10,092	100,920
August 1943.....	100.96	504.80	1,009.60	10,096	100,960

[First amendment to Department Circular No. 667]

## TREASURY DEPARTMENT,

Washington, August 7, 1941.

1. Section II (2) of Department Circular No. 667, dated July 22, 1941, is hereby amended to read as follows:

2. *Denominations and interest.*—The notes of Tax Series A-1943 will be issued in denominations of \$25, \$50, and \$100, and interest thereon will accrue during each month after August 1941 in the amount of 16 cents on each \$100 principal amount, that is, 4 cents on each \$25, 8 cents on each \$50, and 16 cents on each \$100 denomination of note. The notes of Tax Series B-1943 will be issued in denominations of \$100, \$500, \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000, and interest thereon will accrue each month after August 1941 in the amount of 4 cents on each \$100 principal amount, that is, 4 cents on each \$100, 20 cents on each \$500, 40 cents on each \$1,000, \$4 on each \$10,000, \$40 on each \$100,000, \$200 on each \$500,000, and \$400 on each \$1,000,000 denomination of note. In no case, however, shall interest accrue beyond the month in which the note is presented in payment of taxes, or beyond its maturity. Exchanges of authorized denominations of each series from higher to lower, but not from lower to higher, may be arranged at the Federal Reserve Bank of issue.

HENRY MORGENTHAU, Jr.,  
Secretary of the Treasury.

[Second amendment to Department Circular No. 667]

TREASURY DEPARTMENT,  
Washington, October 21, 1941.

1. Section II (1) of Department Circular No. 667, dated July 22, 1941, is hereby amended to read as follows:

1. *General.*—The notes of both series will be dated August 1, 1941, and will mature August 1, 1943. The owner's name and address and the date of issue will be entered on each note at the time of its issue by a Federal Reserve Bank. The month in which payment is received by a Federal Reserve Bank or branch, or by the Treasurer of the United States, will determine the purchase price and issue date of each note. The notes may not be transferred except in the case of notes issued in the name of a parent corporation, in which case they may be reissued in the name of a subsidiary of that corporation with the same dating as the notes surrendered, upon presentation to the Federal Reserve Bank of issue; for the purposes of this paragraph a subsidiary corporation is defined as one more than 50 percent of whose stock with voting power is held by another corporation. No hypothecation of the notes on any account will be recognized by the Treasury Department, and they will not be accepted to secure deposits of public money. Except as herein provided, the notes will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing bonds and notes of the United States.

HENRY MORGENTHAU, Jr.,  
*Secretary of the Treasury.***Exhibit 2***Offering of 2½ percent Treasury bonds of 1967-72*

On October 9, 1941, Secretary of the Treasury Morgenthau offered for cash subscription \$1,200,000,000, or thereabouts, of 2½ percent Treasury bonds of 1967-72, and at the same time offered the holders of 1¼ percent Treasury notes of Series C-1941, maturing December 15, 1941, the privilege of exchanging their maturing notes for additional amounts of the Treasury bonds of 1967-72. A further additional amount of \$100,000,000 could be sold to Government investment accounts. In the related press release it was stated that \$204,425,400 of Treasury notes of Series C-1941 were then outstanding.

[Department Circular No. 670. Public Debt]

TREASURY DEPARTMENT,  
Washington, October 9, 1941.**I. OFFERING OF BONDS**

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for 2½ percent bonds of the United States, designated Treasury bonds of 1967-72. The amount of the public offering is \$1,200,000,000, or thereabouts, with the right reserved to the Secretary of the Treasury to increase the offering by an amount sufficient to accept all subscriptions for which Treasury notes of Series C-1941, maturing December 15, 1941, are tendered in payment and accepted. In addition to the amount offered for public subscription, \$100,000,000, or thereabouts, of these bonds may be allotted to Government investment accounts against cash payment.

**II. DESCRIPTION OF BONDS**

1. The bonds will be dated October 20, 1941, and will bear interest from that date at the rate of 2½ percent per annum, payable on a semiannual basis on March 15 and September 15 in each year until the principal amount becomes payable. They will mature September 15, 1972, but may be redeemed at the option of the United States on and after September 15, 1967, in whole or in part, at par and accrued interest, on any interest day or days, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redemption the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

2. The income derived from the bonds shall be subject to all Federal taxes, now or hereafter imposed. The bonds shall be subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The bonds will be acceptable to secure deposits of public moneys, but will not bear the circulation privilege and will not be entitled to any privilege of conversion.

4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of \$50, \$100, \$500, \$1,000, \$5,000, \$10,000, and \$100,000. Provision will be made for the interchange of bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury.

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

### III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Treasury Department, Washington. Subscribers must agree not to sell or otherwise dispose of their subscriptions, or of the securities which may be allotted thereon, prior to the closing of the subscription books. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Cash subscriptions from banks and trust companies for their own account will be received without deposit but will be restricted in each case to an amount not exceeding one-half of the combined capital and surplus of the subscribing bank or trust company. Cash subscriptions from all others must be accompanied by payment of 10 percent of the amount of bonds applied for.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of bonds applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, subscriptions in payment of which Treasury notes of Series C-1941 are tendered will be allotted in full. Allotment notices will be sent out promptly upon allotment, and the basis of the allotment will be publicly announced.

### IV. PAYMENT

1. Payment at par and accrued interest, if any, for bonds allotted on cash subscriptions hereunder must be made or completed on or before October 20, 1941, or on later allotment. In every case where payment is not so completed, the payment with application up to 10 percent of the amount of bonds applied for shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. Any qualified depository will be permitted to make payment by credit for bonds allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district. Treasury notes of Series C-1941, maturing December 15, 1941, with coupon dated December 15, 1941, attached, will be accepted at par in payment for any bonds subscribed for and allotted, and should accompany the subscription. Accrued interest from June 15, 1941, to October 20, 1941 (\$4.33743 per \$1,000), will be paid following acceptance of the notes.

### V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, Jr.,  
*Secretary of the Treasury.*

## Exhibit 3

*Subscriptions and allotments, Treasury bonds of 1967-72 (from press releases, October 10, 15, and 22, 1941<sup>1</sup>)*

On October 9, 1941, Secretary of the Treasury Morgenthau announced that the subscription books for the cash offering of 2½ percent Treasury bonds of 1967-72 closed at the close of business October 9. Cash subscriptions aggregated \$10,445,341,100, of which \$1,407,503,200 was allotted. Cash subscriptions were allotted 12½ percent, on a straight percentage basis, with adjustments, where necessary, to the \$100 denomination.

The subscription books for the receipt of subscriptions in payment of which Treasury notes of Series C-1941, maturing December 15, 1941, were tendered closed at the close of business October 10. Exchange subscriptions aggregated \$188,971,200, all of which were allotted in full.

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

Federal Reserve district	Cash subscriptions		Exchange subscriptions received (allotted in full)	Total subscriptions allotted
	Received	Allotted		
Boston.....	\$951,726,650	\$119,071,100	\$12,907,700	\$131,978,800
New York.....	4,921,587,550	615,575,950	127,640,100	743,216,050
Philadelphia.....	616,842,550	77,328,350	7,763,300	85,091,650
Cleveland.....	691,193,300	86,556,300	3,294,700	89,851,000
Richmond.....	418,370,400	52,392,900	2,562,900	54,955,800
Atlanta.....	535,350,350	67,069,950	509,200	67,579,150
Chicago.....	1,091,686,900	136,678,450	13,634,300	150,312,750
St. Louis.....	255,191,450	32,104,000	3,394,800	35,438,800
Minneapolis.....	163,917,350	20,541,900	9,114,600	29,656,500
Kansas City.....	137,529,200	17,277,700	1,347,000	18,624,700
Dallas.....	193,407,050	24,267,600	2,351,500	26,619,100
San Francisco.....	446,072,050	55,826,900	3,997,500	59,824,400
Treasury.....	22,466,300	2,812,100	613,600	3,325,700
Government investment accounts.....		100,000,000		100,000,000
Total.....	10,445,341,100	1,407,503,200	188,971,200	1,596,474,400

## Exhibit 4

*Offering of 1 percent Treasury notes of Series A-1946*

On October 23, 1941, Secretary of the Treasury Morgenthau invited subscriptions for 1 percent Treasury notes of Series A-1946 from the holders of ¾ percent Reconstruction Finance Corporation notes of Series P, maturing November 1, 1941, and 1 percent Commodity Credit Corporation notes of Series E, maturing November 15, 1941. The amount of the offering was limited to the aggregate proceeds of payment of the two maturing corporate issues applied to the purchase of the new Treasury notes. In the related press release it was stated that there were then outstanding \$299,839,000 of Reconstruction Finance Corporation notes of Series P and \$204,241,000 of Commodity Credit Corporation notes of Series E. It was also stated that all of the Government guaranteed issues in the hands of the public would eventually be converted into Treasury issues so that the market would ultimately be dealing with but one class of Government obligation.

[Department Circular No. 671. Public Debt]

TREASURY DEPARTMENT,  
Washington, October 23, 1941.

## I. OFFERING OF NOTES AND INVITATION FOR TENDERS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par, from the people of the United States for 1 percent notes of the United States, designated Treasury notes of Series A-1946, the offering to be limited to the amount of subscriptions entered as provided in the two next succeeding paragraphs.

2. The Secretary of the Treasury offers to apply the proceeds of payment of Reconstruction Finance Corporation notes of Series P, maturing November 1,

<sup>1</sup> Revised Nov. 27, 1941.



1941, tendered for payment in accordance with sections III and IV of this circular, to payment for Treasury notes subscribed for hereunder. Tenders of Series P notes for that purpose are invited.

3. The Secretary of the Treasury, on behalf of Commodity Credit Corporation, offers to purchase on November 1, 1941, at par and accrued interest, Commodity Credit Corporation notes of Series E, maturing November 15, 1941, to the extent to which the holders thereof subscribe for Treasury notes hereunder. Tenders of Series E notes for that purpose are invited.

## II. DESCRIPTION OF NOTES

1. The notes will be dated November 1, 1941, and will bear interest from that date at the rate of 1 percent per annum, payable on a semiannual basis on March 15 and September 15 in each year until the principal amount becomes payable. They will mature March 15, 1946, and will not be subject to call for redemption prior to maturity.

2. The income derived from the notes shall be subject to all Federal taxes, now or hereafter imposed. The notes shall be subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The notes will be accepted at par during such time and under such rules and regulations as shall be prescribed or approved by the Secretary of the Treasury in payment of income and profits taxes payable at the maturity of the notes.

4. The notes will be acceptable to secure deposits of public moneys, but will not bear the circulation privilege.

5. Bearer notes with interest coupons attached will be issued in denominations of \$100, \$500, \$1,000, \$5,000, \$10,000, and \$100,000. The notes will not be issued in registered form.

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

## III. SUBSCRIPTION AND ALLOTMENT

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

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of notes applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

## IV. PAYMENT

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

## V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for notes allotted, to make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, Jr.,  
Secretary of the Treasury.

### Exhibit 5

*Allotments, Treasury notes of Series A-1946 (from press releases, October 23 and 30, 1941<sup>1</sup>)*

On October 23, 1941, Secretary of the Treasury Morgenthau announced that the subscription books for the offering of 1 percent Treasury notes of Series A-1946—open to the holders of Reconstruction Finance Corporation notes of Series P, maturing November 1, 1941, and of Commodity Credit Corporation notes of Series E, maturing November 15, 1941—would close at the close of business October 24. The principal proceeds of the payment of \$502,866,000 of maturing corporate notes were applied to payment for a like amount of new Treasury notes. Allotments were divided among the Federal Reserve districts and the Treasury as follows:

Federal Reserve district	Subscriptions from holders of Reconstruction Finance Corporation notes of Series P	Subscriptions from holders of Commodity Credit Corporation notes of Series E	Total subscriptions received (allotted in full)
Boston.....	\$1,020,000	\$5,887,000	\$6,907,000
New York.....	227,076,000	132,088,000	359,164,000
Philadelphia.....	1,512,000	5,741,000	7,253,000
Cleveland.....	4,712,000	8,267,000	12,979,000
Richmond.....	3,848,000	2,647,000	6,495,000
Atlanta.....	250,000	1,450,000	1,700,000
Chicago.....	51,695,000	29,091,000	80,786,000
St. Louis.....	2,010,000	3,755,000	5,765,000
Minneapolis.....	2,170,000	3,250,000	5,420,000
Kansas City.....	2,731,000	3,401,000	6,132,000
Dallas.....	1,820,000	6,041,000	7,861,000
San Francisco.....	590,000	1,504,000	2,094,000
Treasury.....	10,000	300,000	310,000
Total.....	299,444,000	203,422,000	502,866,000

### Exhibit 6

*Offering of 2½ percent Treasury bonds of 1967-72 (additional) and 2 percent Treasury bonds of 1951-55*

On December 4, 1941, Secretary of the Treasury Morgenthau offered for cash subscription \$1,000,000,000 of 2½ percent Treasury bonds of 1967-72 and \$500,000,000 of 2 percent Treasury bonds of 1951-55. An additional amount of \$50,000,000, or thereabouts, of Treasury bonds of 1967-72 could be sold to Government investment accounts. The Treasury bonds of 1967-72 were an addition to the series issued pursuant to Department Circular No. 670, dated October 9, 1941. In the related press release of December 4, 1941, it was stated that, for the benefit of small investors, preferential allotments would be given to cash subscribers up to \$5,000 of the bonds of either or both series, where delivery in registered bonds 90 days after issue date was specified; those who entered such subscription for preferential allotment were not permitted to enter any other subscription for the same issue.

[Department Circular No. 672. Public Debt]

TREASURY DEPARTMENT,  
Washington, December 4, 1941.

#### I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest,

<sup>1</sup> Revised Nov. 27, 1941.

from the people of the United States for 2½ percent bonds of the United States, designated Treasury bonds of 1967-72. The amount of the public offering is \$1,000,000,000, or thereabouts. In addition to the amount offered for public subscription, \$50,000,000, or thereabouts, of these bonds may be allotted to Government investment accounts.

## II. DESCRIPTION OF BONDS

1. The bonds now offered will be an addition to and will form a part of the series of 2½ percent Treasury bonds of 1967-72 issued pursuant to Department Circular No. 670, dated October 9, 1941, will be freely interchangeable therewith, are identical in all respects therewith, and are described in the following quotation from Department Circular No. 670: [Description omitted here, see p. 212.]

## III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Treasury Department, Washington. Subscribers must agree not to sell or otherwise dispose of their subscriptions, or of the securities which may be allotted thereon, prior to the closing of the subscription books. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions from banks and trust companies for their own account will be received without deposit. Subscriptions from all others must be accompanied by payment of 10 percent of the amount of bonds applied for. The bases on which subscriptions will be entertained from the various classes of subscribers are contained in Treasury press statement of December 3, 1941, a copy of which is attached (see p. 218).<sup>1</sup>

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of bonds applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subscriptions for amounts up to and including \$5,000 where the subscribers specify that delivery be made in registered bonds 90 days after the issue date will be given preferred allotment. In each such case a subscriber may not enter any other subscription, and payment must be made as provided in section IV of this circular. Allotment notices will be sent out promptly upon allotment, and the basis of the allotment will be publicly announced.

## IV. PAYMENT

1. Payment at par and accrued interest from October 20, 1941, for bonds allotted hereunder must be made or completed on or before December 15, 1941, or on later allotment. In every case where payment is not so completed, the payment with application up to 10 percent of the amount of bonds applied for shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. Any qualified depository will be permitted to make payment by credit for bonds allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district. Accrued interest at 2½ percent from October 20, 1941, to December 15, 1941, on \$1,000 face amount is \$3.8674.

## V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, JR.,  
*Secretary of the Treasury.*

[Treasury press statement, Dec. 3, 1941]

TREASURY DEPARTMENT,  
*Washington, December 3, 1941.*

In advance of the cash offering of Treasury securities to be announced tomorrow, the Treasury today announced the basis on which subscriptions will be entertained from the various classes of subscribers who will participate in that offering. The primary purpose is, so far as possible, to meet the legitimate investment requirements of the public, and to accomplish that purpose subscriptions will be grouped broadly into four classes, as follows:

Banks and trust companies for their own account—not to exceed 50 percent of capital and surplus.

Mutual savings and cooperative banks, Federal savings and loan associations, trust accounts and investment corporations, pension funds, insurance companies, and similar institutions and funds—not to exceed ten percent of total resources.

Corporations organized for profit, and dealers and brokers—not to exceed 50 percent of net worth.

Individuals—not to exceed 50 percent of net worth or 100 percent of cash deposited with subscription. (NOTE.—No preferred allotment will be made on such full-paid subscriptions.)

Notwithstanding the general limitations outlined above, the Federal Reserve Banks are authorized and instructed to continue to examine applications for cash offerings of securities issued by the Treasury, and to report to the Secretary of the Treasury any which, in their judgment, require special treatment, or which appear to be excessive from the standpoint of the resources or investment practices of the subscribers, or for other reasons, with recommendation as to the acceptance, reduction, or rejection of any such applications, which recommendations will be promptly acted upon by the Secretary.

The cooperation of banking institutions, and of the subscribing public generally, is earnestly solicited so that subscriptions forwarded to the Federal Reserve Banks and the Treasury will in each instance be for amounts not in excess of the limitation set forth above. Attention is again invited to the requirement that subscribers agree not to sell or otherwise dispose of their subscriptions, or of the securities which may be allotted thereon, prior to the closing of the subscription books.

It is also requested that banks and others refrain from making any unsecured loans, or loans collateralized in whole or in part by the securities subscribed for, to cover the initial deposits which are required to be paid when subscriptions are entered.

[Department Circular No. 673. Public Debt]

TREASURY DEPARTMENT,  
*Washington, December 4, 1941.*

## I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for 2 percent bonds of the United States, designated Treasury bonds of 1951–55. The amount of the offering is \$500,000,000, or thereabouts.

## II. DESCRIPTION OF BONDS

1. The bonds will be dated December 15, 1941, and will bear interest from that date at the rate of 2 percent per annum, payable semiannually on June 15 and December 15 in each year until the principal amount becomes payable. They will mature December 15, 1955, but may be redeemed at the option of the United States on and after December 15, 1951, in whole or in part, at par and accrued interest, on any interest day or days, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe.<sup>1</sup> \* \* \*

## III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Treasury Department, Washington.<sup>2</sup> \* \* \*

<sup>1</sup> Omitted portion similar to corresponding section of Department Circular No. 670, p. 212.

<sup>2</sup> Omitted portion similar to corresponding section of Department Circular No. 672, p. 216.

## IV. PAYMENT

1. Payment at par and accrued interest, if any, for bonds allotted hereunder must be made or completed on or before December 15, 1941, or on later allotment. In every case where payment is not so completed, the payment with application up to 10 percent of the amount of bonds applied for shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. Any qualified depository will be permitted to make payment by credit for bonds allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district.

## V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions! \* \* \*

HENRY MORGENTHAU, JR.,  
Secretary of the Treasury.

## Exhibit 7

*Subscriptions and allotments, Treasury bonds of 1967-72 (additional) and Treasury bonds of 1951-55 (from press releases, December 5, 8, and 16, 1941<sup>2</sup>)*

On December 4, 1941, Secretary of the Treasury Morgenthau announced that the subscription books for the offering of 2½ percent Treasury bonds of 1967-72 and 2 percent Treasury bonds of 1951-55 closed at the close of business December 4, except for the receipt of subscriptions for amounts up to and including \$5,000, where the subscribers specified that delivery might be made in registered bonds 90 days after the issue date. The subscription books for the receipt of subscriptions of that class closed at the close of business December 6.

For the 2½ percent Treasury bonds of 1967-72 subscriptions totaled \$6,979,193,950, of which \$1,119,570,750 was allotted. Subscriptions for \$5,000 or less, where the subscribers specified that delivery be made in registered bonds 90 days after the issue date, were allotted in full, \$26,043,450 having been allotted. All other subscriptions were allotted 15 percent on a straight percentage basis, with adjustments, where necessary, to the \$100 denomination.

For the 2 percent Treasury bonds of 1951-55 subscriptions totaled \$4,727,898,150, of which \$532,687,950 was allotted. Subscriptions for \$5,000 or less, where the subscribers specified that delivery be made in registered bonds 90 days after the issue date, were allotted in full, \$13,800,850 having been allotted. All other subscriptions were allotted 11 percent on a straight percentage basis, with adjustments, where necessary, to the \$100 denomination.

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

Federal Reserve district	Treasury bonds of 1967-72		Treasury bonds of 1951-55	
	Subscriptions received	Subscriptions allotted	Subscriptions received	Subscriptions allotted
Boston.....	\$637,834,450	\$96,686,700	\$343,340,850	\$38,273,800
New York.....	3,433,309,300	520,857,900	2,242,647,450	248,713,950
Philadelphia.....	441,752,800	69,108,850	272,261,950	30,840,900
Cleveland.....	400,009,850	61,204,550	319,816,050	35,804,450
Richmond.....	252,414,250	39,397,700	164,714,650	19,054,100
Atlanta.....	255,674,400	39,173,300	182,288,250	20,680,300
Chicago.....	672,230,950	103,871,700	537,042,950	61,476,150
St. Louis.....	153,192,050	24,658,850	114,617,300	13,824,000
Minneapolis.....	122,166,450	19,642,450	64,802,350	8,332,900
Kansas City.....	118,588,100	19,475,400	84,841,550	10,603,150
Dallas.....	148,225,550	22,989,850	107,621,250	12,257,750
San Francisco.....	336,961,400	51,467,900	280,768,550	31,365,100
Treasury.....	6,834,400	1,035,600	13,135,000	1,461,400
Government investment accounts.....		50,000,000		
Total.....	6,979,193,950	1,119,570,750	4,727,898,150	532,687,950

<sup>1</sup> Omitted portion similar to corresponding section of Department Circular No. 672, p. 216.

<sup>2</sup> Revised Mar. 21 and May 20, 1942.

## Exhibit 8

*Offering of Treasury notes of Tax Series A-1944 and Tax Series B-1944*

On December 15, 1941, Secretary of the Treasury Morgenthau offered for sale two issues of nontransferable Treasury notes of Tax Series A-1944 and Tax Series B-1944, both receivable, at par and accrued interest, in payment of Federal income, estate, and gift taxes. These notes were placed on sale on January 1, 1942.

[Department Circular No. 674. Public Debt]

TREASURY DEPARTMENT,  
Washington, December 15, 1941.

## I. OFFERING OF NOTES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, offers for sale, to the people of the United States, at par and accrued interest, two issues of nontransferable notes of the United States, designated Treasury notes of Tax Series A-1944 and Treasury notes of Tax Series B-1944, which notes, under authority of section 3657 of the Internal Revenue Code, and subject to the limitations and conditions hereinafter set forth, will be receivable, at par and accrued interest, in payment of Federal income, estate, and gift taxes.

2. The notes will be placed on sale January 1, 1942, and the sale will continue until December 31, 1942, unless earlier terminated, as to either or both series, by the Secretary of the Treasury.

## II. DESCRIPTION OF NOTES

1. *General.*—The notes of both series will be dated January 1, 1942; they will mature January 1, 1944, and may not be called by the Secretary of the Treasury for redemption before maturity. Subject to the limitations and conditions set forth in section IV of this circular, the notes of both series will be receivable, at par and accrued interest, in payment of Federal income, estate, and gift taxes. If the notes are not presented in payment of taxes, they will be payable at maturity, or, at the owner's option and request, they will be redeemable before maturity, as provided in section V of this circular, but in either case payment will be made only at the price paid for the notes.

2. *Form, inscription, dating.*—The owner's name and address will be entered on each note, at the time of its issue by an authorized issuing agent, and the date of issue will be shown by an imprint of the agent's dating stamp. The month in which payment is received and credited by a Federal Reserve Bank or branch, or by the Treasurer of the United States, will determine the purchase price and issue date of each note. The notes may not be transferred, except that, if notes are held by a corporation owning more than 50 percent of the stock, with voting power, of another corporation, such notes may be transferred to the subsidiary upon request of the corporation and surrender of the notes to the agent that issued them. No hypothecation of the notes on any account will be recognized by the Treasury Department, and they will not be accepted to secure deposits of public money.

3. *Denominations and interest.*—The notes of Tax Series A-1944 will be issued in denominations of \$25, \$50, \$100, \$500, and \$1,000, and interest thereon will accrue from January 1942 in the amount of 16 cents each month on each \$100 principal amount, that is, 4 cents on each \$25, 8 cents on each \$50, 16 cents on each \$100, 80 cents on each \$500, and \$1.60 on each \$1,000 denomination of note. The notes of Tax Series B-1944 will be issued in denominations of \$100, \$500, \$1,000, \$10,000, \$100,000, \$500,000, and \$1,000,000, and interest thereon will accrue from January 1942 in the amount of 4 cents each month on each \$100 principal amount, that is, 4 cents on each \$100, 20 cents on each \$500, 40 cents on each \$1,000, \$4 on each \$10,000, \$40 on each \$100,000, \$200 on each \$500,000, and \$400 on each \$1,000,000 denomination of note. In no case, however, shall interest accrue beyond the month in which the note is presented in payment of taxes, or beyond its maturity. Exchanges of authorized denominations of each series from higher to lower, but not from lower to higher, may be arranged at the office of the agent that issued the note.

4. *Purchase price and tax-payment value.*—Tables are appended to this circular showing the principal amount with accrued interest added, for notes of each

denomination of each series, for each month from January 1942 to January 1944, inclusive. The total shown for any denomination for any month—January through December 1942—while the notes remain on sale, is the purchase price, or cost, of the note during that month. Also, the total shown for any denomination for any month—January 1942 through January 1944—is the tax-payment value of the note if receivable during that month in payment of taxes, subject to the provisions of section IV of this circular.

5. *Taxation.*—Income derived from the notes shall be subject to all Federal taxes, now or hereafter imposed. The notes shall be subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

### III. PURCHASE OF NOTES

1. *Applications and payment.*—Applications will be received by the Federal Reserve Banks and branches, and by the Treasurer of the United States, Washington, D. C. Banking institutions generally may submit applications for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Every application must be accompanied by payment in full, at par and accrued interest from January 1942 to the month in which payment in immediately available funds is received by a Federal Reserve Bank or branch, or the Treasurer of the United States. Any form of exchange, including personal checks, will be accepted subject to collection, and should be drawn to the order of the Federal Reserve Bank or of the Treasurer of the United States, as payee, as the case may be; defense savings stamps will be accepted at their face value in lieu of cash. The date funds are made available on collection of exchange will govern the issue price and issue date of the notes. Any depository, qualified pursuant to the provisions of Treasury Department Circular No. 92 (revised February 23, 1932, as supplemented) will be permitted to make payment by credit for notes applied for on behalf of itself or its customers up to any amount for which it shall be qualified in excess of existing deposits.

2. *Reservations.*—The Secretary of the Treasury reserves the right to reject any application in whole or in part, and to refuse to issue or permit to be issued hereunder any notes of either or both series in any case or in any class or classes of cases if he deems such action to be in the public interest, and his action in any such respect shall be final. If an application is rejected, in whole or in part, any payment received therefor will be refunded. The Secretary of the Treasury, in his discretion, may designate agencies other than those herein provided for the sale of, or for the handling of applications for, Treasury notes to be issued hereunder.

3. *Delivery of notes.*—Upon acceptance of full-paid applications, notes will be duly issued and, unless delivered in person, will be delivered by registered mail within the Continental United States, the Territories and Insular Possessions of the United States, the Canal Zone and the Philippine Islands. No deliveries elsewhere will be made.

4. *Form of application.*—In applying for notes under this circular, care should be exercised to specify whether those of Tax Series A-1944 or Tax Series B-1944 are desired, and there must be furnished the name and address of the individual, corporation, or other entity in which the notes are to be issued; and if address for the delivery of the notes is different, appropriate instructions should be given. The name should be in the same form as that used in the Federal tax return of the purchaser, except that in the case of joint tax returns of individuals the notes should be inscribed individually—the notes will not be issued in the names of two or more persons jointly. The application should be accompanied by remittance to cover the purchase price—that is, par—together with accrued interest from January 1942 to the month in which the application will be received and the remittance collected by an authorized issuing agent. The use of an official application form is desirable, but not necessary. Appropriate forms may be obtained on application to any Federal Reserve Bank or branch, or the Treasurer of the United States, Washington, D. C.; banking institutions generally have been supplied with forms for the use of their customers.

### IV. PRESENTATION IN PAYMENT OF TAXES

1. During and after the third calendar month from month of purchase (as shown by the issuing agent's dating stamp on each note), during such time, and under such rules and regulations as the Commissioner of Internal Revenue, with

the approval of the Secretary of the Treasury, shall prescribe, notes issued hereunder in the name of a taxpayer (individual, corporation, or other entity) may be presented and surrendered by such taxpayer, his agent, or his estate, to the Collector of Internal Revenue to whom the tax return is made, and will be receivable by the Collector at par and accrued interest from January 1942 to the month, inclusive (but no accrual beyond January 1944), in which presented, in payment of any Federal income taxes (current and back personal and corporation taxes, and excess-profits taxes), or any Federal estate or gift taxes (current and back), assessed against the original purchaser or his estate, but the Collector will accept (a) not more than \$1,200 principal amount of notes of Tax Series A-1944, or of Tax Series A-1943, or of the two in combination, and (b) the amount of the accrued interest thereon, on account of any one taxpayer's liability for each class of taxes (income, estate, or gift) for each taxable period: *Provided*, That this limitation shall apply separately to husband and wife on a joint return, and shall apply separately to an owner before death and to his estate for the balance of the same year. The notes must be forwarded to the Collector at the risk and expense of the owner, and, for the owner's protection, should be forwarded by registered mail, if not presented in person.

#### V. CASH REDEMPTION AT OR PRIOR TO MATURITY

1. *General.*—Any Treasury note of Tax Series A-1944 or Tax Series B-1944 will be redeemed for cash at the purchase price at or before maturity. Notes of Tax Series A-1944 may be redeemed before maturity without advance notice, but notes of Tax Series B-1944 may be redeemed before maturity only after 60 days from date of issue (as shown by the dating stamp of the issuing agent) and on 30 days' advance notice. The timely surrender of a note of Tax Series B-1944, bearing a properly executed request for payment, will be accepted as constituting the advance notice required hereunder.

2. *Execution of request for payment.*—The owner in whose name the note is inscribed must appear before one of the officers authorized by the Secretary of the Treasury to witness and certify requests for payment, establish his identity, and in the presence of such officer sign the request for payment appearing on the back of the note, adding the address to which check is to be mailed. After the request for payment has been so signed, the witnessing officer should complete and sign the certificate provided for his use.

3. *Officers authorized to witness and certify requests for payment.*—All officers authorized to witness and certify requests for payment of United States savings bonds, as set forth in Treasury Department Circular No. 530, Fourth Revision, as amended, are hereby authorized to witness and certify requests for cash redemption of Treasury notes issued under this circular. Such officers include United States postmasters; certain other post office officials, and the executive officers of all banks and trust companies incorporated in the United States or its organized territories, including officers at branches thereof who are certified to the Treasury Department as executive officers.

4. *Presentation and surrender.*—Notes bearing properly executed requests for payment must be presented and surrendered to the agent that issued the notes (as shown by the agent's dating stamp), at the expense and risk of the owner. For the owner's protection, notes should be forwarded by registered mail, if not presented in person.

5. *Disability or death.*—In case of the disability or death of the owner, and the notes are not to be presented in payment of Federal income, estate, or gift taxes due from him or from his estate, instructions should be obtained from the issuing agent before the request for payment is executed, or the notes presented.

6. *Partial redemption.*—Partial cash redemption of notes of either series, corresponding to an authorized denomination, may be made in the same manner as for full cash redemption, appropriate changes being made in the request for payment. In case of partial redemption of a note, the remainder will be reissued in the same name and with the same date of issue as the note surrendered.

7. *Payment.*—Payment of any note, either at maturity or on redemption before maturity, will be made only by the Federal Reserve Bank or the Treasury Department, as the case may be, that issued the note, and will be made by check drawn to the order of the owner, and mailed to the address given in his request for payment. In any case, payment will be made at the purchase price of the note, that is, at par and accrued interest (if any) paid at the time of purchase.



## VI. GENERAL PROVISIONS

1. Except as provided in this circular, the notes issued hereunder will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing bonds and notes of the United States.

2. Federal Reserve Banks and their branches, as fiscal agents of the United States, are authorized to perform such services or acts as may be appropriate and necessary under the provisions of this circular, and under any instructions given by the Secretary of the Treasury.

3. The Secretary of the Treasury may at any time or from time to time supplement or amend the terms of this circular, or of any amendments or supplements thereto, and may at any time or from time to time prescribe amendatory rules and regulations governing the offering of the notes, information as to which will promptly be furnished to the Federal Reserve Banks.

HENRY MORGENTHAU, Jr.,  
Secretary of the Treasury.

## TREASURY NOTES—TAX SERIES A—1944

## Purchase price and tax-payment value during successive months

The table below shows the principal amount with accrued interest added, for notes of each denomination, for each month from January 1942 to January 1944, inclusive. The total shown for any denomination for any month—January through December 1942—while the notes remain on sale, is the purchase price, or cost of the note during that month. Also the total shown for any denomination for any month—January 1942 through January 1944—is the tax-payment value of the note if receivable during that month in payment of taxes.

	\$25	\$50	\$100	\$500	\$1,000
1942:					
January.....	\$25.00	\$50.00	\$100.00	\$500.00	\$1,000.00
February.....	25.04	50.08	100.16	500.80	1,001.60
March.....	25.08	50.16	100.32	501.60	1,003.20
April.....	25.12	50.24	100.48	502.40	1,004.80
May.....	25.16	50.32	100.64	503.20	1,006.40
June.....	25.20	50.40	100.80	504.00	1,008.00
July.....	25.24	50.48	100.96	504.80	1,009.60
August.....	25.28	50.56	101.12	505.60	1,011.20
September.....	25.32	50.64	101.28	506.40	1,012.80
October.....	25.36	50.72	101.44	507.20	1,014.40
November.....	25.40	50.80	101.60	508.00	1,016.00
December.....	25.44	50.88	101.76	508.80	1,017.60
1943:					
January.....	25.48	50.96	101.92	509.60	1,019.20
February.....	25.52	51.04	102.08	510.40	1,020.80
March.....	25.56	51.12	102.24	511.20	1,022.40
April.....	25.60	51.20	102.40	512.00	1,024.00
May.....	25.64	51.28	102.56	512.80	1,025.60
June.....	25.68	51.36	102.72	513.60	1,027.20
July.....	25.72	51.44	102.88	514.40	1,028.80
August.....	25.76	51.52	103.04	515.20	1,030.40
September.....	25.80	51.60	103.20	516.00	1,032.00
October.....	25.84	51.68	103.36	516.80	1,033.60
November.....	25.88	51.76	103.52	517.60	1,035.20
December.....	25.92	51.84	103.68	518.40	1,036.80
1944:					
January.....	25.96	51.92	103.84	519.20	1,038.40

## TREASURY NOTES—TAX SERIES B—1944

## Purchase price and tax-payment value during successive months

The table below shows the principal amount with accrued interest added, for notes of each denomination, for each month from January 1942 to January 1944, inclusive. The total shown for any denomination for any month—January through December 1942—while the notes remain on sale, is the purchase price, or cost of the note during that month. Also the total shown for any denomination for any month—January 1942 through January 1944—is the tax-payment value of the note if receivable during that month in payment of taxes.

	\$100	\$500	\$1,000	\$10,000	\$100,000	\$500,000	\$1,000,000
1942:							
January.....	\$100.00	\$500.00	\$1,000.00	\$10,000	\$100,000	\$500,000	\$1,000,000
February.....	100.04	500.20	1,000.40	10,004	100,040	500,200	1,000,400
March.....	100.08	500.40	1,000.80	10,008	100,080	500,400	1,000,800
April.....	100.12	500.60	1,001.20	10,012	100,120	500,600	1,001,200
May.....	100.16	500.80	1,001.60	10,016	100,160	500,800	1,001,600
June.....	100.20	501.00	1,002.00	10,020	100,200	501,000	1,002,000
July.....	100.24	501.20	1,002.40	10,024	100,240	501,200	1,002,400
August.....	100.28	501.40	1,002.80	10,028	100,280	501,400	1,002,800
September.....	100.32	501.60	1,003.20	10,032	100,320	501,600	1,003,200
October.....	100.36	501.80	1,003.60	10,036	100,360	501,800	1,003,600
November.....	100.40	502.00	1,004.00	10,040	100,400	502,000	1,004,000
December.....	100.44	502.20	1,004.40	10,044	100,440	502,200	1,004,400
1943:							
January.....	100.48	502.40	1,004.80	10,048	100,480	502,400	1,004,800
February.....	100.52	502.60	1,005.20	10,052	100,520	502,600	1,005,200
March.....	100.56	502.80	1,005.60	10,056	100,560	502,800	1,005,600
April.....	100.60	503.00	1,006.00	10,060	100,600	503,000	1,006,000
May.....	100.64	503.20	1,006.40	10,064	100,640	503,200	1,006,400
June.....	100.68	503.40	1,006.80	10,068	100,680	503,400	1,006,800
July.....	100.72	503.60	1,007.20	10,072	100,720	503,600	1,007,200
August.....	100.76	503.80	1,007.60	10,076	100,760	503,800	1,007,600
September.....	100.80	504.00	1,008.00	10,080	100,800	504,000	1,008,000
October.....	100.84	504.20	1,008.40	10,084	100,840	504,200	1,008,400
November.....	100.88	504.40	1,008.80	10,088	100,880	504,400	1,008,800
December.....	100.92	504.60	1,009.20	10,092	100,920	504,600	1,009,200
1944:							
January.....	100.96	504.80	1,009.60	10,096	100,960	504,800	1,009,600

## Exhibit 9

## Offering of 2 percent Treasury bonds of 1949-51

On January 12, 1942, Secretary of the Treasury Morgenthau invited subscriptions for 2 percent Treasury bonds of 1949-51 from the holders of (1) 1½ percent Treasury notes of Series A-1942, maturing March 15, 1942, (2) 3 percent Federal Farm Mortgage Corporation bonds of 1942-47, called for redemption on January 15, 1942, (3) 2¾ percent Federal Farm Mortgage Corporation bonds of 1942-47, called for redemption on March 1, 1942, and (4) ⅞ percent Reconstruction Finance Corporation notes of Series R, maturing January 15, 1942. The amount of the offering was limited to the amount of these securities tendered and accepted. In the related press release it was stated that the amounts of the four issues then outstanding were approximately as follows: Treasury notes of Series A-1942, \$426,000,000; 3 percent Federal Farm Mortgage Corporation bonds of 1942-47, \$236,000,000; 2¾ percent Federal Farm Mortgage Corporation bonds of 1942-47, \$103,000,000; and Reconstruction Finance Corporation notes of Series R, \$310,000,000.

[Department Circular No. 676. Public Debt]

TREASURY DEPARTMENT,  
Washington, January 12, 1942.

## I. OFFERING OF BONDS AND INVITATION FOR TENDERS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par, from the people of the United States for 2 percent bonds of the United States, designated Treasury bonds of 1949-51, the amount of the offering to be limited to the amount of securities tendered and accepted as provided in the following subparagraphs:

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

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

(c) *2¾ Percent Federal Farm Mortgage Corporation bonds of 1942-47.*—The Secretary of the Treasury, on behalf of the Federal Farm Mortgage Corporation, offers to purchase on January 15, 1942, at par and accrued interest, 2¾ percent Federal Farm Mortgage Corporation bonds of 1942-47, called for redemption on March 1, 1942, to the extent to which the holders thereof subscribe for Treasury bonds hereunder. Tenders of 2¾ percent Federal Farm Mortgage Corporation bonds of 1942-47 for that purpose are invited.

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

## II. DESCRIPTION OF BONDS

1. The bonds will be dated January 15, 1942, and will bear interest from that date at the rate of 2 percent per annum, payable on a semiannual basis on June 15 and December 15 in each year until the principal amount becomes payable. They will mature June 15, 1951, but may be redeemed at the option of the United States on and after June 15, 1949, in whole or in part, at par and accrued interest, on any interest day or days, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redemption the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

2. The income derived from the bonds shall be subject to all Federal taxes, now or hereafter imposed. The bonds shall be subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The bonds will be acceptable to secure deposits of public moneys, but will not bear the circulation privilege and will not be entitled to any privilege of conversion.

4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of \$50, \$100, \$500, \$1,000, \$5,000, \$10,000, and \$100,000. Provision will be made for the interchange of bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury.

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

## III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Treasury Department, Washington, and should be accompanied by securities of one or more of the issues enumerated in section 1 hereof, tendered for payment or purchase as the case may be, to an aggregate par amount equal to the par amount of Treasury bonds of 1949-51 subscribed for hereunder. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of bonds applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

## IV. PAYMENT

1. Payment at par for bonds allotted hereunder must be made on or before January 15, 1942, or on later allotment and may be made only in Treasury notes of Series A-1942 or through application of the principal proceeds of payment of 3 percent Federal Farm Mortgage Corporation bonds of 1942-47, 2½ percent Federal Farm Mortgage Corporation bonds of 1942-47, or Reconstruction Finance Corporation notes of Series R, in an aggregate par amount equal to the amount of bonds allotted hereunder. Coupons dated March 15, 1942, must be attached to Treasury notes of Series A-1942 when surrendered, and accrued interest from September 15, 1941, to January 15, 1942 (\$5.89779 per \$1,000) will be paid following acceptance of the notes. Coupons dated March 1, 1942, must be attached to 2½ percent Federal Farm Mortgage Corporation bonds of 1942-47 in coupon form and accrued interest from September 1, 1941, to January 15, 1942 (\$10.33149 per \$1,000), will be paid following acceptance of the bonds. In the case of registered bonds of either issue, checks in payment of final interest will be drawn in accordance with the assignments on the bonds surrendered.

## V. SURRENDER OF CALLED BONDS

1. *Coupon bonds.*—3 percent and 2½ percent Federal Farm Mortgage Corporation bonds of 1942-47 in coupon form tendered hereunder should be presented and surrendered with the subscription to a Federal Reserve Bank or branch or to the Treasurer of the United States, Washington, D. C. Coupons dated July 15, 1942, and March 1, 1942, respectively, and all coupons bearing subsequent dates, should be attached to such bonds when surrendered, and if any such coupons are missing, the subscription must be accompanied by cash payment equal to the face amount of the missing coupons. The bonds must be delivered at the expense and risk of the holder. Facilities for transportation of bonds by registered mail insured may be arranged between incorporated banks and trust companies and the Federal Reserve Banks, and holders may take advantage of such arrangements when available, utilizing such incorporated banks and trust companies as their agents.

2. *Registered bonds.*—3 percent and 2½ percent Federal Farm Mortgage Corporation bonds of 1942-47 in registered form tendered hereunder should be assigned by the registered payees or assignees thereof in one of the forms hereafter set forth, and thereafter should be presented and surrendered with the subscription to a Federal Reserve Bank or branch or to the Treasury Department, Division of Loans and Currency, Washington, D. C. The bonds must be delivered at the expense and risk of the holder. The proper forms of assignment are:

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

(b) Where 2½ percent bonds are surrendered.—If the new bonds are desired registered in the same name as the bonds surrendered, "Federal Farm Mortgage Corporation for purchase, the principal proceeds to be applied to payment for Treasury bonds of 1949-51"; if the new bonds are desired registered in another name, "Federal Farm Mortgage Corporation for purchase, the principal proceeds to be applied to payment for Treasury bonds of 1949-51 in the name of -----"; if the new bonds are desired in coupon form, "Federal Farm Mortgage Corporation for purchase, the principal proceeds to be applied to payment for Treasury bonds of 1949-51 in coupon form to be delivered to -----."

## VI. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for bonds allotted, to make delivery of bonds on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive bonds.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, Jr.,  
Secretary of the Treasury.

### Exhibit 10

*Allotments, Treasury bonds of 1949-51 (from press releases, January 13 and 19, 1942<sup>1</sup>)*

On January 12, 1942, Secretary of the Treasury Morgenthau announced that the subscription books for the offering of 2 percent Treasury bonds of 1949-51—open to the holders of Treasury notes of Series A-1942, maturing March 15, 1942, 3 percent Federal Farm Mortgage Corporation bonds of 1942-47, called for redemption January 15, 1942, 2½ percent Federal Farm Mortgage Corporation bonds of 1942-47, called for redemption March 1, 1942, and Reconstruction Finance Corporation notes of Series R, maturing January 15, 1942—would close at the close of business January 13, except for the receipt of subscriptions from holders of \$15,000 or less of the two issues of Federal Farm Mortgage Corporation bonds. For the latter class the subscription books closed at the close of business January 14.

Subscriptions to the Treasury bonds of 1949-51 aggregated \$1,014,018,900, all of which were allotted in full. The allotments were divided among the Federal Reserve districts and the Treasury as follows:

Federal Reserve district	Treasury notes of Series A-1942	Federal Farm Mortgage Corporation bonds		Reconstruction Finance Corporation notes of Series R	Total subscriptions received (allotted in full)
		3 percent	2½ percent		
Boston.....	\$29,451,500	\$6,159,900	\$2,135,800	\$3,410,000	\$41,157,200
New York.....	272,205,600	106,326,700	64,023,800	241,549,000	684,105,100
Philadelphia.....	10,500,500	21,766,600	6,417,700	5,189,000	43,873,800
Cleveland.....	14,234,400	7,170,900	1,450,700	7,856,000	30,712,000
Richmond.....	7,121,500	6,952,800	2,863,400	2,425,000	19,362,700
Atlanta.....	1,585,300	510,100	733,400	2,130,000	4,958,800
Chicago.....	38,595,300	31,331,000	6,372,800	33,823,000	110,122,100
St. Louis.....	7,917,200	3,556,500	1,293,100	2,534,000	15,300,800
Minneapolis.....	1,341,500	4,106,500	2,027,200	2,806,000	10,281,200
Kansas City.....	11,532,500	6,222,200	2,999,200	4,640,000	24,793,900
Dallas.....	2,079,900	922,800	524,100	751,000	4,277,800
San Francisco.....	9,038,600	7,754,700	5,429,600	1,422,000	23,644,900
Treasury.....	783,900	471,200	158,500	15,000	1,428,600
Total.....	406,387,700	203,251,900	95,829,300	308,550,000	1,014,018,900

### Exhibit 11

*Offering of 2½ percent Treasury bonds of 1952-55*

On February 13, 1942, Secretary of the Treasury Morgenthau invited cash subscriptions for 2½ percent Treasury bonds of 1952-55, in the amount of \$1,500,000,000, or thereabouts.

[Department Circular No. 681. Public Debt]

TREASURY DEPARTMENT,  
Washington, February 13, 1942.

#### I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for 2½ percent bonds of the United States, designated Treasury bonds of 1952-55. The amount of the offering is \$1,500,000,000, or thereabouts.

<sup>1</sup> Revised Mar. 21, 1942.

## II. DESCRIPTION OF BONDS

1. The bonds will be dated February 25, 1942, and will bear interest from that date at the rate of  $2\frac{3}{4}$  percent per annum, payable on a semiannual basis on June 15 and December 15 in each year until the principal amount becomes payable. They will mature June 15, 1955, but may be redeemed at the option of the United States on and after June 15, 1952, in whole or in part, at par and accrued interest, on any interest day or days, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe.<sup>1</sup> \* \* \*

## III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Treasury Department, Washington. Subscribers must agree not to sell or otherwise dispose of their subscriptions, or of the securities which may be allotted thereon, prior to the closing of the subscription books. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions from banks and trust companies for their own account will be received without deposit. Subscriptions from all others must be accompanied by payment of 10 percent of the amount of bonds applied for. Subscriptions will be entertained from the various classes of subscribers on the following bases:

1. Banks and trust companies for their own account—not to exceed 50 percent of capital and surplus.
2. Mutual savings and cooperative banks, Federal savings and loan associations, trust accounts and investment corporations, pension funds, insurance companies, and similar institutions and funds—not to exceed 10 percent of total resources.
3. Corporations organized for profit, and dealers and brokers—not to exceed 50 percent of net worth.
4. Individuals—not to exceed 50 percent of net worth or 100 percent of cash deposited with subscription. (Note: No preferred allotment will be made on such full-paid subscriptions.)

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of bonds applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subscriptions for amounts up to and including \$5,000, where the subscribers specify that delivery be made in registered bonds 90 days after the issue date, will be given preferred allotment. In each such case a subscriber may not enter any other subscription, and payment must be made as provided in section IV of this circular. Allotment notices will be sent out promptly upon allotment, and the basis of the allotment will be publicly announced.

## IV. PAYMENT

1. Payment at par and accrued interest, if any, for bonds allotted hereunder must be made or completed on or before February 25, 1942, or on later allotment. In every case where payment is not so completed, the payment with application up to 10 percent of the amount of bonds applied for shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. Any qualified depository will be permitted to make payment by credit for bonds allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district.

## V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions<sup>1</sup> \* \* \*

HENRY MORGENTHAU, Jr.,  
Secretary of the Treasury.

<sup>1</sup> Omitted portion similar to corresponding section of Department Circular No. 670, p. 212.

## Exhibit 12

*Subscriptions and allotments, Treasury bonds of 1952-55 (from press releases, February 14, 18, and 24, 1942<sup>1</sup>)*

On February 13, 1942, Secretary of the Treasury Morgenthau announced that the subscription books for the cash offering of 2¼ percent Treasury bonds of 1952-55 closed at the close of business February 13, except for the receipt of subscriptions for amounts up to and including \$5,000 where the subscribers specified that delivery be made in registered bonds 90 days after issue date. For the latter subscriptions the books closed at the close of business on February 14, 1942.

Subscriptions aggregated \$4,696,698,550, of which \$1,510,795,300 was allotted. Subscriptions in amounts up to and including \$5,000, totaling about \$13,132,000, where the subscribers specified the 90-day delivery, were allotted in full. All other subscriptions were allotted 32 percent on a straight percentage basis, with adjustments, where necessary, to the \$100 denomination. Subscriptions and allotments were divided among the Federal Reserve districts and the Treasury as follows:

Federal Reserve district	Subscriptions received	Subscriptions allotted	Federal Reserve district	Subscriptions received	Subscriptions allotted
Boston.....	\$421,663,350	\$135,224,800	Minneapolis.....	\$68,152,600	\$22,677,800
New York.....	2,132,610,450	684,174,100	Kansas City.....	87,887,050	29,101,450
Philadelphia.....	306,370,700	98,824,400	Dallas.....	101,830,000	32,855,300
Cleveland.....	312,431,500	100,649,250	San Francisco.....	251,120,850	80,655,800
Richmond.....	205,568,150	66,374,400	Treasury.....	1,220,900	391,600
Atlanta.....	173,212,050	57,371,000			
Chicago.....	499,427,950	160,284,450	Total.....	4,696,698,550	1,510,795,300
St. Louis.....	130,102,400	42,210,950			

## Exhibit 13

*Offering of 2 percent Treasury bonds of 1949-51 and 2½ percent Treasury bonds of 1962-67*

On May 4, 1942, Secretary of the Treasury Morgenthau invited cash subscriptions for \$1,250,000,000, or thereabouts, of 2 percent Treasury bonds of 1949-51 and for an unspecified amount of 2½ percent Treasury bonds of 1962-67.

[Department Circular No. 684. Public Debt]

TREASURY DEPARTMENT,  
Washington, May 4, 1942

## I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for bonds of the United States, designated 2 percent Treasury bonds of 1949-51. The amount of the offering is \$1,250,000,000, or thereabouts.

## II. DESCRIPTION OF BONDS

1. The bonds will be dated May 15, 1942, and will bear interest from that date at the rate of 2 percent per annum, payable on a semiannual basis on September 15, 1942, and thereafter on March 15 and September 15 in each year until the principal amount becomes payable. They will mature September 15, 1951, but may be redeemed at the option of the United States on and after September 15, 1949, in whole or in part, at par and accrued interest, on any interest day or days, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redemption the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

2. The income derived from the bonds shall be subject to all Federal taxes, now or hereafter imposed. The bonds shall be subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but shall be exempt from all taxation

<sup>1</sup> Revised July 25, 1942.

now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The bonds will be acceptable to secure deposits of public moneys, but will not bear the circulation privilege and will not be entitled to any privilege of conversion.

4. Bearer bonds with interest coupons attached, and bonds registered as to principal and interest, will be issued in denominations of \$100, \$500, \$1,000, \$5,000, \$10,000 and \$100,000. Provision will be made for the interchange of bonds of different denominations and of coupon and registered bonds, and for the transfer of registered bonds, under rules and regulations prescribed by the Secretary of the Treasury.

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

### III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Treasury Department, Washington. Subscribers must agree not to sell or otherwise dispose of their subscriptions, or of the securities which may be allotted thereon, prior to the closing of the subscription books. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions from banks and trust companies for their own account will be received without deposit. Subscriptions from all others must be accompanied by payment of 10 percent of the amount of bonds applied for.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of bonds applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, subscriptions for amounts up to and including \$10,000 will be allotted in full. The basis of the allotment on all other subscriptions will be publicly announced, and allotment notices will be sent out promptly upon allotment.

### IV. PAYMENT

1. Payment at par and accrued interest, if any, for bonds allotted hereunder must be made or completed on or before May 15, 1942, or on later allotment. In every case where payment is not so completed, the payment with application up to 10 percent of the amount of bonds applied for shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. Any qualified depository will be permitted to make payment by credit for bonds allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district.

### V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions<sup>1</sup> \* \* \*

HENRY MORGENTHAU, JR.,  
*Secretary of the Treasury.*

[Department Circular No. 685. Public Debt]

TREASURY DEPARTMENT,  
Washington, May 4, 1942.

### I. OFFERING OF BONDS

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for bonds of the United States, designated 2½ percent Treasury bonds of 1962-67. These bonds will not be available for subscription, for their own account, by commercial banks which accept demand deposits. The amount of the offering is not specifically limited.

### II. DESCRIPTION OF BONDS

1. The bonds will be dated May 5, 1942, and will bear interest from that date at the rate of 2½ percent per annum, payable on a semiannual basis on June 15 and

<sup>1</sup> Omitted portion similar to corresponding section of Department Circular No. 670, p. 212.



December 15 in each year until the principal amount becomes payable, the first payment being made December 15, 1942. They will mature June 15, 1967, but may be redeemed at the option of the United States on and after June 15, 1962, in whole or in part, at par and accrued interest, on any interest day or days, on 4 months' notice of redemption given in such manner as the Secretary of the Treasury shall prescribe. In case of partial redemption the bonds to be redeemed will be determined by such method as may be prescribed by the Secretary of the Treasury. From the date of redemption designated in any such notice, interest on the bonds called for redemption shall cease.

2. The income derived from the bonds shall be subject to all Federal taxes, now or hereafter imposed. The bonds shall be subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The bonds will not be acceptable to secure deposits of public moneys before May 5, 1952, they will not bear the circulation privilege, and they will not be entitled to any privilege of conversion.

4. Bonds registered as to principal and interest will be issued in denominations of \$100, \$500, \$1,000, \$5,000, \$10,000 and \$100,000. The bonds will not be issued in coupon form prior to May 5, 1952, but will be available in coupon form after that date, in the same denominations as, and freely interchangeable with the registered bonds of this issue. Under rules and regulations prescribed by the Secretary of the Treasury, provision will be made for the transfer of the bonds, other than to commercial banks which accept demand deposits, and for exchanges of denominations, on and after July 6, 1942. They will not be eligible for transfer to commercial banks which accept demand deposits before May 5, 1952. However, the bonds may be pledged as collateral for loans, including loans by commercial banks which accept demand deposits, but any such bank acquiring such bonds before May 5, 1952, because of the failure of such loans to be paid at maturity will be required to dispose of them in the same manner as they dispose of other assets not eligible to be owned by banks.

5. Except as provided in the preceding paragraphs, the bonds will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States bonds.

### III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Treasury Department, Washington. Banking institutions and security dealers generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Subscriptions must be accompanied by payment in full for the amount of bonds applied for.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of bonds applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

### IV. PAYMENT

1. Payment at par and accrued interest, if any, for bonds allotted hereunder must be made on or before May 5, 1942, or on later allotment. One day's accrued interest is \$0.06868 per \$1,000. Any qualified depository will be permitted to make payment by credit for bonds allotted to its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district.

### V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions<sup>1</sup> \* \* \*

HENRY MORGENTHAU, Jr.,  
Secretary of the Treasury.

<sup>1</sup> Omitted portion similar to corresponding section of Department Circular No. 670, p. 212.

## Exhibit 14

*Subscriptions and allotments, Treasury bonds of 1949-51 and Treasury bonds of 1962-67 (from press releases, May 4, 8, 12, and 18, 1942<sup>1</sup>)*

On May 4, 1942, Secretary of the Treasury Morgenthau announced that the subscription books for the cash offering of \$1,250,000,000, or thereabouts, of 2 percent Treasury bonds of 1949-51 closed at the close of business May 4. Subscriptions aggregated \$3,283,343,400, of which \$1,292,444,100 was allotted. Subscriptions up to and including \$10,000 were allotted in full; and subscriptions in amounts over \$10,000 were allotted 38 percent, on a straight percentage basis, but not less than \$10,000 on any one subscription, with adjustments, where necessary, to the \$100 denomination.

For the 2½ percent Treasury bonds of 1962-67 the subscription books closed at the close of business May 14, 1942. Subscriptions aggregated \$882,198,000, all of which were allotted in full.

The subscriptions and allotments were divided among the Federal Reserve districts and the Treasury as follows:

Federal Reserve district	Treasury bonds of 1949-51		Treasury bonds of 1962-67 (allotted in full)	Total allotments
	Subscriptions	Allotments		
Boston.....	\$174,935,000	\$67,734,500	\$55,689,400	\$123,423,900
New York.....	1,289,326,300	493,606,700	587,011,100	1,080,617,800
Philadelphia.....	136,489,900	53,614,700	27,274,900	80,889,600
Cleveland.....	170,332,400	67,555,600	28,628,100	96,483,700
Richmond.....	118,470,900	47,175,700	14,958,300	62,134,000
Atlanta.....	163,858,800	72,399,400	6,717,700	79,117,100
Chicago.....	719,358,500	280,228,400	48,432,600	328,661,000
St. Louis.....	83,653,400	37,002,900	6,826,100	43,829,000
Minneapolis.....	53,172,900	23,189,000	8,570,200	31,759,200
Kansas City.....	66,997,200	28,982,900	5,187,400	34,170,300
Dallas.....	84,668,600	35,329,800	19,339,700	54,669,500
San Francisco.....	216,329,500	83,439,500	18,069,700	101,509,200
Treasury.....	5,750,000	2,185,000	55,192,800	57,377,800
Total.....	3,283,343,400	1,292,444,100	882,198,000	2,174,642,100

## Exhibit 15

*Offering of 1½ percent Treasury notes of Series B-1946*

On May 25, 1942, Secretary of the Treasury Morgenthau invited subscriptions for 1½ percent Treasury notes of Series B-1946, in payment of which only Home Owners' Loan Corporation 2½ percent bonds of Series G 1942-44, called for redemption on July 1, 1942, or Reconstruction Finance Corporation 1 percent notes of Series S, maturing July 1, 1942, might be tendered. The amount of the offering was limited to the amount of Series G bonds and Series S notes tendered and accepted. In the related press release it was stated that there were then outstanding \$875,438,625 of Series G bonds and \$275,868,000 of Series S notes.

[Department Circular No. 686. Public Debt]

TREASURY DEPARTMENT,  
Washington, May 25, 1942.

## I. OFFERING OF NOTES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par, from the people of the United States for notes of the United States, designated 1½ percent Treasury notes of Series B-1946, in payment of which only Home Owners' Loan Corporation 2½ percent bonds, Series G 1942-44, called for redemption on July 1, 1942, or Reconstruction Finance Corporation 1 percent notes of Series S, maturing July 1, 1942, may be tendered. The amount of the offering under this circular will be limited to the amount of such Series G bonds and Series S notes tendered and accepted.

<sup>1</sup> Revised July 25, 1942, and Aug. 21, 1942.

## II. DESCRIPTION OF NOTES

1. The notes will be dated June 5, 1942, and will bear interest from that date at the rate of  $1\frac{1}{2}$  percent per annum, payable on a semiannual basis on December 15, 1942, and thereafter on June 15 and December 15 in each year until the principal amount becomes payable. They will mature December 15, 1946, and will not be subject to call for redemption prior to maturity.

2. The income derived from the notes shall be subject to all Federal taxes, now or hereafter imposed. The notes shall be subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The notes will be accepted at par during such time and under such rules and regulations as shall be prescribed or approved by the Secretary of the Treasury in payment of income and profits taxes payable at the maturity of the notes.

4. The notes will be acceptable to secure deposits of public moneys, but will not bear the circulation privilege.

5. Bearer notes with interest coupons attached will be issued in denominations of \$100, \$500, \$1,000, \$5,000, \$10,000, and \$100,000. The notes will not be issued in registered form.

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

## III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Treasury 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 notes applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

## IV. PAYMENT

1. Payment at par for notes allotted hereunder must be made on or before June 5, 1942, or on later allotment, and may be made only in Home Owners' Loan Corporation bonds of Series G 1942-44, called for redemption on July 1, 1942, or in Reconstruction Finance Corporation notes of Series S, maturing July 1, 1942, which will be accepted at par, and should accompany the subscription. Coupons dated July 1, 1942, must be attached to bearer securities of either issue when surrendered, and accrued interest from January 1, 1942, to June 5, 1942 (\$9.63398 per \$1,000 in the case of Series G bonds and \$4.28177 per \$1,000 in the case of Series S notes) will be paid following acceptance of the securities. In the case of the Series G registered bonds, checks in payment of accrued interest will be drawn in accordance with the assignments on the bonds surrendered.

## V. SURRENDER OF CALLED BONDS

1. *Coupon bonds.*—Home Owners' Loan Corporation bonds of Series G 1942-44 in coupon form tendered hereunder should be presented and surrendered with the subscription to a Federal Reserve Bank or branch or to the Treasurer of the United States, Washington, D. C. Coupons dated July 1, 1942, and all coupons bearing subsequent dates, should be attached to such bonds when surrendered, and if any such coupons are missing, the subscription must be accompanied by cash payment equal to the face amount of the missing coupons. The bonds must be delivered at the expense and risk of the holder. Facilities for transportation of bonds by registered mail insured may be arranged between incorporated banks and trust companies and the Federal Reserve Banks, and holders may take advantage of such arrangements when available, utilizing such incorporated banks and trust companies as their agents.

2. *Registered bonds.*—Home Owners' Loan Corporation bonds of Series G 1942-44 in registered form tendered hereunder should be assigned by the registered payees or assignees thereof to "The Secretary of the Treasury for exchange for Treasury notes of Series B-1946 to be delivered to \_\_\_\_\_," and thereafter should be presented and surrendered with the subscription to a Federal Reserve Bank or branch or to the Treasury Department, Division of Loans and

Currency, Washington, D. C. The bonds must be delivered at the expense and risk of the holder.

#### VI. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for notes allotted, to make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, Jr.,  
Secretary of the Treasury.

#### Exhibit 16

*Allotments, Treasury notes of Series B-1946 (from press releases, May 26 and June 1, 1942<sup>1</sup>)*

On May 25, 1942, Secretary of the Treasury Morgenthau announced that the subscription books for the offering of 1½ percent Treasury notes of Series B-1946—open to the holders of Home Owners' Loan Corporation 2¼ percent bonds of Series G 1942-44, called for redemption on July 1, 1942, and Reconstruction Finance Corporation 1 percent notes of Series S, maturing July 1, 1942—would close at the close of business May 26, 1942, except for the receipt of subscriptions from holders of \$25,000 or less of the Home Owners' Loan Corporation bonds. For the latter class the subscription books closed at the close of business May 27.

Subscriptions to the Treasury notes of Series B-1946 aggregated \$1,118,386,400, all of which were allotted in full. The allotments were divided among the Federal Reserve districts and the Treasury as follows:

Federal Reserve district	Home Owners' Loan Corporation bonds exchanged	Reconstruction Finance Corporation notes exchanged	Total allotments
Boston.....	\$18,139,100	\$7,839,000	\$25,978,100
New York.....	551,060,500	198,042,000	749,102,500
Philadelphia.....	44,378,100	6,398,000	50,776,100
Cleveland.....	20,647,300	5,765,000	26,412,300
Richmond.....	38,380,400	5,813,000	44,193,400
Atlanta.....	10,674,600	3,612,000	14,286,600
Chicago.....	75,262,100	29,524,000	104,786,100
St. Louis.....	13,342,400	2,459,000	15,801,400
Minneapolis.....	10,190,000	4,799,000	14,989,000
Kansas City.....	17,283,100	2,665,000	19,948,100
Dallas.....	5,794,700	995,000	6,789,700
San Francisco.....	36,443,100	4,196,000	40,639,100
Treasury.....	4,519,000	165,000	4,684,000
Total.....	846,114,400	272,272,000	1,118,386,400

#### United States savings bonds

#### Exhibit 17

*Offering of United States war savings bonds of Series E and war savings stamps for installment payments*

[Department Circular No. 653, Revised. Public Debt]

TREASURY DEPARTMENT,  
Washington, June 1, 1942.

#### I. OFFERING OF UNITED STATES WAR SAVINGS BONDS OF SERIES E

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, offers for sale, to the people of the United States,

<sup>1</sup> Revised July 16, 1942.

through the Postal Service and other designated agencies, United States savings bonds of Series E, which bonds are hereby designated United States war savings bonds,<sup>1</sup> and may hereinafter be referred to as bonds of Series E. A description of the bonds, their terms, and the conditions of their issue and redemption are hereinafter fully set forth.

2. United States savings bonds of Series E include bonds issued as defense savings bonds under this circular as originally published, and those issued as war savings bonds under this circular as revised. The former bonds will be withdrawn from sale when existing stocks are exhausted, and the new bonds will then be placed on sale without further notice, and their sale will continue until terminated by the Secretary of the Treasury. As their terms and the conditions of their issue are identical, no distinction is to be made between any bonds of Series E, whether issued as defense or as war savings bonds.

## II. DESCRIPTION AND TERMS OF BONDS

1. The bonds of Series E will be issued only in registered form, in denominations of \$25, \$50, \$100, \$500, and \$1,000 (maturity values), at prices hereinafter set forth. Each bond will bear the facsimile signature of the Secretary of the Treasury, and will bear both an imprint (in red) and an impression of the Seal of the Treasury. At the time of issue, the issuing agent will inscribe the name and address of the owner on each bond, will enter the date as of which the bond is issued in the upper right corner, and will imprint his dating stamp (with current date) in the circle in the lower left corner. Bonds of Series E shall be valid only if duly inscribed and dated, as above provided, and delivered by an authorized agent following receipt of payment therefor.

2. The bonds will, in each instance, be dated as of the first day of the month in which payment of the issue price is received by an agent authorized to issue the bonds; the bonds will mature and be payable at face value 10 years from such issue date. The bonds may not be called for redemption by the Secretary of the Treasury prior to maturity, but they may be redeemed prior to maturity, after 60 days from the issue date, at the owner's option, at fixed redemption values. No interest as such will be paid on the bonds, but they will increase in redemption value at the end of the first year from issue date, and at the end of each successive half-year period thereafter until their maturity, when the face amount becomes payable. The increment in value will be payable only upon redemption of the bonds. A table of redemption values for each bond appears on its face. The purchase price of bonds of Series E has been fixed so as to afford an investment yield of about 2.9 percent per annum compounded semiannually if the bonds are held to maturity; if the owner exercises his option to redeem a bond prior to maturity the investment yield will be less. The table at the end of this circular shows: (1) How bonds of Series E, by denominations, increase in redemption value during the successive half-year periods following issue, and (2) the computed investment yields (a) on the issue price from issue date to the beginning of each half-year period, and (b) on the current redemption value from the beginning of each half-year period to maturity at the end of the 10-year period.

3. The bonds will not be transferable, and will be payable only to the owner named thereon, except in case of death or disability of the owner or as otherwise specifically provided in the regulations governing savings bonds, and in any event only in accordance with such regulations. Accordingly they may not be sold, and may not be hypothecated as collateral for a loan.

4. **TAXATION.**—For the purpose of determining taxes and tax exemptions, the increment in value represented by the difference between the price paid for United States savings bonds issued on a discount basis, and the redemption value received therefor (whether at or before maturity) shall be considered as interest, and such interest on bonds of Series E is not exempt from income or profits taxes now or hereafter imposed by the United States.<sup>2</sup> The bonds shall be subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

<sup>1</sup> United States savings bonds of Series F and G, issued pursuant to Department Circular No. 654, Revised, dated June 1, 1942, are also included in the designation United States war savings bonds.

<sup>2</sup> For information concerning the taxable and exempt status under Federal tax laws of the interest (increment in value) on United States savings bonds issued on a discount basis (including bonds of Series E), and alternate methods of reporting such interest, see Internal Revenue Mimeograph, Coll. No. 5299, R. A. No. 1177, dated December 17, 1941.

## III. PURCHASE OF BONDS.

1. AGENCIES.—Bonds of Series E may be purchased, while this offer is in effect as follows:

(a) *Over-the-counter for cash:*

(1) At United States post offices of the first, second, and third classes, and at selected post offices of the fourth class, and generally at classified stations and branches.

(2) At the Treasury Department, Washington, D. C., at Federal Reserve Banks and branches, and at such incorporated banks, trust companies, mutual savings banks and other agencies as are duly designated and have duly qualified as sales agents pursuant to the provisions of Treasury Department Circular No. 657, dated April 15, 1941, as amended and supplemented.

(b) *On mail order.*—Bonds of Series E may be purchased by mail upon application to the Treasurer of the United States, Washington, D. C., or to any Federal Reserve Bank or branch, accompanied by a remittance to cover the issue price. Any form of exchange, including personal checks, will be accepted, subject to collection. Checks, or other forms of exchange, should be drawn to the order of the Treasurer of the United States or the Federal Reserve Bank, as the case may be.

(c) *Other agencies.*—The Secretary of the Treasury, in his discretion, may designate other agencies for the sale of or for the handling of applications for bonds of Series E, which shall operate under such terms and conditions as the Secretary of the Treasury may prescribe or approve.

2. POSTAL SAVINGS.—Subject to regulations prescribed by the Board of Trustees of the Postal Savings System, the withdrawal of postal savings deposits will be permitted for the purpose of acquiring savings bonds.

3. UNITED STATES WAR SAVINGS STAMPS FOR INSTALLMENT PAYMENTS.—War savings stamps, in denominations of 10, 25, and 50 cents, and \$1 and \$5, may be purchased at any post office where bonds of Series E are on sale and at such other agencies as may be designated from time to time. These stamps may be used to accumulate credits for the purchase of war savings bonds. Albums, for affixing the stamps, will be available without charge, and such albums will be receivable, in the amount of the affixed stamps, on the purchase price of war savings bonds. A Treasury issue of war savings stamps will hereafter be made available to replace the Postal Savings issue of defense stamps. The latter stamps will be withdrawn from sale when existing stocks are exhausted and the new stamps will be placed on sale without further notice, and their sale will continue until terminated by the Secretary of the Treasury. Defense postal savings stamps will hereafter be included in the term war savings stamps and no distinction is to be made between any such stamps whether issued as defense postal savings stamps or as war savings stamps, and the stamps of either issue may be used interchangeably to accumulate credits for the purchase of war savings bonds.

4. ISSUE PRICES.—The issue prices of the various denominations of bonds of Series E follow:

DENOMINATION (maturity value)	\$25.00	\$50.00	\$100.00	\$500.00	\$1,000.00
ISSUE (purchase) PRICE-----	\$18.75	\$37.50	\$75.00	\$375.00	\$750.00

## IV. LIMITATION ON HOLDINGS

1. The amount of United States savings bond of Series E of any designation originally issued during any one calendar year to any one person, including those registered in the name of that person alone, and those registered in the name of that person with another named as coowner, that may be held by that person at any one time shall not exceed \$5,000 (maturity value). Any bonds acquired on original issue which create an excess must immediately be surrendered for refund of the issue price, as provided in the regulations governing savings bonds.

## V. AUTHORIZED FORMS OF REGISTRATION

1. Bonds of Series E may be registered only in the names of natural persons (that is, individuals) whether adults or minors, in their own right, who are residents of the continental United States, the Territories and Insular Possessions of the United States, the Canal Zone, the Philippine Islands, or citizens of the United States temporarily residing abroad, as follows: (a) In the name of one person, (b) in the names of two (but not more than two) persons as coowners, and (c) in the name of one person payable on death to one (but not more than one) other designated person. Full information as to authorized forms of registration will be found in the regulations governing savings bonds (see sec. IX, par. 1).

## VI. DELIVERY AND SAFEKEEPING OF BONDS OF SERIES E

1. Postmasters and other authorized sales agents from whom bonds of Series E may be purchased are authorized to deliver such bonds duly inscribed and dated upon receipt of the issue price. Bonds issued upon mail order applications made to a Federal Reserve Bank or branch, or to the Treasurer of the United States will be delivered within the continental United States, the Territories and Insular Possessions of the United States, the Canal Zone and the Philippine Islands.<sup>3</sup> No deliveries elsewhere will be made. If purchased by citizens of the United States temporarily residing abroad, bonds will be delivered in the United States, or held in safekeeping, as the purchaser may direct. Delivery should not be accepted by any purchaser until he has verified that the correct name and address are duly inscribed on the face of the bond, that the bond is duly dated as of the first day of the month in which payment of the issue price was received by the agent, and that the dating stamp (with current date) of the postmaster or other issuing agent is imprinted in the circle in the lower left corner of the bond.

2. A savings bond will be held in safekeeping without charge by the Secretary of the Treasury if the holder so desires, and in such connection the facilities of the Federal Reserve Banks, as fiscal agents of the United States, and those of the Treasurer of the United States, will be utilized. Arrangements may be made for such safekeeping at the time of purchase, or subsequently. Postmasters generally, and branches of Federal Reserve Banks,<sup>4</sup> will assist holders in arranging for safekeeping, but will not act as safekeeping agents.

## VII. PAYMENT AT MATURITY OR REDEMPTION PRIOR TO MATURITY

1. GENERAL.—Any bond of Series E will be paid in full at maturity, or, at the option of the owner, after 60 days from the issue date, will be redeemed in whole or in part at the appropriate redemption value prior to maturity, following presentation and surrender of the bond, with the request for payment properly executed, all in accordance with the regulations governing savings bonds.

2. EXECUTION OF REQUEST FOR PAYMENT.—The registered owner, or other person entitled to payment under the regulations governing savings bonds, must appear before one of the officers authorized by the Secretary of the Treasury to witness and certify requests for payment, establish his identity, and in the presence of such officer sign the request for payment, adding the address to which the check is to be mailed. After the request for payment has been so signed, the witnessing officer should complete and sign the certificate provided for his use. Unless otherwise authorized in a particular case, the form of request appearing on the back of the bond must be used.

3. OFFICERS AUTHORIZED TO WITNESS AND CERTIFY REQUESTS FOR PAYMENT.—The officers authorized to witness and certify requests for payment of savings bonds are fully set forth in the regulations governing savings bonds, such officers including United States postmasters and certain other post office officials, and the executive officers of all banks or trust companies incorporated in the United States or its organized Territories, including officers at domestic and foreign branches who are certified to the Treasury Department as executive officers.

4. PRESENTATION AND SURRENDER.—After the request for payment has been duly executed by the person entitled and by the certifying officer, the bond must be presented and surrendered to the Treasury Department, Washington, or to a Federal Reserve Bank or branch, at the expense and risk of the owner. For the owner's protection, the bond should be forwarded by registered mail, if not presented in person.

5. DISABILITY OR DEATH.—In case of the disability of the registered owner, or the death of the registered owner not survived by a coowner or a designated beneficiary, instructions should be obtained from the Treasury Department, Division of Loans and Currency, Washington, D. C., before the request for payment is executed.

6. METHOD OF PAYMENT.—The only agencies authorized to pay or redeem savings bonds are the Treasury Department and the Federal Reserve Banks, but bonds to be redeemed may be presented to branches of Federal Reserve Banks. Postmasters are not authorized to make payment, but generally they will assist

<sup>3</sup> If bonds are issued within the United States, deliveries thereof outside the Continental United States, at the risk and expense of the United States, may be suspended during the war emergency, but in any such case bonds will be delivered to addresses within the United States, or will be held in safekeeping as the purchaser may direct.

<sup>4</sup> Safekeeping facilities may be offered at some branches of Federal Reserve Banks, and in such connection an inquiry may be addressed to the branch.

owners in securing payment, at or before maturity. Payment in all cases will be made by check drawn to the order of the registered owner or other person entitled to payment, and mailed to the address given in the request for payment.

7. **PARTIAL REDEMPTION.**—Partial redemption at current redemption value of a savings bond of Series E of a denomination higher than \$25 (maturity value) is permitted, but must accord to an authorized denomination. In case of partial redemption the remainder will be reissued in authorized denominations bearing the same issue date as the bond surrendered.

#### VIII. SERIES DESIGNATION

1. United States savings bonds of Series E, issued during the calendar year 1942 (either as defense or war savings bonds) will be designated Series E-1942, and those which may be issued in subsequent calendar years will be similarly designated by the series letter E followed by the year of issue.

#### IX. GENERAL PROVISIONS

1. All bonds of Series E, issued pursuant to this circular, shall be subject to the regulations prescribed from time to time by the Secretary of the Treasury to govern United States savings bonds. Such regulations may require, among other things, reasonable notice in case of presentation of bonds of Series E for redemption prior to maturity. The present regulations governing savings bonds are set forth in Treasury Department Circular No. 530, Fifth Revision, dated June 1, 1942, copies of which may be obtained on application to the Treasury Department, or to any Federal Reserve Bank.

2. The Secretary of the Treasury reserves the right to reject any application for bonds of Series E, in whole or in part, and to refuse to issue or permit to be issued hereunder any such bonds in any case or any class or classes of cases if he deems such action to be in the public interest, and his action in any such respect shall be final.

3. Postmasters in charge of post offices where bonds of Series E are on sale, under regulations promulgated by the Postmaster General, and Federal Reserve Banks, as fiscal agents of the United States, are authorized to perform such fiscal agency services as may be requested of them by the Secretary of the Treasury in connection with the issue, delivery, safekeeping, redemption, and payment of bonds of Series E. Other sales agencies will be subject to the provisions of Treasury Department Circular No. 657, dated April 15, 1941, as amended or supplemented.

4. The Secretary of the Treasury may at any time or from time to time supplement or amend the terms of this circular, or of any amendments or supplements thereto, information as to which will be promptly furnished to the Postmaster General, the Federal Reserve Banks and other sales agencies.

5. The offering of United States savings bonds of Series E, pursuant to this circular, revised, is separate and distinct from the concurrent offerings of United States savings bonds of Series F and of Series G, pursuant to Treasury Department Circular No. 654, Revised, dated June 1, 1942. The bonds of Series E, F, and G so offered and issued constitute issues of United States war savings bonds, and are so designated.

HENRY MORGENTHAU, Jr.,  
*Secretary of the Treasury.*



## UNITED STATES SAVINGS BONDS—SERIES E

Table of redemption values and investment yields

Table showing: (1) How bonds of Series E, by denominations, increase in redemption value during successive half-year periods following issue; (2) the approximate investment yield on the purchase price from issue date to the beginning of each half-year period; and (3) the approximate investment yield on the current redemption value from the beginning of each half-year period to maturity. Yields are expressed in terms of rate percent per annum, compounded semiannually.

Maturity value.....	\$25. 00	\$50. 00	\$100. 00	\$500. 00	\$1, 000. 00		
Issue price.....	18. 75	37. 50	75. 00	375. 00	750. 00		
Period after issue date	(1) Redemption values during each half-year period					(2) Approximate investment yield on purchase price from issue date to beginning of each half-year period	(3) Approximate investment yield on current redemption value from beginning of each half-year period to maturity
						Percent	Percent
First ½ year.....	\$18. 75	\$37. 50	\$75. 00	\$375. 00	\$750. 00	0. 00	2. 90
½ to 1 year.....	18. 75	37. 50	75. 00	375. 00	750. 00	. 67	3. 05
1 to 1½ years.....	18. 87	37. 75	75. 50	377. 50	755. 00	. 88	3. 15
1½ to 2 years.....	19. 00	38. 00	76. 00	380. 00	760. 00	. 99	3. 25
2 to 2½ years.....	19. 12	38. 25	76. 50	382. 50	765. 00	1. 06	3. 38
2½ to 3 years.....	19. 25	38. 50	77. 00	385. 00	770. 00	1. 31	3. 52
3 to 3½ years.....	19. 50	39. 00	78. 00	390. 00	780. 00	1. 49	3. 58
3½ to 4 years.....	19. 75	39. 50	79. 00	395. 00	790. 00	1. 62	3. 66
4 to 4½ years.....	20. 00	40. 00	80. 00	400. 00	800. 00	1. 72	3. 75
4½ to 5 years.....	20. 25	40. 50	81. 00	405. 00	810. 00	1. 79	3. 87
5 to 5½ years.....	20. 50	41. 00	82. 00	410. 00	820. 00	1. 85	4. 01
5½ to 6 years.....	20. 75	41. 50	83. 00	415. 00	830. 00	1. 90	4. 18
6 to 6½ years.....	21. 00	42. 00	84. 00	420. 00	840. 00	2. 12	4. 41
6½ to 7 years.....	21. 50	43. 00	86. 00	430. 00	860. 00	2. 30	4. 36
7 to 7½ years.....	22. 00	44. 00	88. 00	440. 00	880. 00	2. 45	4. 41
7½ to 8 years.....	22. 50	45. 00	90. 00	450. 00	900. 00	2. 57	4. 26
8 to 8½ years.....	23. 00	46. 00	92. 00	460. 00	920. 00	2. 67	4. 21
8½ to 9 years.....	23. 50	47. 00	94. 00	470. 00	940. 00	2. 76	4. 17
9 to 9½ years.....	24. 00	48. 00	96. 00	480. 00	960. 00	2. 84	4. 12
9½ to 10 years.....	24. 50	49. 00	98. 00	490. 00	980. 00	2. 90	4. 08
Maturity value (10 years from issue date).....	25. 00	50. 00	100. 00	500. 00	1, 000. 00		

1 Approximate investment yield for entire period from issuance to maturity.

## OTHER SERIES

United States savings bonds of Series F and of Series G are also offered for sale concurrently with bonds of Series E. The bonds of Series F will be issued on a discount basis, with a 12-year maturity, at 74 percent of their maturity value; if held to maturity the yield will approximate 2.53 percent per annum. The bonds of Series G, likewise with a 12-year maturity, will be issued at par, and will bear interest at the rate of 2½ percent per annum payable semiannually. The bonds of both series will be redeemable before maturity, at the option of owners, at fixed redemption values, in which case the investment yields will be less than if held to maturity. These bonds are intended to provide facilities for the larger investors, and registration will not be restricted to individuals. The aggregate amount of bonds of either series, or of the two series combined, originally issued to any one person during any one calendar year that may be held by that person at any one time may not exceed \$100,000 (issue price). Full particulars regarding these bonds are set forth in Treasury Department Circular No. 654, Revised, dated June 1, 1942, copies of which may be obtained from the Treasury Department, Washington, or from any Federal Reserve Bank.

## Exhibit 18

*Offering of United States war savings bonds of Series F and Series G*

(Department Circular No. 654, Revised. Public Debt)

TREASURY DEPARTMENT,  
Washington, June 1, 1942.

## I. OFFERING OF UNITED STATES WAR SAVINGS BONDS OF SERIES F AND SERIES G

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, offers for sale, to the people of the United States, through the Federal Reserve Banks, United States savings bonds of Series F and Series G, which bonds are hereby designated United States war savings bonds,<sup>1</sup> and may hereinafter be referred to as bonds of Series F and Series G. Descriptions of the bonds of both series, their terms, and the conditions of their issue and redemption are hereinafter fully set forth.

2. United States savings bonds of Series F and G include bonds issued as bonds of defense Series F and G under this circular as originally published and amended, and those issued as war savings bonds under this circular as revised. The former bonds will be withdrawn from sale when existing stocks are exhausted, and the new bonds will then be placed on sale without further notice, and their sale will continue until terminated by the Secretary of the Treasury. As their terms and the conditions of their issue are identical, no distinction is to be made between any bonds of Series F or G, whether issued as bonds of defense Series F or G or as war savings bonds.

## II. DESCRIPTION AND TERMS OF BONDS

1. The bonds of Series F and Series G will be issued only in registered form, in denominations of \$25<sup>2</sup> (for Series F only), \$100, \$500, \$1,000, \$5,000 and \$10,000 (maturity values), at prices hereinafter set forth. Each bond will bear the facsimile signature of the Secretary of the Treasury, and will bear both an imprint in color (brown for Series F and blue for Series G) and an impression of the Seal of the Treasury. At the time of issue, the issuing agent will inscribe the name and address of the owner on each bond, will enter the date as of which the bond is issued in the upper right corner, and will imprint his dating stamp (with current date) in the circle in the lower left corner. The bonds shall be valid only if duly inscribed and dated, as above provided, and delivered by an authorized agent following receipt of payment therefor.

2. The bonds of each series will, in each instance, be dated as of the first day of the month in which payment of the issue price is received by an agent authorized to issue the bonds (see sec. III); the bonds will mature and be payable at face value 12 years from such issue date. The bonds of either series may not be called for redemption by the Secretary of the Treasury prior to maturity, but they may be redeemed prior to maturity, after six months from the issue date, at the owner's option, at fixed redemption values, as hereinafter provided.

3. *Bonds of Series F* will be issued on a discount basis at 74 percent of their maturity value. No interest as such will be paid on the bonds, but they will increase in redemption value at the end of the first year from issue date, and at the end of each successive half-year period thereafter until their maturity, when the face amount becomes payable. The increment in value will be payable only upon redemption of the bonds. A table of redemption values for each bond appears on its face. The purchase price of bonds of Series F has been fixed so as to afford an investment yield of about 2.53 percent per annum compounded semiannually if the bonds are held to maturity; if the owner exercises his option to redeem a bond prior to maturity the investment yield will be less.

4. *Bonds of Series G* will be issued at par, and will bear interest at the rate of 2½ percent per annum, payable semiannually from date of issue. Interest will be paid by check drawn to the order of the registered owner and mailed to his address. Interest will cease at maturity, or, in case of redemption before maturity, at the end of the interest period next preceding the date of redemption. A table of redemption values for each bond appears on its face, and the difference between the face amount of the bond and the redemption value fixed for any period represents an adjustment (or refund) of interest. Accordingly, if the owner exercises his option to redeem a bond prior to maturity, the investment yield will be less than the interest rate on the bonds. Bonds of Series G may be redeemed at

<sup>1</sup> United States savings bonds of Series E, issued pursuant to Department Circular No. 653, Revised dated June 1, 1942, are also included in the designation United States war savings bonds.

<sup>2</sup> Department Circular No. 654, dated Apr. 15, 1941, was amended Dec. 12, 1941, to provide the additional denomination of \$25 for United States savings bonds of defense Series F, effective Jan. 1, 1942.

par (1) upon the death of the owner, or a coowner, if a natural person, or (2), as to bonds held by a trustee or other fiduciary, upon the death of any person which results in termination of the trust, in whole or in part. If the trust is terminated only in part, redemption at par will be made only to the extent of the pro rata portion of the trust so terminated, to the next lower multiple of \$100. In any case request for redemption at par must be made within 4 months after the date of death and in accordance with the regulations governing savings bonds.

5. Tables at the end of this circular show separately for bonds of Series F and those of Series G: (1) The redemption values, by denominations, during the successive half-year periods following issue, and (2) the computed investment yields (a) on the issue price from issue date to the beginning of each half-year period, and (b) on the current redemption value from the beginning of each half-year period to maturity at the end of the 12-year period.

6. The bonds will not be transferable, and will be payable only to the owner named thereon, except in case of death or disability of the owner or as otherwise specifically provided in the regulations governing savings bonds, and in any event only in accordance with such regulations. Accordingly they may not be sold, and may not be hypothecated as collateral for a loan.

7. *Taxation.*—For the purpose of determining taxes and tax exemptions, the increment in value of savings bonds of Series F represented by the difference between the price paid and the redemption value received therefor (whether at or before maturity) shall be considered as interest, and such interest on such bonds of Series F, and interest on bonds of Series G, is not exempt from income or profits taxes now or hereafter imposed by the United States.<sup>3</sup> The bonds shall be subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

### III. PURCHASE OF BONDS

1. *Agencies.*—Bonds of Series F and Series G may be purchased, while this offer is in effect, upon application to any Federal Reserve Bank or branch, or to the Treasurer of the United States, Washington, D. C. Sales agencies, duly qualified under the provisions of Treasury Department Circular No. 657, dated April 15, 1941, as amended and supplemented, and banking institutions generally, may submit applications for account of customers, but only the Federal Reserve Banks (and branches) and the Treasury Department are authorized to act as official agencies, and the receipt of application and payment at an official agency will govern the dating of the bonds issued.

2. *Payment for bonds.*—Every application must be accompanied by payment in full of the issue price. Any form of exchange, including personal checks, will be accepted, subject to collection. Checks, or other forms of exchange, should be drawn to the order of the Federal Reserve Bank, or the Treasurer of the United States, as the case may be. Any qualified depository, pursuant to the provisions of Treasury Department Circular No. 92 (revised February 23, 1932, as supplemented), will be permitted to make payment by credit for bonds applied for on behalf of its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district.

3. *Postal savings.*—Subject to regulations prescribed by the Board of Trustees of the Postal Savings System, the withdrawal of postal savings deposits will be permitted for the purpose of acquiring savings bonds.

4. *Other agencies.*—The Secretary of the Treasury, in his discretion, may designate agencies other than those herein designated for the sale of, or for the handling of applications for, savings bonds of Series F and Series G.

5. *Form of application.*—In applying for bonds under this circular, care should be exercised to specify whether those of Series F or Series G are desired, and there must be furnished: (1) Instructions for registration of the bonds to be issued, which must be in one of the authorized forms (see sec. V); (2) the post office address of each person (or other entity) whose name appears in the registration; (3) address for delivery of the bonds; and (4), in case of bonds of Series G, address for mailing interest checks. The use of an official application form is desirable, but not necessary. The application should be forwarded to the Federal Reserve Bank, or branch, of the district, accompanied by remittance to cover the pur-

<sup>3</sup> For information concerning the taxable and exempt status under Federal tax laws of the interest (or increment in value of those issued on a discount basis, including bonds of Series F), and the methods of reporting such interest, see Internal Revenue Mimeograph, Coll. No. 5299, R. A. No. 1177, dated December 17, 1941.

chase price (\$74 for each \$100 face amount of bonds of Series F, or \$100 for each \$100 face amount of bonds of Series G).

6. *Issue prices.*—The issue prices of the various denominations of bonds of Series F and Series G follow:

SERIES F						
DENOMINATION (maturity value).....	\$25.00	\$100	\$500	\$1,000	\$5,000	\$10,000
ISSUE (purchase) Price.....	\$18.50	\$74	\$370	\$740	\$3,700	\$7,400

SERIES G						
DENOMINATION (maturity value).....	\$100	\$500	\$1,000	\$5,000	\$10,000	
ISSUE (purchase) Price.....	\$100	\$500	\$1,000	\$5,000	\$10,000	

#### IV. LIMITATION ON HOLDINGS

1. The amount of United States savings bonds of Series F or of Series G, or the combined aggregate amount of both series, originally issued during any one calendar year to any one person, including those registered in the name of that person alone, and those registered in the name of that person with another named as coowner, that may be held by that person at any one time shall not exceed \$100,000 (issue price), effective for the calendar year 1942, and thereafter. Any bonds acquired on original issue which create an excess must immediately be surrendered for refund of the issue price, as provided in the regulations governing savings bonds.

#### V. AUTHORIZED FORMS OF REGISTRATION

1. United States savings bonds of Series F and Series G may be registered as follows:

(1) In the names of natural persons (that is, individuals) whether adults or minors, in their own right, as follows:

- (a) In the name of one person,
- (b) In the names of two (but not more than two) persons as coowners, and
- (c) In the name of one person payable on death to one (but not more than one) other designated person;

(2) In the name of an incorporated or unincorporated body, in its own right (except a commercial bank, which, for this purpose, is defined as a bank that accepts demand deposits);

(3) In the name of a fiduciary; and

(4) In the name of the owner or custodian of public funds.

2. *Restrictions.*—Registration is restricted, in the case of individuals, to those who are residents of the continental United States, the Territories and Insular Possessions of the United States, the Canal Zone, the Philippine Islands, or citizens of the United States temporarily residing abroad. The same restrictions will apply to the registration of bonds in any other authorized form.

3. Full information regarding authorized forms of registration will be found in the regulations governing savings bonds (see sec. IX, par. 1). In every form of registration, the post office address must be given, and if more than one name appears the post office address of each must be furnished.

#### VI. DELIVERY AND SAFEKEEPING OF BONDS

1. Federal Reserve Banks (and branches) are authorized to deliver bonds of Series F and Series G duly inscribed and dated upon receipt of the issue price. Unless delivered in person, bonds issued will be delivered within the continental United States, the Territories and Insular Possessions of the United States, the Canal Zone and the Philippine Islands.<sup>4</sup> No deliveries elsewhere will be made. If purchased by citizens of the United States temporarily residing abroad, bonds will be delivered in the United States, or held in safekeeping, as the purchaser may direct. Delivery should not be accepted by any purchaser until he has verified that the correct name and address are duly inscribed on the face of the bond, that the bond is duly dated as of the first day of the month in which payment of the issue price was received by the agent, and that the dating stamp (with current date) of the issuing agent is imprinted in the circle in the lower left corner of the bond.

2. Savings bonds of Series F or Series G will be held in safekeeping without charge by the Secretary of the Treasury if the holder so desires, and in such connection the facilities of the Federal Reserve Banks, as fiscal agents of the United

<sup>4</sup> If bonds are issued within the United States, deliveries thereof outside the continental United States, at the risk and expense of the United States, may be suspended during the war emergency, but in any such case bonds will be delivered to addresses within the United States, or will be held in safekeeping, as the purchaser may direct.

States, and those of the Treasurer of the United States, will be utilized.<sup>5</sup> Arrangements may be made for such safekeeping at the time of purchase, or subsequently.

#### VII. PAYMENT AT MATURITY OR REDEMPTION BEFORE MATURITY

1. *General.*—Any savings bond of Series F or Series G will be paid in full at maturity, or, at the option of the owner, after 6 months from the issue date, will be redeemed in whole or in part at the appropriate redemption value prior to maturity, on the first day of any calendar month, on one month's notice in writing, following presentation and surrender of the bond, with the request for payment properly executed, all in accordance with the regulations governing savings bonds.

2. *Notice of redemption.*—When a savings bond of Series F or Series G is to be redeemed prior to maturity, a notice in writing of the owner's intention must be given to and be received by a Federal Reserve Bank or branch, or the Treasury Department not less than one calendar month in advance. A duly executed request for payment will be accepted as constituting the required notice.

3. *Execution of request for payment.*—The registered owner, or other person entitled to payment under the regulations governing savings bonds, must appear before one of the officers authorized by the Secretary of the Treasury to witness and certify requests for payment, establish his identity, and in the presence of such officer sign the request for payment, adding the address to which the check is to be mailed. After the request for payment has been so signed, the witnessing officer should complete and sign the certificate provided for his use. Unless otherwise authorized in a particular case, the form of request appearing on the back of the bond must be used.

4. *Officers authorized to witness and certify requests for payment.*—The officers authorized to witness and certify requests for payment of savings bonds are fully set forth in the regulations governing savings bonds, such officers including United States postmasters and certain other post office officials, and the executive officers of all banks and trust companies incorporated in the United States or its organized Territories, including officers at domestic and foreign branches who are certified to the Treasury Department as executive officers.

5. *Presentation and surrender.*—After the request for payment has been duly executed by the person entitled and by the certifying officer, the bond must be presented and surrendered to a Federal Reserve Bank or branch, or to the Treasury Department, Washington, at the expense and risk of the owner. For the owner's protection, the bond should be forwarded by registered mail, if not presented in person.

6. *Disability or death.*—In case of the disability of the registered owner, or the death of the registered owner not survived by a coowner or a designated beneficiary, instructions should be obtained from the Treasury Department, Division of Loans and Currency, Washington, D. C., before the request for payment is executed.

7. *Method of payment.*—The only agencies authorized to pay or redeem savings bonds are the Federal Reserve Banks and the Treasury Department. Payment in all cases will be made by check drawn to the order of the registered owner or other person entitled to payment, and mailed to the address given in the request for payment.

8. *Partial redemption.*—Partial redemption at current redemption value of a bond of Series F, of a denomination higher than \$25 (maturity value), or of a bond of Series G, of a denomination higher than \$100, is permitted, but must correspond to an authorized denomination. In case of partial redemption the remainder will be reissued in authorized denominations bearing the same issue date as the bond surrendered.

#### VIII. SERIES DESIGNATION

1. Bonds of Series F, issued during the calendar year 1942 (either as defense series or as war savings bonds) will be designated Series F-1942, and those of Series G will be similarly designated Series G-1942. Bonds of either series which may be issued in subsequent calendar years will be similarly designated by the series letter, F or G, followed by the year of issue.

#### IX. GENERAL PROVISIONS

1. All bonds of Series F and Series G, issued pursuant to this circular, shall be subject to the regulations prescribed from time to time by the Secretary of the Treasury to govern United States savings bonds. The present regulations

<sup>5</sup> Safekeeping facilities may be offered at some branches of Federal Reserve Banks, and in such connection an inquiry may be addressed to the branch.

governing savings bonds are set forth in Treasury Department Circular No. 530, Fifth Revision, dated June 1, 1942, copies of which may be obtained on application to the Treasury Department, or to any Federal Reserve Bank.

2. The Secretary of the Treasury reserves the right to reject any application for savings bonds of either Series F or Series G, in whole or in part, and to refuse to issue or permit to be issued hereunder any such savings bonds in any case or any class or classes of cases if he deems such action to be in the public interest, and his action in any such respect shall be final.

3. Federal Reserve Banks, as fiscal agents of the United States, are authorized to perform such services as may be requested of them by the Secretary of the Treasury in connection with the issue, delivery, safekeeping, redemption, and payment of savings bonds of Series F and Series G.

4. The Secretary of the Treasury may at any time or from time to time supplement or amend the terms of this circular, or of any amendments or supplements thereto, information as to which will be promptly furnished the Federal Reserve Banks.

5. The offerings of United States savings bonds of Series F and Series G, pursuant to this circular, revised, are separate and distinct from the concurrent offering of United States savings bonds of Series E pursuant to Department Circular No. 653, Revised, dated June 1, 1942. The bonds of Series E, F, and G so offered and issued constitute issues of United States war savings bonds, and are so designated.

HENRY MORGENTHAU, Jr.,  
Secretary of the Treasury.

#### UNITED STATES SAVINGS BONDS—SERIES F

##### Table of redemption values and investment yields

Table showing: (1) How United States savings bonds of Series F, by denominations, increase in redemption value during successive half-year periods following issue; (2) the approximate investment yield on the purchase price from issue date to the beginning of each half-year period; and (3) the approximate investment yield on the current redemption value from the beginning of each half-year period to maturity. Yields are expressed in terms of rate percent per annum, compounded semiannually.

Maturity value.....	\$25. 00	\$100. 00	\$500. 00	\$1,000	\$5,000	\$10,000		
Issue price.....	\$18. 50	\$74. 00	\$370. 00	\$740	\$3,700	\$7,400		
Period after issue date	(1) Redemption values during each half-year period						(2) Approximate investment yield on purchase price from issue date to beginning of each half-year period	(3) Approximate investment yield on current redemption value from beginning of each half-year period to maturity
							Percent	Percent
First ½ year.....	Not redeemable.							
½ to 1 year.....	\$18. 50	\$74. 00	\$370. 00	\$740	\$3,700	\$7,400	0.00	2.53
1 to 1½ years.....	18. 55	74. 20	371. 00	742	3,710	7,420	.27	2.64
1½ to 2 years.....	18. 62	74. 50	372. 50	745	3,725	7,450	.45	2.73
2 to 2½ years.....	18. 72	74. 90	374. 50	749	3,745	7,490	.61	2.82
2½ to 3 years.....	18. 85	75. 40	377. 00	754	3,770	7,540	.75	2.91
3 to 3½ years.....	19. 00	76. 00	380. 00	760	3,800	7,600	.89	2.99
3½ to 4 years.....	19. 17	76. 70	383. 50	767	3,835	7,670	1.03	3.07
4 to 4½ years.....	19. 40	77. 60	388. 00	776	3,880	7,760	1.19	3.15
4½ to 5 years.....	19. 65	78. 60	393. 00	786	3,930	7,860	1.34	3.20
5 to 5½ years.....	19. 92	79. 70	398. 50	797	3,985	7,970	1.49	3.24
5½ to 6 years.....	20. 22	80. 90	404. 50	809	4,045	8,090	1.63	3.27
6 to 6½ years.....	20. 55	82. 20	411. 00	822	4,110	8,220	1.76	3.29
6½ to 7 years.....	20. 87	83. 50	417. 50	835	4,175	8,350	1.87	3.29
7 to 7½ years.....	21. 20	84. 80	424. 00	848	4,240	8,480	1.96	3.31
7½ to 8 years.....	21. 52	86. 10	430. 50	861	4,305	8,610	2.03	3.32
8 to 8½ years.....	21. 85	87. 40	437. 00	874	4,370	8,740	2.09	3.35
8½ to 9 years.....	22. 17	88. 70	443. 50	887	4,435	8,870	2.14	3.40
9 to 9½ years.....	22. 50	90. 00	450. 00	900	4,500	9,000	2.19	3.46
9½ to 10 years.....	22. 85	91. 40	457. 00	914	4,570	9,140	2.24	3.54
10 to 10½ years.....	23. 22	92. 90	464. 50	929	4,645	9,290	2.29	3.63
10½ to 11 years.....	23. 62	94. 50	472. 50	945	4,725	9,450	2.34	3.72
11 to 11½ years.....	24. 05	96. 20	481. 00	962	4,810	9,620	2.40	3.81
11½ to 12 years.....	24. 50	98. 00	490. 00	980	4,900	9,800	2.46	3.91
Maturity value (12 years from issue date).....	\$25. 00	\$100. 00	\$500. 00	\$1,000	\$5,000	\$10,000	2.53	4.08

1 Approximate investment yield for entire period from issuance to maturity.

## UNITED STATES SAVINGS BONDS—SERIES G

Table of redemption values and investment yields

Table showing: (1) How United States savings bonds of Series G (paying a current return at the rate of  $2\frac{1}{2}$  percent per annum on the purchase price, payable semiannually) change in redemption value, by denominations, during successive half-year periods following issue; (2) the approximate investment yield on the purchase price from issue date to the beginning of each half-year period; and (3) the approximate investment yield on the current redemption value from the beginning of each half-year period to maturity. Yields are expressed in terms of rate percent per annum, compounded semiannually, and take into account the current return.

Maturity value	\$100.00	\$500.00	\$1,000	\$5,000	\$10,000	(2) Approximate investment yield on purchase price from issue date to beginning of each half-year period	(3) Approximate investment yield on current redemption value from beginning of each half-year period to maturity
Issue price	\$100.00	\$500.00	\$1,000	\$5,000	\$10,000		
Period after issue date	(1) Redemption values during each half-year period						
						Percent	Percent
First $\frac{1}{2}$ year	Not redeemable						1 2.50
$\frac{1}{2}$ to 1 year	\$98.80	\$494.00	\$988	\$4,940	\$9,880	0.10	2.62
1 to $1\frac{1}{2}$ years	97.80	489.00	978	4,890	9,780	.30	2.73
$1\frac{1}{2}$ to 2 years	96.90	484.50	969	4,845	9,690	.44	2.84
2 to $2\frac{1}{2}$ years	96.20	481.00	962	4,810	9,620	.61	2.94
$2\frac{1}{2}$ to 3 years	95.60	478.00	956	4,780	9,560	.75	3.04
3 to $3\frac{1}{2}$ years	95.10	475.50	951	4,755	9,510	.88	3.13
$3\frac{1}{2}$ to 4 years	94.80	474.00	948	4,740	9,480	1.04	3.20
4 to $4\frac{1}{2}$ years	94.70	473.50	947	4,735	9,470	1.20	3.26
$4\frac{1}{2}$ to 5 years	94.70	473.50	947	4,735	9,470	1.35	3.30
5 to $5\frac{1}{2}$ years	94.90	474.50	949	4,745	9,490	1.51	3.32
$5\frac{1}{2}$ to 6 years	95.20	476.00	952	4,760	9,520	1.66	3.33
6 to $6\frac{1}{2}$ years	95.50	477.50	955	4,775	9,550	1.79	3.33
$6\frac{1}{2}$ to 7 years	95.80	479.00	958	4,790	9,580	1.89	3.34
7 to $7\frac{1}{2}$ years	96.10	480.50	961	4,805	9,610	1.98	3.35
$7\frac{1}{2}$ to 8 years	96.40	482.00	964	4,820	9,640	2.05	3.37
8 to $8\frac{1}{2}$ years	96.70	483.50	967	4,835	9,670	2.12	3.39
$8\frac{1}{2}$ to 9 years	97.00	485.00	970	4,850	9,700	2.18	3.42
9 to $9\frac{1}{2}$ years	97.30	486.50	973	4,865	9,730	2.23	3.46
$9\frac{1}{2}$ to 10 years	97.60	488.00	976	4,880	9,760	2.27	3.51
10 to $10\frac{1}{2}$ years	97.90	489.50	979	4,895	9,790	2.31	3.60
$10\frac{1}{2}$ to 11 years	98.20	491.00	982	4,910	9,820	2.35	3.75
11 to $11\frac{1}{2}$ years	98.60	493.00	986	4,930	9,860	2.39	3.94
$11\frac{1}{2}$ to 12 years	99.20	496.00	992	4,960	9,920	2.44	4.13
Maturity value (12 years from issue date)	\$100.00	\$500.00	\$1,000	\$5,000	\$10,000	2.50	-----

<sup>1</sup> Approximate investment yield for entire period from issuance to maturity.

## OTHER SERIES

United States savings bonds of Series E are also offered for sale concurrently with those of Series F and Series G. They are intended primarily for the investment of small or moderate amounts saved from current income by individuals, and their issue is restricted to individuals in their own right, with the amount originally issued to any one person during any one calendar year that that person may hold limited to \$5,000 (maturity value). Full particulars regarding savings bonds of Series E are set forth in Treasury Department Circular No. 653, Revised, dated June 1, 1942, copies of which may be obtained from the Treasury Department, Washington, or from any Federal Reserve Bank.

## Exhibit 19

*Second amendment, April 20, 1942, to Department Circular No. 530, Fourth Revision, prescribing regulations governing United States savings bonds*

TREASURY DEPARTMENT,  
Washington, April 20, 1942.

*To Owners of United States savings bonds, and Others Concerned:*

1. Section 315.11 (a) of Department Circular No. 530, Fourth Revision, dated April 15, 1941, is hereby amended by adding thereto a subparagraph numbered 4, reading as follows:

"(4) *Reissue to add coowner.*—A savings bond registered in the name of one person alone in his own right, or to which one person is shown to be entitled in his own right, under these regulations, upon appropriate request (Form PD 1762) by such person may be reissued in whole or in part (but only in authorized denominations) in the name of the owner together with that of another individual as coowner: Provided, however, that if a bond is so reissued in the names of two individuals as coowners, the registration may not thereafter be changed so long as both coowners are living, and Provided further, that no such reissue will be effective which results in any one person holding bonds in excess of the limitation set forth in Section 315.4 hereof, and that bonds reissued in accordance with this subparagraph will be considered for the purposes of computation of holdings as originally issued in both names. Reissues under the provisions of this subparagraph may be made only at a Federal Reserve Bank or at the Treasury Department, Washington, D. C."

2. Section 315.12 (b) of Department Circular No. 530, Fourth Revision, dated April 15, 1941, is hereby amended to read as follows:

(b) *Reissue during lifetime of registered owner.*—A savings bond registered in the name of one person payable on death to a designated beneficiary may not be reissued during the lifetime of such beneficiary so as to eliminate his name. If such beneficiary should predecease the registered owner, the bond may, upon appropriate request by the registered owner, and proof of the death of the beneficiary, be reissued in the name of the registered owner alone, or in his name payable on death to a new beneficiary. A bond registered in the beneficiary form may be reissued upon appropriate request (Form PD 1762) by the registered owner with the name of the designated beneficiary as coowner, with the same restrictions and provisions set forth in section 315.11 (a) (4) of this circular as amended; such reissue may be made only at a Federal Reserve Bank or at the Treasury Department.

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

## Exhibit 20

*Fifth revision, June 1, 1942, of Department Circular No. 530, prescribing regulations governing United States savings bonds*

TREASURY DEPARTMENT,  
Washington, June 1, 1942.

*To Owners of United States savings bonds, and Others Concerned:*

Department Circular No. 530, Fourth Revision, dated April 15, 1941 (6 F. R. 2191), as amended, is hereby further amended and issued as a Fifth Revision to read as follows:

The following regulations governing United States savings bonds are published for the information and guidance of all concerned:

## SUBPART A—APPLICABILITY

SEC. 315.1. *Applicability of regulations.*—These regulations apply generally to all United States savings bonds of all series of whatever designation and bearing any issue dates whatever except as otherwise specifically provided herein.

## SUBPART B—REGISTRATION

SEC. 315.2. *General.*—United States savings bonds will be issued only in registered form. The name and complete post office address of the owner, as



well as the name of the coowner or designated beneficiary, if any, and the date as of which the bond is issued will be inscribed thereon at the time of issue by an authorized issuing agent.<sup>1</sup> The form of registration used must express the actual ownership of and interest in the bond and, except as otherwise specifically provided in these regulations, will be considered as conclusive of such ownership and interest. No designation of an attorney, agent or other representative to request or receive payment on behalf of the owner, nor any restriction on the right of such owner to receive payment of the bond, other than as provided in these regulations, may be made in the registration or otherwise.

SEC. 315.3. *Restrictions.*—Only residents (whether individuals or others) of the United States, including its Territories and Insular Possessions, the Canal Zone and the Philippine Islands, and American citizens temporarily residing abroad, may be named as owners, coowners or designated beneficiaries, on bonds originally issued on or after April 1, 1940, or authorized reissues thereof.<sup>2</sup>

SEC. 315.4. *Authorized forms of registration, Series E.*—Bonds of Series E may be registered only in the names of individuals (natural persons), whether adults or minors, in their own right in one of the following forms of registration:

(a) ONE PERSON: In the name of one person, for example:

"John A. Jones."

(b) TWO PERSONS—COOWNERSHIP FORM: In the names of two (but not more than two) persons in the alternative as coowners, for example:

"John A. Jones OR Mrs. Ella S. Jones."

No other form of registration establishing coownership is authorized.

(c) TWO PERSONS—BENEFICIARY FORM: In the name of one (but not more than one) person, payable on death to one (but not more than one) other person, for example:

"John A. Jones, payable on death to Miss Mary E. Jones."

"Payable on death to" may be abbreviated as "p. o. d." The first person named is hereinafter referred to as the owner or registered owner, and the second person named as the beneficiary or designated beneficiary. If it is desired that a bond revert to the United States upon the death of the owner as a donation, it may be registered in the name of the owner with the Treasurer of the United States named as beneficiary.

The full name of the owner and that of the coowner or beneficiary, if any, should be used and should be the name by which the person is ordinarily known and under which he does business; if there are two given names the initial of one may be used, and if a person is habitually known and does business by initial only of his given names, registration may be in such form. The name may be preceded by any applicable title such as "Dr.," "Rev.," etc., and in the case of women should be preceded by "Mrs." or "Miss." A married woman's own name should be used, not that of her husband, for example, "Mrs. Mary A. Jones," not "Mrs. Frank B. Jones." A minor, whether or not under legal guardianship, may be named as owner or coowner if the bonds are purchased as a gift to him and a minor may name a coowner or beneficiary on bonds purchased by him from his wages, earnings or other money in his possession; but bonds purchased by a parent or guardian with funds already belonging to a minor must be registered in the minor's name alone without the addition of a coowner or beneficiary. If a person named in the registration of the bond is under legal disability and a guardian or similar representative of his estate has been appointed by a court or is otherwise legally qualified, the registration should indicate such facts by the addition of appropriate words, for example, "Frank Jones, a minor under legal guardianship of Henry Smith." Bonds should not be registered in the name of a person under disability for reasons other than minority unless a legal representative of his estate has been appointed.

SEC. 315.5. *Authorized forms of registration, Series F and G.*—Bonds of Series F or G may be registered in the names of individuals in their own right as set forth in sec. 315.4 above, and subject to the same conditions as therein set forth. Bonds of these two series may also be registered in the names of fiduciaries, corporations, associations or partnerships, except that they may not be registered in the names of commercial banks, that is, banks accepting demand deposits in the

<sup>1</sup> The date of maturity is also inscribed on savings bonds of Series A, Series B, and Series D.

<sup>2</sup> Under the terms of Executive Order No. 8389, as amended, and the regulations issued thereunder, bonds may not be issued to nationals (as defined in said order) of blocked countries or to nationals of enemy countries, whether or not residing in the United States, unless such nationals are generally or specially licensed under the terms of the order.

usual and general course of business. The following forms are authorized for such registration:

- (a) *Executors, administrators, guardians, etc.*—In the name of one or more executors, administrators, guardians, conservators or other representatives of a single estate appointed by a court of competent jurisdiction or otherwise legally qualified, all of whose names must be included in the registration, followed by adequate identifying reference to the estate, for example:

"John Smith, executor of the will (or administrator of the estate) of Henry J. Smith, deceased," or "William C. Jones, guardian (or conservator, etc.) of the estate of James D. Brown, a minor (or an incompetent)."

If a guardian or other legal representative holds a common fund for the account of two or more estates or wards, bonds should be registered in the name of the representative for each such estate or ward separately, even though the representative was appointed in a single proceeding. A father or mother, as such, or as natural guardian, is not considered a fiduciary for purposes of registration.

- (b) *Trustees.*—In the name or names of one or more trustees or other fiduciaries of a single duly constituted trust estate, which will be considered as an entity, followed by adequate identifying reference to the trust instrument or other authority creating the trust, for example:

"John C. Brown and the First National Bank, trustees under the will of Henry C. Brown, deceased," or "The Second National Bank, trustee under an agreement with George E. White, dated February 1, 1935."

The names of all trustees must be given, unless they are too numerous, act as a board, or hold office for a limited period of time. Registration may be in the title without the names of the trustees in the case of unincorporated lodges, churches, societies or similar organizations, title to whose property is held by trustees, and in the case of public officers, corporations or bodies acting as trustees under express authority of law, for example:

"Trustees of the First Baptist Church, Akron, Ohio, an unincorporated association," or "Treasurer of the State of Nebraska, in trust for the policyholders of X Corporation, under Section ----- of Nebraska Statutes."

If the instrument or other authority creating the trust establishes a board of trustees acting as a board and not as individuals, registration may be in the name of the board as such, for example:

"Board of Trustees for the State Hospital for the Insane, under Section ----- of Nebraska Statutes."

Registration may not be made in the names of trustees under an agreement or other instrument purporting to create a trust where the funds used represent merely security for the performance of an obligation, except under a statute the terms of which expressly create an actual trust relationship.

- (c) *Pension or retirement funds, etc.*—Registration may be made in the names and title, or title alone, of trustees of a pension or retirement fund or of an investment, savings, insurance, annuity, or similar fund or trust, but in all such cases the fund will be regarded as an entity regardless of the number of beneficiaries or the manner in which their respective interests are established or determined. Segregation of individual shares as a matter of bookkeeping or as a result of individual agreements with beneficiaries will not operate to constitute separate trusts under these regulations.

- (d) *Private corporations and associations.*—In the name of any private organization, whether incorporated or unincorporated (except commercial banks as hereinbefore defined), using in each case the full legal name of the organization without mention of any officer or member but making reference, if desired, to a particular bookkeeping account or fund (not a trust), as follows:

- (1) A private corporation, followed by the words "a corporation," for example: "Smith Manufacturing Company, a corporation;"

- (2) An unincorporated association, lodge, church or society, or similar body, followed by the words "an unincorporated association," for example: "The Lotus Club, an unincorporated association." The term "an unincorporated association" should not be used to describe a trust fund, a partnership or a business conducted under a trade name;
- (3) A partnership, considered as an entity, followed by the words "a partnership," for example: "Smith and Brown, a partnership."
- (e) *States and public corporations.*—In the full legal name or title of the owner or custodian of public funds, other than trust funds, as follows:
  - (1) Any sovereignty, as a State, or any public corporation, as a county, city, town or school district, for example: "State of Maine," or "Town of Rye, New York".
  - (2) Any board, commission or other public body duly constituted by law, for example: "Maryland State Highway Commission."
  - (3) Any public officer designated by title only, for example: "Treasurer, City of Chicago."

Registration may include reference to a particular bookkeeping account, if desired.

- (f) *Schools.*—Registration is not authorized in the name of an unincorporated or public school, or class or activity thereof. Bonds held for the benefit of such school, class or activity should be registered in the name of a school principal or other school officer, as trustee, by title only, for example: "Principal, Western High School, in trust for Class of 1940 Library Fund;" a written agreement of trust will not be required in cases of small amounts.

SEC. 315.6. *Unauthorized registration.*—Savings bonds inscribed in a form not substantially in agreement with those authorized by this subpart will not be considered as validly issued and will be accepted only for a refund of the purchase price, except in those cases in which reissue can be made under the provisions of these regulations.

SEC. 315.7. *Forms of registration on reissue.*—Bonds reissued under the provisions of these regulations may be reissued in any form of registration permitted by the regulations in effect on the date of original issue.

#### SUBPART C—LIMITATION ON TRANSFER

SEC. 315.8. *Not transferable.*—United States savings bonds are not transferable and are payable only to the owners named thereon except in case of the disability or death of the owner or as otherwise specifically provided herein, but in any event only in accordance with the provisions of these regulations. Accordingly, savings bonds may not be sold or hypothecated as collateral for a loan and may not be used as security for the performance of an obligation except as expressly provided in these regulations.

#### SUBPART D—LIMITATION ON HOLDINGS

SEC. 315.9. *Amount which may be held.*—As provided by section 22 of the Second Liberty Bond Act, as added February 4, 1935 (U. S. C. 1940 Ed., title 31, section 757c), and by regulations prescribed by the Secretary of the Treasury pursuant to the authority of that section, as amended by the Public Debt Act of 1941, 55 Stat. 7, the amounts of savings bonds of the several series issued during any one calendar year that may be held by any one person at any one time are limited as follows:

- (a) Series A, B, C, and D—\$10,000 (maturity value) of each series.
- (b) Series E—\$5,000 (maturity value).
- (c) Series F and G—\$50,000 (issue price) for the calendar year 1941, and \$100,000 (issue price) for each calendar year thereafter, of either series or of the combined aggregate of both.

The term "person" shall mean any legal entity, including but not limited to, an individual, a partnership, a corporation (public or private), an unincorporated association or a trust estate.

SEC. 315.10. *Calculation of amount.*—In computing the amount of savings bonds of any one series issued during any one calendar year held by any one person at any one time for the purpose of determining whether the amount is in

excess of the authorized limit as set forth in the next preceding section, the following rules shall govern:

- (a) The holdings of each person, as defined in the next preceding section, individually and in a fiduciary capacity, shall be computed separately.
- (b) In the case of bonds of Series A, B, C, D, and E, the computation shall be based upon maturity values. In the case of bonds of Series F and G, the computation shall be based upon issue prices.
- (c) There must be taken into account (1) all bonds originally issued to and registered in the name of that person alone or in his name with another as coowner, and (2) all bonds reissued to add his name as coowner under the provisions of sec. 315.29 (a) hereof, or to designate him as a coowner instead of as a beneficiary, under the provisions of sec. 315.35 hereof.
- (d) There must be taken into account all bonds of Series A, B, C, and D acquired before March 1, 1941, on the death of another or the happening of any other event, but not those of which such person is merely the designated beneficiary upon the death of the registered owner, or those held for his benefit by a fiduciary, unless he became entitled to such bonds absolutely before March 1, 1941, as the result of the death of the registered owner or the termination of the trust, as the case may be.
- (e) Nothing herein contained shall be construed to invalidate any holdings within, or to validate any holdings in excess of, the authorized limits, as computed under the regulations in force at the time such holdings were acquired.

SEC. 315.11. *Disposition of excess.*—If any person at any time acquires savings bonds issued during any one calendar year in excess of the prescribed amount the excess must be immediately surrendered for refund of the purchase price.

#### SUBPART E—LOST, STOLEN, MUTILATED, DEFACED, OR DESTROYED BONDS

SEC. 315.12. *Relief in case of loss, etc.*—Under the provisions of the Government Losses in Shipment Act, relief either by the issue of a substitute bond or by payment may be given in case of the loss, theft, destruction, mutilation, or defacement of a savings bond. In any such case immediate notice of the facts, together with a complete description of the bond (including series, year of issue, serial number and name and address of the registered owner) should be given to the Treasury Department, Division of Loans and Currency, Merchandise Mart, Chicago, Illinois. The Department will thereupon furnish an appropriate form and full instructions for presenting the evidence necessary to secure relief under the law and the regulations as contained in Department Circular No. 300, as amended. If such bond is subsequently recovered immediate notice of such recovery should be given to the Division of Loans and Currency (at the address above), in order that delay may be avoided upon a later presentation of the bond for payment.

#### SUBPART F—SAFEKEEPING FACILITIES

SEC. 315.13. *Safekeeping of bonds.*—Arrangements may be made for the safekeeping of a savings bond by the Treasury or by a Federal Reserve Bank as fiscal agent of the United States. Application forms for safekeeping may be secured from postmasters, Federal Reserve Banks, or the Treasury Department.

#### SUBPART G—INTEREST

SEC. 315.14. *General.*—United States savings bonds are issued in two forms: (1) appreciation bonds, issued on a discount basis and redeemable before maturity at increasing fixed redemption values; and (2) current income bonds, bearing interest payable semiannually and redeemable before maturity at fixed redemption values less than the face amount of the bond. At present Series G constitutes the only issue of current income savings bonds.

SEC. 315.15. *Appreciation bonds.*—No interest as such is paid on savings bonds issued on a discount basis. Such bonds increase in redemption value at the end of the first year from issue date and at the end of each successive half-year period thereafter until their maturity, when the full amount becomes payable. The increment in value represents interest and is payable only on redemption of the bonds, whether at or before maturity.

SEC. 315.16. *Current income bonds.*—Each such bond bears interest at a specified rate computed on the face amount of the bond and payable semiannually, beginning six months from issue date. Except for redemption at par as provided in sec. 315.13 (c) of Subpart H hereof, full advantage of interest at the rate specified

may be secured only if the bonds are held to maturity; if bonds are redeemed before maturity at current redemption values the difference between the face or full maturity value and the current redemption value then payable in accordance with the table printed on the face of each bond, will represent an adjustment of interest for the rate appropriate for the shorter term, as set forth in the tables attached to the circular announcing the issue of such bonds.

- (a) *Method of interest payments.*—Interest due on current income bonds will be paid on each interest payment date by check drawn to the order of the person or persons in whose name the bond is inscribed in the same form as their names appear in the inscription on the bond, except that in the case of a bond registered in the form "A," payable on death to "B," the check will be drawn to the order of A alone until the Treasury receives notice of A's death, from which date the payment of interest will be suspended until such time as the bond is presented for payment or reissue. Interest so withheld will be paid to the person entitled to payment of the bond, or in case of reissue to the person in whose name the bond is reissued. Interest checks on bonds registered in the names of coowners will be mailed to the payee first named at his address of record unless otherwise specifically directed.
- (b) *Reissue during interest period.*—If a current income bond is reissued for any reason between interest payment dates, interest for the entire period will be paid, on the next interest payment date, by check drawn to the person in whose name the bond is reissued. Ordinarily, if a bond is received for reissue less than a month prior to an interest payment date, reissue cannot be effected until after such interest payment date.
- (c) *Change of address.*—Prompt notice should be given to the Treasury Department, Division of Loans and Currency, Merchandise Mart, Chicago, Illinois, of any change of address by the owner of current income bonds. The notice should refer to all bonds for which it is desired that the address be changed and should describe each bond by date, serial number, series (including year of issue) and inscription appearing on the face of the bond.
- (d) *Termination of interest.*—In case of redemption prior to maturity of current income bonds interest will cease on the last day of the interest period next preceding the date of redemption. In case of partial redemption interest on the amount redeemed will cease on the last day of the interest period next preceding the date of partial redemption, and interest due thereafter will be paid only on the lower amount remaining after partial redemption.
- (e) *Consolidation of checks.*—Whenever possible a single check will be issued on each payment date for interest on all current income bonds of a single series due to any owner on that date.
- (f) *Endorsement of checks.*—Interest checks must be endorsed in accordance with the requirements of the Treasurer of the United States, by the payees, either personally or by an attorney in fact, or in case of the death of the payee, by his executor or administrator. Forms for the appointment of such attorney may be obtained from the Treasurer of the United States or from any Federal Reserve Bank.

#### SUBPART H—GENERAL PAYMENT AND REDEMPTION PROVISIONS

SEC. 315.17. *Payment at maturity.*—Pursuant to its terms, a savings bond of any series will be paid at or after maturity at its full face or maturity value, but only following presentation and surrender of the bond for that purpose with a request for payment properly signed and certified as herein provided.

SEC. 315.18. *Redemption before maturity.*—Pursuant to its terms, a savings bond may not be called for redemption by the Secretary of the Treasury prior to maturity, but may be redeemed in whole or in part at the option of the owner, prior to maturity under the terms and conditions set forth in the offering circular of each series and in accordance with the provisions of these regulations, but only following presentation and surrender for that purpose with a request for payment duly signed and certified as provided herein.

- (a) *Series A, B, C, D and E.*—A bond of Series A, B, C, D or E will be redeemed in whole or in part at any time after 60 days from the issue date without advance notice, at the appropriate redemption value as shown on the face of the bond.
- (b) *Series F and G.*—A bond of Series F or G will be redeemed, in whole or in part, on one month's notice in writing, on the first day of any month not less than six months from the issue date, at the appropriate redemption

value as shown on the face of the bond. The owner's option to redeem may be shown by a signed request for payment or by express written notice, and payment will be made as of the first day of the first month following by at least one full month the date of receipt of notice by the Treasury Department or a Federal Reserve Bank. For example, if the request or notice is received on June 15, the effective redemption date will be August 1. If express notice is given, the bond must be surrendered to the same agency to which the notice is given not less than fifteen days before the effective redemption date. (See sec. 315.16 (d) for provisions as to interest in case current income bonds are redeemed prior to maturity.)

- (c) *Series G—Redemption at par before maturity.*—Subject to the provisions of the preceding subsection a bond of Series G (but not of Series F) will be redeemed at par before maturity, in whole or in part: (1) upon the death of the owner or a coowner if a natural person; or (2) if held by a trustee or other fiduciary upon the termination of the trust, in whole or in part, by reason of the death of any person. If the trust is terminated only in part, redemption at par will be made to the extent of not more than the pro rata portion of the trust so terminated and only in amounts corresponding to authorized denominations. Proof of death must be furnished and notice of intention to redeem at par before maturity must be received by the Treasury Department or a Federal Reserve Bank within four months after the date of death. Payment will ordinarily be made on the first available date: *Provided, however,* That payment will be postponed until the next interest payment date, upon request of the persons presenting the bond.

SEC. 315.19. *Form and execution of requests for payment.*—Requests for payment of savings bonds, unless otherwise authorized in a particular case, must be executed on the form appearing on the back of the bond to be surrendered and unless otherwise specifically requested payment will be made pursuant to a duly executed request on the earliest day consistent with these regulations.

- (a) *Date of request.*—Ordinarily requests executed more than six months before the date of receipt of a bond by a Federal Reserve Bank or the Treasury Department will not be accepted.
- (b) *Identification and signature of owner.*—The registered owner in whose name the bond is inscribed, or such other person as may be entitled to payment under the provisions of these regulations, must appear before one of the officers authorized to certify requests for payment (see sec. 315.20 hereof), establish his identity and in the presence of such officer sign the request for payment in ink, adding in the space provided the address to which the check issued in payment is to be mailed. A signature made by mark (X) must be witnessed by at least one person in addition to the certifying officer and must be attested by endorsement in the blank space substantially as follows: "Witness to the above signature by mark", followed by the signature and address of the witness. If the name of the registered owner or other person entitled to payment, as it appears in the registration or in evidence on file at the Treasury Department, Division of Loans and Currency, has been changed by marriage or in any other legal manner, the signature to the request for payment should show both names and the manner in which the change was made, for example, "Miss Mary T. Jones, now by marriage Mrs. Mary T. Smith", or "Jung Smelt, now by court order John Smith". In case of a change of name other than by marriage the request should be supported by satisfactory proof of such change, unless already on file. No request signed in behalf of the owner or person entitled to payment by an agent or a person acting under a power of attorney will be recognized by the Treasury Department except in those cases arising under Subpart R hereof.
- (c) *Certification of request.*—After the request for payment has been signed by the owner the certifying officer should complete and sign the certificate appearing at the end of the form for request for payment, and the bond should then be presented and surrendered as provided in sec. 315.23 hereof.

SEC. 315.20. *Certifying officers.*—The following officers are authorized to certify requests for payment:

- (a) *At United States post offices.*—Any postmaster, acting postmaster or in-

spector in charge, or other post office official or clerk heretofore or hereafter designated for the purpose. One or more of these officials will be found at every United States post office, classified branch or station. A post office official or clerk other than a postmaster, acting postmaster or inspector in charge, should certify in the name of the postmaster or acting postmaster, followed by his own signature and official title, for example, "John Doe, postmaster, by Richard Roe, postal cashier". Signatures of these officers should be authenticated by a legible imprint of the post office dating stamp.

- (b) *Banks, trust companies and branches.*—Any officer of any incorporated bank or trust company or branch thereof, domestic or foreign, including banks or trust companies incorporated in the United States or its organized Territories, those doing business in the organized Territories or Insular Possessions of the United States and the Commonwealth of the Philippines under Federal charter or organized under Federal law; Federal Reserve Banks, Federal land banks, and Federal home loan banks; and Federal Reserve agents and Assistant Federal Reserve agents, located at the several Federal Reserve Banks. Certifications by any of these officers should be authenticated by either a legible impression of the corporate seal of the bank or trust company or, in the case of banks or trust companies and their branches which are authorized and duly qualified issuing agents for bonds of Series E, by a legible imprint of the issuing agent's dating stamp.
- (c) *Issuing agents not banks or trust companies.*—Any officers of corporations not banks or trust companies, and of all other organizations, which are duly qualified issuing agents for bonds of Series E. All certifications by such officers must be authenticated by a legible imprint of the issuing agent's dating stamp.
- (d) *United States officials.*—Judges, clerks and deputy clerks of United States courts, including United States courts for the organized Territories, Insular Possessions and the Canal Zone; United States Commissioners; United States attorneys; United States collectors of customs and their deputies; United States collectors of internal revenue and their deputies; commissioned officers of the United States Army, Navy, Marine Corps, and Coast Guard, but only for members of their respective services, members of their families and civilian employees at Posts or Bases or Stations (such certifying officer should indicate his rank and state that the person signing the request is one of the class whose requests he is authorized to certify); the officer in charge of any home, hospital or other facility of the Veterans' Administration, but only for patients and members of such facilities; certain officers of Federal penal institutions designated for that purpose by the Secretary of the Treasury and certain officers of the United States Public Health Service Hospitals at Lexington, Kentucky, and at Fort Worth, Texas, and of United States Marine Hospitals at Fort Stanton, New Mexico, and Carville, Louisiana, designated for that purpose by the Secretary of the Treasury (in each case, however, only for inmates or employees of the institution involved).
- (e) *Officers authorized in particular localities.*—Certain officers in the Treasury Department; the Governors and Treasurers of Hawaii, Puerto Rico, and Alaska; the Governor and Commissioner of Finance of the Virgin Islands; the Governors and Administrative Naval and Marine officers of Guam and American Samoa; the Governor, paymaster or acting paymaster, and collector or acting collector of the Panama Canal; postmasters and acting postmasters in the Bureau of Posts of the Canal Zone; the United States High Commissioner to the Commonwealth of the Philippines, his Executive Assistant, and the Chief Clerk in his office, the Treasurer of the Commonwealth and the city treasurers of Manila and Baguio, and judges and clerks of courts of record of the Commonwealth whose signatures and official positions are certified by the Secretary of Justice.
- (f) *In foreign countries.*—In a foreign country requests for payment may be signed in the presence of and be certified by any United States diplomatic or consular representative, or manager or other officer of a foreign branch of a bank or trust company incorporated in the United States, whose signature is attested by an impression of the corporate seal or is certified to the Treasury Department. If such an officer is not available, requests for payment may be signed in the presence of and be certified by a notary or other officer authorized to administer oaths, but his official

character and jurisdiction must be certified by a United States diplomatic or consular officer under seal of his office.

- (g) *Special provision.*—In the event none of the officers authorized to certify requests for payment of savings bonds is readily accessible, the Commissioner of the Public Debt is authorized to make special provision for any particular case.

SEC. 315.21. *General instructions to certifying officers.*—Certifying officers should require positive identification of the person signing requests for payment and will be held fully responsible therefor. In all cases a certifying officer must affix to the certification his official signature, title, address and seal, or dating stamp, and the date of execution. Officers of Veterans Facilities, Public Health Service Hospitals, Marine Hospitals, and Federal penal institutions, should use the seal of the particular institution or service, where such seal is available. If a certifying officer, other than a post office official, officer of a bank or trust company, or officer of an issuing agent, does not possess an official seal, that fact should be made known and attested.

SEC. 315.22. *Interested person not to certify.*—No person authorized to certify requests for payment may certify a request for payment of a bond of which he is the owner, or in which he has an interest, either in his own right or in any representative capacity.

SEC. 315.23. *Presentation and surrender.*—After the request for payment has been duly signed by the owner and certified as above provided, the bond should be presented and surrendered, if a bond of Series F or G to a Federal Reserve Bank or branch or to the Division of Loans and Currency, Merchandise Mart, Chicago, Illinois, or, if a bond of any other series, to a Federal Reserve Bank or branch or to the Treasurer of the United States, Washington, D. C. Usually payment will be expedited by surrender to a Federal Reserve Bank. In all cases presentation will be at the expense and risk of the owner, and, for his protection, the bond should be forwarded by registered mail if not presented in person. Payment will be made by check drawn to the order of the registered owner or other person entitled and mailed to him at the address given in his request for payment.

SEC. 315.24. *Partial redemption.*—A savings bond of any series in a denomination other than the lowest authorized for that series may be redeemed in part at current redemption value, but only in amounts corresponding to authorized denominations, upon presentation and surrender of the bond in accordance with this subpart. In any such case, before the request for payment is signed there should be added to the first sentence of the request the words "to the extent of \$----- (maturity value), and reissue of the remainder." Upon partial redemption of a savings bond the remainder will be reissued as of the original issue date as provided in Subpart S hereof. For payment of interest on bonds of Series G in case of partial redemption see Subpart G hereof.

#### SUBPART I—MINORS AND PERSONS UNDER OTHER LEGAL DISABILITY

SEC. 315.25. *Payment to legal guardians.*—If the Treasury Department, Division of Loans and Currency, has been properly notified, by the form of registration or otherwise, that the owner of a savings bond is a minor or a person judicially declared incompetent to manage his estate and that a guardian or similar legal representative has been appointed for the estate of such minor or incompetent by a court having jurisdiction or is otherwise legally qualified, payment will be made only to such guardian or similar legal representative. In such case the request for payment appearing on the back of the bond should be signed by the guardian or other legal representative as such, for example, "John A. Jones, guardian (committee) of the estate of Henry W. Smith, a minor (an incompetent)." Unless the form of registration gives the name of the representative, there must be submitted in support of the request a certificate or a certified copy of the letters of appointment from the court making the appointment under the seal of the court, establishing that the appointment is in full force. Such certificate or certification (except in the case of corporate fiduciaries) should be dated not more than six months prior to the date of presentation of the bond for payment. See Subpart M hereof for payment provisions applicable to bonds registered in the names of guardians and similar fiduciaries.

SEC. 315.26. *Payment to minors.*—If the Treasury Department, Division of Loans and Currency, has not received proper notice that a guardian or similar representative of the estate of a minor has been appointed or is otherwise duly qualified, payment will be made direct to such minor, provided he is, at the time payment is requested, of sufficient competency and understanding to sign his name to the request and to comprehend the nature of such act. In general the



fact that the request for payment has been signed by a minor and duly certified in accordance with Subpart H hereof will be accepted as sufficient proof of such competency and understanding.

SEC. 315.27. *Payment to parents of minors.*—If the Treasury Department has not been properly notified that a guardian or similar legal representative of the estate of a minor owner of a savings bond has been appointed or is otherwise legally qualified, and if such minor owner is not of sufficient competency and understanding to execute the request for payment, payment will be made to either parent of the minor with whom he resides, or if the minor does not reside with either parent, then to the person who furnishes his chief support. The parent or such other person should sign the request for payment in his own name, on behalf of the minor, in the form "Mrs. Mary Jones, on behalf of John C. Jones," and should sign a certificate, in substantially the following form, which may be typed on the back of the bond:

"I certify that I am the ----- (relationship) of John C. Jones and the person with whom he resides. He is ----- years of age and is not of sufficient competency and understanding to sign this request."

If a person other than a parent signs the request on behalf of the minor he should also certify that the minor does not reside with either parent and that he furnishes his chief support. The Treasury Department may in any particular case require further proof that the minor is not of sufficient competency and understanding to execute the request for payment and of the right of the person executing the request to act on behalf of the minor.

SEC. 315.28. *Payment to voluntary guardian of person under disability.*—In any case where the adult owner of a bond has been judicially declared incompetent or such incompetency, in the opinion of the Secretary of the Treasury, is otherwise established, and no duly qualified legal representative of his estate is acting, and the entire gross value of his personal estate does not exceed \$500, payment will be made to a member of his family or other person acting as voluntary guardian, upon presentation of proof satisfactory to the Secretary of the Treasury that the proceeds of the bond are necessary for the purchase of necessities for the incompetent or for his wife or minor children or other persons dependent upon him for support. Applications for such payment should be made only on appropriate forms, which may be obtained from the Treasury Department, Division of Loans and Currency, Merchandise Mart, Chicago, Illinois, or any Federal Reserve Bank. The request for payment should not be executed, nor the bond presented, until the application has been approved and instructions have been given by the Treasury Department.

#### SUBPART J—SINGLE NAME—ADDITION OF COOWNER, ETC.

SEC. 315.29. *Reissue for certain purposes.*—A savings bond of any series registered in the name of one person in his own right, or to which one person is shown to be entitled in his own right under these regulations, may be reissued upon appropriate request for the following purposes:

- (a) *Addition of coowner.*—Reissue in the name of the owner with that of another natural person as coowner, provided that bonds reissued in accordance with this subsection will be considered for the purposes of computation of holdings under Subpart D of these regulations as originally issued in both names and no reissue will be effective which results in any one person holding bonds in excess of the established limitation for the series to which the bonds belong. Requests for reissue under this subsection should be made on Form PD 1762.
- (b) *Addition of a beneficiary.*—Reissue in the name of the owner with the name of another natural person as designated beneficiary. Applications for reissue under the provisions of this subsection should be made on Form PD 1077.

SEC. 315.30. *Reissue upon request of a minor.*—Reissues under the provisions of this subpart will be made upon request of owners, notwithstanding the fact that they are minors, provided they are of sufficient competency and understanding, and are under no legal disability other than minority.

SEC. 315.31. *Reissue only at Federal Reserve Banks and Treasury.*—Reissues in accordance with the provisions of this subpart may be made only at Federal Reserve Banks or at the Treasury Department. A coowner may be added only by reissue of the bond. Federal Reserve Banks, however, may, in appropriate

cases, add the name of a beneficiary to bonds already outstanding without reissue, providing such addition is properly certified by the Federal Reserve Bank.

#### SUBPART K—TWO NAMES—COOWNERSHIP FORM

SEC. 315.32. *Payment or reissue.*—A savings bond registered in the names of two persons as coowners in the form "John A. Jones OR Mrs. Mary C. Jones", will be paid or reissued as follows:

- (a) *During the lives of both coowners.*—During the lives of both coowners the bond will be paid to either coowner upon his separate request without requiring the signature of the other coowner; and upon payment to either coowner the other person shall cease to have any interest in the bond. The bond will also be paid to both coowners upon their joint request, in which case payment will be made by check drawn to the order of both coowners in the form, for example, "John A. Jones and Mrs. Mary C. Jones", and the check must be endorsed by both payees. The bond will not be reissued in any form during the lives of both coowners except as specifically provided in these regulations.
- (b) *After the death of one coowner.*—If either coowner dies without having presented and surrendered the bond for payment to a Federal Reserve Bank or the Treasury Department, the surviving coowner will be recognized as the sole and absolute owner of the bond, and payment will be made only to him: *Provided, however,* That if a coowner dies after he has properly executed the request for payment and after the bond has actually been received by a Federal Reserve Bank or the Treasury Department, payment of the bond, or check if one has been issued, will be made to his estate (see Subpart P hereof). Upon proof of the death of one coowner and appropriate request by the surviving coowner the bond will be reissued in the name of such survivor alone, or in his name with another individual as coowner, or in his name payable on death to a designated beneficiary.
- (c) *On death of both coowners in common disaster.*—If both coowners die in a common disaster under such conditions that it cannot be established, either by presumption of law or otherwise, which coowner died first, the bond will be considered as belonging to the estates of both coowners.
- (d) *After the death of a surviving coowner.*—If a surviving coowner who became solely entitled to the bond under the provisions of subsection (b) of this section dies without having submitted the bond for payment or reissue, the bond will be paid or reissued as though it were registered in the name of such last deceased coowner alone. In this case proof of the death of both coowners and of the order in which they died will be required.

SEC. 315.33. *Place of reissue.*—Reissues authorized in this subpart will be made in accordance with the provisions of Subpart S hereof, but only at a Federal Reserve Bank or the Treasury Department, and applications for such reissues should be made on forms provided for that purpose.

#### SUBPART L—TWO NAMES—BENEFICIARY FORM

SEC. 315.34. *Payment to registered owner.*—A bond registered in the name of one person payable on death to another, for example, "Henry W. Ash, payable on death to John C. Black", will be paid to the registered owner during his lifetime upon his properly executed request as though no beneficiary had been named in the registration.

SEC. 315.35. *Reissue during the lifetime of registered owner.*—A bond registered in the name of one person payable on death to another may not be reissued during the latter's lifetime to eliminate his name, but may be reissued, on request of the registered owner on Form PD 1762, to name the beneficiary as coowner, subject to the same restrictions and conditions contained in sec. 315.29 (a). If the beneficiary should predecease the registered owner, upon proof of such death and upon request of the registered owner, the bond may be reissued in his name alone, or in his name with another individual as coowner, or in his name payable on death to a designated beneficiary.

SEC. 315.36. *Payment or reissue to beneficiary.*—If the registered owner dies without having presented and surrendered the bond for payment or authorized reissue to a Federal Reserve Bank or the Treasury Department, and is survived by the beneficiary, upon proof of such death and survivorship, the beneficiary will be recognized as the sole and absolute owner of the bond, and it will be paid

only to him, or may be reissued in his name alone, or otherwise reissued in accordance with Subpart J as though it were registered in his name alone: *Provided, however*, That if the bond with a properly executed request by the registered owner for payment or authorized reissue has actually been received by a Federal Reserve Bank or the Treasury Department, payment of the bond, or check, if one has been issued, will be made to the estate of the deceased owner in accordance with sec. 315.49.

SEC. 315.37. *Payment or reissue after death of the surviving beneficiary.*—After the death of a surviving beneficiary who became entitled under the provisions of this subpart, the bond will be paid or reissued in accordance with Subpart J as though it were registered in the name of the surviving beneficiary alone. In this case proof of the death of both the registered owner and the beneficiary and of the order in which they died will be required.

SEC. 315.38. *Conditions of reissue.*—Reissue under this subpart will be made in accordance with Subpart S hereof, but only at a Federal Reserve Bank or the Treasury Department and applications for such reissue should be made on forms provided for that purpose.

#### SUBPART M—FIDUCIARIES

SEC. 315.39. *Payment to fiduciaries.*—A savings bond registered in the name of, or otherwise belonging to, a fiduciary estate, will be paid to the fiduciaries of such estate upon their request. The request for payment must be signed by all acting fiduciaries, except for payment at maturity, when a request by any one or more acting fiduciaries will be accepted, but payment will be made to all. If the bond is registered in the names of individual fiduciaries of the estate who are still acting, no further evidence of authority will be required. In other cases the request for payment must be supported by evidence as specified below:

- (a) *Fiduciaries—By title only.*—If the bond is registered in the titles without the names of the fiduciaries, satisfactory proof of the incumbency of the fiduciaries must be furnished, except in the case of public officers.
- (b) *Succeeding fiduciaries.*—If the fiduciaries in whose names the bonds were registered have been succeeded by other fiduciaries, satisfactory proof of successorship must be furnished.
- (c) *Boards, committees, etc., as fiduciaries.*—If the fiduciaries consist of a board, committee, commission, or public body, or are otherwise empowered to act as a unit, a request for payment before maturity must be supported by a duly certified copy of a resolution of the board or other body authorizing such action, except that in the case of a public board or commission a request signed in its name by a duly authorized officer thereof will ordinarily be accepted without further proof of the officer's authority. In any case the request must be signed in the name of the board or other body by an authorized officer or agent thereof.
- (d) *Corporate fiduciaries.*—If a public or private corporation or a political body, such as a State or county, is acting as a fiduciary, a request for payment must be signed in the name of the corporation or other body, in the fiduciary capacity in which it is acting, by an authorized officer thereof.
- (e) *Registration not disclosing trust.*—If the form in which the bond is registered does not show that it belongs to a fiduciary estate or does not identify the estate to which it belongs, satisfactory proof of ownership must be furnished.

SEC. 315.40. *Reissue in the name of a succeeding fiduciary.*—If a person in whose name a savings bond is registered as a fiduciary has been succeeded as such fiduciary by another person, the bond will be reissued in the name of the succeeding fiduciary upon appropriate request and satisfactory proof of successorship.

SEC. 315.41. *Reissue in the name of, or payment to, the person entitled.*—

- (a) *Distribution of trust estate in kind.*—A savings bond to which a beneficiary of a trust has become lawfully entitled, in whole or in part, under the terms of the trust, will be reissued in his name to the extent of his interest, as a distribution in kind, upon the request of the trustee or trustees and their certification that such person is entitled and has agreed to reissue in his name: *Provided*, That if a trustee himself is so entitled in his own right, his request for reissue in his name must be supported by an order of court or other satisfactory proof that he is so entitled, unless a co-fiduciary joins in the request: *Provided further*, That if the form in which the bond is registered does not show that it belongs to a trust estate, the request for reissue must be supported by satisfactory proof of ownership.

- (b) *After termination of trust estate.*—If the person who would be lawfully entitled to a savings bond upon the termination of a trust does not desire to have such distribution to him in kind, as provided in the next preceding subsection, the trustee or trustees should redeem the bond in accordance with the provisions of sec. 315.39 hereof before the estate is terminated. If, however, the estate is terminated without such payment or reissue having been made, the bond will thereafter be paid to or reissued in the name of the person lawfully entitled upon his request and satisfactory proof of ownership, supplemented, if there are two or more persons having any apparent interest in the bond, by an agreement executed by all such persons.
- (c) *Upon termination of guardianship estate.*—A savings bond registered in the name of a guardian or similar legal representative of the estate of a minor or incompetent, if the estate is terminated during the ward's lifetime, will be reissued in the name of the former ward upon the representative's request and certification that the former ward is entitled and has agreed to reissue in his name, or will be paid to or reissued in the name of the former ward upon his own request, supported in either case by satisfactory proof that his disability has been removed. Certification by the representative that a former minor has attained his majority, or that the legal disability of a female ward has been removed by marriage, if the State law so provides, will ordinarily be accepted as sufficient, but if the disability is removed by court order a duly certified copy of the order will be necessary. Upon the death of the ward a bond registered in the name of his guardian or similar representative will be reissued in accordance with the provisions of Subpart P as though it were registered in the name of the ward alone.

SEC. 315.42. *Bonds held by trustee where reissue not authorized.*—Savings bonds which by their terms or under the regulations in force at the time of their issue may not be registered in the name of a fiduciary may be held without change of registration by a trustee or other fiduciary under the will of a deceased owner of the bonds, but will not be reissued in the name of the fiduciary. Upon proof of the appointment and authority of the fiduciary bonds so held will be paid to the fiduciary, or upon termination of the trust will be reissued in the names of the persons entitled in their own right in accordance with the provisions of this subpart.

#### SUBPART N—PRIVATE CORPORATIONS, ASSOCIATIONS, PARTNERSHIPS, ETC.

SEC. 315.43. *Payment to corporations or unincorporated associations.*—A savings bond registered in the name of a private corporation or an unincorporated association will be paid to such corporation or unincorporated association upon request for payment on its behalf by a duly authorized officer thereof. The signature to the request should be in the form, for example, "The Jones Coal Company, a corporation, by William A. Smith, president," or "The Lotus Club, an unincorporated association, by John Jones, treasurer." A request for payment so signed and duly certified will ordinarily be accepted without further proof of the officer's authority.

SEC. 315.44. *Payment to partnerships.*—A savings bond registered in the name of a partnership will be paid upon a request for payment signed by a general partner. The signature to the request should be in the form "Smith and Jones, a partnership, by John Jones, a general partner." A request for payment so signed and duly certified will ordinarily be accepted as sufficient proof that the person signing the request is duly authorized.

SEC. 315.45. *Reissue or payment to successors of corporations, unincorporated associations or partnerships.*—A savings bond registered in the name of a private corporation, an unincorporated association or partnership, which has been succeeded by another corporation, unincorporated association or partnership as the result of merger, consolidation, reincorporation, conversion, reorganization, or otherwise by operation of law or in any manner whereby the ownership of the succeeding organization is substantially identical with that of its predecessor, will be paid to, or reissued in the name of, the succeeding corporation, unincorporated association or partnership upon appropriate request on its behalf supported by satisfactory proof of lawful successorship.

SEC. 315.46. *Reissue or payment on dissolution.*—

- (a) *Corporations.*—A savings bond registered in the name of a private corporation which is in process of dissolution will be paid to the authorized repre-

sentative of the corporation upon a duly executed request for payment supported by satisfactory evidence of the representative's authority. Upon the termination of dissolution proceedings such bonds may be reissued in the names of those persons, other than the creditors, entitled to the assets of the corporation to the extent of their respective interests upon the duly executed request of the authorized representative of the corporation and upon proof of compliance with all statutory provisions governing the voluntary dissolution of such corporation, and that the persons in whose names reissue is requested are entitled and have agreed to such reissue: *Provided*, That if the dissolution proceedings are had under the direction of a court, proof of the authority of the representative and of the persons entitled to distribution must consist of certified copies of orders of the court.

- (b) *Partnerships*.—A savings bond registered in the name of a partnership which has been dissolved by death or withdrawal of a partner, or in any other manner, will be paid to or reissued in the names of the persons entitled thereto as the result of such dissolution to the extent of their respective interests, upon their request supported by satisfactory evidence of their title, including proof that the debts of the partnership have been paid or properly provided for.

SUBPART O—STATES, PUBLIC CORPORATIONS, AND PUBLIC BOARDS, COMMISSIONS, AND OFFICERS

SEC. 315.47. *In names of States, public corporations, and public boards*.—A savings bond registered in the name of a State or of a county, city, town, village or other public corporation, or in the name of a public board or commission, will be paid upon a request signed in the name of such State, corporation, board or commission by a duly authorized officer thereof. A request for payment so signed and duly certified will ordinarily be accepted without further proof of the officer's authority.

SEC. 315.48. *In names of public officers*.—A savings bond registered in the title, without the name, of an officer of a State or public corporation, such as a county, city, town or village, will be paid upon request for payment signed by the designated officer. The fact that the request for payment is signed and duly certified will ordinarily be accepted as sufficient proof that the person signing is the incumbent of the designated office.

SUBPART P—DECEASED OWNERS

SEC. 315.49. *Payment or reissue on death of owner*.—Upon the death of the owner of a savings bond, who was not survived by a coowner or designated beneficiary and who had not during his lifetime presented and surrendered the bond to a Federal Reserve Bank or the Treasury Department with a duly executed and proper request for an authorized reissue, the bond will be paid or reissued as hereinafter provided. The provisions of this section shall also apply to savings bonds registered in the names of executors or administrators, except that proof of their appointment and qualification may not be required. Established forms for use in such cases and for requests for payment or reissue may be obtained from any Federal Reserve Bank or from the Treasury Department, Division of Loans and Currency, Merchandise Mart, Chicago, Illinois, and should be used in every instance.

- (a) *In course of administration*.—If the estate of the decedent is being administered in a court of competent jurisdiction, the bond will be paid to the duly qualified representative of the estate or will be reissued in the names of the persons entitled to share in the estate upon the request of the duly appointed and qualified representative of the estate, who should certify that the persons named are entitled to the extent specified for each and have consented to such reissue. The request for payment or reissue should be signed in the form, for example, "John A. Jones, administrator of the estate (or executor of the will) of Henry W. Jones, deceased." Reissue will be made to the persons entitled in their names alone, or with a coowner (provided no excess holdings will be created) or beneficiary upon appropriate request by such persons. A request for payment or reissue must be supported by proof of the representative's authority. Such proof may consist of a court certificate or a certified copy of the representative's letters of appointment issued by the court having jurisdiction; the certificate, or the certification to the letters, must be under the seal of the court, must contain a statement that the appointment is in full

force, and should be dated within six months of the date of presentation of the bond for payment or reissue. If the representative is himself the person entitled and desires reissue in his own name, the request for reissue must be supported by an order of court, unless a coadministrator or coexecutor joins in the request.

- (b) *After settlement through court proceedings.*—If the estate of the decedent has been settled in a court of competent jurisdiction, the bond will be paid to, or reissued in the name of, the persons entitled thereto as determined by the court: *Provided*, That if there are two or more persons having an apparent interest in the bond, an agreement should be executed by them. The request for payment or reissue, and the agreement, if necessary, must be supported by duly certified copies of the pertinent court records.
- (c) *Without administration.*—If no legal representative of the decedent's estate has been or is to be appointed, and if it is established to the satisfaction of the Secretary of the Treasury either that the gross value of the personal estate does not exceed \$500, or that administration of the estate is not required in the State of the decedent's last domicile, the bond will be paid to, or reissued in the name of, the persons entitled to share in the estate, without requiring administration, pursuant to an agreement and request by them on the form prescribed by the Treasury Department and supported by the evidence called for by that form: *Provided, however*, That reissue will not be made in the name of a creditor of the estate. No payment or reissue will be permitted without administration if any of the persons entitled are minors or incompetents, except to them or in their names, in whole or to the extent of their interests in the decedent's entire personal estate, or upon compliance with the provisions of Subpart I hereof governing payment of savings bonds registered in the names of such persons.

SEC. 315.50. *Forms of registration on reissue.*—In no case will bonds be reissued hereunder except in a form authorized upon original issue by the regulations in force at the time bonds surrendered were issued.

#### SUBPART Q—CREDITOR'S RIGHTS AND JUDICIAL PROCEEDINGS

SEC. 315.51. *Creditor's rights.*—A creditor of the owner of a savings bond may secure payment thereof to the extent of the owner's interest, or to the extent of the creditor's claim, whichever is smaller, through valid judicial proceedings: *Provided, however*, That no such proceedings will be recognized if they would give effect to an attempted voluntary transfer inter vivos of the bond or would defeat or impair the rights of survivorship conferred by these regulations upon coowners and beneficiaries. Payment, or partial payment in an amount not in excess of that to which the creditor is entitled, will be made upon presentation and surrender of the bond with the request for payment duly executed, at the redemption value current 30 days after the proceedings have become final, or current at the time the bond is presented for payment, whichever is earlier. No reissue of the bond will be made to the creditor under the provisions of this section.

SEC. 315.52. *Determination of interest as between owner and coowner or beneficiary.*—Conflicting claims as to ownership of or interest in a savings bond, as between the registered owner and the coowner, or the registered owner and a designated beneficiary may be determined by valid judicial proceedings, in which case the bond may be reissued in the names of the respective coowners or the owner and the beneficiary to the extent of their respective interests as determined by such proceedings, but only in authorized denominations.

SEC. 315.53. *Evidence necessary.*—To establish the validity of judicial proceedings there must be submitted a certified copy of the judgment or decree of court and of any necessary supplementary proceedings, as well as a certificate from the clerk of the court under the court seal, showing that the judgment or decree is in full force and effect and has become final under the laws of the jurisdiction. The Secretary of the Treasury may in any case require such further information, documents and security as he may deem necessary.

SEC. 315.54. *Bankruptcy and insolvency.*—Payment (but not reissue) of a savings bond will be made to a duly qualified trustee in bankruptcy or receiver of the estate of the registered owner, adjudicated bankrupt or insolvent, upon request for payment duly executed by such trustee or receiver and supported by satisfactory proof of his appointment and qualifications.

## SUBPART R—PLEDGE WITH SECRETARY OF TREASURY OR FEDERAL RESERVE BANKS

SEC. 315.55. *Deposit under Department Circulars No. 154 and No. 657.*—Notwithstanding any other provisions of this or any other circular, a savings bond may be pledged by the registered owner in lieu of surety under the provisions of Department Circular No. 154, amended: *Provided*, That the bond approving officer is the Secretary of the Treasury. In such cases an irrevocable power of attorney shall be executed authorizing the Secretary to request payment, and payment of the bond will, if it becomes necessary, be made upon such request at the then appropriate redemption value. No pledge to a bond approving officer other than the Secretary of the Treasury will be permitted. A savings bond may also be deposited as security with a Federal Reserve Bank under the provisions of Department Circular No. 657 by an institution certified under that circular as an issuing agent for savings bonds of Series E. In no other cases are savings bonds suitable for use as collateral, nor will a power of attorney to request payment be recognized in any other case.

## SUBPART S—REISSUE AND DENOMINATIONAL EXCHANGE

SEC. 315.56. *General.*—Reissue of savings bonds in different names or in a different form of registration will be made only in the following instances and only in denominations and forms of registration authorized for the bonds surrendered:

- (a) To correct an error in the original issue, upon request of the owner or coowner, supported by satisfactory proof of such error unless the error was made by the issuing agent;
- (b) To show a change in the name of an owner, coowner, or beneficiary upon his request, supported by satisfactory proof of the change if for any other reason than marriage;
- (c) As otherwise specifically provided in these regulations.

SEC. 315.57. *Requests for reissue.*—Requests for reissue should be signed by the person authorized under these regulations to make such requests, on appropriate forms which may be obtained from any Federal Reserve Bank or from the Treasury Department, Division of Loans and Currency. If the request is by reason of a change of name the signature should show both names, and the manner in which the change took place. A request for reissue must be signed in the presence of and be certified by an officer authorized under Subpart H hereof to certify requests for payment. A request may not be signed by a person under any legal disability other than minority. It may be signed by a minor who is of sufficient competency and understanding to sign his name to the request and to comprehend the nature of such act. In general the fact that a request for reissue has been signed by a minor and duly certified will be accepted as sufficient proof of such competency and understanding.

SEC. 315.58. *Agencies authorized to make reissue.*—Reissues under (b) and (c) hereof may be made only at a Federal Reserve Bank or the Treasury Department.

SEC. 315.59. *Date of bonds on reissue.*—The new bonds will be of the same series, will bear the same issue date, and will have the same rights and privileges as the bonds surrendered.

SEC. 315.60. *Effective date.*—In any case of authorized reissue the Treasury Department reserves the right to treat the receipt by a Federal Reserve Bank or the Treasury Department of a bond and appropriate request for reissue thereof as determining the date upon which reissue is effective.

SEC. 315.61. *Denominational exchange.*—Exchange as between authorized denominations will not be permitted except in cases of partial redemption or authorized reissue.

## SUBPART T—FURTHER PROVISIONS

SEC. 315.62. *Regulations prescribed.*—These regulations are prescribed by the Secretary of the Treasury as governing United States savings bonds issued under the authority of section 22 of the Second Liberty Bond Act, as amended, and pursuant to the various department circulars offering such bonds for sale. The provisions of Treasury Department Circular No. 300, as amended, have no application to such savings bonds except as to cases arising under Subpart E hereof.

SEC. 315.63. *Preservation of rights.*—Nothing in these regulations contained shall be construed to limit or restrict any existing rights which holders of savings bonds heretofore issued may have acquired under the circulars offering such bonds for sale, or under the regulations in force at the time of purchase.

SEC. 315.64. *Additional proof; bond of indemnity.*—The Secretary of the Treasury, in any case arising under these regulations, may require such additional proof as he may consider necessary or advisable in the premises; and may require a bond of indemnity with satisfactory sureties, or an agreement of indemnity, in any case where he may consider such a bond or agreement necessary for the protection of the interests of the United States.

SEC. 315.65. *Correspondence and forms.*—Correspondence in regard to any transactions in United States savings bonds under the provisions of these regulations should be addressed to a Federal Reserve Bank or to the Treasury Department, Division of Loans and Currency, Merchandise Mart, Chicago, Illinois. Appropriate forms for use in connection with such transactions may be secured from any Federal Reserve Bank or from the Division of Loans and Currency.

SEC. 315.66. *Supplements, amendments or revisions.*—The Secretary of the Treasury may at any time, or from time to time, prescribe additional, supplemental, amendatory or revised rules and regulations governing United States savings bonds.

HENRY MORGENTHAU, JR.,  
Secretary of the Treasury.

### Exhibit 21

*Amendments and supplement to Department Circular No. 657, prescribing regulations governing agencies for the issue of United States savings bonds of Series E*

FIRST AMENDMENT, OCTOBER 2, 1941

TREASURY DEPARTMENT,  
Washington, October 2, 1941.

Treasury Department Circular No. 657, dated April 15, 1941, is hereby amended by deleting the last paragraph of section 3 of the circular and inserting in lieu thereof the following:

#### QUALIFICATION OF ISSUING AGENT

"(c) Notwithstanding the provisions of subsections (a) and (b) hereof any designated issuing agent which is, and continues to be, insured by the Federal Deposit Insurance Corporation and which files an application-trust agreement on Form 384-A with the Federal Reserve Bank of its district may apply for defense savings bond stock, Series E, sufficient to meet its requirements without the pledge of collateral security therefor. The aggregate amount of stock to be maintained at any one time, taken at maturity values, shall not exceed 50% of the issuing agents' capital and surplus or guaranty fund or reserve for capital purposes or \$500,000, whichever is the smaller amount; however, the Secretary of the Treasury, directly or through the Federal Reserve Bank of the district as fiscal agent, reserves the right to regulate the amount of stock which may be obtained or maintained by any issuing agent without the pledge of collateral security, including temporary increases over the limits expressed in this subsection, whenever circumstances make such action necessary or desirable.

"(d) Notwithstanding the provisions of subsections (a) and (b) hereof, any designated issuing agent which is, and continues to be, insured by the Federal Savings & Loan Insurance Corporation, or any other acceptable State insurance corporation, system or fund, the members of which are subject to Federal or State supervision, examination and liquidation, which files an application-trust agreement on Form 384-A with the Federal Reserve Bank of the district in which it is located may apply for defense savings bond stock, Series E, sufficient to meet its requirements without the pledge of collateral security therefor. The aggregate amount of stock to be maintained at any one time, taken at maturity values, shall not exceed 50% of the issuing agents' capital and surplus or guaranty fund or reserve for capital purposes, or other similar fund or funds, or \$50,000, whichever is the smaller amount; however, the Secretary of the Treasury, directly or through the Federal Reserve Bank of the district as fiscal agent, reserves the right to regulate the amount of stock which may be obtained or maintained by any issuing agent without the pledge of collateral security, including temporary increase over the limits expressed in this subsection, whenever circumstances make such action necessary or desirable.

"(e) Upon approval of the application and pledge agreement, Form 384, or the application-trust agreement, Form 384-A, the Federal Reserve Bank will issue a



certificate of qualification to the issuing agent on Form No. 385 or 385-A. The Federal Reserve Bank, as fiscal agent of the United States, may certify, in whole or in part, the qualification applied for. If the qualification applied for is not certified, appropriate notice thereof will be transmitted to the issuing agent making application."

H. MORGENTHAU, Jr.,  
*Secretary of the Treasury.*

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SECOND AMENDMENT, NOVEMBER 29, 1941

TREASURY DEPARTMENT,  
*Washington, November 29, 1941.*

Treasury Department Circular No. 657, dated April 15, 1941, as amended, is hereby further amended by inserting immediately preceding the concluding sentence of the last paragraph thereof the following new sentence:

"The Secretary of the Treasury may waive or modify any of the requirements of this circular whenever he deems such action to be in the public interest."

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

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FIRST SUPPLEMENT, JUNE 1, 1942

TREASURY DEPARTMENT,  
*Washington, June 1, 1942.*

Department Circular No. 657, dated April 15, 1941, as amended, is hereby supplemented by adding the following new paragraph before the last paragraph of section 6 (Miscellaneous) of the circular:

"Wherever the word 'Defense' is used in this circular or any agreement entered into pursuant thereto, or wherever the word 'Defense' is used in any form used or required to be used in connection with such circular or agreement, the word 'War' shall be used in lieu of or interchangeably with the word 'Defense', as the circumstances may require, on and after the date of this supplement. Issuing agents designated under the terms of this circular, the qualification of which has been approved and now is in full force and effect will not be required to file new formal application-pledge or trust agreements and they will be conclusively presumed to have assented to continue to act as issuing agents under the terms of such agreements and this circular, as amended and supplemented, by the receipt for sale of war savings bonds of Series E. Likewise, by such receipt, collateral security now or hereafter pledged under the terms of such agreements shall be conclusively deemed to be pledged as collateral security in connection with either or both, defense or war savings bonds of Series E."

HENRY MORGENTHAU, Jr.,  
*Secretary of the Treasury.*

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**Treasury certificates of indebtedness**

**Exhibit 22**

*Offering of ½ percent Treasury certificates of indebtedness of Series A-1942.*

On April 6, 1942, Secretary of the Treasury Morgenthau invited subscriptions for ½ percent Treasury certificates of indebtedness of Series A-1942, in the amount of \$1,500,000,000, or thereabouts.

[Department Circular No. 683. Public Debt]

TREASURY DEPARTMENT,  
*Washington, April 6, 1942.*

**I. OFFERING OF CERTIFICATES**

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for ½ percent certificates of indebtedness of the United States, designated Treasury certificates of indebtedness of Series A-1942. The amount of the offering is \$1,500,000,000, or thereabouts.

## II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated April 15, 1942, and will bear interest from that date at the rate of  $\frac{1}{2}$  percent per annum, payable on an annual basis at the maturity of the certificates. They will mature November 1, 1942, and will not be subject to call for redemption prior to maturity.

2. The income derived from the certificates shall be subject to all Federal taxes, now or hereafter imposed. The certificates shall be subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The certificates will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes and will not bear the circulation privilege.

4. Bearer certificates with one interest coupon attached will be issued in denominations of \$1,000, \$5,000, \$10,000, and \$100,000. 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. Subscribers must agree not to sell or otherwise dispose of their subscriptions, or of the securities which may be allotted thereon, prior to the closing of the subscription books. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions from banks and trust companies for their own account will be received without deposit. Subscriptions from all others must be accompanied by payment of 10 percent of the amount of certificates applied for. Subscriptions will be entertained from the various classes of subscribers on the following bases:

1. Banks and trust companies for their own account—not to exceed 50 percent of capital and surplus.
2. Mutual savings and cooperative banks, Federal savings and loan associations, trust accounts and investment corporations, pension funds, insurance companies, and similar institutions and funds—not to exceed 10 percent of total resources.
3. Corporations organized for profit, and dealers and brokers—not to exceed 50 percent of net worth.
4. Individuals—not to exceed 50 percent of net worth or 100 percent of cash deposited with subscription.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of certificates applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, subscriptions for amounts up to and including \$25,000 will be allotted in full, and subscriptions for amounts over \$25,000 will be allotted on an equal percentage basis, but not less than \$25,000 on any one subscription. The basis of the allotment will be publicly announced, and allotment notices will be sent out promptly upon allotment.

## IV. PAYMENT

1. Payment at par and accrued interest, if any, for certificates allotted hereunder must be made or completed on or before April 15, 1942, or on later allotment. In every case where payment is not so completed, the payment with application up to 10 percent of the amount of certificates applied for shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. Any qualified depository will be permitted to make payment by credit for certificates allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district.

## V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up

to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for 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.

HENRY MORGENTHAU, Jr.,  
Secretary of the Treasury.

### Exhibit 23

*Subscriptions and allotments, Treasury certificates of indebtedness of Series A-1942 (from press releases, April 6, 10, and 16, 1942<sup>1</sup>)*

On April 6, 1942, Secretary of the Treasury Morgenthau announced that the subscription books for the offering of  $\frac{1}{2}$  percent Treasury certificates of indebtedness of Series A-1942 closed at the close of business April 6. Subscriptions aggregated \$3,062,250,000, of which \$1,507,083,000 was allotted. Subscriptions in amounts up to and including \$25,000, totaling about \$66,000,000, were allotted in full. Subscriptions in amounts over \$25,000 were allotted 48 percent, on a straight percentage basis, but not less than \$25,000 on any one subscription, with adjustments, where necessary, to the \$1,000 denomination. Subscriptions and allotments were divided among the Federal Reserve districts and the Treasury as follows:

Federal Reserve district	Subscriptions received	Subscriptions allotted	Federal Reserve district	Subscriptions received	Subscriptions allotted
Boston .....	\$212,414,000	\$104,289,000	Minneapolis .....	\$50,052,000	\$27,087,000
New York .....	1,724,584,000	832,804,000	Kansas City .....	44,835,000	23,541,000
Philadelphia .....	111,799,000	55,613,000	Dallas .....	47,634,000	24,526,000
Cleveland .....	150,548,000	75,369,000	San Francisco .....	129,772,000	63,774,000
Richmond .....	77,737,000	39,828,000	Treasury .....	185,000	98,000
Atlanta .....	73,532,000	37,200,000			
Chicago .....	368,055,000	185,568,000	Total .....	3,062,250,000	1,507,083,000
St. Louis .....	71,103,000	37,386,000			

### Exhibit 24

*Offering of  $\frac{1}{2}$  percent Treasury certificates of indebtedness of Series A-1943*

On June 18, 1942, Secretary of the Treasury Morgenthau invited subscriptions for  $\frac{1}{2}$  percent Treasury certificates of indebtedness of Series A-1943, in the amount of \$1,500,000,000, or thereabouts.

[Department Circular No. 688. Public Debt]

TREASURY DEPARTMENT,  
Washington, June 18, 1942.

#### I. OFFERING OF CERTIFICATES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par and accrued interest, from the people of the United States for  $\frac{1}{2}$  percent certificates of indebtedness of the United States, designated Treasury certificates of indebtedness of Series A-1943. The amount of the offering is \$1,500,000,000, or thereabouts.

#### II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated June 25, 1942, and will bear interest from that date at the rate of  $\frac{1}{2}$  percent per annum, payable on an annual basis at the maturity of the certificates. They will mature February 1, 1943, and will not be subject to call for redemption prior to maturity.

<sup>1</sup> Revised June 2, 1942.

2. The income derived from the certificates shall be subject to all Federal taxes, now or hereafter imposed. The certificates shall be subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The certificates will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes and will not bear the circulation privilege.

4. Bearer-certificates with one coupon attached will be issued in denominations of \$1,000, \$5,000, \$10,000 and \$100,000. 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. Subscribers must agree not to sell or otherwise dispose of their subscriptions, or of the securities which may be allotted thereon, prior to the closing of the subscription books. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions from banks and trust companies for their own account will be received without deposit. Subscriptions from all others must be accompanied by payment of 5 percent of the amount of certificates applied for.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of certificates applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, subscriptions for amounts up to and including \$25,000 will be allotted in full. The basis of the allotment on all other subscriptions will be publicly announced, and allotment notices will be sent out promptly upon allotment.

### IV. PAYMENT

1. Payment at par and accrued interest, if any, for certificates allotted hereunder must be made or completed on or before June 25, 1942, or on later allotment. In every case where payment is not so completed, the payment with application up to 5 percent of the amount of certificates applied for shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. Any qualified depository will be permitted to make payment by credit for certificates allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits, when so notified by the Federal Reserve Bank of its district.

### V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions; to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for 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.

HENRY MORGENTHAU, JR.,  
*Secretary of the Treasury.*

## Exhibit 25

*Subscriptions and allotments, Treasury certificates of indebtedness of Series A-1943 (from press releases, June 19, 22, and 29, 1942)*

On June 18, 1942, Secretary of the Treasury Morgenthau announced that the subscription books for the offering of  $\frac{3}{8}$  percent Treasury certificates of indebtedness of Series A-1943 would close at the close of business June 19. Subscriptions aggregated \$3,114,479,000, of which \$1,588,495,000 was allotted. Subscriptions in amounts up to and including \$25,000, totaling about \$61,000,000, were allotted in full. Subscriptions in amounts over \$25,000 were allotted 50 percent, on a straight percentage basis, but not less than \$25,000 on any one subscription, with adjustments, where necessary, to the \$1,000 denomination. Subscriptions and allotments were divided among the Federal Reserve districts and the Treasury as follows:

Federal Reserve district	Subscriptions received	Subscriptions allotted	Federal Reserve district	Subscriptions received	Subscriptions allotted
Boston.....	\$176,940,000	\$90,177,000	Minneapolis.....	\$49,819,000	\$27,992,000
New York.....	1,456,264,000	731,525,000	Kansas City.....	81,697,000	43,218,000
Philadelphia.....	120,489,000	61,832,000	Dallas.....	89,884,000	46,612,000
Cleveland.....	168,022,000	86,448,000	San Francisco.....	202,434,000	102,189,000
Richmond.....	82,255,000	43,124,000	Treasury.....	550,000	275,000
Atlanta.....	111,939,000	57,601,000			
Chicago.....	477,261,000	246,067,000	Total.....	3,114,479,000	1,588,495,000
St. Louis.....	96,925,000	51,435,000			

## Treasury bills

## Exhibit 26

*Inviting tenders for Treasury bills dated July 2, 1941 (press release, June 27, 1941)*

TREASURY DEPARTMENT,  
Washington, June 27, 1941.

The Secretary of the Treasury, by this public notice, invites tenders for \$100,000,000, or thereabouts, of 91-day Treasury bills, to be issued on a discount basis under competitive bidding. The bills of this series will be dated July 2, 1941, and will mature October 1, 1941, when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of \$1,000, \$5,000, \$10,000, \$100,000, \$500,000, and \$1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and branches up to the closing hour, two o'clock p. m., eastern standard time, Monday, June 30, 1941. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of \$1,000, and the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or branches on application therefor.

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

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Payment of accepted tenders at the prices offered must be made or completed at the Federal Reserve Bank in cash or other immediately available funds on July 2, 1941.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemptions, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treat-

ment, as such, under Federal tax acts now or hereafter enacted. The bills shall be subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest.

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.

#### Exhibit 27

*Acceptance of tenders for Treasury bills dated July 2, 1941 (press release, July 1, 1941)*

TREASURY DEPARTMENT,  
Washington, July 1, 1941.

The Secretary of the Treasury announced last evening that the tenders for \$100,000,000, or thereabouts, of 91-day Treasury bills, to be dated July 2 and to mature October 1, 1941, which were offered on June 27, were opened at the Federal Reserve Banks on June 30.

The details of this issue are as follows:

Total applied for	\$281, 145, 000
Total accepted	100, 880, 000
Range of accepted bids:	Percent
High, 99.990, equivalent rate approximately	0. 040
Low, 99.975, equivalent rate approximately	. 099
Average price, 99.978, equivalent rate approximately	. 087

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

#### Exhibit 28

Press releases pertaining to Treasury bill issues during the fiscal year 1942 were similar in form to the foregoing and are, therefore, not here reproduced. The essential details regarding each issue are summarized in the following table.

Summary of information contained in press releases issued in connection with Treasury bills offered during the fiscal year 1942

Date of issue	Date of maturity	Days to maturity	Total amount applied for (in thousands)	Bids accepted						Date of press releases	Date of closing	
				Highest		Lowest		Amount (in thousands)	Average			
				Price (per hundred)	Equivalent rate <sup>1</sup> (percent)	Price (per hundred)	Equivalent rate <sup>1</sup> (percent)		Price (per hundred)	Equivalent rate <sup>1</sup> (percent)		
1941	1941										1941	1941
July 2.....	Oct. 1.....	91	\$281,145	99.990	0.040	99.975	0.099	\$100,880	99.978	0.086	June 27 and July 1.....	June 30.....
July 9.....	Oct. 8.....	91	281,732	99.990	.040	99.972	.111	100,048	99.976	.097	July 4 and 8.....	July 7.....
July 16.....	Oct. 15.....	91	306,089	99.990	.040	99.972	.111	100,337	99.975	.097	July 11 and 15.....	July 14.....
July 23.....	Oct. 22.....	91	292,758	<sup>2</sup> 99.982	.071	99.974	.103	100,127	99.975	.098	July 18 and 22.....	July 21.....
July 30.....	Oct. 29.....	91	266,617	100.000	.....	99.972	.111	100,015	99.976	.094	July 25 and 29.....	July 28.....
Aug. 6.....	Nov. 5.....	91	293,242	100.000	.....	99.970	.119	100,232	99.973	.106	Aug. 1 and 5.....	Aug. 4.....
Aug. 13.....	Nov. 12.....	91	288,823	100.000	.....	99.969	.123	100,118	99.971	.114	Aug. 8 and 12.....	Aug. 11.....
Aug. 20.....	Nov. 19.....	91	297,444	99.980	.079	99.969	.123	100,227	99.971	.116	Aug. 15 and 19.....	Aug. 13.....
Aug. 27.....	Nov. 26.....	91	327,055	<sup>3</sup> 99.977	.091	99.970	.119	100,799	99.971	.114	Aug. 22 and 26.....	Aug. 25.....
Sept. 3.....	Dec. 3.....	91	383,608	<sup>4</sup> 99.986	.055	99.975	.099	100,369	99.977	.090	Aug. 27 and 30.....	Aug. 29.....
Sept. 10.....	Dec. 10.....	91	439,541	<sup>5</sup> 99.990	.040	99.981	.075	100,957	99.982	.071	Sept. 5 and 9.....	Sept. 8.....
Sept. 17.....	Dec. 17.....	91	493,411	<sup>6</sup> 100.000	.....	99.985	.059	100,043	99.987	.050	Sept. 12 and 16.....	Sept. 15.....
Sept. 24.....	Dec. 24.....	91	404,215	100.000	.....	99.989	.044	100,742	99.991	.037	Sept. 19 and 23.....	Sept. 22.....
Oct. 1.....	Dec. 31.....	91	182,005	100.001	.....	99.975	.099	100,045	99.984	.062	Sept. 26 and 30.....	Sept. 29.....
	1942											
Oct. 8.....	Jan. 7.....	91	368,817	100.003	.....	99.999	.004	100,433	100.000—	.002	Oct. 3 and 7.....	Oct. 6.....
Oct. 15.....	Jan. 14.....	91	217,616	100.000	.....	99.999	.004	100,207	100.000—	.001	Oct. 8 and 11.....	Oct. 10.....
Oct. 22.....	Jan. 21.....	91	303,852	100.000	.....	99.989	.044	150,185	99.994	.024	Oct. 17 and 21.....	Oct. 20.....
Oct. 29.....	Jan. 28.....	91	269,407	<sup>7</sup> 100.000	.....	99.973	.107	150,010	99.983	.067	Oct. 24 and 28.....	Oct. 27.....
Nov. 5.....	Feb. 4.....	91	199,998	100.000	.....	99.944	.222	150,098	99.962	.151	Oct. 29 and Nov. 1.....	Oct. 31.....
Nov. 12.....	Feb. 11.....	91	313,335	<sup>8</sup> 99.980	.079	99.938	.245	150,018	99.950	.200	Nov. 5 and 8.....	Nov. 7.....
Nov. 19.....	Feb. 18.....	91	439,350	<sup>9</sup> 99.980	.079	99.922	.309	200,167	99.935	.258	Nov. 14 and 18.....	Nov. 17.....
Nov. 26.....	Feb. 25.....	91	466,603	<sup>10</sup> 99.977	.091	99.926	.293	200,026	99.932	.267	Nov. 21 and 25.....	Nov. 24.....
Dec. 3.....	Mar. 4.....	91	468,160	100.000	.....	99.930	.277	200,156	99.939	.242	Nov. 28 and Dec. 2.....	Dec. 1.....
Dec. 10.....	Mar. 11.....	91	403,171	100.000	.....	99.917	.328	<sup>11</sup> 149,987	99.926	.293	Dec. 5 and 9.....	Dec. 8.....
Dec. 17.....	Mar. 18.....	91	382,650	<sup>12</sup> 99.950	.198	99.919	.320	150,040	99.925	.295	Dec. 12 and 16.....	Dec. 15.....
Dec. 24.....	Mar. 16.....	82	352,938	<sup>13</sup> 99.966	.149	99.927	.320	150,174	99.933	.295	Dec. 19 and 23.....	Dec. 22.....
Dec. 31.....	Mar. 17.....	76	317,107	<sup>12</sup> 99.961	.185	99.927	.346	150,004	99.935	.310	Dec. 26 and 30.....	Dec. 29.....

Footnotes at end of table.

Summary of information contained in press releases issued in connection with Treasury bills offered during the fiscal year 1942—Con.

Date of issue	Date of maturity	Days to maturity	Total amount applied for (in thousands)	Bids accepted						Date of press releases	Date of closing	
				Highest		Lowest		Amount (in thousands)	Average			
				Price (per hundred)	Equivalent rate <sup>1</sup> (percent)	Price (per hundred)	Equivalent rate <sup>1</sup> (percent)		Price (per hundred)	Equivalent rate <sup>1</sup> (percent)		
1942	1942									1942	1942	
Jan. 7.....	Mar. 19.....	71	\$351,600	<sup>14</sup> 99.952	0.243	99.934	0.335	\$150,230	99.940	0.304	Jan. 2 and 6.....	Jan. 5
Jan. 14.....	Apr. 15.....	91	384,694	<sup>15</sup> 100.000		99.963	.146	150,047	99.970	.119	Jan. 9 and 13.....	Jan. 12
Jan. 21.....	Apr. 22.....	91	351,585	<sup>3</sup> 99.980	.079	99.942	.229	150,330	99.950	.196	Jan. 16 and 20.....	Jan. 19
Jan. 28.....	Apr. 29.....	91	371,501	<sup>16</sup> 99.975	.099	99.934	.261	<sup>17</sup> 150,174	99.942	.231	Jan. 23 and 27.....	Jan. 26
Feb. 4.....	May 6.....	91	410,057	100.000		99.937	.249	<sup>18</sup> 150,094	99.944	.220	Jan. 30 and Feb. 3.....	Feb. 2
Feb. 11.....	May 13.....	91	399,966	<sup>19</sup> 99.950	.198	99.932	.269	150,049	99.937	.250	Feb. 6 and 10.....	Feb. 9
Feb. 18.....	May 20.....	91	342,087	<sup>20</sup> 99.950	.198	99.929	.281	150,012	99.933	.263	Feb. 13 and 17.....	Feb. 16
Feb. 25.....	May 27.....	91	385,802	99.950	.198	99.929	.281	<sup>21</sup> 150,446	99.933	.266	Feb. 18 and 21.....	Feb. 20
Mar. 4.....	June 3.....	91	510,228	<sup>22</sup> 99.962	.150	99.941	.233	150,477	99.944	.222	Feb. 27 and Mar. 3.....	Mar. 2
Mar. 11.....	June 10.....	91	471,349	100.000		99.938	.245	150,194	99.942	.229	Mar. 6 and 10.....	Mar. 9
Mar. 18.....	June 17.....	91	535,476	<sup>23</sup> 99.975	.099	99.947	.210	150,273	99.951	.195	Mar. 13 and 17.....	Mar. 16
Mar. 25.....	June 16.....	83	512,778	<sup>24</sup> 99.981	.082	99.949	.221	<sup>25</sup> 150,263	99.953	.203	Mar. 20 and 24.....	Mar. 23
Apr. 1.....	June 18.....	78	356,653	<sup>26</sup> 99.967	.152	99.948	.240	150,435	99.952	.221	Mar. 27 and 31.....	Mar. 30
Apr. 8.....	June 19.....	72	333,669	<sup>27</sup> 99.970	.150	99.944	.280	<sup>28</sup> 150,864	99.947	.264	Apr. 3 and 7.....	Apr. 6
Apr. 15.....	July 15.....	91	311,219	<sup>29</sup> 99.960	.158	99.922	.309	150,073	99.929	.281	Apr. 10 and 14.....	Apr. 13
Apr. 22.....	July 22.....	91	332,677	99.960	.158	99.914	.340	150,058	99.920	.317	Apr. 17 and 21.....	Apr. 20
Apr. 29.....	July 29.....	91	375,372	<sup>30</sup> 99.950	.198	99.910	.356	<sup>31</sup> 150,126	99.915	.335	Apr. 24 and 28.....	Apr. 27
May 6.....	Aug. 5.....	91	354,590	99.938	.245	99.906	.372	150,400	99.910	.358	May 1 and 5.....	May 4
May 13.....	Aug. 12.....	91	546,350	<sup>32</sup> 99.938	.245	99.905	.376	250,692	99.907	.368	May 8 and 12.....	May 11
May 20.....	Aug. 19.....	91	567,190	<sup>33</sup> 99.940	.237	99.906	.372	<sup>34</sup> 251,735	99.908	.365	May 15 and 19.....	May 18
May 27.....	Aug. 26.....	91	461,283	<sup>15</sup> 99.940	.237	99.906	.372	250,986	99.908	.365	May 22 and 26.....	May 25
June 3.....	Sept. 2.....	91	496,574	<sup>35</sup> 99.925	.297	99.906	.372	251,301	99.908	.365	May 29 and June 2.....	June 1
June 10.....	Sept. 9.....	91	689,653	99.925	.297	99.905	.372	<sup>36</sup> 300,772	99.907	.366	June 5 and 9.....	June 8
June 17.....	Sept. 16.....	91	801,271	<sup>7</sup> 99.930	.277	99.907	.368	<sup>37</sup> 301,046	99.908	.365	June 12 and 16.....	June 15
June 24.....	Sept. 17.....	85	709,632	99.935	.275	99.913	.368	<sup>38</sup> 301,109	99.914	.362	June 19 and 23.....	June 22



- <sup>1</sup> Bank discount basis.
- <sup>2</sup> Except for 2 tenders aggregating \$250,000.
- <sup>3</sup> Except for 1 tender of \$200,000.
- <sup>4</sup> Except for 1 tender of \$25,000.
- <sup>5</sup> Except for 1 tender of \$25,000.
- <sup>6</sup> Except for 2 tenders aggregating \$260,000.
- <sup>7</sup> Except for 1 tender of \$10,000.
- <sup>8</sup> Except for 2 tenders aggregating \$110,000.
- <sup>9</sup> Except for 3 tenders aggregating \$385,000.
- <sup>10</sup> Except for 2 tenders aggregating \$30,000.
- <sup>11</sup> Revised Dec. 10, 1941.
- <sup>12</sup> Except for 2 tenders aggregating \$30,000.
- <sup>13</sup> Except for 2 tenders aggregating \$220,000.
- <sup>14</sup> Except for 2 tenders aggregating \$640,000.
- <sup>15</sup> Except for 1 tender of \$300,000.
- <sup>16</sup> Except for 2 tenders aggregating \$105,000.
- <sup>17</sup> Revised Jan. 28, 1942.
- <sup>18</sup> Revised Feb. 4, 1942.
- <sup>19</sup> Except for 2 tenders aggregating \$230,000.

- <sup>20</sup> Except for 1 tender of \$65,000.
- <sup>21</sup> Revised Feb. 25, 1942.
- <sup>22</sup> Except for 1 tender of \$210,000.
- <sup>23</sup> Except for 2 tenders aggregating \$90,000.
- <sup>24</sup> Except for 2 tenders aggregating \$135,000.
- <sup>25</sup> Revised Mar. 25, 1942.
- <sup>26</sup> Except for 2 tenders aggregating \$17,000.
- <sup>27</sup> Except for 1 tender of \$20,000.
- <sup>28</sup> Revised Apr. 8, 1942.
- <sup>29</sup> Except for 2 tenders aggregating \$150,000.
- <sup>30</sup> Except for 2 tenders aggregating \$55,000.
- <sup>31</sup> Revised Apr. 29, 1942.
- <sup>32</sup> Except for 2 tenders aggregating \$15,000.
- <sup>33</sup> Except for 4 tenders aggregating \$98,000.
- <sup>34</sup> Revised May 20, 1942.
- <sup>35</sup> Except for 2 tenders aggregating \$12,000.
- <sup>36</sup> Revised June 10, 1942.
- <sup>37</sup> Revised June 17, 1942.
- <sup>38</sup> Revised June 24, 1942.

## Miscellaneous

## Exhibit 29

*An act to increase the debt limit of the United States, to further amend the Second Liberty Bond Act, and for other purposes*

[Public Law 510, 77th Cong., H. R. 6691]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Public Debt Act of 1942.*

SEC. 2. Section 21 of the Second Liberty Bond Act, as amended, is further amended to read as follows:

"SEC. 21. The face amount of obligations issued under the authority of this Act shall not exceed in the aggregate \$125,000,000,000 outstanding at any one time."

SEC. 3. Section 20 of the Second Liberty Bond Act, as amended, is further amended to read as follows:

"SEC. 20. (a) Any obligations authorized by sections 1, 5, and 18 of this Act, may be issued on an interest-bearing basis, on a discount basis, or on a combination interest-bearing and discount basis, at such price or prices and with interest computed in such manner and payable at such time or times as the Secretary of the Treasury may prescribe; and any such obligations may be offered for sale on a competitive or other basis under such regulations and upon such terms and conditions as the Secretary of the Treasury may prescribe; and his decision with respect to any such issue shall be final.

"(b) Any obligations authorized by this Act and redeemable upon demand of the owner or holder may, under such regulations and upon such terms and conditions as the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury may prescribe, be receivable by the United States in payment of any taxes imposed by the United States.

"(c) Any obligations authorized by this Act may, under such regulations and upon such terms as the Secretary of the Treasury may prescribe, be issued in exchange for any obligations of any agency or instrumentality of the United States which are unconditionally guaranteed both as to principal and interest by the United States, at or before their maturity."

SEC. 4. Section 19 of the Second Liberty Bond Act, as amended, is further amended to read as follows:

"SEC. 19. Any obligations authorized by this Act may be issued for the purchase, redemption, or refunding, at or before maturity, of any outstanding bonds, notes, certificates of indebtedness, Treasury bills, or savings certificates of the United States, and any money received from the sale of such obligations or any other money in the general fund of the Treasury may, under such rules, regulations, terms, and conditions as the Secretary of the Treasury may prescribe, be used for such purchase, redemption, or refunding."

SEC. 5. The authority of the Postmaster General contained in section 6 of the Act of June 25, 1910, as amended (U. S. C., 1940 edition, title 39, sec. 756), and section 22 (c) of the Second Liberty Bond Act, as amended, to prepare and issue postal-savings cards and postal-savings stamps shall terminate on such date as stamps issued by the Secretary of the Treasury pursuant to the authority contained in section 22 (c) of the Second Liberty Bond Act, as amended, are made available for sale to the public; and, as soon as practicable thereafter, the Board of Trustees of the Postal Savings System shall pay to the Secretary of the Treasury a sum equal to the redemption value of all postal-savings stamps outstanding, and after such payment has been made the obligation to redeem such stamps shall cease to be a liability of the Board of Trustees of the Postal Savings System but shall constitute a public debt obligation of the United States.

SEC. 6. Section 4 of the Public Debt Act of 1941 (Public, Numbered 7, Seventy-seventh Congress, first session), is hereby amended to read as follows:

"SEC. 4. (a) Interest upon obligations, and dividends, earnings, or other income from shares, certificates, stock, or other evidences of ownership, and gain from the sale or other disposition of such obligations and evidences of ownership issued on or after the effective date of the Public Debt Act of 1942 by the United States or any agency or instrumentality thereof shall not have any exemption, as such, and loss from the sale or other disposition of such obligations or evidences of ownership shall not have any special treatment, as such, under Federal tax Acts now or hereafter enacted; except that any such obligations which the United States Maritime Commission or the Federal Housing Administration had, prior to March 1,

1941, contracted to issue at a future date, shall when issued bear such tax-exemption privileges as were, at the time of such contract, provided in the law authorizing their issuance. For the purposes of this subsection a Territory, a possession of the United States, and the District of Columbia, and any political subdivision thereof, and any agency or instrumentality of any one or more of the foregoing, shall not be considered as an agency or instrumentality of the United States:

"(b) The provisions of this section shall, with respect to such obligations and evidences of ownership, be considered as amendatory of and supplementary to the respective Acts or parts of Acts authorizing the issuance of such obligations and evidences of ownership, as amended and supplemented.

"(c) Nothing contained herein shall be construed to amend or repeal sections 114 and 115 of the Revenue Act of 1941."

Approved, March 28, 1942.

### Exhibit 30

*Title IV of the Second War Powers Act, 1942 (Public Law 507, March 27, 1942), relating to the purchase by the Federal Reserve Banks of Government obligations*

#### TITLE IV—PURCHASE BY FEDERAL RESERVE BANKS OF GOVERNMENT OBLIGATIONS

SEC. 401. Subsection (b) of section 14 of the Act of December 23, 1913 (38 Stat. 265), otherwise known as the Federal Reserve Act, as amended, is hereby amended by striking out the proviso therein and inserting in lieu thereof the following: "Provided, That any bonds, notes, or other obligations which are direct obligations of the United States or which are fully guaranteed by the United States as to principal and interest may be bought and sold without regard to maturities either in the open market or directly from or to the United States; but all such purchases and sales shall be made in accordance with the provisions of section 12A of this Act and the aggregate amount of such obligations acquired directly from the United States which is held at any one time by the twelve Federal Reserve banks shall not exceed \$5,000,000,000."

### Exhibit 31

*Payment or redemption of bonds and other transferable securities of the United States at maturity, or before maturity pursuant to a call for redemption in accordance with their terms*

[Department Circular No. 666. Public Debt]

IMPORTANT NOTE.—The provisions of this circular are of general application, and will specifically apply only with respect to any transferable public debt securities of the United States that may mature in regular course, or that may be included in an official call for redemption before maturity in accordance with their terms.

TREASURY DEPARTMENT,  
Washington, July 21, 1941.

#### 307.0. Scope of regulations.

The following rules and regulations are hereby prescribed to govern the payment or redemption of transferable securities of the United States, as hereinafter defined. Any provisions of Department Circular No. 300, dated July 31, 1923, as supplemented and amended (31 CFR 306), in conflict with the provisions of these regulations are hereby superseded.<sup>1</sup>

#### SUBPART A. GENERAL PROVISIONS

##### 307.1. Definitions.

(a) *Securities*.—The term "securities" shall include all bonds, notes, certificates of indebtedness, and Treasury bills of the United States, and similar instruments heretofore or hereafter issued by the Secretary of the Treasury as evidence of the public debt of the United States, and include those bearing interest and those

<sup>1</sup> Secs. 307.0 to 307.22, inclusive, issued under the authority contained in: R. S. 161; 5 U. S. C. 22. Sec. 1, 40 Stat. 502; Sec. 1, 40 Stat. 844, 46 Stat. 1506, Sec. 14 (a) (1), 48 Stat. 343, Sec. 1, 49 Stat. 20; Sec. 1, 52 Stat. 447; 31 U. S. C. 752. Sec. 5 (a) Second Liberty Bond Act as added by 46 Stat. 19. Secs. 2 and 3, 49 Stat. 20; 31 U. S. C. 754 and Supp. V, 754 (a). Sec. 10, 36 Stat. 817; 39 U. S. C. 760. Sec. 1, 40 Stat. 1309, Sec. 1401, 42 Stat. 321. Sec. (a) (3), 48 Stat. 343, Sec. 4, 49 Stat. 20; 31 U. S. C. 753 (a) and Supp. V, 753 (a). Sec. 14 (a) (4), 48 Stat. 343; 31 U. S. C. 754 (a).

issued on a discount basis. The word "transferable" shall apply only to securities which are transferable by delivery, or by assignment and delivery, as distinguished from those which by their terms are not transferable, or are transferable only by operation of law, such as United States savings bonds<sup>2</sup> and adjusted service bonds,<sup>3</sup> which are not subject to the provisions of these regulations. The word "securities" will hereinafter be used to refer to transferable securities as defined above, unless otherwise indicated by the context.

(b) *Payment.*—As ordinarily used by the Treasury Department, the term "payment" refers to the payment of securities at maturity, while the term "redemption" refers to payment before maturity pursuant to a call for redemption in accordance with the terms of the securities. For the purposes of these regulations, however, the terms are interchangeable, and the term "redemption" may refer to the discharge of a security by payment either at maturity, or before maturity pursuant to a call for redemption.<sup>4</sup>

### 307.2. Other securities affected.

These regulations so far as appropriate also apply to securities of the general governments and various municipal governments of Puerto Rico and the Philippine Islands, and to those securities issued by wholly-owned corporations and other agencies of the Government for which the Treasury Department acts as transfer agency.<sup>4</sup>

### 307.3. Payment or redemption.

Securities become due for payment at their maturity date, or at such earlier date as they may be called for redemption in accordance with their terms, and the owner thereof, on presentation and surrender of the securities on and after any such date in accordance with the provisions of these regulations, is entitled to receive payment of the principal amount, as hereinafter provided, except as otherwise provided by law or regulations prescribed pursuant to law.<sup>4</sup>

### 307.4. Interest.

Bonds and other, interest-bearing securities will cease to bear interest on the date of their maturity, unless they have been called for redemption before their maturity in accordance with their terms, in which case they will cease to bear interest on the date fixed for redemption in the call. No interest can accrue after a security has become due and payable, whether at maturity or by virtue of a call for redemption before maturity.<sup>4</sup>

## SUBPART B.—BEARER SECURITIES

### 307.5. Presentation and surrender; payment.

Coupon bonds, notes, certificates of indebtedness, Treasury bills, and other bearer securities which have become due and payable, whether at maturity or by virtue of a call for redemption before maturity, are payable in due course to the person presenting and surrendering them for redemption, or to such person as he may designate. Such securities should be presented and surrendered, at the risk and expense of the owner, to any Federal Reserve Bank or branch thereof, or to the Treasurer of the United States, Washington, D. C., accompanied by appropriate written advice. All interest coupons due and payable on or before the date of maturity or date fixed in the call for earlier redemption, as the case may be, should be detached from the securities and collected in regular course. All coupons bearing dates subsequent to a redemption date should be left attached to the securities. Payment of the principal will be made by check drawn to the order of the person presenting and surrendering the securities and, in the absence of other instructions, mailed to him at his address, as given in the accompanying advice. Upon appropriate instruction, the check will be drawn to the order of any other person, and mailed to any other address. A Federal Reserve Bank, upon appropriate request, may make payment to a member bank from which bearer securities are received by crediting the amount in the member bank's account. The Secretary of the Treasury may require satisfactory proof of ownership of any bearer security, or any registered security assigned in blank, or otherwise so as to become, in effect, payable to bearer, which is presented and surrendered for redemption after the lapse of more than a reasonable period of time from the date on which it became due and payable, whether at maturity or earlier redemption date. In any case in which proof of ownership may be required the Secretary

<sup>2</sup> Redemption of United States savings bonds is governed by Department Circular No. 530, Fourth Revision, as amended (31 CFR 315).

<sup>3</sup> Redemption of 3 percent adjusted service bonds of 1945 is governed by Department Circular No. 560, Revised, as amended (31 CFR 313).

<sup>4</sup> For statutory citations, see note to sec. 307.0.

of the Treasury, in his discretion, may also require a bond of indemnity or such other security as he may deem necessary.<sup>4</sup>

#### 307.6. Missing coupons.

If any coupons bearing date subsequent to the redemption date of the securities are missing from bearer securities presented for redemption, the securities nevertheless will be redeemed, but the full face amount of any such missing coupons will be deducted from the payment to be made on account of such redemption, and any amounts so deducted will be held in the Treasury to provide for adjustments or refunds on account of such missing coupons as may subsequently be presented: *Provided, however*, That if it is proved to the satisfaction of the Secretary of the Treasury that any such missing coupons (bearing dates after the redemption date) have been in fact destroyed the amount of such destroyed coupons will not be deducted from the payment on account of redemption, but in any such case the Secretary of the Treasury may require a bond of indemnity or a guarantee by an incorporated bank or trust company.<sup>4</sup>

### SUBPART C.—REGISTERED SECURITIES

#### 307.7. Presentation and surrender; payment.

Registered securities which have become due and payable, whether at maturity or by virtue of a call for redemption before maturity, are payable in due course upon proper assignment by the registered payees or assignees thereof, or by their duly constituted representatives as hereinafter provided. After such assignment, the securities should be presented and surrendered, at the risk and expense of the owner, to any Federal Reserve Bank or branch, or to the Treasury Department, Division of Loans and Currency, Washington, D. C., accompanied by appropriate written advice. In all cases payment will be made by check drawn to the order of the person entitled, and, unless otherwise directed, the check will be mailed to the address given in the form of advice accompanying the securities surrendered. The transfer books for registered securities will close at the close of business one month prior to the date of maturity of such securities, or the date fixed in the call for redemption before maturity in accordance with their terms, and such securities when received after the close of the transfer books will be accepted for cash redemption only. Final interest due will be covered by payments to be made simultaneously with the payments on account of principal, in accordance with the assignments on the securities surrendered, irrespective of the dates of such assignments: *Provided, however*, That in the case of a partial call of an outstanding series for redemption before maturity, final interest will be paid with principal only with respect to those securities included in the last portion called or which mature according to their terms.<sup>4</sup>

#### 307.8. Assignments in general.

A registered security presented for redemption must be duly assigned by or in behalf of the registered payee, and, if assigned to a specified person, it should be reassigned by such assignee and any subsequent assignees. Except as otherwise provided herein, all assignments must conform with the general regulations of the Treasury Department governing assignments as set forth in Department Circular No. 300, as supplemented and amended. (31 CFR 306.)<sup>4</sup>

#### 307.9. Witnessing officers.

In addition to the officers generally authorized to witness assignments of registered securities (including the executive officers of banks and trust companies (and their branches) incorporated under Federal, State, or Territorial laws), assignments of registered securities by registered payees or assignees thereof for redemption for their own account may be witnessed by any of the following officers: (1) United States or Canal Zone postmasters or acting postmasters; (2) assistant postmasters, postal cashiers, and money-order cashiers at United States post offices designated to receive Postal Savings deposits; and (3) notaries public in the United States, its organized Territories, or Puerto Rico; provided that the certificates of acknowledgment of any post-office official must bear a legible imprint of his office stamp, and that of a notary public must bear a legible impression of his official seal and should show the date on which his commission will expire.<sup>4</sup>

#### 307.10. Form of assignment.

If payment is to be made to the registered payee, or to an assignee holding under proper assignment from the registered payee, the securities should be assigned by such payee or assignee, or by a duly constituted representative, to "The Secretary

<sup>4</sup> For statutory citations, see note to sec. 307.0.

of the Treasury for redemption."<sup>5</sup> If it is desired, for any reason, that payment be made to some other person, without intermediate assignment, the securities should be assigned to "The Secretary of the Treasury for redemption for the account of....." (inserting the name and address of the person to whom payment is to be made), but assignments in this form must be completed before acknowledgment, and not left in blank. A representative or fiduciary may not assign for payment to himself individually, unless expressly authorized to do so by court order or by the instrument under which he is acting, but he may assign for payment to himself *in his representative or fiduciary capacity*. An assignment by a representative or fiduciary to "The Secretary of the Treasury for redemption" will be deemed to be an assignment for redemption for his account in his representative or fiduciary capacity.<sup>4</sup>

#### 307.11. Assignments in blank.

Assignments in blank, or other assignments having similar effect, will be recognized in appropriate cases, but securities bearing such assignments will be paid to the person surrendering the securities or to such person as he may designate, since under such assignment the securities become in effect payable to bearer. Assignments in blank or other assignments having similar effect should be avoided, if possible, in order not to lose the protection afforded by registration.<sup>4</sup>

#### 307.12. Detached assignments.

Unless otherwise directed by the Treasury Department or a Federal Reserve Bank in any particular case, all assignments should be made on the securities themselves. If the form or forms on the back of a security have been used or spoiled, and an additional assignment is necessary, a similar form may be written or typed in any convenient space on the back of the security, or such form will be stamped thereon by the Treasury Department or any Federal Reserve Bank, upon presentation for that purpose. If a detached assignment is authorized in any particular case, an appropriate form will be supplied by the Treasury Department or a Federal Reserve Bank.<sup>4</sup>

#### 307.13. Assignments by corporations, associations, etc.

A security registered in the name of, or assigned to, a corporation or unincorporated association will ordinarily be redeemed for the account of such corporation or unincorporated association upon an appropriate assignment for that purpose executed on behalf of the corporation or unincorporated association by a duly authorized officer thereof, without proof of the officer's authority. In all such cases the assignment should be to "The Secretary of the Treasury for redemption," and payment will be made only by check drawn to the order of the corporation or unincorporated association. If redemption for any other account is desired, the assignment should be for redemption for account of the person or corporation desired and must be supported by appropriate resolution or other authority.<sup>4</sup>

#### 307.14. Coowners.

A security registered in the names of two or more persons in their own right in any authorized form of registration will be redeemed without assignment by or in behalf of all the coowners, under the following circumstances and conditions:

(a) If the security is registered in the alternative, as, for example, "John Smith or Mrs. Mary Smith," "John Smith or Mrs. Mary Smith or the survivor," or "John Smith and Mrs. Mary Smith, or either of them," it may be assigned by any one of the coowners for redemption for the account of any person or persons desired, and payment will be made accordingly, irrespective of whether or not the Treasury Department has received notice of the death of any coowner who did not join in the assignment, and irrespective of whether or not the form of registration is one in which the right of survivorship is recognized. In any case coming under the provisions of this subsection an assignment to "The Secretary of the Treasury for redemption" will be deemed to be an assignment for redemption for the account of the coowner or coowners executing the assignment.

(b) If the security is registered jointly, that is, if the names of the coowners are not connected by the word "or," or are not followed by the words "or either of them," or words to that effect, as, for example, "John Smith and Mrs. Mary Smith," "John Smith, William Smith, and Mrs. Mary Smith, or the survivors

<sup>4</sup> For statutory citations, see note to sec. 307.0.

<sup>5</sup> In the case of securities other than United States securities, the name of the issuing agency, or the name of the proper officer thereof, should be substituted for the words, "The Secretary of the Treasury" in assignments for redemption, as, for example, "The Federal Farm Mortgage Corporation," "The Twelve Federal Land Banks," or "The Treasurer of Puerto Rico."

or survivor," or "John Smith and Mary Smith as tenants in common," it may, in the absence of notice of the death of any one of the coowners, be assigned by any one or more of them for redemption for the account of all, and payment will be made accordingly, by check drawn substantially as the security is inscribed.

In any case coming under the provisions of this subsection an assignment to "The Secretary of the Treasury for redemption" will be deemed to be an assignment for redemption for the account of all the coowners.

(c) If the security is registered in any form of registration in which the right of survivorship is recognized, as, for example, "John Smith and Mrs. Mary Smith," or "John Smith and Mrs. Mary Smith or the survivor," and one of the coowners is deceased, it will be redeemed upon assignments by the survivor or survivors for the account of any person or persons desired. The assignment must be supported by satisfactory proof of death and survivorship. In any case coming under the provisions of this subsection an assignment to "The Secretary of the Treasury for redemption" will be deemed to be an assignment for redemption for the account of the surviving coowner or coowners.

In all other cases assignments for redemption must be executed by or on behalf of all the coowners.<sup>4</sup>

### 307.15. Minors.

(a) A security registered in the name of a guardian, curator, or other duly appointed or qualified representative for a minor, or in the name of a minor for whom such representative has been duly appointed or is otherwise duly qualified, must be assigned by such representative, proof of whose appointment, qualification and incumbency must be furnished. Such proof may consist of a certificate under seal from the court in which the appointment is made, dated not more than six months prior to the date of the assignment and containing a statement that at the date of certification the appointment is still in full force and effect.

(b) A security registered in the name of a natural guardian for a minor must be assigned by such natural guardian in the same manner as the security is inscribed unless the minor has attained his majority, in which case proof of that fact must be submitted and the assignment made by the minor himself.

(c) A security registered in the name of a minor for whose estate no representative has been appointed by a court of competent jurisdiction or is otherwise duly qualified; or a security registered in the name of a minor followed by that of his natural guardian, will be redeemed without assignment by a guardian or other duly constituted representative under the following circumstances and conditions:

(1) If the minor's total holdings of registered securities of the issue to be redeemed do not exceed \$250, the security will be redeemed upon assignment by the minor himself if he is of sufficient competency and understanding to sign his name to the assignment and comprehend the nature of the instrument: *Provided*, That, where the security is registered in the name of a minor followed by that of his natural guardian, such natural guardian must join in the assignment, if living and competent: *Provided further*, That, if the minor is not of sufficient competency and understanding to sign his name to the assignment and comprehend the nature of the instrument and the Treasury Department is furnished with satisfactory proof of that fact and of the identity of his natural guardian, the security may be redeemed upon assignment by his natural guardian alone. If the assignment is executed by the minor himself, the certificate of acknowledgment by the witnessing officer will be taken to be sufficient proof of the minor's competency and understanding. Appropriate forms for execution by the natural guardian and the witnessing officer for the purpose of establishing the necessary facts in connection with an assignment by the natural guardian alone will be furnished on request. In all cases arising under this paragraph, the assignment should be in favor of "The Secretary of the Treasury for redemption," and payment will be made by check drawn to the order of the minor registered owner. If the assignment is executed by the natural guardian alone, the name of the minor will be followed by the words, "under natural guardianship of -----" (inserting the name of the natural guardian).

(2) If it is established to the satisfaction of the Secretary of the Treasury that the entire personal estate of the minor does not exceed \$500 in value and that the proceeds of the security are necessary and are to be used for the support or education of the minor, the security may be redeemed upon assignment in the name of the minor by his natural guardian for the account of any person or persons desired. In any case coming under the provisions of this paragraph an assignment to "The Secretary of the Treasury for redemption" will be deemed

<sup>4</sup> For statutory citations, see note to sec. 307.0.

to be an assignment for redemption for the account of the minor under natural guardianship of his recognized natural guardian. Appropriate forms for the use of the natural guardian in making application for redemption and submitting evidence in support thereof will be furnished on request. (If the minor's total holdings of registered securities of the issue to be redeemed do not exceed \$250, the security may be redeemed in accordance with the provisions of paragraph (1) above, without complying with the requirements of this paragraph.)

(3) If the minor's total holdings of registered securities presented for redemption exceed \$250, but do not exceed \$2,500, and the proceeds are not necessary for his support or education, redemption will be made for the purpose of having the proceeds reinvested in other United States transferable securities, or securities guaranteed as to both principal and interest by the United States, in an equal face amount, to be registered in the name of the minor in a form of registration showing also the name of his natural guardian: *Provided*, That in the event the proceeds of redemption of the matured securities, together with accrued interest thereof, if any, are insufficient to purchase an equal face amount of other securities, there will be collected from the natural guardian any additional amount which may be necessary for the purchase of the securities designated in the application, or if the proceeds, including the final installment of interest and any uncollected interest on the securities presented for redemption, are sufficient to purchase additional securities in any authorized denominations, such purchase will be required. In either case the securities must be assigned by the natural guardian supported by an application on Form PD 1365, and the minor should join in the assignment and application if he is of sufficient competency and understanding to comprehend the nature of the transaction, in which case the certificate of acknowledgment by the witnessing officer will be accepted as proof of the minor's competency and understanding; otherwise the Treasury Department will require satisfactory proof that the minor was not of sufficient competency and understanding for such purpose. The application on Form PD 1365 should be submitted with the securities to be redeemed through the Federal Reserve Bank of the district in which the minor resides, which bank will effectuate the redemption of the matured securities and the purchase of new ones.

(4) In all other cases appointment of a representative by a court of competent jurisdiction will be required.<sup>4</sup>

#### 307.16. Incompetents.

A security registered in the name of a person who is under any legal disability other than minority, and for whose estate a guardian, conservator or other representative has been appointed by a court of competent jurisdiction, or a security registered in the name of such representative, must be assigned by the representative, proof of whose appointment and qualification must be furnished unless such representative is named in the registration of the bond. If a security is registered in the name of an incompetent for whose estate no representative has been appointed or is otherwise legally qualified, redemption may, in the discretion of the Secretary of the Treasury, be made upon assignment by a person standing in the position of voluntary guardian for the purpose of having the proceeds invested in other transferable United States securities, or securities guaranteed both as to principal and interest by the United States in an equal face amount to be registered in the name of the person under disability: *Provided, however*, That redemption upon request of a voluntary guardian will not be made if the incompetent's total holdings of the issue to be redeemed exceed \$2,500, in which case a legal representative will be required. Appropriate forms for use in making application for redemption under these circumstances and conditions will be furnished upon request.<sup>4</sup>

#### 307.17. Joint fiduciaries.

A security registered in the names of, or assignable by, two or more persons acting as joint fiduciaries, such as administrators, executors, trustees, or guardians, may be assigned by any one or more of the joint fiduciaries for redemption for the account of all, without the remainder joining in the assignment. The assignment should be to "The Secretary of the Treasury for redemption," and payment will

<sup>4</sup> For statutory citations, see note to sec. 307.0.



be made through a check drawn to the order of all the fiduciaries as such (substituting the names of fiduciaries who are now acting for the names of any fiduciaries who are no longer acting), followed by appropriate reference to the trust instrument or estate. If redemption is to be made for the account of any other person, the assignment should be for redemption for the account of such person and must be executed by all the fiduciaries then acting. Proof of the appointment and qualification of the fiduciaries will be required except in the case of securities registered in the names of those fiduciaries who execute the assignment.<sup>4</sup>

#### SUBPART D.—MISCELLANEOUS

##### 307.18. Transportation of securities.

Securities presented for payment or redemption under these regulations must be delivered to a Federal Reserve Bank or branch, or to the Treasury Department, Washington, D. C., at the expense and risk of the holder. Bearer securities and registered securities bearing assignments in blank, or other assignments having similar effect, should be forwarded by registered mail insured, or by express prepaid. Facilities for transportation of securities by registered mail insured may be arranged between incorporated banks and trust companies and the Federal Reserve Banks, and holders may take advantage of such arrangements when available, utilizing such incorporated banks and trust companies as their agents. Incorporated banks and trust companies are not agents of the United States under these regulations. Registered securities bearing assignments to "The Secretary of the Treasury for redemption" or to "The Secretary of the Treasury for redemption for the account of \_\_\_\_\_" (the name and address of the person to whom payment is to be made being inserted), may be forwarded by registered mail uninsured.<sup>4</sup>

##### 307.19. Time and place of presentation.

In order to facilitate the redemption of securities when due, they should be presented and surrendered in the manner herein prescribed well in advance of (but not exceeding 30 days prior to) the date they will become due and payable. This is particularly important with respect to registered securities, payment of which cannot be made until registration shall have been discharged at the Treasury Department. Redemption will be expedited if the securities are presented to Federal Reserve Banks or branches, and not direct to the Treasury Department. Banking institutions generally will assist holders in securing the redemption of their securities when due.<sup>4</sup>

##### 307.20. Optional exchange offering.

If and when other interest-bearing securities are offered, on an optional exchange basis, to the holders of securities which may become due and payable either at maturity or before maturity by virtue of a call for redemption, owners of such securities desiring to take advantage of the offering should act promptly and should follow the instructions then given rather than the instructions in these regulations, which apply only to securities presented for payment or redemption, and not to those presented for exchange.<sup>4</sup>

##### 307.21. Bond of indemnity.

In any case arising under the provisions of these regulations the Secretary of the Treasury may require a bond of indemnity, if he considers such a bond of indemnity necessary for the protection of the United States. Such bond of indemnity shall be in such form and amount and with such surety, sureties, or security as the Secretary of the Treasury shall require.<sup>4</sup>

##### 307.22. Reservations.

The Secretary of the Treasury reserves the right at any time, or from time to time, to amend, supplement, revise, or withdraw any or all of the provisions of these regulations.<sup>4</sup>

HENRY MORGENTHAU, Jr.  
*Secretary of the Treasury.*

<sup>4</sup> For statutory citations, see note to sec. 307.0.

## Exhibit 32

*Regulations relating to full-paid interim certificates, October 15, 1941*

[Department Circular No. 368, Revised. Public Debt]

TREASURY DEPARTMENT,  
Washington, October 15, 1941.

Department Circular No. 368, dated August 16, 1926, as amended by First Amendment, dated August 18, 1937 (Part 308, Title 31, Chapter III, Code of Federal Regulations), is hereby further amended, and revised to read as follows:

The following regulations relating to full-paid interim certificates are hereby prescribed and published for the information and guidance of all concerned:

308.1. *Issue.*—Federal Reserve Banks, as fiscal agents of the United States, and the Treasury Department may issue full-paid interim certificates in lieu of definitive securities, against full-paid allotments of subscriptions, when specifically authorized by the Secretary of the Treasury in connection with the issue, hereafter, to the public, of United States securities. Interim certificates shall be in such form, and in such denominations, as the Secretary of the Treasury may determine when an issue is authorized.

308.2. *Exchange for definitive securities.*—Upon surrender of a full-paid interim certificate to a Federal Reserve Bank, or to the Treasury Department, Washington, D. C., the definitive securities described therein, when prepared, will be delivered. Exchanges shall be made on like par amount basis.

308.3. *Exchanges of denominations.*—Pending availability of definitive securities, exchanges of authorized denominations of interim certificates, from higher to lower will be permitted.

308.4. *Applicable regulations.*—Except as may otherwise be provided, and insofar as applicable, the general regulations of the Treasury Department, as contained in Department Circular No. 300, as amended or revised, shall apply to full-paid interim certificates.

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

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

## Exhibit 33

*Regulations governing exchanges of interim certificates of 2½ percent Treasury bonds of 1967-72 for definitive coupon bonds, December 15, 1941*

[Department Circular No. 675. Public Debt]

TREASURY DEPARTMENT,  
Washington, December 15, 1941.

*To Holders of full-paid interim certificates of 2½ percent Treasury Bonds of 1967-72, Banks and Trust Companies incorporated in the United States under Federal or State law, and Any Others Concerned:*

SEC. 310.0. *Scope of regulations.*—The provisions of this circular are hereby prescribed as the regulations to govern the exchange of full-paid interim certificates, issued pursuant to Treasury Department Circulars No. 368, Revised, dated October 15, 1941 (6 FR 5289), No. 670, dated October 9, 1941 (6 FR 5150), and No. 672, dated December 4, 1941 (6 FR 6257), for definitive 2½ percent Treasury bonds of 1967-72, dated October 20, 1941, in bearer form with coupons covering interest to maturity attached (which may hereinafter be referred to as definitive coupon bonds, definitive bonds, or definitives).<sup>1</sup>

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

SEC. 310.2. *Exchanges at official agencies.*—Exchanges may be effected beginning January 19, 1942. Interim certificates to be exchanged must be presented

<sup>1</sup> The regulations prescribed in this circular apply to full-paid interim certificates the issue of which was incident to the issue of 2½ percent Treasury bonds of 1967-72 pursuant to the authority of the Second Liberty Bond Act, as amended.

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

SEC. 310.3.<sup>2</sup> *Special arrangements for banks and trust companies.*—It is expected that incorporated banks and trust companies within the United States, generally will offer their services to their customers in effecting exchanges of interim certificates for definitive bonds without expense to the holders, and, accordingly, any holders of interim certificates who avail themselves of any such offer should, of course, present and surrender their interim certificates through such institutions. Any such bank or trust company may arrange with the Federal Reserve Bank of its district for the transportation of interim certificates to the Federal Reserve Bank by registered mail at the expense and risk of the United States. Full information concerning such arrangements will be furnished by Federal Reserve Banks to incorporated banks and trust companies upon application. The interim certificates forwarded by incorporated banks and trust companies to the Federal Reserve Banks for exchange pursuant to such arrangements must be clearly stamped on the face, in indelible ink, with a legend reading as follows: "Presented for exchange for definitive coupon bonds by -----" All

(Name of bank or trust company)

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

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

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

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

FIRST AMENDMENT, JANUARY 2, 1942, TO DEPARTMENT CIRCULAR NO. 675

TREASURY DEPARTMENT,  
Washington, January 2, 1942.

*To Holders of full-paid interim certificates of 2½ percent Treasury Bonds of 1967-72, Banks and Trust Companies incorporated in the United States under Federal or State law, and Any Others Concerned:*

SEC. 310.3 of Department Circular No. 675, dated December 15, 1941, is hereby amended to read as follows:

"SEC. 310.3. *Special arrangements for banks and trust companies.*—It is expected that incorporated banks and trust companies within the United States, generally

<sup>2</sup> Amended, see below.

will offer their services to their customers in effecting exchanges of interim certificates for definitive bonds without expense to the holders, and, accordingly, any holders of interim certificates who avail themselves of any such offer should, of course, present and surrender their interim certificates through such institutions. Any such bank or trust company may arrange with the Federal Reserve Bank of its district for the transportation of interim certificates to the Federal Reserve Bank by registered mail at the expense and risk of the United States. Full information concerning such arrangements will be furnished by Federal Reserve Banks to incorporated banks and trust companies upon application. The interim certificates forwarded by incorporated banks and trust companies to the Federal Reserve Banks for exchange pursuant to such arrangements must be clearly stamped on the face, in indelible ink, with a legend reading as follows: 'Presented for exchange for definitive coupon bonds by \_\_\_\_\_,' or in lieu of

(Name of bank or trust company)

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

D. W. BELL,

*Acting Secretary of the Treasury.*

## SECURITIES GUARANTEED BY THE UNITED STATES

### Exhibit 34

#### *Offering of 1 percent notes of Series W of the Reconstruction Finance Corporation*

On June 24, 1941, Secretary of the Treasury Morgenthau, on behalf of the Reconstruction Finance Corporation, invited subscriptions for 1 percent notes of Series W of the Corporation, in the amount of \$500,000,000, or thereabouts, and at the same time offered to purchase on July 3, 1941, the outstanding notes of Series N of the Corporation, maturing July 20, 1941, to the extent to which the holders of these notes subscribed to the new issue. In the related press release it was stated that approximately \$211,000,000 of Series N notes were then outstanding.

[Department Circular No. 664. Public Debt]

TREASURY DEPARTMENT,  
Washington, June 24, 1941.

#### I. OFFERING OF NOTES AND INVITATION FOR TENDERS

1. The Secretary of the Treasury, on behalf of the Reconstruction Finance Corporation, invites subscriptions, at par and accrued interest, from the people of the United States for notes of the Reconstruction Finance Corporation, designated 1 percent notes of Series W. The amount of the offering is \$500,000,000, or thereabouts.

2. The Secretary of the Treasury, on behalf of the Reconstruction Finance Corporation, offers to purchase on July 3, 1941, at par and accrued interest, the outstanding notes of the Corporation designated Series N, maturing July 20, 1941, to the extent to which the holders thereof subscribe to the issue of Series W notes hereunder. Tenders of Series N notes for that purpose are invited.

## II. DESCRIPTION OF NOTES

1. The notes will be dated July 3, 1941, and will bear interest from that date at the rate of 1 percent per annum, payable on a semiannual basis on October 15, 1941, and thereafter on April 15 and October 15 in each year until the principal amount becomes payable. They will mature April 15, 1944, and will not be subject to call for redemption prior to maturity.

2. The notes will be issued under authority of an act of Congress (known as "Reconstruction Finance Corporation Act") approved January 22, 1932, as amended and supplemented. The income derived from the notes shall be subject to all Federal taxes, now or hereafter imposed. The notes shall be subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any Territory, dependency, or possession of the United States, or by any State, county, municipality, or local taxing authority. These notes shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof.

3. The authorizing act provides that in the event the Reconstruction Finance Corporation shall be unable to pay upon demand, when due, the principal of or interest on notes issued by it, the Secretary of the Treasury shall pay the amount thereof, which is authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, and thereupon to the extent of the amounts so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such notes.

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

## III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Treasury Department, Washington. Subscribers must agree not to sell or otherwise dispose of their subscriptions, or the securities which may be allotted thereon, prior to the closing of the subscription books. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions from holders of Series N notes tendered for purchase should be accompanied by such notes to a par amount equal to the par amount of notes of Series W subscribed for. Other subscriptions from banks and trust companies for their own account will be received without deposit but will be restricted in each case to an amount not exceeding one-half of the combined capital and surplus of the subscribing bank or trust company. Other subscriptions from all others must be accompanied by payment of 10 percent of the amount of notes applied for.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of notes applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, subscriptions from holders of Series N notes who tender them for purchase hereunder will be allotted in full. Allotment notices will be sent out promptly upon allotment, and the basis of the allotment will be publicly announced.

## IV. PAYMENT

1. Payment at par and accrued interest, if any, for notes allotted hereunder must be made or completed on or before July 3, 1941, or on later allotment. In every case where payment is not so completed, the payment with application up to 10 percent of the amount of notes applied for shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. Notes of Series N tendered for purchase must have coupons dated July 20, 1941, attached, and payment will be made at par and accrued interest to July 3, 1941. The principal proceeds of the Series N notes will be applied in payment of the Series W notes, and accrued interest from January 20, 1941, to July 3, 1941, on Series N notes (\$3.96409 per \$1,000) will be paid following acceptance of the notes.

## V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for notes allotted, to make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, Jr.,

Secretary of the Treasury.

## Exhibit 35

*Subscriptions and allotments, Reconstruction Finance Corporation notes of Series W (from press releases, June 25 and 27 and July 2, 1941)*

On June 24, 1941, Secretary of the Treasury Morgenthau announced that the subscription books for the offering of 1 percent notes of Series W of the Reconstruction Finance Corporation closed at the close of business June 24, 1941, except for the receipt of subscriptions from holders of Series N notes of the Corporation who tendered them for purchase by the Secretary in a par amount equal to the par amount of notes of Series W subscribed for. The subscription books for the latter class closed at the close of business June 25. Subscriptions aggregated \$5,273,618,000, of which \$208,668,000 were received from holders of Series N notes. Subscriptions from the holders of Series N notes were allotted in full; and all other subscriptions were allotted 7 percent, but not less than \$1,000 on any one subscription.

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

Federal Reserve district	Subscriptions received from holders of Series N notes (allotted in full)	Other subscriptions		Total subscriptions allotted
		Received	Allotted	
Boston.....	\$8,444,000	\$394,566,000	\$27,839,000	\$36,283,000
New York.....	147,127,000	2,315,704,000	162,605,000	309,732,000
Philadelphia.....	4,224,000	297,375,000	21,010,000	25,234,000
Cleveland.....	8,270,000	342,518,000	24,295,000	32,565,000
Richmond.....	1,451,000	156,694,000	11,376,000	12,827,000
Atlanta.....	1,372,000	241,502,000	21,024,000	22,396,000
Chicago.....	24,349,000	686,377,000	48,794,000	73,143,000
St. Louis.....	1,405,000	110,921,000	8,584,000	9,989,000
Minneapolis.....	1,053,000	97,043,000	6,973,000	8,026,000
Kansas City.....	4,741,000	73,002,000	5,299,000	10,040,000
Dallas.....	1,199,000	83,971,000	6,249,000	7,448,000
San Francisco.....	2,386,000	256,027,000	17,999,000	20,385,000
Treasury.....	2,647,000	9,250,000	618,000	3,295,000
Total.....	208,668,000	5,064,950,000	362,695,000	571,363,000

## Exhibit 36

*Offering of 1½ percent notes of Series G of the Commodity Credit Corporation*

On July 10, 1941, Secretary of the Treasury Morgenthau, on behalf of the Commodity Credit Corporation, invited subscriptions for 1½ percent notes of Series G of the Corporation, in the amount of \$400,000,000, or thereabouts, and at the same time offered to purchase on July 21, 1941, the outstanding notes of Series D of the Corporation, maturing August 1, 1941, to the extent to which the holders of these notes subscribed to the new issue. In the related press release it was stated that \$202,553,000 of Series D notes were then outstanding.

<sup>1</sup> Revised July 19, 1941.

[Department Circular No. 665. Public Debt]

TREASURY DEPARTMENT,  
Washington, July 10, 1941.

#### I. OFFERING OF NOTES AND INVITATION FOR TENDERS

1. The Secretary of the Treasury, on behalf of the Commodity Credit Corporation, invites subscriptions, at par and accrued interest, from the people of the United States for notes of the Commodity Credit Corporation, designated 1½ percent notes of Series G. The amount of the offering is \$400,000,000, or thereabouts.

2. The Secretary of the Treasury, on behalf of the Commodity Credit Corporation, offers to purchase on July 21, 1941, at par and accrued interest, the outstanding notes of the Corporation designated Series D, maturing August 1, 1941, to the extent to which the holders thereof subscribe to the issue of Series G notes hereunder. Tenders of Series D notes for that purpose are invited.

#### II. DESCRIPTION OF NOTES

1. The notes will be dated July 21, 1941, and will bear interest from that date at the rate of 1½ percent per annum, payable on a semiannual basis on February 15 and August 15 in each year until the principal amount becomes payable, the first coupon being dated February 15, 1942. They will mature February 15, 1945, and will not be subject to call for redemption prior to maturity.

2. The notes will be issued under authority of the act approved March 8, 1938 (52 Stat. 107), as amended. The income derived from the notes shall be subject to all Federal taxes, now or hereafter imposed. The notes shall be subject to surtaxes, 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, municipality, or local taxing authority. These notes shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof.

3. The authorizing act provides that in the event the Commodity Credit Corporation shall be unable to pay upon demand, when due, the principal of, or interest on, notes issued by it, the Secretary of the Treasury shall pay to the holder the amount thereof which is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such notes.

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

#### III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Treasury Department, Washington. Subscribers must agree not to sell or otherwise dispose of their subscriptions, or the securities which may be allotted thereon, prior to the closing of the subscription books. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions from holders of Series D notes tendered for purchase should be accompanied by such notes to a par amount equal to the par amount of notes of Series G subscribed for. Other subscriptions from banks and trust companies for their own account will be received without deposit but will be restricted in each case to an amount not exceeding one-half of the combined capital and surplus of the subscribing bank or trust company. Other subscriptions from all others must be accompanied by payment of 10 percent of the amount of notes applied for.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of notes applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, subscriptions from holders of Series D notes who tender them for purchase hereunder will be allotted in full. Allotment notices will be sent out promptly upon allotment, and the basis of the allotment will be publicly announced.

## IV. PAYMENT

1. Payment at par and accrued interest, if any, for notes allotted hereunder must be made or completed on or before July 21, 1941, or on later allotment. In every case where payment is not so completed, the payment with application up to 10 percent of the amount of notes applied for shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. Notes of Series D tendered for purchase must have coupons dated August 1, 1941, attached, and payment will be made at par and accrued interest to July 21, 1941. The principal proceeds of the Series D notes will be applied in payment of the Series G notes, and accrued interest from February 1, 1941, to July 21, 1941, on Series D notes (\$2.93508 per \$1,000) will be paid following acceptance of the notes.

## V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for notes allotted, to make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

HENRY MORGENTHAU, Jr.,  
Secretary of the Treasury.

## Exhibit 37

*Subscriptions and allotments, Commodity Credit Corporation notes of Series G (from press releases, July 11, 15, and 18, 1941<sup>1</sup>)*

On July 10, 1941, Secretary of the Treasury Morgenthau announced that the subscription books for the offering of 1½ percent notes of Series G of the Commodity Credit Corporation closed at the close of business July 10, except for the receipt of subscriptions from holders of Series D notes of the Corporation who tendered them for purchase by the Secretary in a par amount equal to the par amount of Series G subscribed for. Subscriptions aggregated \$5,357,351,000, of which \$200,815,000 were received from holders of Series D notes. Subscriptions from the holders of Series D notes were allotted in full; and all other subscriptions were allotted 4 percent, but not less than \$1,000 on any one subscription.

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

Federal Reserve district	Subscriptions received from holders of Series D notes (allotted in full)	Other subscriptions		Total subscriptions allotted
		Received	Allotted	
Boston.....	\$7,883,000	\$438,500,000	\$17,688,000	\$25,571,000
New York.....	120,796,000	2,374,014,000	95,250,000	216,046,000
Philadelphia.....	5,433,000	282,515,000	11,417,000	16,850,000
Cleveland.....	10,262,000	347,533,000	14,189,000	24,451,000
Richmond.....	4,612,000	158,612,000	6,690,000	11,302,000
Atlanta.....	4,058,000	226,291,000	9,919,000	13,977,000
Chicago.....	24,321,000	686,296,000	28,086,000	52,407,000
St. Louis.....	2,228,000	124,770,000	5,915,000	8,143,000
Minneapolis.....	1,029,000	99,129,000	4,123,000	5,152,000
Kansas City.....	12,884,000	76,930,000	3,235,000	16,119,000
Dallas.....	1,891,000	84,783,000	3,941,000	5,832,000
San Francisco.....	5,328,000	252,358,000	10,135,000	15,463,000
Treasury.....	90,000	4,805,000	193,000	283,000
Total.....	200,815,000	5,156,536,000	210,781,000	411,596,000

<sup>1</sup> Revised Aug. 14, 1941.



## Exhibit 38

*Partial redemption, before maturity, of 2¾ percent mutual mortgage insurance fund debentures, Series B (Sixth call).*

[Department Circular No. 669. Public Debt]

TREASURY DEPARTMENT,

Washington, September 27, 1941.

*To Holders of 2¾ Percent Mutual Mortgage Insurance Fund Debentures, Series B:*

**I. NOTICE OF SIXTH CALL FOR PARTIAL REDEMPTION, BEFORE MATURITY, OF 2¾ PERCENT MUTUAL MORTGAGE INSURANCE FUND DEBENTURES, SERIES B**

The Federal Housing Administrator, with the approval of the Secretary of the Treasury, has issued the following notice of call for partial redemption and offer to purchase with respect to 2¾ percent mutual mortgage insurance fund debentures, Series B:

"Pursuant to the authority conferred by the National Housing Act (48 Stat. 1246; U. S. C., title 12, sec. 1701 et seq.) as amended, public notice is hereby given that 2¾ percent mutual mortgage insurance fund debentures, Series B, of the denominations and serial numbers designated below, are hereby called for redemption, at par and accrued interest, on January 1, 1942, on which date interest on such debentures shall cease:

Denomination	Serial numbers (All numbers inclusive)
\$50.....	839 to 1, 160
\$100.....	3, 113 to 4, 048
\$500.....	1, 191 to 1, 403
\$1,000.....	4, 000 to 4, 999
\$5,000.....	248 to 328
\$10,000.....	31 to 39

"The debentures first issued, as determined by the serial numbers, were selected for redemption by the Federal Housing Administrator, with the approval of the Secretary of the Treasury.

"No transfers or denominational exchanges in debentures covered by the foregoing call will be made on the books maintained by the Treasury Department on or after October 1, 1941. This does not affect the right of the holder of a debenture to sell and assign the debenture on or after October 1, 1941, and provision will be made for the payment of final interest due January 1, 1942, with the principal thereof to the actual owner, as shown by the assignments thereon.

"The Federal Housing Administrator hereby offers to purchase any debentures included in this call at any time from October 1 to December 31, 1941, inclusive, at par and accrued interest, to date of purchase.

"Instructions for the presentation and surrender of debentures for redemption on or after January 1, 1942, or for purchase prior to that date will be given by the Secretary of the Treasury."

**II. TRANSACTIONS IN SIXTH-CALLED DEBENTURES**

1. The debentures included in the foregoing notice of call for partial redemption on January 1, 1942, are hereby designated sixth-called 2¾ percent mutual mortgage insurance fund debentures, Series B, and are hereinafter referred to as sixth-called debentures.

2. Transfers and denominational exchanges in sixth-called debentures will terminate at the close of business on September 30, 1941.

**III. REDEMPTION OR PURCHASE**

1. Holders of sixth-called debentures will be entitled to have such debentures redeemed and paid at par on January 1, 1942, with interest in full to that date, at the rate of \$13.75 per \$1,000. Interest on sixth-called debentures will cease on January 1, 1942.

2. Holders of sixth-called debentures have the privilege of presenting such debentures at any time from October 1 to December 31, 1941, inclusive, for purchase at par and accrued interest, at the rate of \$0.074728 per \$1,000 per day from July 1, 1941, to date of purchase.

**IV. RULES AND REGULATIONS GOVERNING REDEMPTION AND PURCHASE**

1. The United States Treasury Department is the agent of the Federal Housing Administrator for the redemption and purchase of sixth-called debentures. In

accordance with regulations adopted by the Federal Housing Administrator and approved by the Secretary of the Treasury, the assignment, redemption, and purchase of sixth-called debentures will be governed by the general regulations of the Treasury Department with respect to United States bonds and notes, so far as applicable, except as otherwise provided herein.

2. Sixth-called debentures presented for redemption on January 1, 1942, or for purchase from October 1 to December 31, 1941, inclusive, must be assigned by the registered payee or assignee thereof or by their duly constituted representatives in the form indicated in paragraph 3 hereof, and should thereafter be presented and surrendered to any Federal Reserve Bank or to the Division of Loans and Currency, Treasury Department, Washington, D. C., accompanied by appropriate written advice. (Use Form PD 1717.) The debentures must be delivered at the expense and risk of the holders. (See paragraph 8 of this section.) In all cases checks in payment of principal and final interest will be mailed to the address given in the form of advice accompanying the debentures when surrendered.

3. If the registered payee or an assignee holding under proper assignment from the registered payee desires that payment be made to him, the debentures should be assigned by such payee or assignee or by a duly constituted representative to "The Federal Housing Administrator for redemption" or to "The Federal Housing Administrator for purchase," according to whether the debentures are to be presented for redemption on January 1, 1942, or for purchase prior to that date. If it is desired for any reason that payment be made to some other person without intermediate assignment, the debentures should be assigned to "The Federal Housing Administrator for redemption (or purchase) for the account of -----," inserting the name and address of the person to whom payment is to be made.

4. An assignment in blank or other assignment having similar effect will be recognized, but in that event payment will be made to the person surrendering the debenture for redemption or purchase since, under such an assignment, the debenture becomes in effect payable to bearer. Assignments in blank or assignments having similar effect should be avoided, if possible, in order not to lose the protection afforded by registration.

5. Final interest on any sixth-called debentures, whether purchased prior to, or redeemed on or after January 1, 1942, will be paid with the principal in accordance with the assignments on the debentures surrendered.

6. All assignments must be made on the debentures themselves unless otherwise directed by the Treasury Department. Detached assignments will be recognized and accepted in any particular case in which the use of detached assignments is specifically authorized by the Treasury Department. Any assignment not made upon the debenture is considered a detached assignment.

7. A sixth-called debenture registered in the name of, or assigned to, a corporation, will be paid to such corporation on or after January 1, 1942, upon an appropriate assignment for that purpose executed on behalf of the corporation by a duly authorized officer thereof. An assignment so executed and duly attested in accordance with Treasury Department regulations will ordinarily be accepted without proof of the officer's authority. In all cases coming under this provision payment will be made only by check drawn to the order of the corporation. Proof of the authority of the officer assigning on behalf of a corporation will be required, in accordance with the general regulations of the Treasury Department, in the case of assignments for purchase prior to January 1, 1942, and in case of assignments for redemption on or after January 1, 1942, for the account of any person other than the corporation.

8. Debentures presented for redemption or purchase under this circular must be delivered to a Federal Reserve Bank or to the Division of Loans and Currency, Treasury Department, Washington, D. C., at the expense and risk of the holder. Debentures bearing restricted assignments may be forwarded by registered mail, but debentures bearing unrestricted assignments should be forwarded by registered mail insured or by express prepaid.

9. In order to facilitate the redemption of sixth-called debentures on January 1, 1942, any such debenture may be presented and surrendered in the manner herein prescribed in advance of that date but not before December 1, 1941. Such early presentation by holders will insure prompt payment of principal and interest when due.

#### V. GENERAL PROVISIONS

1. Any further information which may be desired regarding the redemption of sixth-called debentures under this circular may be obtained from any Federal Reserve Bank or from the Division of Loans and Currency, Treasury Department,

Washington, D. C., where copies of the Treasury Department's regulations governing assignments may be obtained.

2. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to perform any necessary acts under this circular. The Secretary of the Treasury may at any time or from time to time prescribe supplemental and amendatory rules and regulations governing the matters covered by this circular, which will be communicated promptly to the registered owners of sixth-called debentures.

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

### Exhibit 39

#### *Partial redemption, before maturity, of 2¾ percent mutual mortgage insurance fund debentures, Series B (Seventh call)*

[Department Circular No. 682. Public Debt]

TREASURY DEPARTMENT,  
Washington, March 27, 1942.

#### *To Holders of 2¾ percent Mutual Mortgage Insurance Fund Debentures, Series B:*

#### I. NOTICE OF SEVENTH CALL FOR PARTIAL REDEMPTION, BEFORE MATURITY, OF 2¾ PERCENT MUTUAL MORTGAGE INSURANCE FUND DEBENTURES, SERIES B

The Federal Housing Commissioner, with the approval of the Secretary of the Treasury, has issued the following notice of call for partial redemption and offer to purchase with respect to 2¾ percent mutual mortgage insurance fund debentures, Series B:

"Pursuant to the authority conferred by the National Housing Act (48 Stat. 1246; U. S. C., title 12, sec. 1701 et seq.) as amended, public notice is hereby given that 2¾ percent mutual mortgage insurance fund debentures, Series B, of the denominations and serial numbers designated below, are hereby called for redemption, at par and accrued interest, on July 1, 1942, on which date interest on such debentures shall cease:

<i>Denomination</i>	<i>Serial numbers (All numbers inclusive)</i>
\$50.....	1,161 to 1,342
\$100.....	4,049 to 4,786
\$500.....	1,404 to 1,592
\$1,000.....	5,000 to 5,922
\$5,000.....	329 to 411
\$10,000.....	40 to 44

"The debentures first issued, as determined by the serial numbers, were selected for redemption by the Commissioner, Federal Housing Administration, with the approval of the Secretary of the Treasury.

"No transfers or denominational exchanges in debentures covered by the foregoing call will be made on the books maintained by the Treasury Department on or after April 1, 1942. This does not affect the right of the holder of a debenture to sell and assign the debenture on or after April 1, 1942, and provision will be made for the payment of final interest due July 1, 1942, with the principal thereof to the actual owner, as shown by the assignments thereon.

"The Commissioner of the Federal Housing Administration hereby offers to purchase any debentures included in this call at any time from April 1 to June 30, 1942, inclusive, at par and accrued interest, to date of purchase.

"Instructions for the presentation and surrender of debentures for redemption on or after July 1, 1942, or for purchase prior to that date will be given by the Secretary of the Treasury."

#### II. TRANSACTIONS IN SEVENTH-CALLED DEBENTURES

1. The debentures included in the foregoing notice of call for partial redemption on July 1, 1942, are hereby designated seventh-called 2¾ percent mutual mortgage insurance fund debentures, Series B, and are hereinafter referred to as seventh-called debentures.

2. Transfers and denominational exchanges in seventh-called debentures will terminate at the close of business on March 31, 1942.

## III. REDEMPTION OR PURCHASE

1. Holders of seventh-called debentures will be entitled to have such debentures redeemed and paid at par on July 1, 1942, with interest in full to that date, at the rate of \$13.75 per \$1,000. Interest on seventh-called debentures will cease on July 1, 1942.

2. Holders of seventh-called debentures have the privilege of presenting such debentures at any time from April 1 to June 30, 1942, inclusive, for purchase at par and accrued interest, at the rate of \$0.075967 per \$1,000 per day from January 1, 1942, to date of purchase.

## IV. RULES AND REGULATIONS GOVERNING REDEMPTION AND PURCHASE

1. The United States Treasury Department is the agent of the Federal Housing Commissioner for the redemption and purchase of seventh-called debentures. In accordance with regulations adopted by the Federal Housing Commissioner and approved by the Secretary of the Treasury, the assignment, redemption, and purchase of seventh-called debentures will be governed by the general regulations of the Treasury Department with respect to United States bonds and notes, so far as applicable, except as otherwise provided herein.

2. Seventh-called debentures presented for redemption on July 1, 1942, or for purchase from April 1 to June 30, 1942, inclusive, must be assigned by the registered payee or assignee thereof or by their duly constituted representatives in the form indicated in paragraph 3 hereof, and should thereafter be presented and surrendered to any Federal Reserve Bank or to the Division of Loans and Currency, Treasury Department, Washington, D. C., accompanied by appropriate written advice. (Use Form PD 1759.) The debentures must be delivered at the expense and risk of the holders. (See paragraph 8 of this section.) In all cases checks in payment of principal and final interest will be mailed to the address given in the form of advice accompanying the debentures when surrendered.

3. If the registered payee or an assignee holding under proper assignment from the registered payee desires that payment be made to him, the debentures should be assigned by such payee or assignee or by a duly constituted representative to "The Federal Housing Commissioner for redemption" or to "The Federal Housing Commissioner for purchase," according to whether the debentures are to be presented for redemption on July 1, 1942, or for purchase prior to that date. If it is desired for any reason that payment be made to some other person without intermediate assignment, the debentures should be assigned to "The Federal Housing Commissioner for redemption (or purchase) for the account of-----," inserting the name and address of the person to whom payment is to be made.

4. An assignment in blank or other assignment having similar effect will be recognized, but in that event payment will be made to the person surrendering the debenture for redemption or purchase since, under such an assignment, the debenture becomes in effect payable to bearer. Assignments in blank or assignments having similar effect should be avoided, if possible, in order not to lose the protection afforded by registration.

5. Final interest on any seventh-called debentures, whether purchased prior to or redeemed on or after July 1, 1942, will be paid with the principal in accordance with the assignments on the debentures surrendered.

6. All assignments must be made on the debentures themselves unless otherwise directed by the Treasury Department. Detached assignments will be recognized and accepted in any particular case in which the use of detached assignments is specifically authorized by the Treasury Department. Any assignment not made upon the debenture is considered a detached assignment.

7. A seventh-called debenture registered in the name of, or assigned to, a corporation, will be paid to such corporation on or after July 1, 1942, upon an appropriate assignment for that purpose executed on behalf of the corporation by a duly authorized officer thereof. An assignment so executed and duly attested in accordance with Treasury Department regulations will ordinarily be accepted without proof of the officer's authority. In all cases coming under this provision payment will be made only by check drawn to the order of the corporation. Proof of the authority of the officer assigning on behalf of a corporation will be required, in accordance with the general regulations of the Treasury Department, in the case of assignments for purchase prior to July 1, 1942, and in case of assignments for redemption on or after July 1, 1942, for the account of any person other than the corporation.

8. Debentures presented for redemption or purchase under this circular must be delivered to a Federal Reserve Bank or to the Division of Loans and Currency,

Treasury Department, Washington, D. C., at the expense and risk of the holder. Debentures bearing restricted assignments may be forwarded by registered mail, but debentures bearing unrestricted assignments should be forwarded by registered mail insured or by express prepaid.

9. In order to facilitate the redemption of seventh-called debentures on July 1, 1942, any such debenture may be presented and surrendered in the manner herein prescribed in advance of that date but not before June 1, 1942. Such early presentation by holders will insure prompt payment of principal and interest when due.

#### V. GENERAL PROVISIONS

1. Any further information which may be desired regarding the redemption of seventh-called debentures under this circular may be obtained from any Federal Reserve Bank or from the Division of Loans and Currency, Treasury Department, Washington, D. C., where copies of the Treasury Department's regulations governing assignments may be obtained.

2. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to perform any necessary acts under this circular. The Secretary of the Treasury may at any time or from time to time prescribe supplemental and amendatory rules and regulations governing the matters covered by this circular, which will be communicated promptly to the registered owners of seventh-called debentures.

D. W. BELL,

*Acting Secretary of the Treasury.*

### MONETARY DEVELOPMENTS

#### Exhibit 40

*Joint statement by the Secretary of the Treasury of the United States and the Secretary of the Treasury of Mexico, November 19, 1941, announcing the signing of a stabilization agreement and a silver purchase agreement between the United States and Mexico*

The following joint statement is made by the Secretary of the Treasury of the United States, Mr. Henry Morgenthau, Jr., and by the Secretary of the Treasury of Mexico, Mr. Eduardo Suarez:

"The two Governments, as a part of the over-all arrangements between Mexico and the United States, have today entered into a stabilization agreement and a silver purchase agreement. These arrangements are practical evidence of the good-neighbor policy. These agreements are based upon the principle that the welfare of the two countries is mutual and that common monetary and economic problems can be settled in a spirit of friendly cooperation. The two Treasuries are happy to affirm by these agreements their belief in neighborly cooperation, at a time when force rules so large a part of the world's economy.

"The stabilization agreement, signed today by the Secretary of the Treasury of the United States, the Secretary of the Treasury of Mexico, and Mr. Antonio Espinosa de los Monteros, the representative of the Bank of Mexico, proposes to stabilize the United States dollar-Mexican peso rate of exchange. The agreement provides that up to \$40 millions of the United States stabilization fund will be used for this purpose. The agreement also provides for periodic conferences among representatives of the two Treasuries and the Bank of Mexico to discuss monetary, financial, and economic problems of mutual interest.

"The silver purchase agreement is a month to month arrangement between the United States and Mexico; whereby the United States Treasury undertakes to purchase monthly up to six million ounces of newly mined Mexican silver. The silver will be purchased directly from the Bank of Mexico on a basis similar to the arrangements which were in effect prior to 1938. The silver purchases are made pursuant to the provisions of the Silver Purchase Act of 1934."

#### Exhibit 41

*Announcement, February 27, 1942, of the signing of a stabilization agreement between the United States and Ecuador*

Another step was taken today in promoting closer relations between the United States and the sister Republics of the Hemisphere when Secretary of the Treasury Henry Morgenthau, Jr., Ecuadoran Ambassador Colon Eloy Alfaro, and Ecuadoran Minister-Counselor Eduardo Salazar signed an exchange stabilization agreement.

This agreement between the two Governments provides that up to \$5 millions of the United States stabilization fund will be used for the purpose of stabilizing the United States dollar-Ecuadoran sucre rate of exchange.

The agreement also provides for periodic conferences among representatives of the Secretary of the Treasury and of the Government of Ecuador to discuss monetary, financial, and economic problems of mutual interest.

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#### Exhibit 42

*Announcement, May 5, 1942, of the signing of a stabilization agreement between the United States and Iceland*

As a further link in the closer relations which have developed between the Governments of the United States and of Iceland during the last year, Secretary of the Treasury Henry Morgenthau, Jr., and Icelandic Minister Thor Thors signed an exchange stabilization agreement today.

This agreement between the Government of the United States, the Government of Iceland, and the National Bank of Iceland, provides that up to \$2,000,000 of the United States stabilization fund will be used for the purpose of stabilizing the United States dollar-Icelandic krona rate of exchange.

The agreement also provides for periodic conferences among representatives of the parties to the agreement to discuss monetary, financial, and economic problems of mutual interest.

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#### Exhibit 43

*Joint statement by the Secretary of the Treasury of the United States and the Minister of Foreign Affairs of the Republic of China, March 21, 1942, announcing the signing of an agreement for financial aid to China*

The following is a joint statement made by the Secretary of the Treasury, Mr. Henry Morgenthau, Jr., and His Excellency T. V. Soong, Minister for Foreign Affairs of the Republic of China:

"The United States and China have today entered into an agreement giving effect to the act of Congress unanimously passed by the Senate and House of Representatives authorizing \$500,000,000 of financial aid to China. The agreement, approved by the President and by Generalissimo Chiang Kai-shek, was signed by Secretary Morgenthau on behalf of the United States and by Dr. Soong on behalf of China.

"This financial aid will contribute substantially towards facilitating the great efforts of the Chinese people and their government to meet the financial and economic burdens which have been imposed upon them by almost five years of continuous attack by Japan.

"This agreement is a concrete manifestation of the desire and determination of the United States, without stint, to aid China in our common battle for freedom.

"The final determination of the terms upon which this \$500,000,000 financial aid is given to China, including the benefits to be rendered the United States in return, is deferred until the progress of events after the war makes clearer the final terms and benefits which will be in the mutual interest of the United States and China and will promote the establishment of lasting world peace and security."

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#### Exhibit 44

*Announcement by the Secretary of the Treasury, April 8, 1942, regarding the lend-leasing of the Treasury's free silver stocks to be used as bus bars in aluminum and magnesium plants*

The Secretary of the Treasury, Henry Morgenthau, Jr., announced today that the Treasury Department had been asked to work out some means for making the free silver stocks of the Treasury available for use in connection with war production and thereby release substantial amounts of vitally needed copper. The General Counsel of the Treasury, after study of the problem, has concluded that there is legal authority to lend-lease the free silver stocks of the Treasury for this purpose. The Attorney General concurs in this view.

Under the plan which has been approved by the President, the silver would be made available to Government-owned and privately owned plants engaged in war production, particularly aluminum and magnesium plants. Title to the silver would remain in the Treasury. The silver would not become a part of the products of the war production plants, nor would the silver be used up. The silver would be used in the plants (where such articles as bus bars are now made of copper) so as to permit substantially all of the silver to be returned to the Treasury after the termination of the war.

There are at present over 1,360,000,000 ounces of free silver in the Treasury which can be used for this purpose. Its use will release more than 40,000 tons of copper for other war production requirements.

#### Exhibit 45

*Title XII of the Second War Powers Act, 1942 (Public Law 507, March 27, 1942), relating to the coinage of 5-cent pieces*

#### TITLE XII—COINAGE OF 5-CENT PIECES

SEC. 1201. Notwithstanding any other provision of law, the Director of the Mint shall cause the metallic content of all 5-cent pieces coined after the effective date of this title and prior to December 31, 1946, to be one-half silver and one-half copper: *Provided*, That the Director of the Mint, with the approval of the Secretary of the Treasury and the Chairman of the War Production Board, is authorized to vary the proportions of silver and copper and to add other metals if such action would be in the public interest. Such 5-cent pieces shall be deemed to be minor coins or coinage and not silver coins, subsidiary silver coins, silver coinage, or subsidiary silver coinage within the meaning of the monetary laws of the United States.

SEC. 1202. For the coinage of such 5-cent pieces the Secretary of the Treasury is hereby authorized to allocate to the Director of the Mint, at such times and in such amounts as the Secretary deems necessary, any silver bullion in the monetary stocks of the United States not then held for redemption of any outstanding silver certificates. Silver so allocated shall be accounted for by entries in the fund established for the purchase of metal for minor coinage: *Provided*, That the value of any silver bullion accounted for in said fund shall not be considered for the purpose of determining the statutory limit of said fund: *Provided further*, That the gain from the minor coinage provided for by this title shall be accounted for by entries in the minor coinage profit fund.

SEC. 1203. No silver-copper ingots shall be used for the minor coinage provided for by this title which differ from the legal standard by more than ten-thousandths. In adjusting the weight of such minor coins there shall be no greater deviation allowed than four grains for each piece.

SEC. 1204. For the purpose of section 3529 of the Revised Statutes (U. S. C., title 31, sec. 341), the 5-cent pieces provided for by this title shall be deemed to be copper.

SEC. 1205. Upon redemption any 5-cent pieces coined in accordance with the provisions of this title shall after December 31, 1946, be allocated to the Director of the Mint for melting and for subsidiary silver coinage. Any 5-cent pieces coined in accordance with the provisions of this title but not issued by the Mint may after December 31, 1946, be allocated, in such amounts and at such times as the Secretary of the Treasury in his discretion may determine, to the Director of the Mint for melting and for subsidiary silver coinage. All 5-cent pieces allocated to the Director of the Mint in accordance with this section shall be accounted for by entries in the fund established for the purchase of silver bullion for subsidiary silver coinage. Upon coinage into subsidiary silver coins of the metal contained in the 5-cent pieces so allocated, the gain shall be accounted for by entries in the silver-profit fund.

SEC. 1206. This title shall become effective sixty days after approval.

## FOREIGN FUNDS CONTROL, ETC.

## Exhibit 46

*Executive orders relating to the control of foreign funds and foreign-owned property*

## EXECUTIVE ORDER NO. 8832, JULY 26, 1941

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

By virtue of the authority vested in me by section 5 (b) of the act of October 6, 1917 (40 Stat. 415), as amended, and by virtue of all other authority vested in me, I, Franklin D. Roosevelt, President of the United States of America, do hereby amend Executive Order No. 8389 of April 10, 1940, as amended, by changing the period at the end of subdivision (j) of section 3 of such order to a semi-colon and adding the following new subdivision thereafter:

- (k) June 14, 1941—  
China, and  
Japan.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, July 26, 1941.

## EXECUTIVE ORDER NO. 8963, DECEMBER 9, 1941

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

By virtue of the authority vested in me by section 5 (b) of the act of October 6, 1917 (40 Stat. 415), as amended, and by virtue of all other authority vested in me, I, Franklin D. Roosevelt, President of the United States of America, do hereby amend Executive Order No. 8389 of April 10, 1940, as amended, by changing the period at the end of subdivision (k) of section 3 of such order to a semi-colon and adding the following new subdivision thereafter:

- (l) June 14, 1941—  
Thailand.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, December 9, 1941.

## EXECUTIVE ORDER NO. 8998, DECEMBER 26, 1941

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

By virtue of the authority vested in me by sections 3 (a) and 5 (b) of the Trading With the Enemy Act of October 6, 1917 (40 Stat. 415), as amended by Title III of the First War Powers Act, 1941 (Public No. 354, 77th Congress), and by virtue of all other authority vested in me, I, Franklin D. Roosevelt, President of the United States of America, do hereby amend Executive Order No. 8389 of April 10, 1940, as amended, in the following respects:

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

- (m) June 14, 1941—  
Hong Kong.

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

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

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

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

"(iv) Any person to the extent that such person is, or has been, or to the extent that there is reasonable cause to believe that such person is, or has



been, since such effective date, acting or purporting to act directly or indirectly for the benefit or on behalf of any of the foregoing."

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

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, December 26, 1941.

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Exhibit 47

*Amendment, July 26, 1941, to regulations of the Secretary of the Treasury relative to the control of foreign funds and foreign-owned property.*

TREASURY DEPARTMENT,  
Washington, July 26, 1941.

The Regulations of April 10, 1940, as amended (sections 130.1 to 130.7), are hereby amended so that reports on Form TFR-300 shall be filed with respect to all property subject to the jurisdiction of the United States on the opening of business on July 26, 1941, as well as with respect to all property subject to the jurisdiction of the United States on the opening of business on June 1, 1940, and with respect to all property subject to the jurisdiction of the United States on the opening of business on June 14, 1941, in which on the respective dates China or Japan or any national thereof had any interest of any nature whatsoever, direct or indirect. Such reports shall be filed by the persons specified in section 130.4 of the regulations and in the manner prescribed in the regulations.

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

Approved: July 26, 1941.

FRANKLIN D. ROOSEVELT

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Exhibit 48

*Proclamation, July 17, 1941, authorizing a proclaimed list of certain blocked nationals and controlling certain exports*

I, Franklin D. Roosevelt, President of the United States of America, acting under and by virtue of the authority vested in me by section 5 (b) of the act of October 6, 1917 (40 Stat. 415) as amended and section 6 of the act of July 2, 1940 (54 Stat. 714) as amended and by virtue of all other authority vested in me, and by virtue of the existence of a period of unlimited national emergency and finding that this proclamation is necessary in the interest of national defense, do hereby order and proclaim the following:

SECTION 1. The Secretary of State, acting in conjunction with the Secretary of the Treasury, the Attorney General, the Secretary of Commerce, the Administrator of Export Control, and the Coordinator of Commercial and Cultural Relations between the American Republics, shall from time to time cause to be prepared an appropriate list of

(a) certain persons deemed to be, or to have been acting or purporting to act, directly or indirectly, for the benefit of, or under the direction of, or under the jurisdiction of, or on behalf of, or in collaboration with Germany or Italy or a national thereof; and

(b) certain persons to whom, or on whose behalf, or for whose account, the exportation directly or indirectly of any article or material exported from the United States, is deemed to be detrimental to the interest of national defense.

In similar manner and in the interest of national defense, additions to and deletions from such list shall be made from time to time. Such list and any additions thereto or deletions therefrom shall be filed pursuant to the provisions of the Federal Register Act and such list shall be known as "The Proclaimed List of Certain Blocked Nationals."

SECTION 2. Any person, as long as his name appears in such list, shall, for the purpose of section 5 (b) of the act of October 6, 1917, as amended, and for the purpose of this proclamation, be deemed to be a national of a foreign country, and shall be treated for all purposes under Executive Order No. 8389, as amended, as though he were a national of Germany or Italy. All the terms and provisions of Executive Order No. 8389, as amended, shall be applicable to any such person so

long as his name appears in such list, and to any property in which any such person has or has had an interest, to the same extent that such terms and provisions are applicable to nationals of Germany or Italy, and to property in which nationals of Germany or Italy have or have had an interest.

SECTION 3. The exportation from the United States directly or indirectly to, or on behalf of, or for the account of any person so long as his name appears on such list of any article or material the exportation of which is prohibited or curtailed by any proclamation heretofore or hereafter issued under the authority of section 6 of the act of July 2, 1940, as amended, or of any other military equipment or munitions, or component parts thereof, or machinery tools, or material, or supplies necessary for the manufacture, servicing, or operation thereof, is hereby prohibited under section 6 of the act of July 2, 1940, as amended, except (1) when authorized in each case by a license as provided for in Proclamation No. 2413 of July 2, 1940, or in Proclamation No. 2465 of March 4, 1941, as the case may be, and (2) when the Administrator of Export Control under my direction has determined that such prohibition of exportation would work an unusual hardship on American interests.

SECTION 4. The term "person" as used herein means an individual, partnership, association, corporation or other organization.

The term "United States" as used herein means the United States and any place subject to the jurisdiction thereof, including the Philippine Islands, the Canal Zone, and the District of Columbia and any other Territory, dependency or possession of the United States.

SECTION 5. Nothing herein contained shall be deemed in any manner to limit or restrict the provisions of the said Executive Order No. 8389, as amended, or the authority vested thereby in the Secretary of the Treasury and the Attorney General. So far as the said Executive Order No. 8389, as amended, is concerned, "The Proclaimed List of Certain Blocked Nationals," authorized by this proclamation, is merely a list of certain persons with respect to whom and with respect to whose property interests the public is specifically put on notice that the provisions of such Executive order are applicable; and the fact that any person is not named in such list shall in no wise be deemed to mean that such person is not a national of a foreign country designated in such order, within the meaning thereof, or to affect in any manner the application of such order to such person or to the property interests of such person.

In witness whereof, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

Done at the city of Washington this 17th day of July, in the year of our Lord nineteen hundred and forty-one, and of the independence of the United States of America the one hundred and sixty-sixth.

FRANKLIN D. ROOSEVELT.

By the President:

SUMNER WELLES,  
Acting Secretary of State.

#### Exhibit 49

*Executive Order No. 9193, July 6, 1942, amending Executive Order No. 9095 establishing the Office of Alien Property Custodian and defining its functions and duties and related matters*

By virtue of the authority vested in me by the Constitution, by the First War Powers Act, 1941, by the Trading With the Enemy Act of October 6, 1917, as amended, and as President of the United States, it is hereby ordered as follows:

Executive Order No. 9095 of March 11, 1942, is amended to read as follows:

"1. There is hereby established in the Office for Emergency Management of the Executive Office of the President the Office of Alien Property Custodian, at the head of which shall be an Alien Property Custodian appointed by the President. The Alien Property Custodian shall receive compensation at such rate as the President shall approve and in addition shall be entitled to actual and necessary transportation, subsistence, and other expenses incidental to the performance of his duties. Within the limitation of such funds as may be made available for that purpose, the Alien Property Custodian may appoint assistants and other personnel and delegate to them such functions as he may deem necessary to carry out the provisions of this Executive order.

"2. The Alien Property Custodian is authorized and empowered to take such action as he deems necessary in the national interest, including, but not limited to, the power to direct, manage, supervise, control or vest, with respect to:

"(a) any business enterprise within the United States which is a national of a designated enemy country and any property of any nature whatsoever owned or controlled by, payable or deliverable to, held on behalf of or on account of or owing to or which is evidence of ownership or control of any such business enterprise, and any interest of any nature whatsoever in such business enterprise held by an enemy country or national thereof;

"(b) any other business enterprise within the United States which is a national of a foreign country and any property of any nature whatsoever owned or controlled by, payable or deliverable to, held on behalf of or on account of or owing to or which is evidence of ownership or control of any such business enterprise, and any interest of any nature whatsoever in such business enterprise held by a foreign country or national thereof, when it is determined by the Custodian and he has certified to the Secretary of the Treasury that it is necessary in the national interest, with respect to such business enterprise, either (i) to provide for the protection of the property, (ii) to change personnel or supervise the employment policies, (iii) to liquidate, reorganize, or sell, (iv) to direct the management in respect to operations, or (v) to vest;

"(c) any other property within the United States owned or controlled by a designated enemy country or national thereof, not including in such other property, however, cash, bullion, moneys, currencies, deposits, credits, credit instruments, foreign exchange and securities except to the extent that the Alien Property Custodian determines that such cash, bullion, moneys, currencies, deposits, credits, credit instruments, foreign exchange and securities are necessary for the maintenance or safeguarding of other property belonging to the same designated enemy country or the same national thereof and subject to vesting pursuant to section 2 hereof;

"(d) any patent, patent application, design patent, design patent application, copyright, copyright application, trademark or trademark application or right related thereto in which any foreign country or national thereof has any interest and any property of any nature whatsoever (including, without limitation, royalties and license fees) payable or held with respect thereto, and any interest of any nature whatsoever held therein by any foreign country or national thereof;

"(e) any ship or vessel or interest therein, in which any foreign country or national thereof has an interest; and

"(f) any property of any nature whatsoever which is in the process of administration by any person acting under judicial supervision or which is in partition, libel, condemnation or other similar proceedings and which is payable or deliverable to, or claimed by, a designated enemy country or national thereof.

"When the Alien Property Custodian determines to exercise any power and authority conferred upon him by this section with respect to any of the foregoing property over which the Secretary of the Treasury is exercising any control and so notifies the Secretary of the Treasury in writing, the Secretary of the Treasury shall release all control of such property, except as authorized or directed by the Alien Property Custodian.

"3. Subject to the provisions of this Executive order, all powers and authority conferred upon me by sections 3 (a) and 5 (b) of the Trading With the Enemy Act, as amended, are hereby delegated to the Secretary of the Treasury or any person, agency, or instrumentality designated by him; *Provided, however,* That when any property or interest, not belonging to a foreign government or central bank, shall be vested by the Secretary of the Treasury, such property or interest shall be vested in, and dealt with by, the Alien Property Custodian upon the terms directed by the Secretary of the Treasury. Except as otherwise provided herein, this Executive order shall not be deemed to modify or amend Executive Order No. 8389, as amended, or the President's Proclamation of July 17, 1941, or Executive Order No. 8839, as amended, or the regulations, rulings, licenses and other action taken thereunder, or in connection therewith.

"4. Without limitation as to any other powers or authority of the Secretary of the Treasury or the Alien Property Custodian under any other provision of this Executive order, the Secretary of the Treasury and the Alien Property Custodian are authorized and empowered, either jointly or severally, to prescribe from time to time, regulations, rulings, and instructions to carry out the purposes of this Executive order. The Secretary of the Treasury and the Alien Property Custodian each shall make available to the other all information in his files to enable the other to discharge his functions, and shall keep each other currently informed as to investigations being conducted with respect to enemy ownership or control of business enterprises within the United States.

"5. The Alien Property Custodian is authorized to issue appropriate regulations governing the service of process or notice upon any person within any desig-

nated enemy country or any enemy-occupied territory in connection with any court or administrative action or proceeding within the United States. The Alien Property Custodian also is authorized to take such other and further measures in connection with representing any such person in any such action or proceeding as in his judgment and discretion is or may be in the interest of the United States. If, as a result of any such action or proceeding, any such person obtains, or is determined to have, an interest in any property (including money judgments), such property, less an amount equal to the costs and expenses incurred by the Alien Property Custodian in such action or proceeding, shall be subject to the provisions of Executive Order No. 8389, as amended: *Provided, however,* That this shall not be deemed to limit the powers of the Alien Property Custodian under section 2 of this order: *And provided further,* That the Alien Property Custodian may vest an amount of such property equal to the costs and expenses incurred by the Alien Property Custodian in such action or proceeding.

"6. To enable the Alien Property Custodian to carry out his functions under this Executive order, there are hereby delegated to the Alien Property Custodian or any person, agency, or instrumentality designated by him all powers and authority conferred upon me by section 5 (b) of the Trading With the Enemy Act, as amended, including, but not limited to, the power to make such investigations and require such reports as he deems necessary or appropriate to determine whether any enterprise or property should be subject to his jurisdiction and control under this Executive order. The powers and authority conferred upon the Alien Property Custodian by Executive Order No. 9142 shall be administered by him in conformity with the provisions of this Executive order.

"7. In the exercise of the authority herein delegated, the Alien Property Custodian shall be subject to the provisions of Executive Order No. 8339 of July 30, 1941, and shall designate a representative to the Board of Economic Warfare in accordance with section 6 thereof.

"8. All records and other property (including office equipment) of the Treasury Department which are used primarily in the administration of powers and duties to be exercised by the Alien Property Custodian, and such personnel as is used primarily in the administration of such powers and duties and which was hired by the Treasury Department after September 1, 1941 (including officers whose chief duties relate to the administration of such powers and duties), as the Secretary of the Treasury and the Alien Property Custodian shall jointly certify for transfer, shall be transferred to the Office of the Alien Property Custodian. In the event of disagreement concerning the transfer of any personnel, records, or property, the determination shall be made by the Director of the Bureau of the Budget, pursuant to the formula here prescribed. Any personnel transferred pursuant to this Executive order shall be transferred without loss of such civil service status or eligibility therefor as they may have.

"9. This Executive order shall not be deemed to modify or amend Executive Order No. 8843 of August 9, 1941, and the regulations, rulings, licenses and other action taken thereunder. Any and all action heretofore taken by the Secretary of the Treasury or the Alien Property Custodian, or by any person, agency, or instrumentality designated by either of them, pursuant to sections 3 (a) and 5 (b) of the Trading With the Enemy Act, as amended, or pursuant to prior Executive orders, and any and all action heretofore taken by the Board of Governors of the Federal Reserve System pursuant to Executive Order No. 8843 of August 9, 1941, are hereby confirmed and ratified.

"10. For the purpose of this Executive order:

"(a) The term 'designated enemy country' shall mean any foreign country against which the United States has declared the existence of a state of war (Germany, Italy, Japan, Bulgaria, Hungary and Rumania) and any other country with which the United States is at war in the future. The term 'national' shall have the meaning prescribed in section 5 of Executive Order No. 8389, as amended: *Provided, however,* That persons not within designated enemy countries (even though they may be within enemy-occupied countries or areas) shall not be deemed to be nationals of a designated enemy country unless the Alien Property Custodian determines: (i) that such person is controlled by or acting for or on behalf of (including cloaks for) a designated enemy country or a person within such country; or (ii) that such person is a citizen or subject of a designated enemy country and within an enemy-occupied country or area; or (iii) that the national interest of the United States requires that such person be treated as a national of a designated enemy country. For the purpose of this Executive order any determination by the Alien Property Custodian that any property or interest of any foreign country or national thereof is the property or interest of a designated enemy country or national thereof shall be final and conclusive as to the power of the Alien Property

Custodian to exercise any of the power or authority conferred upon me by section 5 (b) of the Trading With the Enemy Act, as amended.

"(b) The term 'business enterprise within the United States' shall mean any individual proprietorship, partnership, corporation, or other organization primarily engaged in the conduct of a business within the United States, and any other individual proprietorship, partnership, corporation, or other organization to the extent that it has an established office within the United States engaged in the conduct of business within the United States.

"11. The Secretary of the Treasury or the Alien Property Custodian, as the case may be, shall, except as otherwise agreed to by the Secretary of State, consult with the Secretary of State before vesting any property or interest pursuant to this Executive order, and the Secretary of the Treasury shall consult with the Secretary of State before issuing any order adding any additional foreign countries to section 3 of Executive Order No. 8389, as amended.

"12. Any orders, regulations, rulings, instructions, licenses or other actions issued or taken by any person, agency or instrumentality referred to in this Executive order, shall be final and conclusive as to the power of such person, agency or instrumentality to exercise any of the power or authority conferred upon me by sections 3 (a) and 5 (b) of the Trading With the Enemy Act, as amended; and to the extent necessary and appropriate to enable them to perform their duties and functions hereunder, the Secretary of the Treasury and the Alien Property Custodian shall be deemed to be authorized to exercise severally any and all authority, rights, privileges and powers conferred on the President by sections 3 (a) and 5 (b) of the Trading With the Enemy Act of October 6, 1917, as amended, and by sections 301 and 302 of Title III of the First War Powers Act, 1941, approved December 18, 1941. No person affected by any order, regulation, ruling, instruction, license or other action issued or taken by either the Secretary of the Treasury or the Alien Property Custodian shall be entitled to challenge the validity thereof or otherwise excuse his actions, or failure to act, on the ground that pursuant to the provisions of this Executive order, such order, regulation, ruling, instruction, license or other action was within the jurisdiction of the Alien Property Custodian rather than the Secretary of the Treasury or vice versa.

"13. Any regulations, rulings, instructions, licenses, determinations or other actions issued, made or taken by any agency or person referred to in this Executive order, purporting to be under the provisions of this Executive order or any other proclamation, order or regulation, issued under sections 3 (a) or 5 (b) of the Trading With the Enemy Act, as amended, shall be conclusively presumed to have been issued, made or taken after appropriate consultation as herein required and after appropriate certification in any case in which a certification is required pursuant to the provisions of this Executive order."

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, July 6, 1942.

*Statement issued by the White House at the time the Executive order was issued*

The following statement is offered in explanation of the above order:

The President has signed an Executive order allocating powers and functions between the Alien Property Custodian and the Secretary of the Treasury with respect to property of enemy, neutral, and occupied countries and their nationals.

The Executive order provides for the following division:

1. The Alien Property Custodian will handle:

(a) Enemy-owned or controlled businesses (including dummies) operating in the United States and the dollar balances and other assets of such businesses.

(b) Businesses owned or controlled by nationals of neutral or occupied countries and which are now under Treasury regulation where the Alien Property Custodian certifies that it is necessary in the national interest for him to assume control in order (i) to protect the property; (ii) to remove personnel or supervise employment policies; (iii) to liquidate, reorganize or sell the business; (iv) to manage the business; or (v) to vest the business.

(c) All other enemy property except dollar balances, bullion and securities unless the dollars, bullion or securities of an enemy are needed by the Alien Property Custodian in the management of other property taken from the same enemy.

(d) All foreign-owned patents, copyrights, and trade-marks.

(e) Foreign ships (particularly that group of enemy-owned ships which the United States has libeled and are now involved in judicial forfeiture proceedings).

(f) All forms of property and claims of enemy nationals involved in estates,

trusts, receivership proceedings, etc. The Alien Property Custodian would also handle the representation of the interest of enemy nationals and persons in occupied countries in judicial and administrative proceedings in the United States and the Alien Property Custodian will issue regulations governing the service of process on such persons.

2. The Treasury will continue to handle:

(a) The dollar balances, bullion and securities of governments or nationals except those which belong to an enemy business.

(b) All property of the occupied and neutral countries and their nationals except those particular business enterprises where the Alien Property Custodian determines that it is necessary in the national interest for him to assume control.

(c) All transactions or business dealings with countries frozen under the freezing orders including the control of all trade and commercial communications with the enemy and enemy-controlled countries.

(d) All other phases of freezing control which it has handled in the past or which may hereafter arise.

3. Both the Alien Property Custodian and the Treasury will be given full powers under section 5 (b) of the Trading With the Enemy Act, as amended by the First War Powers Act, to enable them to discharge their respective functions with the further stipulation that should the Secretary of the Treasury have occasion to vest any property (other than the assets of foreign governments and central banks), such property will be vested in and dealt with by the Alien Property Custodian upon the terms directed by the Secretary of the Treasury. Appropriate provision is made for consultation with the State Department before either the Treasury or the Alien Property Custodian does any vesting.

4. The Secretary of the Treasury also retains the powers under section 3 (a) of the Trading With the Enemy Act, as amended, in order to enable the Treasury to continue its present control over transactions involving trade and communication with the enemy.

#### Exhibit 50

*Sections 301, 302, and 303 of the First War Powers Act, 1941 (Public Law 354, December 18, 1941), ratifying actions, regulations, etc., of the Secretary of the Treasury under the Trading With the Enemy Act*

SEC. 301. The first sentence of subdivision (b) of section 5 of the Trading With the Enemy Act of October 6, 1917 (40 Stat. 411), as amended, is hereby amended to read as follows:

"(1) During the time of war or during any other period of national emergency declared by the President, the President may, through any agency that he may designate, or otherwise, and under such rules and regulations as he may prescribe, by means of instructions, licenses, or otherwise—

"(A) investigate, regulate, or prohibit, any transactions in foreign exchange, transfers of credit or payments between, by, through, or to any banking institution, and the importing, exporting, hoarding, melting, or earmarking of gold or silver coin or bullion, currency or securities, and

"(B) investigate, regulate, direct and compel, nullify, void, prevent or prohibit, any acquisition, holding, withholding, use, transfer, withdrawal, transportation, importation or exportation of, or dealing in, or exercising any right, power, or privilege with respect to, or transactions involving, any property in which any foreign country or a national thereof has any interest,

by any person, or with respect to any property, subject to the jurisdiction of the United States; and any property or interest of any foreign country or national thereof shall vest, when, as, and upon the terms, directed by the President, in such agency or person as may be designated from time to time by the President, and upon such terms and conditions as the President may prescribe such interest or

property shall be held, used, administered, liquidated, sold, or otherwise dealt with in the interest of and for the benefit of the United States, and such designated agency or person may perform any and all acts incident to the accomplishment or furtherance of these purposes; and the President shall, in the manner hereinabove provided, require any person to keep a full record of, and to furnish under oath, in the form of reports or otherwise, complete information relative to any act or transaction referred to in this subdivision either before, during, or after the completion thereof, or relative to any interest in foreign property, or relative to any property in which any foreign country or any national thereof has or has had any interest, or as may be otherwise necessary to enforce the provisions of this subdivision, and in any case in which a report could be required, the President may, in the manner hereinabove provided, require the production, or if necessary to the national security or defense, the seizure, of any books of account, records, contracts, letters, memoranda, or other papers, in the custody or control of such person; and the President may, in the manner hereinabove provided, take other and further measures not inconsistent herewith for the enforcement of this subdivision.

"(2) Any payment, conveyance, transfer, assignment, or delivery of property or interest therein, made to or for the account of the United States, or as otherwise directed, pursuant to this subdivision or any rule, regulation, instruction, or direction issued hereunder shall to the extent thereof be a full acquittance and discharge for all purposes of the obligation of the person making the same; and no person shall be held liable in any court for or in respect to anything done or omitted in good faith in connection with the administration of, or in pursuance of and in reliance on, this subdivision, or any rule, regulation, instruction, or direction issued hereunder.

"(3) As used in this subdivision the term 'United States' means the United States and any place subject to the jurisdiction thereof, including the Philippine Islands, and the several courts of first instance of the Commonwealth of the Philippine Islands shall have jurisdiction in all cases, civil or criminal, arising under this subdivision in the Philippine Islands and concurrent jurisdiction with the district courts of the United States of all cases, civil or criminal, arising upon the high seas: *Provided, however,* That the foregoing shall not be construed as a limitation upon the power of the President, which is hereby conferred, to prescribe from time to time, definitions, not inconsistent with the purposes of this subdivision, for any or all of the terms used in this subdivision."

SEC. 302. All acts, actions, regulations, rules, orders, and proclamations heretofore taken, promulgated, made, or issued by, or pursuant to the direction of, the President or the Secretary of the Treasury under the Trading With the Enemy Act of October 6, 1917 (40 Stat. 411), as amended, which would have been authorized if the provisions of this Act and the amendments made by it had been in effect, are hereby approved, ratified, and confirmed.

SEC. 303. Whenever, during the present war, the President shall deem that the public safety demands it, he may cause to be censored under such rules and regulations as he may from time to time establish, communications by mail, cable, radio, or other means of transmission passing between the United States and any foreign country he may from time to time specify, or which may be carried by any vessel or other means of transportation touching at any port, place, or Territory of the United States and bound to or from any foreign country. Any person who willfully evades or attempts to evade the submission of any such communication to such censorship or willfully uses or attempts to use any code or other device for the purpose of concealing from such censorship the intended meaning of such communication shall, upon conviction, be fined not more than \$10,000, or, if a natural person, imprisoned for not more than ten years, or both; and the officer, director, or agent of any corporation who knowingly participates in such violation shall be punished by a like fine, imprisonment, or both, and any property, funds, securities, papers, or other articles or documents, or any vessel, together with her tackle, apparel, furniture, and equipment, concerned in such violation shall be forfeited to the United States.

## Exhibit 51

*Administration of the wartime financial and property controls of the United States Government*<sup>1</sup>

## INTRODUCTION

The freedom-loving peoples of the world are presently engaged in a great struggle against the forces of aggression. In the course of a tremendous but futile drive towards world domination, the Axis has thrown ships, planes, tanks, guns and men forward on a scale never before seen. Nor are the armies, with whose might the Axis propagandists have been vainly trying to terrorize us, fighting alone.

By economic penetration, the Axis has opened an "unseen front" whose aim is enslavement rather than trade. We are faced with the fact that for years the activities of the Axis economic system have been directed with a single-mindedness that is almost incredible toward the strengthening of Axis military might. For the Axis "businessman", no transaction has been too small and no commodity too insignificant to escape attention. By control of corporations, by accumulating stocks of raw materials, by carefully directed but unlimited bribery, by the use of force and the threat of force, and by any other methods which come to hand, the Axis has, for years, been carrying on an undeclared economic war. Throughout the world, the powerful I. G. Farben, Mitsubishi and similar interests have been plotting the downfall of the free peoples who gave them an opportunity to prosper and grow rich by honest trade.

Opposing the economic penetration of the Axis are the economic forces of the democracies, which formerly were geared to peaceful pursuits, and are now transformed to, and growing stronger and stronger in, their war array. The tremendous industrial power of the United States is now fully directed to the production of war materials, and the flow of war supplies to the armies fighting the Axis throughout the world has now become a torrent. No force on earth can long withstand the might of the democracies.

Many things which the enemy requires for the continuation of his aggression are not within his borders nor are they available from areas under Axis control. Products of the Western Hemisphere, of Africa, and of Asia are urgently required for an efficient operation of the Axis war machine. Modern warfare, which is dependent on large-scale production of the powerful and complicated war machines of today, is also dependent on the operation of a highly complex system of production, transportation and communication. A complicated machine is likely to be more powerful than a simple machine, but it is at the same time certain that a shortage of one or two essential agents of production will cause more damage to the complicated mechanism.

One major purpose of the economic war being carried on by the United Nations is to prevent the Axis from obtaining from the outside world the strategic resources which it needs. We must force the Axis to live and fight with the limited resources at its command. Our object is to destroy the bomber before it is a bomber, to smash the tank before it is a tank, and to eradicate the submarine before it can go to sea. The success of this economic war is measured in lives saved and resources conserved through the speed with which ultimate victory is achieved.

It is necessary not only to keep the Axis from getting the materials it requires, but also to insure that we are able to get all the materials and services that we need. To this end, it is imperative to eliminate Axis agents and sympathizers from positions in which they are able to damage trade, sabotage production, dissipate resources, or in other ways weaken our own economic power. The germs of Axis infiltration must be eradicated from every free country or, like any other malignant germs, they will seize upon any moment of weakness in the body which harbors them to spread the disease they represent.

It is almost literally true that today any transaction engaged in by any person anywhere in the world affects to some extent the outcome of this war. From this standpoint, it is the function of the economic warfare agencies of the Government of the United States to observe the operation of the world economy from the point of view of winning the war against the Axis, and, wherever possible, to control the machinery of international trade and finance in such a way that the Axis benefits little, while the enemies of aggression gain much. One important weapon which has been developed to assist in this great program is the freezing control.

<sup>1</sup> This publication was prepared for the Inter-American Conference on Systems of Economic and Financial Control which convened on June 30, 1942, in Washington, D. C.



## GENERAL PURPOSES OF FINANCIAL AND PROPERTY CONTROLS

Executive Order No. 8389, as amended—the so-called freezing control order—issued pursuant to section 5 (b) of the Trading With the Enemy Act, is one of the most important weapons which this country employs in its program of active economic warfare.

Freezing control was initiated April 10, 1940, when Germany invaded Norway and Denmark. On that day the President, by Executive Order No. 8389, prohibited transactions involving Norwegian and Danish property within the United States except as authorized by the Secretary of the Treasury. As other countries were invaded or dominated by the Axis, the Control was successively extended during the summer and fall of 1940 to the assets of the Netherlands, Belgium, France and the Baltic and Balkan States. In June 1941, the Control was extended to Germany and Italy and to the rest of continental Europe.<sup>1</sup> On July 26, 1941, when Japan overran Indo-China, the Control was invoked against Japan. At the same time, freezing control was extended to China at the specific request of Generalissimo Chiang Kai-shek in order to assist China in the control of its economy and in order to prevent Japan from using the occupied areas in China as a loophole for evading freezing control.

At present, the Control covers over \$7 billions of assets and the transactions of more than 35 countries, including all of continental Europe (except Turkey), China, Japan and the countries occupied by Japan, and the nationals of all these countries. The frozen assets in this country consist not only of bank deposits, gold, and securities, but also of a great number of business enterprises, as well as merchandise, patents and other forms of property. The Control now affects all financial, commercial and trade transactions in which the following countries<sup>2</sup> or their nationals have an interest, whether such transactions are purely domestic transactions or transactions in foreign exchange or foreign trade: Norway, Denmark, the Netherlands, Belgium, Luxembourg, France (including Monaco), Latvia, Estonia, Lithuania, Rumania, Bulgaria, Hungary, Yugoslavia, Greece, Albania, Andorra, Austria, Czechoslovakia, Danzig, Finland, Germany, Italy, Liechtenstein, Poland, Portugal, San Marino, Spain, Sweden, Switzerland, China, Japan, Thailand and Hong Kong. The freezing control order also provides for the automatic freezing of the assets of any other territory which is controlled by the military, naval or police forces or other authority of a foreign country designated in the order. Under this provision the assets of the Philippine Islands, British Malaya (including Singapore), and occupied Burma have been blocked.

On December 18, 1941, the First War Powers Act, 1941, was approved, which amended section 5 (b) of the Trading With the Enemy Act, under which the freezing control orders had been issued. This act amplified the powers contained in previous legislation, giving the President broader authority over all foreign-owned property, including the power to vest such property. After the enactment of this act, a large number of Axis business enterprises were closed down and compelled to liquidate, while some of the largest Axis business enterprises have already been vested in the Alien Property Custodian.

At its inception, Foreign Funds Control had as its primary purpose the protection of the assets within the United States of invaded countries in order to prevent their falling into the hands of the invaders and in order to protect American institutions from possible adverse claims. As the international crisis deepened, and as the scope of the Control was widened to include more and more countries, it soon became apparent that the Control was a sharp and valuable weapon of economic warfare with which telling blows could be struck at the Axis powers. The objectives toward which the United States has been striving in administering Foreign Funds Control may be summarized as follows:

(a) The complete severance of all financial and commercial intercourse, trade and communication, direct or indirect, between the United States and the Axis and Axis-dominated countries.

(b) The prevention of all financial and commercial intercourse and trade between the United States and any country outside the Western Hemisphere which directly or indirectly benefits the Axis.

(c) The prevention of all financial, commercial and trade transactions between the United States and any other American Republic which directly or indirectly benefit the Axis, including all transactions which benefit real

<sup>1</sup> The Union of Soviet Socialist Republics was also declared a blocked country at this time, but when she was invaded by Germany, Russia was effectively lifted out of the Control.

<sup>2</sup> It should be noted that as used in the freezing control order, the term "foreign country" includes any territory, dependency, dominion, possession, or place subject to the jurisdiction thereof.

or juridical persons within the American Republics whose influence or activity is deemed inimical to the security of the Western Hemisphere.

(d) The elimination of all financial and commercial activities engaged in by real or juridical persons within the United States whose influence or activity is deemed inimical to the security of the Western Hemisphere.

By depriving the Axis nations of the use of the dollar assets of countries which they invade and of the means through which to acquire other dollar assets, the Control has greatly impaired the ability of those nations to finance propaganda, sabotage and other subversive activities in the United States and other areas of strategic importance to this country. Moreover, in denying to the Axis powers the use of commercial and financial facilities of the United States the enemy has been forced to resort to less effective means of carrying out transactions and in many cases, has been forced to abandon such activities altogether. By controlling and regulating business enterprises in which they wielded an influence, the Control has aimed to destroy the nerve centers for Axis activities.

The Control has not been confined to the regulation of banking and financial transactions. The far-reaching character of the freezing program has been dramatically demonstrated in a variety of fields of economic activities.

In the field of securities and currency operations the Control has operated to deprive the Axis nations of the fruits of conquest by preventing the disposal of looted securities and currency in this country.

In the trade and commercial field, the Control has been an important instrument available to this Government for regulating all exports and imports between the United States and a large portion of the world. The stringency with which it can operate may be seen in the complete stoppage of all trade with Japan which it successfully accomplished even prior to the outbreak of the war on December 7. The freezing program in the trade field has been implemented by the promulgation of The Proclaimed List of Certain Blocked Nationals.

In the business enterprise field, wide authority has been exercised in eliminating dangerous Axis influences. Approximately 3,000 business enterprises have been operating within the United States under license. The blocked enterprises have been required to provide detailed information regarding their organization, capital structure, officers and directors, relationships with other companies, nature of operations and principal customers. From information obtained from all sources concerning Axis-owned or dominated enterprises, more stringent forms of control have been exercised by subjecting some enterprises to rigid supervision, requiring the dismissal of a number of executives and employees, by compelling the liquidation of many enterprises, and by vesting the capital stock in large enterprises owned or controlled by Axis nationals. Since a number of those business enterprises had been used as a base of operations to carry out Axis plans to control production, to hold markets in this Hemisphere, to support fifth-column movements, and to weld our post-war economy to Axis plans, the forms of control thus exercised have been of inestimable value in the war on the economic front.

#### THE ADMINISTRATION OF FINANCIAL AND PROPERTY CONTROLS

The effective application of freezing control measures is not accomplished merely by the enactment of suitable legislation and the establishment of appropriate regulations. It requires an active and flexible administrative organization which is able effectively to enforce the purposes of the Control. It requires a competent and imaginative staff capable of rapid adjustment to constantly changing problems and thoroughly familiar with the aims of the Control and with the technique which may be used. The Treasury Department has created such an organization which is now operating on a nation-wide scale.

Under the general direction of Edward H. Foley, Jr., General Counsel of the Treasury Department, the policies of the Control are determined in accordance with general war policies of the United States Government.\* John W. Pehle, Assistant to the Secretary, is Director of the Control, the central office of which is located in Washington. A staff of lawyers, under the direction of Bernard Bernstein, Assistant General Counsel of the Treasury Department, devotes its entire time to freezing control problems, and the services of highly trained economists in the Division of Monetary Research under the direction of H. D. White, Assistant to the Secretary, are employed in the analysis and solution of the many and complex problems of economic and financial policy confronting the Control.

Because the activities of the Foreign Funds Control affect so many aspects of

\*On August 7, 1942, Edward H. Foley, Jr., was succeeded by Randolph Paul.

domestic and international trade and finance it is necessary for the administration of the Control to cooperate closely with many other Government agencies. The major policy decisions are frequently considered by interdepartmental groups. A close liaison is maintained with the Department of State, Office of Censorship, Board of Economic Warfare, Maritime Commission, the Navy and War Departments, and other interested agencies.

The size of the administrative organization required to carry out a freezing control program obviously depends on a number of factors. In the United States, with 15,000 banks engaging in transactions likely to be affected by the freezing regulations, with 7 billion dollars of assets subject to the Control, and with thousands of transactions daily which can be effected only pursuant to license, the administrative organization required is larger than that which would be required in a country with fewer banks, with fewer international financial transactions and with a smaller volume of assets subject to control. Many problems which are met with in the administration of the Control in the United States would be absent in other countries, which would, therefore, require a less elaborate organization. Many of these other countries have had exchange controls for a number of years, which are effective instruments in any program of economic warfare.

The organization of the administration of the Foreign Funds Control is governed by the many problems which confront the Control. These problems group themselves into certain broad categories. Of course, a major problem of administration is that of dealing with applications for licenses to effect transactions subject to the Control. As much of this work as possible has been delegated to the Federal Reserve Banks, which, as pointed out below, act as the agents of the Treasury Department in administering the Control. However, there remains a large number of important cases which must be dealt with by the Control office. The development of techniques of enforcing compliance with the policies of the Control represents an important problem of administration. The gathering and reviewing of pertinent information relating to transactions subject to the Control and to individuals and business enterprises operating under licenses, or suspected of evading or violating the freezing regulations are another important aspect of the work. Adequate information on such matters is of fundamental importance to the effective operation of the Control. The desirability of organizing in the administration of the Control appropriate units to deal with the many problems requiring special study or extended consideration has been apparent from the beginning. There is also a separate group of problems involving transactions of foreign governments and foreign government agencies which constitutes a field that obviously presents many problems requiring special handling. Finally, it is important to provide for the maintenance of adequate records and reports and for the recruitment of trained personnel.

At present the central office is organized into five major divisions. The Field Investigative Staff is responsible for conducting investigations in various parts of the United States of suspected evasions or violations of the freezing control and for obtaining information from individuals and business concerns in the United States which may be of assistance in the administration of the Control. The Licensing Division is made up of the various sections which pass on those applications for specific licenses that are referred to the central office. The Enforcement Division is made up of various sections which obtain and coordinate significant information bearing on the activities of the individuals and business concerns subject to the freezing control and which initiate administrative action against persons guilty of evasions or violations of the freezing regulations. The Office of the Assistant to the Director deals with various special problems, with applications for licenses which concern foreign governments, with maintaining liaison with the Federal Reserve Banks, and with the handling of correspondence. The Executive Office is responsible for the management of the mechanical facilities required for the operation of the Control, for the handling of files and records and for personnel administration.

As the direct application of the freezing control is effected principally through the banking system, the Treasury selected the twelve Federal Reserve Banks to act as its field offices in administering the Control. Each of these Federal Reserve Banks maintains close contact with the banks and other financial institutions in its district and thus provides effective regional administration of the policies established by the Control. The individual banks, in turn, are kept advised through the Federal Reserve Banks of the rules and regulations concerning transactions affected by the freezing order and they thus regulate their own operations and those of their customers in accordance with the policies of the Treasury.

Department. The administrative advantages of operating through the twelve Federal Reserve Banks and the 15,000 commercial banks in the United States cannot be over-emphasized. The Foreign Funds Control is able over night to reach the banks of the country and to put into effect new regulations as demanded by rapidly changing conditions. The Foreign Funds Control has succeeded from the beginning in obtaining the cooperation of the banks in the United States and has placed upon them the primary responsibility for the enforcement of the provisions of the freezing order and for the adherence to the terms of the licenses issued thereunder.

The Federal Reserve Banks are kept advised as to the policies to be followed in acting on various types of applications with which they are authorized to deal. In addition, wherever possible, the Treasury Department issues public interpretations and rulings embodying major policy decisions with respect to certain types of transactions falling within the scope of the freezing order. Although there are obviously many cases in which the reasons for Foreign Funds Control action cannot be publicly explained, the Control has made every effort to advise interested parties of the various rulings and actions affecting them.

Because of the broad nature of the prohibitions contained in the freezing order there are naturally many transactions which are not in any way inimical to the purposes of the Control and for which it was deemed undesirable to require individual licenses. In cases in which a definite policy has been established it has been possible to issue general licenses which, under appropriate safeguards, and, in some cases, with provisions for reports, permit certain types of transactions to be effected without the necessity of specific licenses being applied for. For instance, a person in the United States owing money to a blocked national may pay such funds into a blocked bank account under General License No. 1. A large number of harmless transactions are thus facilitated. General License No. 1, however, does not authorize foreign exchange transactions or any payment to a blocked account as a part of another transaction which does require a license. Another example may be found in General License No. 33 which permits, under certain terms and conditions, limited remittances for living expenses to citizens of the United States who are within blocked countries other than enemy countries. A third case in which a general license has been issued to cover a large volume of transactions may be found in General License No. 4 which permits banking institutions within the United States to liquidate security accounts held for blocked nationals provided the proceeds are credited to a blocked account. The use of the general license technique has been found to be of great assistance in simplifying the administration of the Control. It is important to realize that the issuance of a general license does not involve a relaxation of the Control, with respect to the type of transaction covered by such license. In appropriate cases, general licenses require the filing of detailed reports which can be carefully examined by the staff of the Foreign Funds Control and individual investigations are made by the investigative staff whenever there is reason to suspect that any individual or business concern is making use of a general license for the purposes of engaging in activities contrary to the national interest.

The techniques of enforcing the policies of the Control are as various as the types of transactions subject to the Control. As has been noted above the major part of the enforcement is done by the banks themselves. A bank which participates in a transaction in violation of the freezing order or regulations is not only subject to severe penalties but also likely to find that contracts entered into in violation of such regulations are unenforceable. Thus, the banks have an interest in enforcing the order both because of their desire to cooperate in the war effort and because of the fact that they may be held criminally or civilly responsible for any transactions in violation of the freezing regulations in which they are involved. In recognition of the fact that a heavy responsibility is placed on the banks for transactions which, in many cases, they themselves do not initiate and with respect to which they may not be in possession of all the facts, the Treasury Department has generally taken a lenient view of unintentional or purely technical violations.

When important evasions or violations of the Control are discovered there are a number of types of administrative measures which may be put into effect, in addition to criminal prosecutions. If a resident of the United States who is not blocked is found to be participating in transactions which enable some blocked national to evade the operation of the Control, his accounts can be blocked, his business put under surveillance or supervision, and all transactions in which he is interested subjected to a rigorous supervision. These measures may be and are taken even if the individuals involved are United States citizens.

A blocked national who is found to be violating any licenses under which he may be conducting his operations may have such licenses revoked and may be excluded from the privileges of various general licenses to which he would otherwise be entitled.

Persons outside of the United States who have accounts or other property within the United States may have similar enforcement measures applied against their property. While it is not possible directly to control the actions of individuals outside of the United States, it is possible to penalize them heavily for activities considered to be a hindrance to the prosecution of the war by refusing to license the use of their funds or the operation of their properties in this country, and, in extreme cases, by vesting title to such property in the Government of the United States. Such persons may be declared to be enemy nationals. They are then excluded from the privilege of trading with the United States or even of receiving communications from persons in the United States with respect to their interests here.

Foreign banks and financial concerns, whether blocked nationals or not, may find themselves the object of powerful sanctions if their activities are found to be undesirable. It lies within the power of the Foreign Funds Control to block the funds of such enterprises to the extent that they are acting on behalf of nationals of blocked countries. It is, therefore, to the advantage of such concerns to cooperate with the United States Government.

The Enforcement Division of the Control has accumulated a vast mass of factual material relating to individuals and business enterprises both within the United States and abroad which are engaged in transactions coming within the scope of the freezing controls. This information is organized for speedy use, and expert investigators are constantly occupied in correlating the available material and reporting significant facts to the administrative offices of the Control. The results of such investigations are also made available to the Federal Reserve Banks in appropriate instances.

#### MAJOR OBJECTIVES AND ACCOMPLISHMENTS OF THE WARTIME FINANCIAL AND PROPERTY CONTROLS

##### A. CUTTING OFF OF FINANCIAL AND COMMERCIAL TRANSACTIONS WITH NATIONS WHICH HAVE COMMITTED AN ACT OF AGGRESSION AGAINST THE AMERICAN CONTINENT, AND NATIONS DOMINATED BY THEM

Under Executive Order No. 8389, and by virtue of General Ruling No. 11, all transactions involving trade or communication directly or indirectly with enemy territory are completely cut off unless individually licensed by the Secretary of the Treasury; and it is the strict and determined policy of the Treasury Department not to issue any licenses involving trade or communication with enemy territory.

Enemy territory is defined as meaning the territory of Germany, Italy and Japan, together with the territory controlled or occupied by the military, naval or police forces or other authority of Germany, Italy or Japan. The territory so controlled or occupied includes: the territory of Albania; Austria; that portion of Belgium within continental Europe; Bulgaria; that portion of Burma occupied by Japan; that portion of China occupied by Japan; Czechoslovakia; Danzig; that portion of Denmark within continental Europe; Estonia; that portion of France within continental Europe occupied by Germany or Italy; French Indo-China; Greece; Hong Kong; Hungary; Latvia; Lithuania; Luxembourg; British Malaya; that portion of the Netherlands within continental Europe; that portion of the Netherlands East Indies occupied by Japan; Norway; that portion of the Philippine Islands occupied by Japan; Poland; Rumania; San Marino; Thailand; that portion of the Union of Soviet Socialist Republics occupied by Germany; Yugoslavia; and any other territory controlled or occupied by Germany, Italy or Japan.

Included in the prohibition of transactions involving trade or communication with enemy territory are financial and commercial transactions involving the sending, taking, bringing, transportation, importation, exportation, or transmission of, or the attempt to send, take, bring, transport, import, export or transmit

(i) any letter, writing, paper, telegram, cablegram, wireless message, telephone message or other communication of any nature whatsoever, or

(ii) any property of any nature whatsoever, including any goods, wares, merchandise, securities, currency, stamps, coin, bullion, money, checks, drafts, proxies, powers of attorney, evidences of ownership, evidences of indebtedness, evidences of property or contracts

directly or indirectly to or from enemy territory.

In addition, under the laws and regulations administered by the Office of Censorship, no person may send or attempt to send any communication out of the United States intended to be delivered (directly or indirectly) to enemy territory, whether such communication is of a financial or commercial nature or of a purely personal nature.

A few examples of the types of transactions which are prohibited by the above-mentioned provisions of law are the following:

(1) No person within the United States may send any communication to any person within Germany, Italy or Japan or within any territory controlled or occupied by Germany, Italy or Japan.

(2) No person within the United States may send any communication to any person within any unoccupied country outside the Western Hemisphere (such as Switzerland), which is intended to be delivered to any person within Germany, Italy or Japan or within any territory controlled or occupied by Germany, Italy or Japan.

(3) No person within the United States may send any communication to any person in any part of the Western Hemisphere to be delivered to any person within Germany, Italy or Japan or within any territory controlled or occupied by Germany, Italy or Japan.

(4) No person within the United States may engage in any financial or commercial transaction on the basis of instructions received from any person within Germany, Italy or Japan or within any territory controlled or occupied by Germany, Italy or Japan. Furthermore, any such incoming communications are subject to censorship by the Office of Censorship.

(5) No person within the United States may engage in any financial or commercial transactions on the basis of instructions received from any person within any unoccupied country outside the Western Hemisphere, if such instructions were in fact transmitted through the person within the unoccupied country by a person within Germany, Italy or Japan, or within any territory controlled or occupied by Germany, Italy or Japan. Furthermore, any such incoming communications are subject to censorship by the Office of Censorship.

(6) No person within the United States may engage in any financial or commercial transactions on the basis of instructions received from any person within any part of the Western Hemisphere, if such instructions were in fact transmitted through the person within the Western Hemisphere by a person within Germany, Italy or Japan or within any territory controlled or occupied by Germany, Italy or Japan. Furthermore, any such incoming communications are subject to censorship by the Office of Censorship.

It may be noted that, in accordance with this strict policy of the United States Government, applications by United States banks to communicate with their branch offices in enemy territory have been consistently denied. Furthermore, the remittance of funds to United States citizens in enemy territory is not permitted. The only allowance which is made for American citizens resident in enemy territory is pursuant to an arrangement whereby \$60 to \$80 per month may be paid to such American citizens for living expenses through the Department of State and the Government of Switzerland representing the interests of the United States.

Furthermore, it should be noted that the prohibitions against trade or communication within enemy territory are applicable to any persons who are subject to the jurisdiction of the United States regardless of where located outside of enemy territory. This includes all citizens of the United States wheresoever located; all concerns organized under the laws of the United States or which have their principal place of business in the United States, including any agent, subsidiary or affiliate of any such concern wheresoever located; and any concern which is owned or controlled by any other concern subject to the jurisdiction of the United States. Accordingly, United States concerns operating in South America or Central America are prohibited from having any financial, business, trade or other commercial dealings with persons or firms within enemy territory. Thus, a South American branch of a New York corporation may not have any dealings

with an individual or concern situated within Germany, Italy or Japan or within any territory controlled or occupied by Germany, Italy or Japan.

The United States Government has effectively cut off all financial and commercial transactions, as well as communications of its nationals with the aggressor nations and nations dominated by them.

## B. CUTTING OFF OF FINANCIAL AND COMMERCIAL TRANSACTIONS WITH OTHER NATIONS OUTSIDE THE WESTERN HEMISPHERE WHEN OF BENEFIT TO NATIONS WHICH HAVE COMMITTED AN ACT OF AGGRESSION AGAINST THE AMERICAN CONTINENT

The extent to which Foreign Funds Control permits financial and commercial transactions with nations outside the Western Hemisphere other than the aggressor nations and the nations dominated by them is dependent upon the political situation with respect to each such nation and upon the degree of likelihood that such nations and their nationals are engaging in transactions for the benefit of the Axis.

The areas outside the Western Hemisphere may be broadly segregated into the six following categories on the basis of the restriction or controls imposed by this Government under the freezing controls:

1. Non-blocked countries not within the Generally Licensed Trade Area,<sup>1</sup> such as Turkey, Persia (Iran), Afghanistan and Liberia.

2. Non-blocked countries in the Generally Licensed Trade Area, such as the British Commonwealth of Nations and Russia.

3. Blocked countries within the Generally Licensed Trade Area but not within the Western Hemisphere, such as the Belgian Congo, French Equatorial Africa (including the Cameroons), Syria, Lebanon, New Caledonia, Tahiti, and the French establishments in India.

4. The four neutral European countries having general licenses: Portugal, Spain, Sweden and Switzerland.

5. Blocked countries which are not in enemy or enemy occupied territory such as Unoccupied France and the French colonies.

6. China.

### 1. COUNTRIES NOT WITHIN THE GENERALLY LICENSED TRADE AREA WHICH ARE NOT BLOCKED

Trade transactions with these countries, which include Turkey, Persia, Afghanistan and Liberia, may be effected without Foreign Funds Control licenses provided no blocked national has an interest, direct or indirect, in the transaction. However, in this as in all other cases, if a blocked national has an interest in any transaction with one of these countries (or if the transaction involves property affected by the interest of a blocked national), the transaction may be effected only under license issued by Foreign Funds Control.

Trade transactions with these countries requiring specific licenses from Foreign Funds Control are subjected to careful scrutiny by our Control, and no transactions are permitted if any benefit would result to any enemy or enemy occupied country; or if any benefit would accrue to a person residing anywhere whose sympathies and activities were beneficial to the aggressor nations and the nations dominated by them.

Transactions with these areas are also closely scrutinized to see that they are not used as a channel for the transmission of goods to or from enemy territory. In other words, these unblocked countries are not permitted, within the limitations of the Control, to be a channel for trade with the enemy.

Trade with these countries is, of course, subject to other governmental controls, and the fact that such countries are not blocked does not relieve shippers of the necessity of conforming to the regulations of other agencies of this Government which may require the obtaining of export licenses, priorities, allocations and the observance of established price ceilings.

The other regulatory bodies of the Government also follow a policy similar to that of Foreign Funds Control, and, for instance, do not grant export licenses in

<sup>1</sup> The Generally Licensed Trade Area is defined in General License No. 53 issued under the freezing control order and includes: (i) the American Republics; (ii) the British Commonwealth of Nations; (iii) the Union of Soviet Socialist Republics; (iv) the Netherlands West Indies; (v) the Belgian Congo and Ruanda-Urundi; (vi) Greenland; (vii) Iceland; (viii) Syria and Lebanon; and (ix) French Equatorial Africa, New Caledonia, Tahiti and the French establishments in India.

respect to trade transactions which would result in channeling trade through an unblocked country to enemy territory.

Foreign Funds Control does not, of course, permit any transaction, directly or indirectly, with any person named on the Proclaimed List located within any such country, except in isolated transactions which are of overwhelming benefit to the war effort or to the defense of the Western Hemisphere.

Communications with countries in this category do not require a license from the Office of Censorship, but that body does reserve the right to censor all communications with such countries and to take any action to prevent or restrict the transmission of such communications in accordance with the established policies of that office which are, of course, based on preventing any communication deemed inimical to the war effort or to the defense of the Western Hemisphere. The Office of Censorship does not permit such countries to be a channel for indirect communications with enemy or enemy occupied territory.

## 2. NON-BLOCKED COUNTRIES IN THE GENERALLY LICENSED TRADE AREA, SUCH AS THE BRITISH COMMONWEALTH OF NATIONS AND RUSSIA

None of the countries, dominions, colonies or protectorates comprising the British Commonwealth of Nations has been blocked except those areas occupied by the aggressor nations. As in the case of the countries in the first category, trade and financial transactions with these areas are not regulated or restricted by Foreign Funds Control unless such transactions are affected with the interest of a national of a blocked country.

To meet the problem of trade transactions in which a blocked national residing in one of these countries has an interest, Foreign Funds Control included these countries within the Generally Licensed Trade Area as defined in General License No. 53 issued by the Treasury Department. As a result of this action, legitimate trade transactions involving such nationals can be consummated with the United States and with other members of the United Nations and the other American Republics without the necessity of obtaining a specific license for each transaction. Transactions with nationals who are located in one of these countries and who are themselves objectionable, e. g., "enemy nationals", are not authorized by this license.

It will be seen that inclusion of a country in the Generally Licensed Trade Area constitutes a distinct advantage for that country. Legitimate trade transactions involving nationals of blocked countries located within the countries included in the Generally Licensed Trade Area are not required to be the subject of specific license applications, whereas such transactions with nationals of blocked countries located in unblocked countries which are not included in the Generally Licensed Trade Area may only be effected after specific licenses have been obtained.

Although Russia was blocked on June 14, 1941, at the time that freezing control was extended to the remaining unblocked countries in Europe, a general license was granted on June 24, 1941, immediately following the German attack on Russia, licensing Russia as a generally licensed country. This had the effect of removing Russia and nationals of Russia from the restrictions and regulations of the freezing control. Under this arrangement, trade and financial transactions with Russia have the same status as those with countries which never have been blocked and which are located within the Generally Licensed Trade Area.

Transactions with countries in this category may therefore be consummated, if not involving objectionable blocked nationals, subject, however, to controls of other regulatory authorities in this country, such as export control and the War Production Board. Similarly, communications with these countries, while subject to censorship, as in the case of the countries in the first category, do not require, like them, a communications license from the Office of Censorship. Of course, such communications may be censored and restricted in accordance with the policies of the Office of Censorship.

## 3. BLOCKED COUNTRIES NOT WITHIN THE WESTERN HEMISPHERE BUT INCLUDED IN THE GENERALLY LICENSED TRADE AREA

Certain blocked areas not within the Western Hemisphere have been included in the Generally Licensed Trade Area as defined in General License No. 53 because they are controlled by political entities or governments favorable to and supporting the United Nations' war effort. In these countries, such as the Belgian Congo, French Equatorial Africa (including the Cameroons), Syria, Lebanon, New Caledonia, Tahiti, and the French establishments in India, exchange and



trade controls exist which are exercised in an adequate and satisfactory manner by the local authorities. It is the desire of the United States Government to interfere as little as possible with the legitimate trade transactions of such areas with the United States and with other members of the United Nations and the other American Republics. Accordingly, although the accounts in the United States of all nationals of such areas are blocked, such accounts may be freely utilized to effect legitimate trade transactions in accordance with the terms and conditions of General License No. 53. It should be noted that this freedom of action exists only with respect to trade transactions. Any purely financial transaction, such as a benevolent remittance, capital movement, or financial remittance (creation or repayment of a loan, payment of interest, dividend and royalty remittances, etc.) requires a specific license from Foreign Funds Control.

While the policy of Foreign Funds Control has been to facilitate trade transactions with the areas falling in this category, actual movement of goods is, of course, dependent upon obtaining the necessary approvals for licenses from other regulatory bodies such as export control and the War Production Board which control allocations and priorities in respect to the obtaining and the use of critical and strategic materials in this country and the export of such materials.

Communications with countries in this category do not require a license from the Office of Censorship, but that agency does reserve the right to censor all communications with such countries and to take any action to prevent or restrict the transmission of such communications in accordance with their established policies.

#### 4. NEUTRAL EUROPEAN COUNTRIES HAVING GENERAL LICENSES

When the fundamental objective of Foreign Funds Control changed on June 14, 1941, from one of benevolent protection and conservation of the assets of occupied countries to one of aggressive total economic and financial warfare, the remaining unblocked countries of Europe were brought within the scope of the freezing control, and friendly and unfriendly countries alike were blocked. To impede the consummation of legitimate and innocent transactions as little as possible, certain neutral European countries whose territory is contiguous to enemy or enemy occupied territory were granted general licenses. These general licenses were granted after the governments of those countries gave adequate guarantees and assurances to the United States Government that all the terms and conditions of the general licenses would be strictly adhered to. The countries which were granted general licenses of this nature were Sweden (General License No. 49), Switzerland (General License No. 50), Spain (General License No. 52), and Portugal (General License No. 70).

These general licenses permit consummation of trade and financial transactions with these countries without a specific license provided that the transactions are not by or on behalf of or pursuant to the direction of any blocked country or blocked national (other than the country to which the general license is granted or national thereof); and provided also that the transaction does not otherwise involve any blocked country or blocked national. If the transaction is not by or on behalf of the government or the Central Bank or equivalent institution of the country to which the license is granted, the transaction may be effected only if the Central Bank or equivalent institution or a duly designated agent certifies or confirms that the transaction complies with the terms of the appropriate general license. A trade or financial transaction accordingly can be effected under such licenses with one of the generally licensed countries only if the interests involved in the transaction or the interests in the property affected are interests of nationals of the country to which the general license has been granted or of the government or Central Bank of that country.

For example, a Swiss national in Switzerland may, under the Swiss General License, transfer funds from his account in a bank in New York to the Credit Suisse in Switzerland to be used for the payment of goods which he is going to purchase in Switzerland. On the other hand, a German citizen in Switzerland who has money in a bank in New York cannot, under the general license, transfer funds in this manner for the same purpose. The latter transaction could only be accomplished under a specific license.

These general licenses permit the great bulk of trade and financial transactions between each of the countries having such a general license and the United States or the other American Republics to be effected with a minimum of interference and delay. The safeguards in use, including the requirement that all large transactions consummated under these licenses be reported on a specially estab-

lished Treasury Department form, are designed to prevent the employment of these general licenses as channels whereby blocked nationals of other countries can effect transactions which Foreign Funds Control would not license on their individual merits.

Transactions by or for the benefit of Proclaimed List nationals, or involving property in which Proclaimed List nationals have or have had an interest, cannot, of course, be effected under these general licenses since, by definition, Proclaimed List nationals are deemed to be nationals of Germany and Italy.

In respect to trade transactions under these general licenses between the United States and the countries having such general licenses, Foreign Funds Control cooperates closely with other agencies of this Government, and particularly with the Board of Economic Warfare, which controls and regulates the flow of goods from this country for export. In exercising its control over exportations to neutral countries and in determining the type and quantity of goods which this Government will permit to be shipped, the Board of Economic Warfare takes into consideration all factors involved in the problem. Among them are the need of this country for certain goods, the need of the neutral European countries for such goods, the types of goods which the neutral countries were receiving from and sending to enemy territories, the effect which permission or denial of such shipments would have on the economies of the respective countries, and the relative need and desirability of permitting shipments to the European neutral countries of certain goods in comparison with the need and desirability of retaining such goods for utilization in the United States or in the other American Republics. It is of course inherent in the program that export licenses are not granted in respect to shipments destined for firms which, although they may not actually be listed on the Proclaimed List, are known to be acting for persons in enemy territory, or whose sympathies and loyalties are known to be contrary to the interests of the United Nations.

Following the entry of this country into the war American persons and firms, or branches or subsidiaries of American firms operating in the neutral European countries, were notified that they could not engage in trade or communication with enemy or enemy occupied territory without first obtaining a license from Foreign Funds Control. With only one exception which involved unusual and temporary conditions, no licenses have been granted permitting such persons or firms to trade with enemy territory. While this stringent policy has undoubtedly worked a severe hardship on such persons or firms it was felt that, since the primary tenet of total economic and financial warfare is to "help your friends and harm your enemies" and to harm the enemy even though it involves certain hardship to yourself and to your friends, this severe policy was thoroughly justified. This policy contemplates denying all transactions by such persons or firms with enemy territory unless it can be clearly shown that the result of permitting such transactions would be of overwhelming benefit to the United Nations or would substantially harm the enemy. Such conditions can obviously be established in only a very small number of cases.

While communication with the four neutral European countries does not require a license from the Office of Censorship, such communications are of course censored and closely scrutinized in order to prevent any communication which would directly or indirectly aid, benefit or comfort the enemy. Communications with neutral countries which are intended for transmission directly or indirectly to a person in enemy territory may not be sent unless licensed by the Office of Censorship, and it is the policy of that office not to license such communications.

Foreign Funds Control, by cooperating closely with the Bureau of Customs, which is also a part of the Treasury Department, is able to obtain information with respect to contemplated shipments to the four neutral European countries considerably in advance of the date of sailing of the carrying steamer. This information is scheduled and transmitted daily to the Office of Foreign Funds Control in Washington from the principal Customs offices. On the basis of this information, Foreign Funds Control collaborates with other agencies of the Government having an interest in such transactions to prevent the shipment of any goods which, since the granting of the original export license, have become critical or in short supply, which are needed for the war effort of this country or for the defense of the Western Hemisphere, or which are necessary to the economies of the other American Republics.

In summary, it can be seen that the theory of the general licenses and the policy of Foreign Funds Control in respect to countries which have been granted general licenses is to permit, in response to adequate guarantees and assurances by the respective governments, innocent and legitimate transactions involving nationals of the country concerned.

5. BLOCKED COUNTRIES WHICH ARE NOT ENEMY OR ENEMY OCCUPIED TERRITORY, SUCH AS UNOCCUPIED FRANCE AND THE FRENCH COLONIES

This group includes Unoccupied France and the French colonies. The policy of Foreign Funds Control differs substantially in treating the problems of these areas by reason of the different conditions which prevail in them.

With respect to Unoccupied France, Foreign Funds Control has permitted no trade except for the completion of a few minor transactions immediately following the fall of France in 1940. It was felt that trade between Unoccupied France and this country would in the vast majority of instances result in aid or benefit accruing directly to the aggressor nations and that in all cases trade transactions would result in indirect benefit to the Axis. Faced with these grim realities, Foreign Funds Control was unwilling to license any further trade with this area.

Although financial transactions with Unoccupied France have not been entirely prohibited, applications in respect to such transactions are closely scrutinized and only those transactions are permitted wherein it is clearly established that no benefit will accrue directly or indirectly to the Axis.

While the Office of Censorship does not require a license in respect to communications with Unoccupied France, all such communications are censored and closely scrutinized, and those which give any evidence of being of any aid or comfort to the enemy—directly or indirectly—are refused transmission. In effect, only those communications which are clearly innocent are permitted.

With respect to the French colonies, French West Indies (Martinique, Guadeloupe, and French Guiana), and St. Pierre and Miquelon, Foreign Funds Control was presented with the difficult problem of dealing with areas which, prior to the fall of France, depended almost entirely upon the motherland for their economic life and sustenance but which now have to a great extent been deprived of that support due to the very limited extent that trade between continental France and the colonies can be conducted.

To meet the varying exigencies of the different colonies, to meet the economic needs of this country, and yet adequately to control and restrict trade between these colonies and this country so that they would not become a channel for trade with France, arrangements were worked out to permit limited trade between this country and the individual colonies. These arrangements took the form of agreements whereby payments for imports into this country from each colony were permitted to be made into a special account in a bank in this country from which account payments could be made for exports from this country to each individual colony. Provision was also made permitting the use of certain blocked funds of the French Government in aiding in the maintenance of the economies of these areas. The operation of each such account was limited by a monthly maximum monetary amount and in most cases the types of goods which could be shipped from this country were restricted to those necessary for the continued economic life of each individual colony. It was also stipulated that none of the goods exported from this country to these colonies could be re-exported to any other destination. These agreements are flexible, and the amounts can and have been increased or decreased in accordance with economic necessity. Certain types of goods have been excluded or permitted depending upon the material needs of the individual colonies.

Communication with these French colonies does not require a communication license, but such communications are censored and transmission of messages intended indirectly for other world areas is not permitted. In other words, French colonies are not permitted to become a communications channel for messages which might be relayed to enemy or enemy controlled territory.

6. CHINA

On July 26, 1941, China was blocked under the freezing order at the request of and in cooperation with the Chinese Government. This was a friendly blocking, the fundamental purpose of which was to protect from the Japanese, Chinese assets controlled from the occupied areas and to prevent the Japanese from utilizing the occupied areas as a channel or loophole for effecting trade transactions between Japan and the United States which Foreign Funds Control would not permit to be effected directly.

With the creation of the Stabilization Board of China, consisting of three Chinese representatives, one British representative, and one American representative, and with the establishment of what became known as the "China Program", Foreign Funds Control made it possible for China to control the commercial and financial transactions of the occupied areas of China even though the

Chinese Government was unable to exercise political or judicial control over such occupied areas.

The China Program, as established by General Licenses 58, 59, 60, 61 and 62, permitted trade between any part of China—occupied or unoccupied—and the United States under strictly controlled conditions. In the case of exports from China to the United States, it was required either that the proceeds of such exports be made available to the Stabilization Board of China or that the transaction be approved by the Stabilization Board. In the case of imports into China from the United States, it was required that either the dollars to pay for such imports be provided by the Stabilization Board of China or one of the cooperating banks. This had the effect of assuring that on all transactions with China the dollar funds were channeled to and from this board through appropriate designated commercial and Chinese Government banks.

Financial transactions between the United States and China were likewise permitted only if they had the approval of the Stabilization Board of China. Financial remittances could be effected from the United States to China only if the dollars were made available to the Stabilization Board of China, while financial remittances from China to the United States could be effected only if the dollars for such remittances were provided by the Stabilization Board of China, or such remittances were specifically approved by the Board.

This program was designed to, and in fact, did enable the Chinese Government to exercise control over trade and financial transactions of the occupied as well as the unoccupied areas of China.

A similar program with respect to China was adopted by Great Britain and, since the great bulk of China's trade and financial transactions were effected in dollars and sterling, the control of the Chinese Government over the economic and financial activities of even the occupied areas of China was complete to an extremely high degree.

In its purposes and effects the China Program exemplifies the high degree of effective control which two friendly governments can exercise by interlocking exchange of foreign funds controls when the vicissitudes of war and invasion call for the use of economic weapons. This program achieved its ends by a friendly blocking, accompanied by appropriate general licenses designed to meet the specific requirements of the situation caused by the unprovoked Japanese aggression against China.

### C. CUTTING OFF OF FINANCIAL AND COMMERCIAL TRANSACTIONS AMONG THE AMERICAN REPUBLICS WHEN OF BENEFIT TO NATIONS WHICH HAVE COMMITTED AN ACT OF AGGRESSION AGAINST THE AMERICAN CONTINENT

Just as it is the policy of the United States Government to cut off financial and commercial transactions, subject to its jurisdiction, with nations outside the Western Hemisphere when of benefit to the aggressor nations, it is the policy of the United States Government to cut off commercial and financial transactions, subject to its jurisdiction, within the Western Hemisphere which are of benefit to the aggressor nations. In eliminating the activities, subject to its jurisdiction, within the Western Hemisphere which are of benefit to the aggressor nations, it is the policy of the United States Government not only to eliminate the activities of individuals and concerns within the United States whose operations are inimical to the security of the hemisphere, but also to eliminate all financial and commercial transactions between the United States and real and juridical persons in the other American Republics which are inimical to the defense of the hemisphere. It is our policy to purge from all business enterprises within this country the poison of Axis influence, so that they may not be used in ways harmful to the United States and hemispheric defense. In this matter we have prevented their being used as focal points of Axis operations and nerve centers of the Axis economic empire to control production, to hold markets in this hemisphere, to support subversive activities and to weld the post-war economy of this hemisphere to Axis plans. In a similar manner we have acted to prevent United States business, funds and goods from being used by the same Axis interests to work harm to us and to the other American Republics through our hemispheric trade.

As the tempo of the European war increased, the Western Hemisphere realized more and more that its existence as a family of twenty-one friendly Republics was in danger. At the Habana Conference of the American Republics held in July 1940, it was agreed that each of the governments should adopt all necessary measures to prevent and suppress any activities directed or inspired by foreign

governments or foreign nationals which might subvert the democratic institutions of any of the Republics or foment disorder in their internal political life. It was realized that the aggressor nations had worked for many years to weaken the military potential of the United States and the other American Republics. Through patent controls and cartel agreements the Nazis have succeeded in limiting the production in this hemisphere of many vital materials. They have kept the price of these materials up and the output down. They have been waging economic warfare for a long while, and they have done their work well, decoying American companies into agreements, the purpose of which such companies did not sense. The businessmen in the Western Hemisphere were peaceful traders. The business enterprises controlled directly or indirectly by the aggressor nations were and are, all over the world, agents of aggression. Our Government has worked hard to break cartel arrangements under which certain of our products were cut off from the other American Republics and from other markets of the world.

The democratic institutions of the American Republics were gradually being undermined by the subversive activities of Axis agents. It was no secret that the Nazi and Fascist parties were well organized here and in the other American Republics and that they were fostering institutions opposed to the democratic way of life. The finances with which these subversive activities were carried out in the American Republics did not emanate directly from the Axis government but from Axis business enterprises disguised in many ways. The technique which the Nazis used in hiding the identity of German enterprises made it difficult to uncover the machinations of their agents, who in the economic field are even better disguised than military spies.

In order to combat this penetration of the Axis interests in the Western Hemisphere, we took appropriate steps through the freezing control to nullify or eliminate the subversive and undesirable influences in Axis-dominated business enterprises in this country. With this end in view, the President, authorized on July 17, 1941, the issuance of "The Proclaimed List of Certain Blocked Nationals", containing the names of individuals and firms within the other American Republics whose activities were deemed inimical to the defense of the hemisphere. At the same time the United States Government made it clear that in attaining the objectives of our program, all efforts were being made to cause the least possible interference with legitimate Inter-American trade. Accordingly the Treasury Department issued a general license, simultaneously with the issuance of the Proclamation, with respect to Inter-American trade transactions involving persons in the other American Republics who might be nationals of a blocked country. This general license served the purpose of permitting freedom of trade between this country and the other American Republics so long as such trade did not benefit persons on the Proclaimed List. Through this technique we aimed to promote a healthy hemispheric trade. This program has justified its purpose of insuring that trade with us would be beneficial and not harmful to the other American Republics. It has directed trade to persons loyal to the governments of the other American Republics.

It was recognized that in the preparation of such a list every caution must be taken to prevent injustices, and to this end the United States Government gave great care and attention. Before a name is added to the Proclaimed List, diplomatic and consular representatives in the field make a thorough investigation. If that investigation definitely discloses facts showing that the person investigated is engaged in activity inimical to the security of the Hemisphere, that evidence, together with a recommendation for inclusion, is transmitted to Washington for consideration. The evidence supporting the recommendation is carefully scrutinized by a committee composed of representatives of five departments and agencies of this Government. Upon the unanimous vote of that committee the name is added to the list after such action has been cabled to the mission in the field for confirmation and as an added precaution to prevent injustice. However, as in every operation of this magnitude, mistakes have been made in the past, and, no doubt, some mistakes will be made in the future. Where it has been discovered that a name was mistakenly included on the list, that name has been deleted promptly. This Government has been exceedingly anxious to rectify such mistakes and, in furtherance of that policy, is at all times willing to consider, with any government of the other American Republics, the reasons for inclusion on the list of any firm or individual situated or resident within the territory of such Republic. In this connection it is interesting to note that the controls of eight of the other American Republics apply to persons named on the Proclaimed List of the United States Government.

As previously indicated, appropriate steps have been taken to purge firms in the United States of the nature of those included on the Proclaimed List of their Axis influence. In many of such cases the concerns involved have been liquidated and, in other cases, where the continued operation of the firm was deemed in the public interest, such firms have been vested in order that their operations might continue.

The United States Government was keenly aware that the elimination from the United States market of certain producing firms in the other American Republics might seriously dislocate the economy of one or more of the Republics. Accordingly, where it would be harmful to the economy of the neighboring country to stop all business of a listed firm with the United States, cooperative arrangements have been worked out with the government concerned by which transactions are permitted so far as they are brought under its control and benefit only our mutual interest. Furthermore, in those cases where the neighboring country concerned has taken appropriate action to purge the listed firm of its Axis influence, this Government has deleted such firm from the Proclaimed List.

Dealings between the United States concerns and persons included on the Proclaimed List are prohibited except pursuant to a license issued by the United States Government. The licensing policy has been determined solely in accordance with the basic objective of our program of economic warfare against the Axis, that is, the curtailment and elimination of the activity and influence of such persons and firms in so far as that activity and influence is inimical to the war effort and hemisphere defense. No United States concern which is a party to a transaction with a Proclaimed List firm has been permitted to complete the transaction solely because failure to do so would cause the United States concern a loss.

In many cases firms in the United States had orders for the manufacture of special products for firms in the other American Republics which were included in the Proclaimed List prior to delivery of the product. This Government denied licenses to permit the delivery of such products since it clearly could not permit products going into unfriendly hands merely to protect a United States firm which had contracted in good faith. Many of such cases caused extreme hardship to United States concerns. One firm was denied a license in a case where it had worked for months on a special order of value only to the ordering firm which was placed on the Proclaimed List shortly before the date specified for delivery. The United States firm had its capital involved in that one order to such an extent that its very existence was jeopardized if delivery of the completed product to the Proclaimed List firm were not permitted. However, it was clear that the only ill effect in the American Republic concerned would be to the Proclaimed List firm and not to the country in which such firm was situated. Accordingly, the license application for the completion of the transaction was denied.

That policy has not only been followed in connection with exports, but a similarly strict policy has been followed in connection with imports. Proclaimed List nationals have not been permitted to ship their products into the United States even in those cases where there was extreme scarcity of such merchandise in our consumers' market. A case in point is one in which a United States firm had contracted for the purchase of \$600,000 worth of a commodity, badly needed by the United States consuming public, from a firm which subsequently appeared on the Proclaimed List. The United States concern had, on the basis of that contract, contracted for the sale of the commodity in processed form. The importation was not allowed notwithstanding that the United States concern was forced to stand a loss reported at \$75,000 and the consuming public in the United States was deprived of a needed product.

The United States Government at the time of the adoption of the Proclaimed List as a means of cutting off financial and commercial activities inimical to the defense of the Western Hemisphere realized that such action alone could not be effective in accomplishing the objective sought. Almost a year's experience has shown that this program can effectively eliminate the activity and influence of some of those persons and firms known to be engaged in inimical activity throughout the hemisphere. However, the ultimate goal can only be achieved through the institution of controls in each of the American Republics. That thought has been clearly borne in mind as this Government shaped the policies governing the application of its controls.

The effectiveness of our program is, however, continually increasing. Experience opens new channels of information and reveals plans used to circumvent the controls and means of stopping them. This Government has obtained and is

obtaining information of inestimable value in revealing cloaks, here and in the other American Republics, and other means used by unfriendly firms and individuals to finance and carry on inimical activities.

To date the biggest problem with which this Government has been confronted in enforcing its controls is that of cloaking. The flow of goods from the Axis nations to this hemisphere having been stopped by the war, Axis firms in the other American Republics have exercised all their cunning in an effort to obtain purchases from this country. Large commissions are paid to cloaks for their services in obtaining supplies for listed firms. Orders are sent in the names of relatives and minor employees, and transshipments are made through third countries in order to avoid detection. The existence of firms and individuals who are willing to undertake purchases of goods from the United States on behalf of Proclaimed List firms, and who are willing to use their assets here for the benefit of such firms, makes it possible for many of these Proclaimed List firms to continue in business. No doubt many of these cloaks consider themselves patriotic and anti-Axis. However, in their desire to profit financially, they fail to realize that they are used by the Axis to the detriment of the security of their own country and the hemisphere. It is necessary, therefore, that they be the subject of controls.

This Government is now more effectively coping with the problem of cloaking than in the past through the splendid cooperation of United States exporters and through the use of plans for the detection of cloaking transactions in those localities where there is known to be cloaking on a large scale. This has not only necessitated the development of methods of preventing the shipment of merchandise from this country involving cloaking transactions through cooperation with other Government agencies and other divisions of the Treasury Department, but has also necessitated the development of methods of diverting shipments of merchandise which are in transit from this country to one of the other American Republics when the nature of the transaction is fully disclosed and it becomes apparent that it is a cloaking transaction in violation of the Proclaimed List policy. Various techniques have been developed to prevent the shipment of merchandise to persons acting as cloaks for Proclaimed List nationals and to wipe out cloaking operations. These techniques of necessity vary with the individual case, depending upon the nature of the cloaking device sought to be employed, and frequently require cooperative effort on the part of several Government agencies. Individuals in this country and abroad, lured by the temptation of the possibility of huge profits in successful operations circumventing the Proclaimed List policy, are extremely ingenious and astute in devising new methods of camouflaging the real interest in these transactions. In opposing such activities, the Government's policies and techniques cannot crystallize, but must remain fluid and dynamic to enforce successfully the policy of the Proclaimed List and to insure that no transaction for the benefit of a Proclaimed List national will be successfully concluded.

Since the inception of its Proclaimed List program, the United States Government has always borne in mind that there is a shortage of consumers' goods at home and in the other American Republics. To insure that none of the other American Republics is denied goods, so critically needed, the United States has worked out a comprehensive plan of diverting exports consigned to cloaks and persons added to the Proclaimed List after shipment is started. Such a program not only provides goods to the other American Republics, but is in keeping with the policy of this Government to see that in so far as possible, its commercial and financial facilities are not used by enemies and their agents.

When it is discovered that merchandise exported from the United States is destined for a cloak or a firm added to the Proclaimed List after shipment, the Treasury Department immediately communicates with the exporter to advise him of the situation and to determine that for his part all possible steps are being taken to divert the merchandise to a satisfactory consignee in the country of destination. Banks are advised and the shipping company is directed to make the diversion. At the same time, this Government forwards all information to the American diplomatic or consular official nearest the point of destination and, pursuant to instructions, that official takes all possible steps to effect the diversion. Our experience has shown that diversions have been effected in practically all such cases. In many such cases the diversion has been accomplished through the cooperation of the American Republic concerned, in taking appropriate action, including steps to relieve the carrier from suit in the event it refused to deliver to the Proclaimed List consignee, cloak, or Customs authority. Where it has been clear that a carrier would have to stand suit for refusal to deliver goods to a Pro-

claimed List national if such goods were aboard ship when it put into port, it has been necessary to divert such goods at earlier ports of call.

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The program of the United States Government directed toward the cutting off of financial and commercial transactions among the American Republics when of benefit to nations which have committed an act of aggression against the American Continent has been successful to a considerable degree. In order for that program to be completely effective, the activity and influence of the Axis dominated firms in the other American Republics must be eliminated. It was and is realized that the program adopted by the United States Government cannot completely accomplish the objective but that such objective can only be accomplished by the wholehearted cooperation of all the American Republics.

#### D. REGULATION OF THE INTERNATIONAL MOVEMENT OF SECURITIES AND CURRENCIES, IN ORDER THAT SUCH MOVEMENT WILL NOT BENEFIT NATIONS WHICH HAVE COMMITTED AN ACT OF AGGRESSION AGAINST THE AMERICAN CONTINENT

The United States Government has taken appropriate steps to regulate the international movement of securities and currency, in order that such movement will not benefit the Axis nations.

##### 1. SECURITIES

When the first Executive order establishing the freezing control was issued on April 10, 1940, it was realized that if the Control was to be effective in preventing the assets of the invaded countries from falling into the hands of the invaders and being liquidated by them, a method must be found to prevent the looting and disposition of securities. Although the order as issued contained no specific reference to securities, it was the purpose of this Government in issuing the order to include the control of securities within its scope. Some question arose, however, at the outset, as to whether the Trading With the Enemy Act of the First World War, upon which the order was based, gave authority for the extension of the Control to securities. The Treasury Department immediately clarified its position on this question by issuing General Ruling No. 2 and stating that the Control did extend to securities. In order, however, to erase any doubt which might have existed, Congress immediately enacted supplementary legislation pursuant to which the order was amended so as clearly to include securities within the scope of the Control. This action of the Treasury Department and of Congress is a striking example of how a situation needing prompt handling was met promptly. Had delay occurred, it would have undoubtedly allowed tremendous quantities of securities to escape our control.

The invasion of Holland, Belgium and Luxembourg in May of 1940 gave tremendous importance to the matter of securities control. The people of these countries, particularly the Dutch, have for many years been actively interested in American securities and have had large investments in them. The people and governments of these countries realized that unless a way could be found to prevent the liquidation of securities seized by the invaders, tremendous losses would accrue to their legitimate owners, and a tremendous asset would be given to the war effort of the Axis on the economic front.

To meet one phase of this situation, General Ruling No. 3 was issued by the Treasury Department, announcing that the freezing control prohibited the acquisition, transfer, disposition, transportation, importation, exportation, withdrawal or any other dealing in or with respect to any security registered in the name of a national of any of the countries which had been blocked under the freezing control. Under this ruling, it became impossible for a registrar or transfer agent in this country to change the name in which a security was registered (if such name were that of a blocked national) even though it appeared from documentary evidence that the transfer had been made long before the date of the invasion. It was recognized by the Treasury Department that the invaders were adroit enough in the use of compulsion and fraud to obtain apparently legitimate evidence for untrue states of fact.

Although General Ruling No. 3 solved the problem of dealing with registered securities, it did not solve the problem of bearer securities, many of which were held in the invaded areas. To meet this latter problem, an over-all system for examining securities brought into the United States was adopted, which was based on the premise that it would be insufficient only to prohibit the importation



of securities from the blocked areas, since securities could enter the United States through the channel of neutral nations which did not have restrictions against the importation of securities. Thus, the beginning of June 1940 saw the promulgation of General Ruling No. 5 which in effect provides that all securities entering the United States from whatever place or origin must be deposited in a Federal Reserve Bank from which they can be freely released only upon proof judged to be sufficient by the Treasury Department. Such proof must show that no blocked country or national thereof had any interest in such securities since the date of the freezing order. The Foreign Funds Control enforcement of this General Ruling was aided by the United States customs and post office officials who have met, questioned and searched incoming passengers to determine whether they were carrying securities, and who have examined incoming mail in order to prevent securities from entering the United States surreptitiously in this fashion.

The question of proof of freedom of securities from blocked interest has been a difficult one. Its difficulty has been occasioned by the fact that many nationals of blocked countries have held their securities secretly in countries such as Switzerland for the purpose of evading taxation and other controls of their native lands. The steps taken by the Treasury Department in preventing the release of securities in the absence of clear and convincing proof as to the interest in such securities has caused names and information with respect to the true owners of securities to be supplied. This information has been given, by the Swiss, for example, in order to be able to send into this country those securities which the Swiss themselves have owned and which have never been affected with the interest of a national of any other country.

In part, the problem of dealing with securities which have been abroad in the blocked countries has been simplified by the European practice of requiring the placing of tax stamps on securities held in such countries. Taking advantage of this practice, this country, by the freezing order, as amended, prohibited any dealings, except under license, in any securities which bore such tax stamps or evidence that such tax stamps had been attached (or any other evidence that the security had ever been outside of the United States). At the same time, in order to validate such securities which had legitimately been acquired in circumstances not in conflict with the freezing control, the Treasury Department devised a certification, Form TFEL-2, which could be attached to such securities when and if the owners could prove that they were free from any blocked interest. When Form TFEL-2, which is engraved in such a way as to avoid any possibility of its being counterfeited, is attached to securities, a complete description of the security to which it relates is placed upon it. This description is so inscribed that it cannot successfully be altered, thus avoiding the possibility of the TFEL-2 form being detached from a clean security and being placed on one of greater value which is affected by the interest of a blocked national.

The efficacy with which the United States has been able to prevent the marketing in this country of securities bearing tax stamps and similar evidence that they have at any time been within a foreign country may be seen by the fact that the Germans have found it necessary to promulgate a decree in Holland requiring the reporting of all securities which did not bear a tax stamp. Apparently the German Government has become reconciled to the fact that the securities bearing tax stamps cannot be marketed in the United States, and their efforts will be largely concentrated on trying to get into the American market securities which do not bear evidence of having at any time been in a blocked country.

The TFEL-2 form has come in for use in connection with another problem related to dealings in securities. Certain of the blocked countries of Europe have in the past issued securities payable in the United States. From time to time, these securities have matured and become payable. In cases in which the countries issuing the securities have had funds in this country which the Treasury has been willing to authorize to be used for the redemption of such securities, there arose the problem of determining which securities might be legitimately paid and which might not. It was clear that there would be no objection to paying security holders located in the United States whose securities had been purchased in the United States before the present world conflict and had at all times been within the United States. On the other hand, it was clear that this Government did not wish to allow repatriated securities which had been looted to be paid under this arrangement. Public Circular No. 6 was therefore issued in which in effect it was said that no security issued in a blocked country but payable in the United States could be redeemed unless there was attached to it Form TFEL-2. At the same time, it was announced that Form TFEL-2 would be attached to all securities turned over to the Federal Reserve Banks within two days after the

promulgation of the public circular. In this way, no time was allowed for securities to come in from abroad to take advantage of the certification procedure while securities legitimately within the country could be certified without difficulty. The announcement was accompanied by a statement that any application for the attachment of Form TFEL-2 after the expiration of two days would have to be accompanied by full and complete proof tracing the history of the ownership and whereabouts of the security from the date of the inception of the freezing controls.

The same technique which was applied to prevent the marketing in the United States of securities looted by the Axis in the invasion of the countries of Europe was applied by this country to Philippine securities when the Japanese invaded the Philippine Islands. General Ruling No. 10 provided that securities issued by the Philippine Government or by any corporation organized under Philippine law could not be dealt in unless Form TFEL-2 was attached to such securities, and at the same time provided that this form would be attached to such securities if the securities were turned in to authorized banks within a very limited period of time. If, at the expiration of that period of time, such securities had not been turned in, Form TFEL-2 would only be attached to them if the holders were able to give full and complete statements as to why they had not been surrendered prior to the limiting date, together with satisfactory histories of the ownership of the securities. It should be noted that under this procedure, provision was made so that holders of such securities outside of the United States were able to deposit their securities in authorized banks in their own countries for transmission to the United States under this procedure.

This Government recognized that if the marketing of looted securities was to be adequately controlled, restrictions would have to be placed on dealings in securities located outside the United States as well as on the importation of and dealings in securities within the United States. Otherwise, our controls could have been evaded in that American citizens could have purchased looted securities in Switzerland or elsewhere and retained them on deposit for their own benefit with the bank in the country in which the securities had been purchased. In order to close this loophole, the freezing order prohibits the acquisition by or transfer to any person within the United States of any interest in any security or evidence thereof if the attendant circumstances indicate that the security or evidence thereof is outside the United States.

The adoption of this control has put a stop to the transfer of securities by cable from neutral countries. Previously, it had been possible for a bank in a neutral country selling to a purchaser within the United States securities held in the neutral country, to have the securities destroyed under appropriate supervision in the place where they were located and to cable the information relative to destruction to the United States where new securities would be issued to the transferee. Obviously, this is no longer feasible.

Securities imported into the United States and which have not been allowed to be released by the Treasury Department have remained in the custody of the Federal Reserve Bank. However, in order to prevent undue hardship, General Ruling No. 6 was promulgated, which allows such securities to be transferred from the Federal Reserve Bank in which they are originally deposited, to a domestic bank within the United States into specially blocked accounts, known as "General Ruling No. 6 Accounts." Securities placed in these accounts are completely under the control of the Treasury Department, which allows only certain specified dealings with respect to them. For example, dividends on such securities may be collected and placed in the same account as the securities. Similarly, the securities themselves may be sold on a national securities exchange by the banking institution holding the securities, provided that the proceeds of the sale are credited to the General Ruling No. 6 account. It is also provided that taxes may be paid out of the proceeds of such an account and that the bank handling such an account may deduct from it the amount of charges owing to the bank for handling the account. In general, however, the general licenses issued by the Treasury Department under the freezing control are inapplicable to the securities or the proceeds thereof which are in General Ruling No. 6 accounts. The Treasury Department has never gone on record as to the disposition which will be permitted or will occur, after the termination of the present war, of securities which have not been released from a Federal Reserve Bank or from a General Ruling No. 6 account by reason of failure of proof in connection with the acquisition of or interest in such securities.

In order to strengthen the control over the importation of securities which may have been looted by the Axis from the areas which it has invaded, this Govern-

ment has made known its controls over the importation of securities to the neutral governments and to all the governments of the other American Republics. The extent of our controls has been pointed out and a statement was prepared and issued indicating that any importation of securities by means of the diplomatic pouch or on the person or in the baggage of incoming diplomats would constitute a violation of our controls unless such securities were turned over to a Federal Reserve Bank immediately after being brought into this country.

Another aspect of the control of securities entirely separate from the problem of preventing the marketing of looted securities is the control adopted by this Government to prevent blocked nationals thereafter from obtaining control over American enterprises through the purchase of the securities of such enterprises. Under Public Circular No. 14 which was issued on February 3, 1942, blocked nationals have been prohibited from purchasing directly or indirectly securities of any corporation in such a manner that more than 1 percent of the securities issued by the corporation will be held by blocked nationals. In this way, the United States has been able to prevent blocked nationals from taking over the control of business enterprises within this country by means of stock and bond purchases.

## (2) CURRENCY

The Axis today, in the prosecution of its war effort, requires goods and services which it can only obtain from unoccupied or neutral areas. Certain of these goods and services can be obtained through force and through compulsion of various sorts, but there are limitations beyond which such force and compulsion can not be used without causing the economy of the neutrals to collapse—preventing them from giving the Axis further effective aid. Consequently, the Axis must pay for certain of the goods and services which it needs to obtain. That payment can be made directly by the Axis in terms of goods and services which it produces. But payment in this fashion weakens the Axis by diverting manpower from its own war effort. Therefore, from the Axis point of view, it is desirable to effect payment to the neutrals in the United States currency or securities which are at its disposal, having been looted from the occupied areas. Much of the currency has been accumulating in Europe for many years. It has gotten there through remittances which immigrants to the United States have sent to relatives remaining in their native lands, through funds which American tourists have spent while abroad, and through a variety of less important ways. The possession of this currency by the Axis places at its disposal an economic weapon of tremendous importance. Inasmuch as United States currency is acceptable in neutral areas as long as it can be profitably employed in the purchase of goods and services of other parts of the world, it is the policy of the United States to reduce the value in such currency as far as possible and thus make it valueless to serve Axis purposes. This Government recognizes that to allow the Axis to make use of the dollar currency which they have stolen is to allow the financing of sabotage and other subversive activities in this and the other American Republics. Unless the value of the dollar bill can be depreciated in Europe, Axis agents throughout the Western Hemisphere can flourish with adequate financing, and black markets can continue to exist in the other American Republics in contravention of the exchange control laws of those Republics.

In order to combat the manifest evils inherent in this situation, the United States first issued General Ruling No. 6A and then amended General Ruling No. 5 under the freezing control. By this device the importation of currency into the United States is subjected to the same controls as are applied in the case of securities imported into the United States. The Treasury, at the present time and probably for a short while to come, is allowing persons entering the United States to keep minimum amounts of dollars in their possession; but all other currency is turned over to a Federal Reserve Bank from which, as in the case of securities, release can only be had pursuant to licenses issued by the Treasury Department. Just as in the case of securities, the enforcement of the restrictions on the importation of currency is in the hands of the Customs Service and the Post Office Department, the former controlling importations of currency brought into the United States by persons entering the country, and the latter, with the assistance of the Office of Censorship, controlling importations of currency in the mail.

It has been announced to the other American Republics (within which the dollar is not a part of the circulating medium of exchange) by the United States Missions to those Republics that the Treasury will entertain applications for the release of currency forwarded to the United States by the Central Bank of any American Republic. The Central Banks should not buy this currency and should only

accept it for collection. Each application (which may be filed by the bank receiving the currency in the United States or by any other interested party) will be required to show the owner of the currency, when such currency was acquired, from whom, the nature of the transaction resulting in the acquisition of the currency, the price paid, why such currency was being held, and all other relevant facts. No application will be considered until after the currency to which it relates has been imported into the United States and forwarded to a Federal Reserve Bank.

The Treasury requires that each application relating to currency forwarded to the United States by the Central Bank (or equivalent or analogous banking institution) of an American Republic be accompanied by a certification from the forwarder, wherein it is stated that the forwarder has investigated the circumstances relating to the currency and certifies that the facts stated in the application are true. In the event that the forwarder is unable to supply such a certification, the Treasury requires a full and complete explanation from the forwarder as to the reason for its inability to supply the certification.

The manner in which any currency is to be dealt with is not announced prior to the receipt and examination of such currency in the United States and the filing of an application with respect thereto. Each application is decided upon its merits. Factors which are considered are the character of the owner of the currency, its ownership as of May 19, and the steps which the country from which the currency comes has taken to prevent the introduction of looted currency into its own territory and to implement the controls by the United States over United States currency. In considering the steps taken by the country involved, consideration is, of course, given to the enforcement and administration as well as to the character of the relevant laws adopted.

It has been urged that all dollar currency in the American Republics (save in those in which it forms a part of the circulating medium) be forwarded to the United States as soon as possible pursuant to the procedure outlined, inasmuch as the Treasury expects to refuse applications for the release of currency which is not promptly imported.

The Treasury has stated that the consideration of any application for the release of currency will be facilitated if the currency to which it relates has not been commingled with any other currency. In the event that an application refers to currency which has been commingled, an explanation will be required as to why the commingling occurred.

Funds which are covered by applications approved by the Treasury Department may be credited to the account of the Central Bank (or equivalent or analogous banking institution) rather than to the account of the individual who turned over such currency to such bank or institution, if such action is desired by the government of the American Republic concerned.

The United States Missions to the American Republics have been instructed to advise the government to which they are accredited that it will be helpful if, at the time shipments of currency are forwarded to the United States, they are furnished with the facts and the nature of the certification of the Central Bank or other institution with respect thereto. They have also been instructed to advise such governments to notify Central Banks and other institutions not to purchase dollars but merely to accept them for transmittal on a collection basis.

In order to make effective the controls of the United States with respect to the importations of United States currency, the cooperation of the other American Republics has been sought to prohibit the importation and exportation of United States currency except by means of direct movements between the United States and the Central Banks (or equivalent or analogous banking institutions) in the other American Republics. It has been indicated that certain minor exceptions of strictly limited amounts might be made for actual traveling expenses of persons going to or coming from the United States or other dollar areas if there is any clearly established necessity for them. This country has also requested the American Republics to require the immediate delivery of all United States currency in the American Republics to the Central Bank (or equivalent or analogous banking institution), or into a blocked account under the control of such bank or institution, and to prohibit all other dealings in United States currency.

Certain special arrangements have been made and are in the course of being made by the United States with various American Republics in which dollars are a part of the circulating medium inasmuch as at the present time it is not felt to be practicable to remove or replace all dollar currency in those areas.

However, the cooperation of these countries has been enlisted and obtained in preventing dollars from entering these areas from any place other than the United States. In this way, dollar currency is being prevented from flowing from Europe, where it has been looted, into the United States or other dollar areas through devious channels.

The Treasury Department, in carrying out its freezing program in connection with currency, has warned Americans not to take more than absolutely minimum quantities of cash with them in traveling abroad.

The position taken by the Treasury Department with respect to dollar currency imported directly from Europe itself is that there is a presumption that it is looted currency.

The success of this program which has been adopted in an effort to decrease the value of looted currency in the hands of the Axis may be seen from the fact that the dollar today will buy for the Axis only half as much Portuguese currency in Lisbon as could be bought for a dollar before. This control over United States currency is not intended to affect the exchange rate for dollar drafts, telegraphic transfers, and other bills of exchange.

#### **E. ELIMINATION OF ALL FINANCIAL AND COMMERCIAL ACTIVITY ENGAGED IN BY REAL OR JURIDICAL PERSONS WITHIN THE UNITED STATES WHOSE INFLUENCE OR ACTIVITY IS DEEMED INIMICAL TO THE DEFENSE OF THE WESTERN HEMISPHERE**

It is the policy of the United States Government to eliminate all financial and commercial activity engaged in by individuals and concerns within the United States whose influence or activity is deemed inimical to the defense of the Western Hemisphere.

This discussion will deal primarily with the steps which have been taken by this Government under the First War Powers Act in dealing with the activities of individuals and concerns within the United States. It should be borne in mind, however, that other agencies of the Government have taken appropriate steps to eliminate the activities of individuals and concerns within the United States which are not in the public interest. Thus, for example, all German, Italian and Japanese nationals whose activities have been found to be detrimental to the United States have been interned.

#### **1. TREATMENT OF INDIVIDUALS WITHIN THE UNITED STATES UNDER THE FIRST WAR POWERS ACT**

Under the broad definition of "national" contained in the freezing control order, any individual within the United States is subject to the provisions of such order if:

- (a) Such individual has been domiciled in or has been a subject, citizen or resident of a blocked country at any time on or since the effective date of the order; or
- (b) Such individual is acting for the benefit of or on behalf of any blocked country or national thereof.

Furthermore, the Secretary of the Treasury has full power under the order to determine that any individual is or shall be deemed to be a national of a blocked country within the meaning of the order.

Under this broad definition of the term "national," all citizens of Germany, Italy and Japan and all citizens of any other blocked countries are subject to the blocking provisions of the freezing order. Furthermore, all refugees who have come to the United States since the effective date of the order and who were resident in any of the blocked countries at any time since the effective date of the order are subject to the blocking provisions thereof. This sweeping provision was included in the freezing control order in order to give the Secretary of the Treasury the broadest possible power to deal with any situation which required action in the public interest. It was never intended, however, that, in administering the freezing control order, the financial and commercial activities of all individuals within the United States who were nationals as defined in the order would be subjected to control under the order. Through the use of the technique of issuing general licenses, the Secretary of the Treasury has been able effectively

to exclude from the blocking provisions of the order a large group of individuals who were otherwise subject to such provisions of the order, but whose activities it was not deemed desirable to control.

From the very beginning of the Control most of the individuals resident in this country who would otherwise be subject to the blocking provisions of the order have been effectively lifted out of such provisions by the issuance of general licenses designating such individuals as "generally licensed nationals," which means that such individuals are to be regarded for all purposes as though they were not nationals of any foreign country. These general licenses have excluded, however, individuals in this country who are acting for or on behalf of blocked countries or blocked nationals. Furthermore, under the provisions of General Ruling No. 4, issued under the freezing control order, the Secretary of the Treasury may exclude any individual from any general license.

Under General License No. 42, as now amended, any individual who was residing in the United States on February 23, 1942, and who does not thereafter enter any blocked country is effectively lifted from the provisions of the freezing control order with certain exceptions. Included among the individuals who are not granted the privileges of this general license are individuals acting for the benefit of or on behalf of any blocked country or any blocked national and individuals who are excluded for any reason by the Secretary of the Treasury from the privileges of such general license.

It has been practicable for this Government to utilize this selective method of dealing with individuals within this country inasmuch as this Government has in its possession information concerning such individuals which is kept current and which has been collected by various methods including investigation by several Government agencies and reports under the Alien Registration Act. Because of this information, the United States Government has been in a position to categorize nationals of blocked countries into two groups: first, those suspected of carrying on activities inimical to the public interest and, second, those whose activities are clearly above suspicion. It has been the experience of this Government that it is preferable to concentrate on those individuals against whom there is some evidence indicating inimical activities, rather than to attempt control of a large group of individuals where there is no such evidence against most of the individuals in the group. For example, it would be clearly undesirable for this Government to attempt to control the financial and commercial activities of all the German, Italian and Japanese nationals resident within the United States. Administrative difficulties involved in attempting to control such a large portion of the population would be so great that it would not be possible to give sufficient attention to concentrating on controlling the activities of the individuals against whom there is evidence indicating that their activity should be carefully scrutinized.

It should also be emphasized that the test as to whether or not the financial and commercial activities of any particular individual are to be controlled is not determined by the citizenship of such individual. Individuals who are found to be acting for or on behalf of blocked countries or blocked nationals are excluded from the provisions of General License No. 42, and subjected to the blocking provisions of the order, irrespective of the citizenship of such individuals. Under the power given to the Secretary of the Treasury to determine that any individual is a blocked national, many of our own citizens have been declared to be nationals of blocked countries. The extent to which we have controlled the financial and commercial activities of American citizens and their enterprises is discussed more fully *infra*.

Any individual resident within the United States who is a blocked national; that is, any individual resident within the United States who is not entitled to the privileges of General License No. 42 or in the case of Japanese nationals, any Japanese national who is not entitled to the privileges of General License No. 68 A, may not engage in any financial or commercial activities except pursuant to license. The property of such blocked nationals may not be dealt in except pursuant to license. In this connection it should be noted that pursuant to General License No. 11 individuals resident within the United States who are blocked nationals are entitled to \$500 a month for living expenses. However, pursuant to General Ruling No. 4, the Secretary of the Treasury may exclude any such blocked national from the privileges of General License No. 11 if he deems it in the public interest.

The treatment which is accorded business enterprises within the United States owned by individuals resident within the United States who are blocked nationals is discussed under the heading "Business enterprises."

## 2. TREATMENT OF JURIDICAL PERSONS WITHIN THE UNITED STATES UNDER THE FIRST WAR POWERS ACT

Under the definition of "national" contained in the freezing control order, any partnership, association, corporation or other organization is a blocked national if

(a) such organization is organized under the laws of or has had its principal place of business (since the effective date of the order) in a blocked country; or

(b) a substantial part of the stock, shares, bonds, debentures, notes, drafts or other securities or obligations of such organization are owned or controlled by (or have been owned or controlled since the effective date of the order by) any blocked country or blocked national; or

(c) such organization is, for any other reason, controlled by any blocked country or blocked national; or

(d) such organization is acting for the benefit of or on behalf of any blocked country or blocked national.

Furthermore, the Secretary of the Treasury has full power under the order to determine that any organization is or shall be deemed to be a blocked national within the meaning of the order.

There follows a discussion of the treatment which is accorded business enterprises within the United States under the First War Powers Act.

### BUSINESS ENTERPRISES\*

The essence of any successful program for controlling business enterprises under the freezing control is flexibility, both in the authority vested in the Executive and in the administration of such authority by the Executive. This cannot be emphasized too strongly. Myriad forms of Axis control of business enterprises will be encountered and the objective to be achieved will vary from case to case. Any crystallization of policy into rigid form merely invites evasion. So long as the policy and control techniques remain flexible, evasion cannot be successful. The extreme flexibility, which any control that attempts to deal with such varying types of business enterprises must possess, is furnished, first, by a broad statute, namely the First War Powers Act, giving the President broad powers respecting foreign countries and foreign nationals and their property and, secondly, by broad Presidential delegation of this authority to the Secretary of the Treasury and the Alien Property Custodian. The First War Powers Act gives the United States Government broad authority to look behind the nominal ownership of business enterprises and to subject to control any business enterprises which may be found to be acting as "fronts" for the Axis interests.

In the 20-year period between 1919 and 1939, German interests succeeded in organizing within the United States another industrial and commercial network centered in the chemical field, but extending also to the electrical and heavy goods industries, foreign commerce and financing. It is unnecessary to point out that these business enterprises constituted a base of operations to carry out Axis plans to control production, to hold markets in this Hemisphere, to support fifth-column movements, and to mold our post-war economy according to Axis plans.

One of the primary reasons for freezing Axis assets was to combat this situation. The problem with which we are now faced is more difficult than, although somewhat similar to, the problem faced by us in 1917. The background today is vastly different from that which existed in 1917.

We have encountered various devices which have been employed by the Axis to gain and maintain a hold over business enterprises in this Hemisphere. Under the broad definition of the term "national", the freezing control order has brought under control all those organizations which are actually "fronts" for Axis activities, whether they be neutral "fronts" or American "fronts". Many of these "fronts" may, from the standpoint of technical "legal" relationship, be related to the Axis powers only through contractual ties, patent licensing agreements and the like. In some cases the ties are informal, based largely on personal fealty or close

\*After the entry of the United States into the war the controls over business enterprises were extended from pure licensing controls to include vesting and the installation of management in Axis controlled business enterprises. Under Executive Order No. 9193 of July 6, 1942, the vesting and management functions were specifically assigned to the Alien Property Custodian.

personal relationships. Whatever form these "fronts" may take, it is obvious that any program of economic warfare, to be successful, must comprehend control of their assets and activities.

The most obvious control device is, of course, actual ownership. Actual ownership is, however, frequently hidden. For almost 15 years the Axis business interests have been taking comprehensive steps to insulate themselves against any seizure or other control of assets based upon the concept of "legal title" in the enemy, such as was used during the last war. Such a concept as a basis of control is now outmoded. The technical "legal title" to some of the most dangerous of the Axis-influenced enterprises may be Swiss, Dutch, Swedish or American. In the case of General Aniline & Film Corporation, for example, the 97 percent of its stock which was vested by this Government was registered in the name of Swiss and Dutch companies, although the real interest was clearly German. Other such enterprises may be 100 percent American, so far as technical "legal title" is concerned.

Actual ownership of business enterprises frequently runs through tangled mazes of holding companies. These holding companies were normally incorporated in neutral countries and the ownership of the holding companies themselves was normally represented by bearer shares, making it extremely difficult to negate a claim that the ownership of the corporation was coincident with the state of incorporation. As an example of this type of ownership, the 16 subsidiaries of Schering A. G. located in the other American Republics were conveyed in 1938 to Forinvent (Foreign Inventions & Patents, Ltd.), a holding corporation organized under the laws of Switzerland. All of the shares of Forinvent were in turn nominally owned by Paciba, a holding corporation organized under the laws of Panama, and Palladium A. G., organized under the laws of Switzerland. The ultimate ownership of both of these corporations was in the holders of bearer shares. A much more common technique of control was the use of options. For example, the stock of General Dyestuff Corporation (organized under the laws of Delaware) was owned by two American citizens but was subject to an option held by Chemnyco, Inc., which in turn was nominally owned by American citizens, but was incorporated and functioned as a service agency for I. G. Farbenindustrie in the United States.

Exclusive sales agency contracts constitute another fairly common form of control device. General Aniline & Film Corporation was one of the two important producers of dyestuffs in the United States, but it never established a dyestuffs sales organization. The corporation, on its organization in 1929, made an exclusive sales contract for sales representation in dyestuffs with General Dyestuff Corporation, a corporation which had been organized to become the exclusive sales agent in the United States for I. G. Farbenindustrie and had acted as such exclusive sales agent since the organization of I. G. Farbenindustrie. Thus another control device was created in the General Aniline & Film situation. To control exercised through stock ownership and through key personnel was added control through all sales and basic sales policy.

Personal fealty of management personnel is another technique of control employed by the larger German industries. It has been found that certain individuals who occupied a dominant place in business enterprises owed all of their success to their business contacts in the past with German industries such as I. G. Farbenindustrie. This type of control was used not only in the case of management personnel, but also in the case of technical personnel. For example, one important technician in a chemical company in the United States, who allegedly was forced to leave Germany because of his religious beliefs, actually obtained his permission to leave Germany and obtained his job in the chemical company through the intervention of I. G. Farbenindustrie. It was discovered he was on the pay roll of I. G. Farbenindustrie up until the very day that he went on the pay roll of the chemical company. It is obvious that under these circumstances a strong feeling of loyalty to I. G. Farbenindustrie was to be expected on the part of this individual.

Probably the outstanding technique employed by large German industry to maintain industry in other countries on the footing of complete dependence has been the insertion in all contracts with local industry of a provision that I. G. Farbenindustrie, for example, through its laboratories would make available to the local industry all new discoveries and manufacturing processes. This practice has been a boon to local industry in times of peace but has stifled research development by the local industry.



Superimposed upon these various techniques of control, which generally are not used singly but in combination of two or more, are two other patterns which must be constantly borne in mind. One pattern is found in the close relationship between German industry and the Nazi Party. This relationship has been close from the rise of the Nazi Party to power, since it is well known that this party was financed by large industry in Germany. The most striking example of this strong control is probably the fact that in 1938 the Nazi Party sent to eight of the other American Republics assistant managers for *Farbenindustrie* enterprises who had no familiarity with the businesses and were placed in those countries solely for political reasons. The managers who were "assisted" by these persons, found themselves in a position where, even if they did not wish to follow the Party line, manifold forms of pressure were available against recalcitrants and their families.

The other pattern which must be borne in mind constantly varies from industry to industry and from country to country. For example, the United States must further develop its chemical industry. Its steel industry, on the other hand, is well-developed. Its electrical goods industry is well-developed. In any particular industry, the country imposing the control program must keep in mind its basic purpose with reference to that industry and shape its policy in order to best achieve its ends. A trademark belonging to an Axis business enterprise represents an investment in good will, and is part of that enterprise's enduring roots in the country. Disposition of an enterprise should include the disposition of the trademark as well. Destruction of a trademark might be the best method of disposition. With reference to patents, on the other hand, since they represent not an investment in good will but an accrued investment in research, they should be used for the benefit of the local economy. In a problem of this type, production facilities and research facilities must either be developed in the individual country or relationships must be fostered between the local enterprise and an enterprise in another country of this Hemisphere having such production and research facilities.

Another major objective which is really another facet of the development of local industry is to prevent the holding of markets for Axis business enterprises. One of the most significant examples of the use to which the Nazi interests have put their scheme of hiding their real interest in business enterprises is found in their endeavor to hold markets in the Western Hemisphere during the war. The Nazis, preparing for the spread of the war and its ensuing consequences of blockade and economic warfare measures, began setting up dummy organizations in this country and in the other American Republics, in many cases ostensibly owned by purely American interests. It was the function of these dummy organizations to hold the markets in this Hemisphere. A typical example of this in the chemical field was the setting up of a little export firm in New York City known as *Fezandie and Sperrle*, virtually unheard of in export circles. Through this dummy firm the powerful Nazi chemical interests attempted to ship chemicals and dvestuffs to their organizations in Latin America. When, in June, 1941, "The Proclaimed List of Certain Blocked Nationals" was issued, the Nazi interests were prepared with a scheme to evade the List. Dummy organizations, ostensibly owned by South and Central American interests, appeared throughout South and Central America. Through dummies in this country and dummies in South and Central America, the Nazis attempted and still are attempting to hold markets in this Hemisphere.

#### *The scope of the First War Powers Act and the Freezing Control Order*

The broad authority of the First War Powers Act and the freezing control order, and the flexibility with which such authority has been administered, have enabled this Government to deal with these various devices employed by the Axis to penetrate business enterprises in this country.

The freezing control order includes within its scope any business enterprise within the United States, which is owned or controlled directly or indirectly by blocked nationals of any of the blocked countries. As has already been indicated, the regulatory features of the order cover any business within the United States which is owned or controlled by any individual or concern which is found to be acting directly or indirectly for the benefit of or on behalf of any blocked country or any blocked national, even though such individual may be an American citizen or such concern an American entity. Under the power given the Secretary of the

Treasury to define as a national any person determined by him to have been acting directly or indirectly for the benefit of or under the direction of a blocked country, many of our own citizens, and the business enterprises owned or controlled by them, have been declared to be nationals of blocked countries.

Approximately 3,000 business enterprises in the United States have been subjected to the Control. They include enterprises controlled by or acting for or on behalf of the Axis countries or persons within the Axis countries; enterprises controlled by persons within Axis-occupied countries; enterprises controlled by persons acting in the interests of the recognized refugee governments in London of blocked countries such as the Netherlands; and enterprises controlled by persons within blocked countries which have not been occupied by the Axis, such as Switzerland. These enterprises cover a variety of economic and industrial activities, from long-established Axis-owned chemical manufacturing plants to the newly-established American diamond industry.

From the beginning of the Control, all concerns subjected to the Control have been required to file affidavits providing detailed information respecting their organizations, officers and directors, capital structure, relationship with other concerns, nature of their operations, and their principal customers. Those concerns which were allowed to operate are required to file periodic reports providing significant information with regard to their operations. In addition, the operations of many concerns have been subjected to penetrating investigation by Treasury Department representatives. As a result of the operation of the freezing control in this field, this Government now has in its files organized information with respect to the structure, activity and background of the numerous Axis-owned or Axis-dominated concerns, as well as with respect to concerns controlled by nationals of other blocked countries.

The treatment which has been or is being accorded these business enterprises varies, of course, in each individual case and is dependent in each case upon the particular facts and circumstances involved. The measures that have been used in individual cases range in degree from the rigorous treatment which is accorded firms such as General Aniline & Film Corporation for example, a part of the German I. G. Farben set-up which has spread its influence and power throughout the Western Hemisphere and the rest of the world, to the liberal treatment which is accorded concerns such as The Netherlands Trading Society East, Inc., Delaware, a Dutch organization operating under the control and in the interests of the recognized Dutch Government in London. Thus, in contradistinction to the case of General Aniline & Film, in which 97 percent of the stock found to be controlled by German interests was vested by this Government, The Netherlands Trading Society East, Inc., Delaware, was declared to be a generally licensed national, a designation which permits such concern to engage in all transactions as freely as any American concern.

#### *Treatment of United States citizens*

It was recognized from the inception of the freezing program that a control which could reach only those who were actually citizens of the Axis countries or of other countries under their domination would be ineffective, and, indeed, naive in the light of Axis practices. We were cognizant of the foresighted German practices of sending spies and agents to become naturalized citizens of the countries against which they were to machinate or of using pressure against Americans and others by threats of reprisal against relatives abroad. We were aware that many United States concerns, wholly owned by American citizens or by neutral citizens were indirectly controlled by the Axis. Our definition of "national," therefore, as applied to individuals and to corporations, was made as broad as possible, so that anyone entangled in the web of Nazi influence could be subjected to the Control. Under the power given the Secretary of the Treasury to define as a national any person determined by him to have been acting directly or indirectly for the benefit of, or under the direction of, a blocked country, many of our own citizens have been declared to be nationals of Germany, Italy or Japan. Innumerable instances may be cited where United States citizens were blocked or ordered removed from places of control in various enterprises:

(a) As a result of intensive investigation of several large corporations in which there were substantial German interests, the corporations were required to dismiss particular employees. About 100 American citizens were dismissed from General Aniline & Film Corporation, including 5 key executives, 3 of whom

were receiving salaries in excess of \$50,000 a year. Schering Corporation was required to dismiss, among others, its sales manager and the head of its engineering department, both of whom were American citizens. Twenty-three American citizens, including the vice president in charge of engineering, were similarly dismissed from American Bosch Corporation.

(b) A number of law offices have been blocked and subjected to supervision and intensive investigation. For example, the law office of the principal attorney for the German-American Bund was ordered closed; and the patent attorneys for General Aniline & Film Corporation were required to liquidate their firm.

(c) The Treasury Department has taken custody of almost all the files and records of German-American Bund organizations and has blocked the accounts of most of their officers and many of their prominent members, almost all of whom, as required by the rules of these organizations, are American citizens. In addition, the Bund Publishing Company was closed down and the printing company, William B. Graf & Son, owned by American citizens, has been blocked and is now under supervision.

(d) A large number of American citizens have been blocked who were engaged in the ruckwanderermark, remittance and food package businesses. Such businesses were conducted either at retail, in conjunction with small travel agencies, or wholesale through many small agents. Hans Utsch & Company and Hautz & Company are examples of wholesalers in the first two lines. Utsch, an American citizen, was blocked and was required to liquidate his business under supervision. Hautz & Company, which was composed of two American citizens and one German, was blocked and required to liquidate under supervision. Food package wholesalers have likewise been blocked and required to liquidate. One of the largest of these was Fortra, in which the majority interest was held by American citizens. Most of the smaller retailers have been blocked and many of them have gone out of business.

(e) Blocking measures have been taken against many American citizens who were the representatives of German companies or the resident managers of American companies owned in whole or in part by German interests, and against American citizens who purchased German interests in those companies or organized new companies to carry on the business formerly done by the Germans. Examples which may be stated are:

Mr. X, a naturalized citizen, former representative of the Deutsche Gold und Silber Scheideanstalt, and Manager of the Chemical Marketing Company and several small subsidiaries for the exploitation of processes developed by his German principal. His accounts were blocked and his companies were required to liquidate under Treasury supervision.

Mr. Y, an American citizen who held a minority interest in Jungmann & Company, and who purchased the controlling interest from Helmut Voss of Germany in a transaction which was believed not to be bona fide. Gut-schow and Jungmann & Company were blocked, and the company was placed under supervision and required to liquidate.

Mr. Z, an American citizen who was participating with his brother, an official of the German Government, in a scheme to import into the United States precious stones believed to have been looted by the German Army in Belgium. He and his companies have been blocked, and are presently being prosecuted on criminal charges.

The foregoing are but a few of the numerous examples where the effort of the United States to stamp out Axis influence has been directed against American citizens. There are hundreds of similar cases.

*Certain methods employed in dealing with business enterprises*

Some of the methods which have been employed by the United States Government in an effort to purge all business enterprises within the United States of their Axis influence are the following:

(a) *Forced sale of assets—liquidation.*—The United States Government has forced the liquidation of many business enterprises whose activities were found to be inimical to the defense of the Western Hemisphere, where such business enterprises were not essential to the war effort and where their continued oper-

ation was not deemed necessary in the public interest. Included among the types of enterprises which have been so liquidated are:

(1) Business enterprises which were controlled, directly or indirectly, by Germany, Italy or Japan or persons within such countries, irrespective of the technical legal ownership of the enterprises.

(2) Business enterprises which were acting on behalf of or for the benefit of Germany, Italy or Japan or persons within such countries, irrespective of the technical legal ownership of the enterprises; including business enterprises which were attempting to hold foreign markets for such countries or persons.

Such business enterprises are forced to liquidate through the following procedure: In view of the fact that such a business enterprise is a blocked national, any and all property of such business enterprise is blocked and may not be dealt in without a license and such business enterprise may not engage in any financial or commercial transactions except pursuant to license. When it is determined that such business enterprise is to be liquidated, any operating license which may be outstanding in connection with such enterprise is revoked and a license is issued which permits only those transactions which are designed for the speedy liquidation of the enterprise and the disposition of its assets to desirable individuals and concerns. Usually, at the time of the issuance of such a liquidating license, representatives of the United States Government are placed on the premises of the enterprise to supervise the liquidation process. These representatives have instructions to control access to the premises of these business enterprises and to prevent any person from removing or destroying any property of such business enterprise, including books and records.

Through the liquidation procedure, the business and assets of such business enterprises are being reduced to cash, creditors are paid off, and the remaining funds are placed in blocked accounts. More than 500 business enterprises have been or are being liquidated under this procedure. A list of such business enterprises which have been or are being liquidated is contained in the Appendix. (List omitted here.)

Included among the types of business enterprises which have been forced to liquidate are the foreign banks and insurance companies operating within this country and controlled from within Germany, Italy or Japan. The Treasury Department has obtained the full cooperation of the state banking and insurance departments in administering this phase of the Control.

(b) *Action by Alien Property Custodian—vesting.*—In certain cases it has been found that the liquidation of business enterprises whose activities are detrimental to the security of the Western Hemisphere is not feasible, because the continuation of the business enterprise is in the public interest. In such cases, the interests held or controlled by undesirable influences in the particular business enterprise or in related enterprises have been vested in the Alien Property Custodian under the authority granted by the First War Powers Act, 1941.

The Vesting Orders issued by the Alien Property Custodian provide for the vesting of the property, or interest involved, in the Alien Property Custodian to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States. Representative companies which have been affected by such vesting orders are:

General Aniline & Film Corporation, third largest manufacturer of dyestuffs in this country, which, through nominal Swiss ownership, was closely affiliated with and dominated by I. G. Farbenindustrie, A. G. 97 percent of the stock, which was actually German-owned, was vested.

Schering Corporation and its subsidiaries, manufacturers of sex hormones, vitamins and other valuable synthetic drugs. The German-owned stock of these corporations was vested.

American Bosch Corporation, one of the largest manufacturers of carburetors and magnetos in the world, ownership of which was nominally in Swedish names but actually German. The German-owned stock has been vested.

Spur Distributing Company, Harvard Brewing Company, Westminster Industrial Corporation, and Amerlagene, all of which were substantially controlled by Fritz Von Opel, scion of the famous automobile manufacturing family of Germany. The foreign interests in these companies have been vested.

Jasco, Inc., holder of many valuable patents, many of which had been assigned to it by I. G. Farbenindustrie. All I. G. Farben interest in patents, contracts and stock has been vested.

Standard Catalytic Company, another holding company similar to Jasco. All I. G. Farben interest in patents, contracts, and stock has been vested.

Magnesium Development Corporation, also an I. G. Farbenindustrie affiliate. The portion of the stock owned by I. G. Farben has been vested.

With respect to property vested by the Alien Property Custodian see the numerous vesting orders issued by the Alien Property Custodian which are filed in the Federal Register.\*

The General Aniline & Film Corporation case is a good example of the use of the vesting technique. General Aniline & Film Corporation was incorporated in 1929 under the aegis of I. G. Farbenindustrie, although the legal ownership of the corporation was never in I. G. Farbenindustrie. Legal ownership was placed in a Swiss holding corporation and subsequently ownership of a majority of the shares was transferred to holding companies incorporated under the laws of the Netherlands. Throughout the period from 1929 to 1942, I. G. Farbenindustrie used General Aniline & Film Corporation as its principal tool in the United States. Executive personnel were Germans who were sent to this country, took out citizenship here, married citizens of the United States, and formed many strong social ties. Technical personnel, in the main, were Germans sent from Germany. As the war approached, the German Government did not overlook this instrument so aptly devised for espionage purposes. Persons were carried on the pay roll of the General Aniline & Film Corporation who were unknown in the company. There was a constant traffic in German agents who would be employed by General Aniline & Film Corporation for a few months and then moved on to other fields. This corporation was blocked as German despite the fact that its ownership was nominally in two nationals of two neutral countries on June 14, 1941. It operated under license for several months; then it was found that the licensing technique was not a sufficiently vigorous type of control. In December 1941, after the outbreak of war, a large group of government personnel, including technical personnel, was sent into General Aniline & Film Corporation to supervise its operations and investigate it thoroughly. The investigation soon developed evidence that General Aniline & Film was being used by the German Government. Twenty-five of the key executive personnel, including the president and chairman of the board and all department heads, were dismissed on orders of the government early in January 1942. On February 16, 1942, 97 percent of the outstanding shares of this corporation were vested by the United States Government. It must be remembered that these shares were held by corporations domiciled respectively in one neutral country and in one allied country. Following the vesting, the United States Government removed the rest of the undesirable executive personnel and replaced them with executives of proven loyalty chosen from the American chemical industry. Nevertheless, the investigation continued until recently and all employees with any past connection with I. G. Farbenindustrie were dismissed.

(c) *Use of intervenors.*—In addition to supervision placed in liquidating business enterprises, United States Government representatives have been placed in many operating business enterprises in order to supervise their activities and assure compliance with their business operating licenses.

Besides supervising the activities of the enterprises, it is the function of the Government representatives to obtain full information concerning the structure, activity and background of such enterprises, including information as to the actual controls of the enterprises and as to their officers and employees; to determine whether there is any Axis influence in connection with the organization, control or operation of such enterprises; and, if so, to make recommendations as to what steps should be taken to purge the enterprise of such Axis influence.

The government representatives may determine that any one of a variety of steps should be taken, such as:

- (1) The vesting of the stock or other interest of an undesirable individual or concern in such enterprise;
- (2) The liquidation of such concern;
- (3) The discharge of certain officers or directors, or of certain employees;

\*As of November 1, 1942, 270 vesting orders had been issued by the Alien Property Custodian and published in the Federal Register.

(4) The severance of certain undesirable contractual relationships, including patent arrangements and the like; and

(5) The prevention of certain trade activities, including dealings with undesirable customers and the use of undesirable trademarks.

The First War Powers Act, of course, provides ample authority to take any steps such as these.

It should be emphasized that it is not intended in most cases that the role of the Government representatives as interventors should be of a permanent character. Rather, the goal is to destroy effectively the Axis influence in connection with the organization, control or operation of the business enterprise; with the end in view that if such enterprise is not liquidated or vested, it will have been so reorganized that it can safely be permitted to operate without Government supervision.

(d) *Licensing operation (without supervision) of blocked business enterprises under certain conditions, including reorganization.*—It may not always be necessary to place interventors in blocked business enterprises in order to purge such enterprises of undesirable influences. It may be possible to accomplish this purpose in a few cases through the issuance of conditional operating licenses, which permit the business enterprise to conduct its activities under certain terms and conditions. For example, a business operating license might be conditioned on the enterprise involved making certain changes in its organization, including the dismissal of certain officers and employees. Another condition of a business operating license might be that the firm completely sever all relationships with undesirable customers.

Generally speaking, the mere use of the licensing technique has not been found to be sufficient in order to reorganize Axis business enterprises. However, the blocking of a business enterprise and the issuance of a limited operating license to it may serve a useful function as a preliminary step in controlling such business enterprise.

An illustration of the use of the licensing technique as a preliminary step to prevent undesirable transactions is the case of Schering Corporation of Bloomfield, New Jersey. This corporation, prior to the outbreak of war, was restricted by a cartel contract with Schering A. G. of Berlin to the United States market. After the outbreak of the war, Schering of Bloomfield formed a subsidiary corporation without objection from Schering A. G. of Berlin, the sole function of which was to export goods to other markets in the world which had formerly been supplied by Schering A. G. of Berlin. These transactions were subject to the provisions of Executive Order No. 8389 as amended. The United States Treasury Department denied all export applications (there were 17 applications pending at the time this decision was made).

This action, simply an intelligent use of the licensing technique, prevented Schering A. G. of Berlin from acquiring substantial amounts of local currency which would otherwise have been available to the Axis governments for propaganda and subversive activities in countries in which the sales were made.

The German-owned stock of Schering Corporation and its subsidiaries has now been vested in the Alien Property Custodian.

(e) *Reorganization of an enterprise without blocking.*—It may not always be necessary to block a business enterprise in order to purge it of undesirable influences. It may be possible to induce the enterprise to undergo a reorganization or to change its trade practices.

Thus, under the facts set forth in the example described in (d) above, it may be possible, depending upon all the facts and circumstances, to obtain the cooperation of the officers and directors of the business enterprise in discharging undesirable officers and employees and in terminating all undesirable relationships without blocking the business enterprise. Furthermore, where it is not possible to obtain such cooperation without the threat of the use of sanctions, it may be possible, depending upon all the facts and circumstances, to compel the business enterprise involved to discharge the undesirable officers and employees and to cut off all relationship with the undesirable customers, by threatening to block rather than by actually blocking such business enterprise.

An example of the reorganization of a business enterprise without blocking is Sterling Products, Inc., an enterprise owned by 24,500 American citizens. The foreign ownership is small. However, from 1920 until 1941 Sterling Products, Inc., had very close commercial ties with I. G. Farbenindustrie. There was considerable exchange of personnel and information. In 1923 Sterling Products, Inc., and I. G. Farbenindustrie entered into a cartel agreement which split the drug markets of the world between them.

The representatives of the Government consulted with the officers of Sterling Products, Inc., studied the Sterling situation and as a result thereof Sterling submitted to the Government a series of representations. These representations provided for a termination of all contractual relationships with I. G. Farbenindustrie, the abandonment of trademarks with German connotation, the establishment of new trademarks, the reporting on all personnel with an agreement to dismiss personnel deemed undesirable by the Government, and an undertaking to compete actively with I. G. Farbenindustrie and to report monthly all sales and the use of advertising media.

After the reports of personnel were submitted, the Government studied the background of all executive personnel and technical personnel and suggested the dismissal of 42 of such persons immediately. Some technical personnel who had undesirable backgrounds, who were deemed indispensable, were retained, but have since been dismissed as suitable successors have been obtained for them. The president and the chairman of the board of the corporation were among the first dismissed and the Government participated in the selection of their successors and of all other personnel in important executive posts.

\* \* \* \* \*

The above-described methods of dealing with business enterprises for the purpose of purging such enterprises of all undesirable influences and insuring that such business enterprises will conduct their activities in the public interest are, of course, only some of the many possible methods which might be employed under the broad and flexible authority contained in the First War Powers Act for dealing with business enterprises. Through these methods we are eliminating from all business enterprises within the United States any influence or activity which is deemed inimical to the defense of the Hemisphere.

#### THE CENSUS OF FOREIGN PROPERTY

A census of all foreign property subject to the jurisdiction of the United States was taken by the Treasury Department to provide the information necessary for the effective administration of Foreign Funds Control. The comprehensive nature of the census is evident from the fact that all persons owning, holding, or controlling any type of property in which there was a foreign interest, direct or indirect, were required to report the ownership of such property on TFR-300. Where two or more nationals had an interest in the same property, a separate report was required for each national. In order to trace the transfer of property to avoid foreign funds control, all reports required a statement of property holdings as of two reporting dates: June 1, 1940, and June 14, 1941.

To assure the complete reporting of all foreign-owned property, the Treasury required reports to be filed by every national of a foreign country in the United States with respect to all property subject to the jurisdiction of the United States in which he had any interest on either reporting date. Every person in the United States holding or controlling property, including debts and contracts in which any foreign country or national had any interest on either reporting date, was required to report such property and the national for whom it was held. Every partnership, trust, corporation, or organization issuing shares, bonds, debentures, or other securities in which any foreign country or national had any interest on either reporting date, was required to report such nationals and their interest in such securities. Every agent or representative in the United States of any foreign country or national was required to report any property in which any foreign national for whom he was an agent or representative had any interest on either reporting date.

The property required to be reported included bullion, currency, and deposits; all types of securities, checks, drafts, acceptances, letters of credit, promissory notes, debts, and contracts; warehouse receipts and bills of lading, goods and merchandise, machinery and equipment, jewelry, precious stones and precious metals, objects of art and furnishings; real property, mortgages, and other rights in land; patents, trademarks and copyrights; estates and trusts, partnership and profit-sharing agreements; insurance policies and annuities; and other property not otherwise classified. Each item of property valued at \$1,000 or more was required to be specifically identified, with a statement of the location of such property and its value on June 14, 1941, and June 1, 1940.

The reports on TFR-300 called for additional information intended to bring to light other foreign interests in the reported property, and other property in which the reported national might have an interest. Thus each national reporting

for himself was required to list the safe deposit boxes held in his name or to which he had access. Furthermore, each national was required to give a full statement of his business connections. Information was also called for that established the nationality of each person for whose property a report was filed.

No report was required if the gross value of all property of a national which was to be reported was less than \$1,000 on either June 14, 1941, or June 1, 1940. However, reports were required, regardless of value, of safe deposit boxes, patents, trademarks, copyrights, franchises, interests in partnership and profit-sharing agreements, and of property the value of which could not readily be determined. Reports were not required of property of nationals who had been domiciled in and resident only in the United States at all times on and since June 17, 1940, except for nationals of certain invaded countries whose period of uninterrupted residence had to begin in April or May, 1940.

To facilitate the reporting of foreign-owned property and the study of these reports, the Treasury provided specialized forms of TFR-300 in eight series:

Series A was used for reporting property of individuals not engaged in business.

Series B was used for reporting property of governments, business enterprises, nonprofit associations and trusts.

Series C was used by organizations issuing securities to report holdings of securities issued by them.

Series D was used by banks and safe deposit companies to report safe deposit boxes.

Series E was used by banks to report deposit accounts, collection items, cashier's and certified checks, bank acceptances, and letters of credit.

Series F was used by banks to report securities in their custody or held by them as collateral.

Series G was used by brokers to report balances, securities, and commodities held by them.

Series H was used by insurers to report insurance policies, annuities, pensions, and claims and indebtedness arising under insurance policies.

The Treasury has already received 600,000 reports of foreign-owned property. These include 150,000 reports on securities issued to nationals of foreign countries, 135,000 reports on bank accounts of such nationals, 56,000 reports on securities held in custody by banks and brokers for such nationals, and 10,000 reports of safe deposit boxes in which such nationals had an interest. It will be readily apparent that these complete and detailed reports provide the Treasury with full information regarding the property holdings and business interest of every national subject to foreign funds control.

The total value of all property reported in the census is in excess of \$13,000 million. More than \$7,000 million of this total was reported as the property of nationals of blocked countries. Property reported as owned or held for nationals resident in the Latin American Republics amounted to more than \$1,200 million.

The following table shows property holdings by principal groups of countries and by principal types of property:

*Principal foreign-owned United States assets*

(Millions of dollars)

Groups of countries	Gold earmarked	Deposits and other banking assets	Stocks of registered bonds	Direct investments	Other investments	Total
Enemy countries.....	24	160	50	105	125	464
Enemy occupied countries <sup>1</sup> .....	1,269	1,225	625	365	500	3,984
Other blocked countries <sup>2</sup> .....	848	975	540	120	200	2,683
Other American Republics.....	322	605	225	20	50	1,222
All other countries.....	4	1,115	1,690	1,340	650	4,799
	2,467	4,080	3,160	1,950	1,525	13,152

<sup>1</sup> Plus Unoccupied France and Finland.

<sup>2</sup> Including China.



ORGANIZATION AND PROCEDURE<sup>1</sup>

## Exhibit 52

*Orders relating to organization and procedure in the Treasury Department*

TREASURY DEPARTMENT ORDER NO. 41, SEPTEMBER 11, 1941

Field officers of the Treasury Department, designated by the heads of their respective Bureaus or Services in Washington pursuant to Treasury Department Order of August 21, 1930, making effective the act of June 26, 1930 (Public No. 441, 71st Congress), and field officers hereafter designated by such heads, are authorized to employ and assign to immediate duty, under such circumstances as such heads shall deem necessary in the interest of the service, subject to the Civil Service Act and Rules, duly qualified persons to fill vacancies in authorized positions under the supervision of such field officers.

The names of persons so employed may be entered on the pay roll without the necessity of securing prior secretarial approval.

The delegation of the appointing authority applies to regular as well as emergency field appointments.

The names of persons employed in this manner shall in all cases be submitted to the Administrative Assistant to the Secretary for final approval as provided in Treasury Department Order No. 22 of June 30, 1939.

Treasury Department Order of August 21, 1930, is revoked and superseded by this Order.

H. MORGENTHAU, Jr.,  
*Secretary of the Treasury.*

TREASURY DEPARTMENT ORDER NO. 42, SEPTEMBER 30, 1941

Pursuant to authority vested in me by section 161 of the Revised Statutes (U. S. C., title 5, sec. 22), and to other authority vested in me as Secretary of the Treasury, effective October 1, 1941, the Division of Printing is hereby transferred to and made a part of the Procurement Division, Treasury Department. Control over and supervision of the Division of Printing, its functions, records, property, and personnel shall thereafter be in the Director of Procurement.

H. MORGENTHAU, Jr.,  
*Secretary of the Treasury.*

TREASURY DEPARTMENT ORDER NO. 43, DECEMBER 15, 1941

On and after this date, Mr. Harry D. White, Assistant to the Secretary, will assume full responsibility for all matters with which the Treasury Department has to deal having a bearing on foreign relations. Mr. White will act as liaison between the Treasury Department and the State Department, will serve in the capacity of adviser to the Secretary on all Treasury foreign affairs matters, and will assume responsibility for the management and operation of the stabilization fund without change in existing procedures. Mr. White will report directly to the Secretary.

H. MORGENTHAU, Jr.,  
*Secretary of the Treasury.*

<sup>1</sup> The following laws affecting employees of the Treasury Department and other Government agencies are not included:

Public Law 200, Aug. 1, 1941, amending the Classification Act of 1923, as amended, by providing for automatic pay increases.

Public Law 202, Aug. 1, 1941, making provision for payment of Government employees for accumulated or accrued annual leave when ordered to active duty with the military or naval forces of the United States.

Public Law 411, Jan. 24, 1942, amending further the Civil Service Retirement Act, approved May 29, 1930, as amended, by changing retirement requirements and increasing the salary deductions.

Public Law 490, Mar. 7, 1942, making provision for continuing payment of pay and allowances of personnel of the Army, Navy, Marine Corps, and Coast Guard, including the retired and Reserve components thereof; the Coast and Geodetic Survey and the Public Health Service, and civilian employees of the executive departments, independent establishments, and agencies, during periods of absence from post of duty, and for other purposes.

Public Law 517, Apr. 7, 1942, providing for the payment for accumulative or accrued annual leave to Government employees who voluntarily enlist or otherwise enter the military or naval forces of the United States.

## TREASURY DEPARTMENT ORDER NO. 44, FEBRUARY 1, 1942

Effective from and after this date, the following assignments to Mr. Gerard Swope, Assistant to the Secretary, are hereby ordered:

1. Procurement Division.
2. Bureau of Engraving and Printing.
3. Bureau of the Mint.

Treasury Department Order No. 25, dated September 19, 1939, is revoked and superseded by this Order.

H. MORGENTHAU, Jr.,  
*Secretary of the Treasury.*

## TREASURY DEPARTMENT ORDER NO. 45, APRIL 15, 1942

The name of the Defense Savings Staff, established by Treasury Department Order No. 39, dated March 19, 1941, is hereby changed to War Savings Staff, effective immediately.

H. MORGENTHAU, Jr.,  
*Secretary of the Treasury.*

**Exhibit 53**

*Order of the Secretary of the Treasury, September 30, 1941, authorizing the Procurement Division to enter into contracts on behalf of the Division of Printing*

Effective October 1, 1941, the Director of Procurement and such other officers of the Procurement Division to whom there has been or shall hereafter be delegated authority to enter into contracts on behalf of the Procurement Division are hereby authorized and empowered to enter into contracts on behalf of the Division of Printing and to obligate any funds which have been appropriated to the said Division of Printing.

HENRY MORGENTHAU, Jr.,  
*Secretary of the Treasury.*

**Exhibit 54**

*Executive Order No. 8929, November 1, 1941, directing the Coast Guard to operate as a part of the Navy*

By virtue of the authority vested in me by section 1 of the act of Congress approved January 28, 1915, 38 Stat. 800 (U. S. C., Title 14, sec. 1), as amended by sections 5 and 6 of the act of July 11, 1941, Public Law 166, 77th Congress, 1st Session, it is hereby directed that the Coast Guard shall from this date, until further orders, operate as a part of the Navy, subject to the orders of the Secretary of the Navy.

All Coast Guard personnel operating as a part of the Navy, subject to the orders of the Secretary of the Navy, pursuant to this order, shall, while so serving, be subject to the laws enacted for the government of the Navy: *Provided*, That in the initiation, prosecution, and completion of disciplinary action, including remission or mitigation of punishments for any offense committed by any officer or enlisted man of the Coast Guard, the jurisdiction shall depend upon and be in accordance with the laws and regulations of the Department having jurisdiction of the person of such offender at the various stages of such action: *Provided further*, That any punishment imposed and executed in accordance with the provisions of this paragraph shall not exceed that to which the offender was liable at the time of the commission of the offense.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,  
November 1, 1941.

**Exhibit 55**

*An act providing for the security of United States naval vessels, and for other purposes*

[Public Law 292, 77th Cong., H. R. 5463]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That in addition to those duties now imposed by

law on the Coast Guard by virtue of the Acts of March 4, 1915 (38 Stat. 1053; 33 U. S. C. 471), June 15, 1917 (40 Stat. 220; 50 U. S. C. 191), and June 22, 1936 (49 Stat. 1820; U. S. C., Supp. V, title 14, sec. 45), it shall be the duty of the captain of the port, Coast Guard district commander, or other officer of the Coast Guard designated by the Commandant thereof, or the Governor of the Panama Canal in the case of the territory and waters of the Canal Zone, to so control the anchorage and movement of any vessel, foreign or domestic, in the territorial waters of the United States, as to insure the safety or security of such United States naval vessels as may be present in his jurisdiction: *Provided*, That in territorial waters of the United States where immediate action is required, or where representatives of the Coast Guard are not present, or not present in sufficient force to exercise effective control of shipping as provided herein, the senior naval officer present in command of any naval force may control the anchorage or movement of any vessel, foreign or domestic, to the extent deemed necessary to insure the safety and security of his command.

SEC. 2. When the Coast Guard operates as a part of the Navy pursuant to section 1 of the Act of January 28, 1915 (38 Stat. 800; U. S. C., title 14, sec. 1), as amended, the powers conferred on the Secretary of the Treasury by section 1, title II, of the Act of June 15, 1917 (40 Stat. 220; U. S. C., title 50, sec. 191), shall vest in and be exercised by the Secretary of the Navy.

SEC. 3. Section 2, title II, Act of June 15, 1917 (40 Stat. 220; U. S. C., title 50, sec. 192), is hereby amended by striking therefrom the words "by the Secretary of the Treasury or the Governor of the Panama Canal."

SEC. 4. Nothing in this Act shall be construed as affecting the authority conferred upon the Governor of the Panama Canal by the second paragraph of section 1, title II, Act of June 15, 1917 (40 Stat. 220; U. S. C., title 50, sec. 191) notwithstanding the provisions of section 2 of this Act; nor shall anything in this Act be construed as affecting the powers and authority conferred by section 8 of title 2, Canal Zone Code, June 19, 1934 (37 Stat. 569; U. S. C., title 48, sec. 1306).

Approved, November 15, 1941.

### Exhibit 56

*Sections 1, 2, and 4 of Executive Order No. 9083, dated February 28, 1942, relating to functions of the Bureau of Customs*

#### SECTION 1. *Transfer of Functions of Bureau of Marine Inspection and Navigation.*

As provided in sections 2 and 3 of this order, there are transferred to the Bureau of Customs and the United States Coast Guard all functions of: the Bureau of Marine Inspection and Navigation, the office of the director thereof, the offices of supervising inspectors, principal traveling inspectors, traveling inspectors, local inspectors, assistant inspectors, shipping commissioners, deputy shipping commissioners, and the Board of Supervising Inspectors, the Boards of Local Inspectors, the Marine Casualty Investigation Board, the Marine Boards, and those functions of the Secretary of Commerce which pertain thereto.

#### SECTION 2. *Functions Transferred to Bureau of Customs.*

Those functions of the Bureau, Offices, and Boards specified in section 1, and of the Secretary of Commerce, pertaining to registry, enrollment, and licensing of vessels, including the issuance of commissions to yachts, the assignment of signal letters, and the preparation of all reports and publications in connection therewith; measurement of vessels, administration of tonnage duties, and collection of tolls; entrance and clearance of vessels and aircraft, regulation of vessels in the coasting and fishing trades, and limitation of the use of foreign vessels in waters under the jurisdiction of the United States; recording of sales, conveyances, and mortgages of vessels; protection of steerage passengers; all other functions of such Bureau, Offices, and Boards which are now performed by the Bureau of Customs on behalf thereof; and the power to remit and mitigate fines, penalties, and forfeitures incurred under the laws governing these functions, are transferred to the Commissioner of Customs, to be exercised by him under the direction and supervision of the Secretary of the Treasury.

\* \* \* \* \*

#### SECTION 4. *Transfer of Functions from Bureau of Customs.*

Those functions relating to the award of numbers to undocumented vessels, now vested in the Collectors of Customs, are transferred to the Commandant of the Coast Guard to be exercised by him under the direction and supervision of the Secretary of the Navy.

\* \* \* \* \*

## MISCELLANEOUS

## Exhibit 57

*Authorization for discontinuance of functions of Treasury accounts offices in connection with the audit and accounting for funds under the various emergency relief appropriation acts*

TREASURY DEPARTMENT,  
Washington, April 9, 1942.

TO THE PRESIDENT:

In Executive Order No. 7034, dated May 6, 1935, you directed the Secretary of the Treasury, through the Commissioner of Accounts and Deposits, to exercise accounting control over funds appropriated for relief and work relief. This work involved (1) the maintenance of appropriation controls, (2) the maintenance of project accounts, (3) the preaudit of expenditures, (4) the administrative examination of disbursing officers' accounts, and (5) the preparation of financial reports (a) for current administration, and (b) for transmission to the Congress.

In line with the policy of reducing nondefense expenditures wherever possible, you authorized the discontinuance of the maintenance of detail project accounts of the Work Projects Administration by the Treasury Department, effective January 1, 1942.

On December 29, 1941, you approved an act of Congress, Public Law 389, providing for the bonding of officers and employees authorized to certify vouchers for payment by disbursing officers in the executive branch of the Government. This law, coupled with the need for making available maximum trained personnel for the war effort, indicates the desirability of adopting the following measures with respect to the Emergency Treasury Accounts Offices established pursuant to Executive Order No. 7034:

(1) Effective May 1, 1942, discontinue the preaudit by the Emergency Treasury Accounts Offices of all vouchers and pay rolls relating to the emergency work relief program;

(2) Effective July 1, 1942, discontinue the maintenance of accounts; the preparation of financial reports (except the final report hereinafter referred to); the administrative examination of disbursing officers' accounts and all other functions performed by the Emergency Treasury Accounts Offices pursuant to Executive Order No. 7034, as amended and extended.

It is proposed to maintain during the fiscal year 1943, or such part thereof as may be necessary, a small staff of employees to (1) prepare a final financial report similar to those transmitted to the Congress annually during the past seven years at the beginning of each regular session, (2) preserve such files and records as may be necessary and to arrange for the destruction or disposition of those which are no longer required, (3) handle matters relating to the transfer of personnel and equipment to other agencies, (4) clear suspensions made by the General Accounting Office in disbursing officers' accounts, and (5) search records and make replies to inquiries involving claims and related matters.

H. MORGENTHAU, Jr.  
Secretary of the Treasury.

Approved, April 14, 1942.

FRANKLIN D. ROOSEVELT.

## Exhibit 58

*Standards and conditions prescribed with respect to bonds of certifying officers and administrative procedure relating to disbursements by Division of Disbursement, Treasury Department*

[Department Circular No. 680. Accounts]

TREASURY DEPARTMENT,  
Washington, February 16, 1942.

To the Heads of Executive Departments, Establishments, and Agencies, and Others Concerned:

## I. STANDARDS AND CONDITIONS

Public Law No. 389, 77th Congress, 1st Session, approved December 29, 1941, entitled "An Act to fix the responsibilities of disbursing and certifying officers, and for other purposes," is as follows:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That hereafter, notwithstanding the provisions of

the Act of August 23, 1912 (37 Stat. 375; 31 U. S. C. 82), and section 4 of Executive Order Numbered 6166, dated June 10, 1933, disbursing officers under the executive branch of the Government shall (1) disburse moneys only upon, and in strict accordance with, vouchers duly certified by the head of the department, establishment, or agency concerned, or by an officer or employee thereof duly authorized in writing by such head to certify such vouchers; (2) make such examination of vouchers as may be necessary to ascertain whether they are in proper form, duly certified and approved, and correctly computed on the basis of the facts certified; and (3) be held accountable accordingly.

"SEC. 2. The officer or employee certifying a voucher shall (1) be held responsible for the existence and correctness of the facts recited in the certificate or otherwise stated on the voucher or its supporting papers and for the legality of the proposed payment under the appropriation or fund involved; (2) be required to give bond to the United States, with good and sufficient surety approved by the Secretary of the Treasury, in such amount as may be determined by the head of the department, agency, or establishment concerned, pursuant to standards prescribed by the Secretary of the Treasury, and under such conditions as may be prescribed by the Secretary of the Treasury; and (3) be held accountable for and required to make good to the United States the amount of any illegal, improper, or incorrect payment resulting from any false, inaccurate, or misleading certificate made by him, as well as for any payment prohibited by law or which did not represent a legal obligation under the appropriation or fund involved: *Provided*, That the Comptroller General may, in his discretion, relieve such certifying officer or employee of liability for any payment otherwise proper whenever he finds (1) that the certification was based on official records and that such certifying officer or employee did not know, and by reasonable diligence and inquiry could not have ascertained, the actual facts, or (2) that the obligation was incurred in good faith, that the payment was not contrary to any statutory provision specifically prohibiting payments of the character involved, and that the United States has received value for such payment: *Provided further*, That the Comptroller General shall relieve such certifying officer or employee of liability for an overpayment for transportation services made to any common carrier covered by title III, part II, section 322, of the Transportation Act of 1940, approved September 18, 1940, whenever he finds that the overpayment occurred solely because the administrative examination made prior to payment of the transportation bill did not include a verification of transportation rates; freight classifications, or land-grant deductions.

"SEC. 3. The liability of certifying officers or employees shall be enforced in the same manner and to the same extent as now provided by law with respect to enforcement of the liability of disbursing and other accountable officers; and they shall have the right to apply for and obtain a decision by the Comptroller General on any question of law involved in a payment on any vouchers presented to them for certification.

"SEC. 4. Nothing contained herein shall apply to the disbursing functions under the jurisdiction of the War Department, the Navy Department (including the Marine Corps), and the Panama Canal, except those pertaining to departmental salaries and expenses in the District of Columbia.

"SEC. 5. This Act shall become effective on the first day of the fourth month following the date of its enactment.

"Approved, December 29, 1941."

In order to carry out the duties placed upon the Secretary of the Treasury under the foregoing act, the following is prescribed:

SEC. 1. *Effective date.*—The act becomes effective on April 1, 1942.

SEC. 2. *Bond of certifying officer.*—(a) Every officer or employee certifying a voucher to a disbursing officer under the executive branch of the Government (hereinafter referred to as certifying officer) shall give bond, effective on April 1, 1942, or on such later date as his authorization becomes effective, with good and sufficient surety approved by the Secretary of the Treasury in such amount as may be determined by the head of the department, agency, or establishment concerned, pursuant to standards and under such conditions as are hereinafter prescribed. Any such officer or employee now bonded to the United States will be required to give a separate bond to cover certifying duties under Public Law 389.

(b) The bond of a certifying officer may be secured (1) by any corporation authorized by the Secretary of the Treasury to qualify as surety on bonds in favor of the United States; (2) by two individuals, each of whom shall justify to the satisfaction of the Secretary of the Treasury, by the execution of affidavits, or other-

wise, as may be required by the Secretary of the Treasury, that he has free and unencumbered assets over all liabilities, the current market value of which is at least fifty percent in excess of the penal sum of the bond; or (3) by the pledge of obligations issued or guaranteed by the United States, in accordance with the provisions of Treasury Department Circulars Nos. 154 and 530, dated February 6, 1935, and April 15, 1941, respectively.

(c) The provisions of this section shall not be deemed to require the giving of a bond by the head of any department, establishment, or agency.

SEC. 3. *Standards for fixing amount of bond.*—The penal sum of each certifying officer's bond shall be fixed by the head of the department, establishment, or agency concerned in accordance with the degree of the officer's responsibility, taking into consideration the character and estimated amount of vouchers to be certified for payment during the ensuing twelve-months' period. Such penal sum should be sufficient to protect the interests of the United States under the circumstances.

SEC. 4. *Conditions of bond.*—Each certifying officer's bond shall be conditioned for the true and faithful performance of the duties imposed upon him in accordance with the provisions of Public Law 389, and any subsequent amendments thereto, and in accordance with any other relevant laws of the United States and rules, regulations and instructions issued by the proper authority. A form of bond prescribed for this purpose is attached<sup>1</sup> for use when surety is a corporation. Appropriate changes may be made in the form to adapt it for use with personal sureties. A supply of bond forms will be furnished upon request, directed to the Section of Surety Bonds, Bureau of Accounts, Treasury Department.

SEC. 5. *Handling of executed bonds.*—Certifying officers' bonds, after being properly executed, shall be transmitted through customary departmental channels to the Section of Surety Bonds, Bureau of Accounts, Treasury Department, for approval of the surety, recording, and filing. Notice of approval will be transmitted promptly to the agency concerned.

## II. ADMINISTRATIVE PROCEDURE RELATING TO DIVISION OF DISBURSEMENT

SEC. 6. *Authorization of certifying officers.*—(a) Under Public Law 389, disbursing officers under the executive branch of the Government (except as provided in sec. 4 thereof) may disburse money only upon vouchers certified by the head of a department, establishment, or agency, or by an officer or employee thereof duly authorized by such head, in writing, to certify such vouchers.

(b) In the case of those departments, establishments, or agencies, submitting vouchers to the Division of Disbursement, Treasury Department, for payment, authorizations (sample form attached<sup>1</sup>) shall show the name of certifying officer, the bureau or office, the class of vouchers to be certified, the location of the disbursing office where payment is to be made, and the amount of bond fixed in each case. The original, or an authenticated copy, of the authorization covering officers or employees to be authorized to certify as of April 1, 1942, should be transmitted, on or before March 15, 1942, to the Chief Disbursing Officer, Division of Disbursement, Treasury Department, Washington, D. C., who will forward the necessary photostatic copies thereof to the General Accounting Office and to the Commissioner of Accounts, Treasury Department.

(c) Authorizations of certifying officers or employees submitted subsequently to March 15, 1942, must be received by the Division of Disbursement, as above, before payment will be made on vouchers certified by such individuals after April 1, 1942.

(d) Five signature cards (Form No. 1686, Revised), bearing the bona fide signature of each authorized certifying officer or employee, authenticated by some other officer in the same agency, shall accompany the original or copy of authorization, when sent to the Chief Disbursing Officer, who will forward the necessary number of cards to the General Accounting Office and to the Commissioner of Accounts.

(e) Payments will not be made on vouchers certified by an officer or employee until the bond required by Public Law 389 has been approved by the Secretary of the Treasury.

SEC. 7. *Revocation of authorization.*—In the case of those departments, establishments, or agencies, submitting vouchers to the Division of Disbursement, Treasury Department, for payment, authorizations will be deemed to be in effect until expressly revoked or amended. Whenever the authorization of a certifying officer or employee is revoked or amended, notice thereof should be given promptly to the Chief Disbursing Officer, preferably in accordance with the form attached<sup>1</sup>

<sup>1</sup> Form omitted.

hereto, signed by the head of the department, establishment, or agency, and giving the effective date of the revocation or amendment. Care should be exercised promptly to notify the Chief Disbursing Officer, in writing, of termination of the services of a certifying officer by death, resignation, or otherwise.

### III. AMENDMENTS

SEC. 8. *Amendments.*—The right is expressly reserved to amend, revise, or waive the foregoing, from time to time, to such extent not inconsistent with law, as may be considered necessary.

D. W. BELL,

*Acting Secretary of the Treasury.*

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### Exhibit 59

*Executive Order No. 9084, March 3, 1942, amending Executive Order No. 8512 of August 13, 1940, prescribing regulations pertaining to budgetary administration and financial reporting*

By virtue of the authority vested in me by the Budget and Accounting Act, 1921, approved June 10, 1921 (42 Stat. 20), and as President of the United States, Executive Order No. 8512 of August 13, 1940, prescribing regulations pertaining to budgetary administration and financial reporting, is hereby amended as follows:

1. The word "reporting" is substituted for the word "accounting" in the first sentence of section 6 (b) of the order.

2. A colon is substituted for the period at the end of section 7 of the order and the following proviso is added thereto:

"*Provided*, That prior to establishing such uniform terminology, classifications, principles, and standards, they shall be referred to the Comptroller General of the United States for consideration and determination as to whether they are in conflict with the forms, systems, and procedures prescribed by the Comptroller General as required by section 309 of the Budget and Accounting Act. If the Comptroller General determines that such conflict exists, then they shall not be established except by him as provided in section 309 of the said Act."

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,  
March 3, 1942.

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### Exhibit 60

*An act to authorize the Treasurer of the United States to make settlements with payees of lost or stolen checks, which have been paid on forged endorsements, in advance of reclamation, and for other purposes*

[Public Law 310, 77th Cong., H. R. 5079]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$50,000, to be available until expended, to be used by the Treasurer of the United States, under the direction of the Secretary of the Treasury, for making settlement with the payees and special indorsees of certain checks drawn on the Treasurer of the United States, as hereinafter provided. There is hereby further authorized to be appropriated from time to time such additional sums as may be necessary for such purpose. There shall be on deposit with the Treasurer of the United States in a special deposit account a revolving fund, to be known as the check forgery insurance fund (hereinafter referred to as "the fund"), to be composed of the sum of \$50,000 and such further sums as may hereafter be appropriated from time to time, together with all recoveries deposited to the credit of the fund as hereinafter provided.

SEC. 2. Whenever it is established (a) that any check heretofore or hereafter drawn on the Treasurer of the United States has been lost or stolen without the fault of the payee or a holder who is a special indorsee and whose indorsement is necessary to the further negotiation of such check, (b) that such check has thereafter been negotiated and paid by the Treasurer on a forged indorsement of the payee's or special indorsee's name, (c) that the payee or special indorsee has not

participated either directly or indirectly in the proceeds of such negotiation or payment, and (d) that reclamation from the forger or transferees or parties on such check subsequent to the forgery has been or may be delayed or be unsuccessful, the Treasurer of the United States is authorized and directed to draw on the fund prior to reclamation to pay such payee or special indorsee the amount of such check, without interest.

SEC. 3. Nothing contained in this Act shall be construed to relieve the forger from civil or criminal liability, nor to relieve any transferee or party on such check subsequent to the forgery from liability on his express or implied guaranty of prior indorsements, or liability to make refund to the Treasurer of the United States, and all amounts received by the Treasurer by way of reclamation from such persons, or other persons making repayment on behalf of such persons, to the extent that such amounts are necessary to reimburse the fund for payments made to payees or special indorsees therefrom shall forthwith be deposited to the credit of the fund and shall be available for the purposes thereof.

SEC. 4. The Secretary of the Treasury shall have the power to make such rules and regulations as he may deem necessary or proper for the administration of the provisions of this Act.

SEC. 5. This Act shall take effect on the sixtieth day following the date of its enactment.

Approved, November 21, 1941.

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#### Exhibit 61

*An act to increase the earnings of the United States Government life insurance fund and the national service life insurance fund by expediting the investment of the moneys thereof, and for other purposes*

[Public Law 448, 77th Cong., Ss 1045]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That all cash balances in the United States Government life insurance fund and the national service life insurance fund on the enactment of this Act, together with all moneys thereafter accruing to such funds, including premiums, appropriated moneys, the proceeds of any sales of investments which may be necessary to meet current expenditures, and interest on investments, shall be deposited with the Treasurer of the United States in the disbursing accounts of the Chief Disbursing Officer, Division of Disbursement, and shall thereupon be available for disbursement for meeting all expenditures and making investments authorized to be made from such funds without covering into the Treasury of the United States and withdrawal on money requisitions. All necessary bookkeeping adjustments of such funds in the accounts on the books of the Treasury shall be made upon the basis of the settlement of disbursing accounts by the General Accounting Office.

Approved, February 10, 1942.

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#### Exhibit 62

*Title XI of the Second War Powers Act (Public Law 507, March 27, 1942), relating to the war contributions fund*

#### TITLE XI—ACCEPTANCE OF CONDITIONAL GIFTS TO FURTHER THE WAR PROGRAM

SEC. 1101. To further the war program of the United States, the Secretary of the Treasury is authorized to accept or reject on behalf of the United States any gift of money or other property, real or personal, or services, made on condition that it be used for a particular war purpose.

SEC. 1102. The Secretary of the Treasury may convert into money, at the best terms available, any such gift of property other than money.

SEC. 1103. There shall be established on the books of the Treasury a special deposit account to be designated as the "War Contributions Fund", into which shall be deposited all money received as a result of such gifts.

SEC. 1104. The Secretary of the Treasury, in order to effectuate the purposes for which gifts accepted under this title are made, shall from time to time allocate the money in such special deposit account to such of the various appropriations available for the purchase of war material and the furtherance of the war program



of the United States as in his judgment will best effectuate the intent of the donors, and such money is hereby appropriated and shall be available for expenditure for the purposes of the appropriations to which allocated.

SEC. 1105. The Secretary of the Treasury shall include in his Annual Report to the Congress a summary of the gifts made and accepted under this title.

SEC. 1106. Whoever shall solicit any gift of money or other property, and represent that such gift is being solicited for the use of the United States, with the intention of embezzling, stealing, or purloining such gift, or converting the same to any other use or purpose, or whoever, having come into possession of any money or property which has been donated by the owner thereof for the use of the United States, shall embezzle, steal, or purloin such money or property, or convert the same to any other use or purpose, shall be guilty of a felony and upon conviction thereof shall be fined not more than \$5,000 or imprisoned for not more than five years, or both.

### Exhibit 63

*Portions of the act to mobilize the productive facilities of small business in the interests of successful prosecution of the war (Public Law 603, June 11, 1942)*

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That in addition to the powers and duties of the Chairman of the War Production Board defined by Executive Order Numbered 9024 of January 16, 1942, and by Executive Order Numbered 9040 of January 24, 1942, it shall be the duty of the Chairman of the War Production Board, and he is hereby empowered, through a deputy to be appointed by him, to mobilize aggressively the productive capacity of all small business concerns, and to determine the means by which such concerns can be most efficiently and effectively utilized to augment war production. \* \* \*

SEC. 3. In any case in which a small business concern or group of such concerns has been certified by or under the authority of the Chairman of the War Production Board to be a competent Government contractor with respect to capacity and credit as to a specific Government procurement contract, the Secretary of War, the Secretary of the Navy, the Director of the Procurement Division of the Treasury, and all other officers of the Government having procurement powers are directed to accept such certification as conclusive, and are authorized to let such Government procurement contract to such concern or group of concerns without requiring it to meet any other requirements with respect to capacity and credit. The Congress hereby recognizes the fact that business concerns operating small plants are frequently unable to produce certain articles at as low a per unit cost as business concerns operating large plants and that, as a consequence of such fact, in order to mobilize the Nation's full productive capacity, including both large and small plants, it may be necessary for the Government to pay a higher per unit price for such articles to business concerns operating small plants than it pays to business concerns operating large plants.

SEC. 4. (a) There is hereby created a body corporate under the name "Smaller War Plants Corporation" (hereinafter referred to as the "Corporation"). The principal office of the Corporation shall be located in the District of Columbia, but the Corporation may establish such branch offices in other places in the United States as may be determined by the board of directors.

(b) The Corporation shall have capital stock of \$150,000,000, subscribed for by the United States through the Secretary of the Treasury, and payment for which shall be subject to call in whole or in part by the board of directors of the Corporation. There is hereby authorized to be appropriated the sum of \$150,000,000 for the purpose of enabling the Secretary of the Treasury to make payment for such capital stock when payment is called by the board of directors. Receipts for payments by the United States for or on account of such capital stock shall be issued by the Corporation to the Secretary of the Treasury and shall be evidence of the stock ownership by the United States.

(c) The management of the Corporation shall be vested in a board of five directors, deemed to be familiar with the problems of small business, to be appointed by the Chairman of the War Production Board. The board of directors shall select a chairman and a vice chairman from among the members of the board.

(d) The Corporation shall not have succession, beyond July 1, 1945, except for purposes of liquidation, unless its life is extended beyond such date pursuant to an Act of Congress. It shall have power to adopt, alter, and use a corporate

seal, which shall be judicially noticed; to make contracts; to lease such real estate as may be necessary for the transaction of its business; to sue and be sued, to complain and to defend, in any court of competent jurisdiction, State or Federal; to select, employ, and fix the compensation of such officers, employees, attorneys, and agents as shall be necessary for the transaction of the business of the Corporation; to define their authority and duties, require bonds of them, and fix the penalties thereof; and to prescribe, amend, and repeal, by its board of directors, bylaws, rules, and regulations governing the manner in which its general business may be conducted and the powers granted to it by law may be exercised and enjoyed. The board of directors of the Corporation shall determine and prescribe the manner in which its obligations shall be incurred and its expenses allowed and paid. The Corporation shall be entitled to the free use of the United States mails in the same manner as the executive departments of the Government. The Corporation, with the consent of any board, commission, independent establishment; or executive department of the Government, including any field service thereof, may avail itself of the use of information, services, facilities, officers, and employees thereof in carrying out the provisions of this Act.

(e) All moneys of the Corporation not otherwise employed may be deposited with the Treasurer of the United States subject to check by authority of the Corporation or in any Federal Reserve bank. The Federal Reserve banks are authorized and directed to act as depositaries, custodians, and fiscal agents for the Corporation in the general performance of its powers conferred by this Act. All insured banks, when designated by the Secretary of the Treasury, shall act as depositaries, custodians, and financial agents for the Corporation.

(f) The Corporation is empowered (1) to make loans or advances, on such terms and conditions and with such maturities as it may determine, to enable small business concerns to finance plant construction, conversion, or expansion, or to finance the acquisition of equipment, facilities, machinery, supplies, or materials, or to supply such concerns with capital, to be used in the manufacture of articles, equipment, supplies, or materials for war or essential civilian purposes; and such loans or advances may be made or effected either directly or in cooperation with banks or other lending institutions through agreements to participate or by the purchase of participations, or otherwise; (2) to purchase or lease such land, to purchase, lease, build, or expand such plants, and to purchase or produce such equipment, facilities, machinery, materials, or supplies, as may be needed to enable the Corporation to provide small business concerns with such land, plants, equipment, facilities, machinery, materials, or supplies as such concerns may require to engage in the production of such articles, equipment, supplies, or materials; (3) to lease, sell, or otherwise dispose of to any small business concern any such land, plants, equipment, facilities, machinery, materials, or supplies; (4) to enter into contracts with the United States Government and any department, agency, or officer thereof having procurement powers obligating the Corporation to furnish articles, equipment, supplies, or materials to the Government; and (5) to arrange for the performance of such contracts by letting subcontracts to small business concerns or others for the manufacture, supply, or assembly of such articles, equipment, supplies, or materials, or parts thereof, or servicing or processing in connection therewith, or such management services as may be necessary to enable the Corporation to perform such contracts. In any case in which the Chairman of the War Production Board certifies to the Secretary of War, the Secretary of the Navy, the Director of the Procurement Division of the Treasury, or to any other officer of the Government having procurement powers, that the Smaller War Plants Corporation is competent to perform any specific Government procurement contract to be let by any such officer, it shall be the duty of such officer to let such procurement contract to such Corporation upon such terms and conditions as may be specified by the Chairman of the War Production Board. Such subcontracts may be let upon such terms and conditions as the Corporation may deem appropriate in accordance with such regulations as may be prescribed under section 201 of the First War Powers Act, 1941. \* \* \*

SEC. 10. All insured banks designated for that purpose by the Secretary of the Treasury shall be depositaries of public money of the United States (including, without being limited to, revenues and funds of the United States, and any funds the deposit of which is subject to the control or regulation of the United States or any of its officers, agents, or employees, and Postal Savings funds), and the Secretary is hereby authorized to deposit public money in such depositaries, under such regulations as may be prescribed by the Secretary; and they may also be employed as financial agents of the Government; and they shall perform all such reasonable duties, as depositaries of public money and financial agents of

the Government as may be required of them. The Secretary of the Treasury shall require of the insured banks thus designated satisfactory security by the deposit of United States bonds or otherwise, for the safekeeping and prompt payment of public money deposited with them and for the faithful performance of their duties as financial agents of the Government: *Provided*, That no such security shall be required for the safekeeping and prompt payment of such parts of the deposits of the public money in such banks as are insured deposits and each officer, employee, or agent of the United States having official custody of public funds and lawfully depositing the same in an insured bank shall, for the purpose of determining the amount of the insured deposits, be deemed a depositor in such custodial capacity separate and distinct from any other officer, employee, or agent of the United States having official custody of public funds and lawfully depositing the same in the same insured bank in custodial capacity. Notwithstanding any other provision of law, no department, board, agency, instrumentality, officer, employee, or agent of the United States shall issue or permit to continue in effect any regulations, rulings, or instructions, or enter into or approve any contracts or perform any other acts having to do with the deposit, disbursement, or expenditure of public funds, or the deposit, custody, or advance of funds subject to the control of the United States as trustee or otherwise which shall discriminate against or prefer national banking associations, State banks members of the Federal Reserve System, or insured banks not members of the Federal Reserve System, by class, or which shall require those enjoying the benefits, directly or indirectly, of disbursed public funds so to discriminate. All Acts or parts thereof in conflict herewith are hereby repealed. The terms "insured bank" and "insured deposit" as used in this Act shall be construed according to the definitions of such terms in the Act of August 23, 1935 (49 Stat. 684), as amended (U. S. C., title 12, sec. 264). \* \* \*

#### Exhibit 64

*Executive Order No. 9135, April 16, 1942, establishing the Interdepartmental Committee for the Voluntary Pay Roll Savings Plan for the Purchase of War Savings Bonds*

Whereas it daily becomes more apparent that victory will require the fullest participation of all of the people in our war effort, and that the purchase of war savings bonds constitutes a direct and effective participation; and

Whereas every purchaser of war savings bonds invests not only in the success of the Nation's common cause, but also in his own personal security and independence; and it is, therefore, to the manifest advantage of both the Government and every citizen that the sale of war savings bonds should be facilitated; and

Whereas employers and employees in many business and industrial enterprises, as well as some governmental activities, have developed, and are maintaining, with notable success, programs that provide for the purchase of war savings bonds through regular, voluntary pay allotments; and it is proper that all civilian employees and officers in the executive branch of the Government should be afforded equal opportunity for voluntary participation in such systematic purchase programs:

Now, therefore, by virtue of the authority vested in me by the Constitution and the statutes of the United States as President of the United States, it is hereby ordered as follows:

1. There is hereby established the Interdepartmental Committee for the Voluntary Pay Roll Savings Plan for the Purchase of War Savings Bonds (hereinafter referred to as the Committee). The Committee shall consist of Rear Admiral Charles Conard, Supply Corps, United States Navy, Retired, who shall serve as chairman, and the head of each of the several departments, establishments, and agencies in the executive branch of the Government. Each member of the Committee, other than the chairman, may designate an alternate from among the officials of his department, establishment, or agency, and such alternate may act for such member in all matters relating to the Committee.

2. The Committee shall perform the following functions and duties:

(a) Formulate and present to the several departments, establishments, and agencies in the executive branch of the Government a uniform plan whereby all civilian officers and employees may systematically purchase war savings bonds through voluntary pay allotments.

(b) Assist the several departments, establishments, and agencies in the adoption of said voluntary pay allotment plan and in the solution of any special problems that may develop in connection therewith.

(c) Act as a clearing house for the several departments, establishments, and agencies in the dissemination of such statistics and information relative to the execution of the plan as may be deemed advantageous.

(d) Recommend to the several departments, establishments, and agencies any improvements in the program adopted pursuant to said plan.

3. Each of the departments, establishments, and agencies in the executive branch of the Government shall institute and set in operation, as soon as may be, the plan recommended by the Committee, with such modifications as particular circumstances may render advisable. Each Committee member shall act as liaison officer between the Committee and his department, establishment, or agency with regard to said plan.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, April 16, 1942.

### Exhibit 65

#### *Voluntary pay-roll savings plan for purchase of war savings bonds by employees of the United States Government*

[Department Circular No. 677 (Revised).<sup>1</sup> Accounts]

TREASURY DEPARTMENT,  
Washington, May 13, 1942.

#### I. EMPLOYEES

##### INTRODUCTION

1. This voluntary pay-roll savings plan is established pursuant to Executive Order 9135, dated April 16, 1942. Its purpose is to provide a means by which employees of the Government may save, regularly, a part of their earnings through a voluntary system of pay-roll allotments under the terms and conditions herein-after set forth.

2. The media<sup>2</sup> of the savings plan will be United States war savings bonds, Series E, which are issued by, and are direct obligations of, the United States Government. Descriptive literature issued by the Treasury Department describes the bonds in detail. Some of the more important features are set forth herein.

##### PRINCIPAL FEATURES OF THE PLAN

3. Authorization may be given by employees for periodic allotments for each pay period from earnings for the purchase of United States war savings bonds, Series E, in specified denominations. Such authorizations shall be entirely voluntary on the part of the employees. The pay-roll allotments will continue until the authorization is canceled or changed.

4. Upon accumulation of an amount equivalent to the purchase price, the Treasury Department will issue and deliver to the employee a United States war savings bond, Series E, in the denomination requested by, and registered in accordance with instructions of the employee.

##### UNITED STATES WAR SAVINGS BONDS

5. For the purposes of this circular, United States war savings bonds, Series E, will hereinafter be referred to as "bonds."

6. The more important information regarding these bonds is as follows:

(a) The bonds are issued by, and are a direct obligation of, the United States Government.

(b) The bonds are issued in denominations of \$25, \$50, \$100, \$500, and \$1,000, which are their maturity values.

(c) Series E bonds mature in ten (10) years from date of issue and cost \$18.75 for the \$25 bond, \$37.50 for the \$50 bond, \$75.00 for the \$100 bond, \$375.00 for the \$500 bond, and \$750.00 for the \$1,000 bond.

(d) The bonds are not transferable and under this plan, except as otherwise provided in subsection (e), can be registered only as follows: In the name of the employee as it appears on the pay roll, e. g., John A. Jones; OR in the name of the

<sup>1</sup> Original circular, dated January 15, 1942, covered employees of the Treasury Department only.

<sup>2</sup> Amended, see p. 352.

employee as it appears on the pay roll, and that of a coowner, e. g., John A. Jones OR Mrs. Ella S. Jones (either coowner may redeem the bond so registered without the signature of the other); OR in the name of the employee as it appears on the pay roll, with another person designated as beneficiary, e. g., John A. Jones, payable on death to Miss Helen A. Jones (a bond registered in this manner may be redeemed only by the owner during his lifetime; the beneficiary may redeem the bond only if surviving the owner.)

(e) While employees should be urged to have bonds registered in their own names as provided in paragraph 6 (d), bonds may be registered in the name of a second person only, or in the name of the second person with a third person as coowner, or in the name of the second person with a third person as beneficiary; provided, an acquittance from the employee is obtained in accordance with the decision of the Comptroller General of the United States, dated April 20, 1942, B-25264.

(f) The investment yield of the bonds equals 2.9 percent compounded semi-annually when the bond is held to maturity. Bonds may, however, be redeemed at any time after 60 days from issue date at the redemption value fixed by the United States Treasury Department as set forth on the face of the bond. For the first year, the redemption value of a bond is equal to the issue price and thereafter the redemption value of a bond is greater than the purchase price. For the redemption values and approximate investment yields at the beginning of each semi-annual period, see the table appearing on the last page hereof. (Table omitted, see p. 239.)

#### PAY-ROLL ALLOTMENT AUTHORIZATION FORM (T. D. FORM 2254)

7. Any employee may voluntarily participate in the savings plan by executing the special pay-roll allotment authorization form provided for the purpose. In addition to name, bureau, or office, etc., the form will enable the employee to designate: (a) The amount of his pay-roll allotment, (b) the denomination of the bond to be purchased periodically, and (c) registration instructions for issuance of the bond.

8. The first allotment will be made on the first pay roll following receipt of the authorization form properly executed, provided such authorization is received not later than ten (10) days before the end of the pay period.

9. (a) The minimum semimonthly allotment will be \$6.25; except in cases where employees receive basic compensation of less than \$1,500 per annum, allotments may be made in a sum of not less than \$3.75 or \$5.00.

(b) Except as otherwise provided in paragraph 9 (c), allotments may be authorized by employees only in an aliquot part of the purchase price of a single bond or a combination of two or more bonds. Allotments must be in such amounts that a specified number of equal pay-roll allotments will exactly equal the total purchase price of one or more bonds. For example, a \$15.00 allotment each pay period will purchase a \$100 bond in 5 pay periods at a total cost of \$75.00 or, if the employee prefers, he may elect to have two \$50 bonds delivered to him—the first to be issued after the end of the 3d pay period and the second after the end of the 5th pay period.

(c) The only exception to the requirement that allotments must be made in aliquot parts of the purchase price of a bond is where an employee desires to purchase monthly a \$25 bond at a cost of \$18.75. In such case he may authorize an allotment of \$9.38 for each pay period. The amount accumulated to the credit of the employee by reason of the fact that the purchase price of \$18.75 is not exactly divisible by two, will be refunded upon application by the employee in accordance with the procedure outlined in paragraph 12.

#### AMOUNTS OF SEMIMONTHLY ALLOTMENTS

10. The following table shows the various allotments which may be made, and the time required to pay for different denominations of bonds:

\$3.75 allotment will purchase:

One \$25 bond in 5 pay periods at a total cost of \$18.75.

One \$50 bond in 10 pay periods at a total cost of \$37.50, dated as of the first day of the month in which the fifth pay day falls.<sup>3</sup>

One \$100 bond in 20 pay periods at a total cost of \$75.00, dated as of the first day of the month in which the tenth pay day falls.<sup>3</sup>

<sup>3</sup> See par. 11.

**\$5.00 allotment will purchase:**

Four \$25 bonds in 15 pay periods at a total cost of \$75, a bond to be issued at the end of the fourth, eighth, twelfth, and fifteenth pay periods.

Two \$50 bonds in 15 pay periods at a total cost of \$75, which may be dated as of the first of the month in which the eighth pay day falls, or a bond may be issued at the end of the eighth and fifteenth pay periods.

**\$6.25 allotment will purchase:**

One \$25 bond in 3 pay periods at a total cost of \$18.75.

One \$50 bond in 6 pay periods at a total cost of \$37.50, dated as of the first of the month in which the third pay day falls.<sup>3</sup>

One \$100 bond in 12 pay periods at a total cost of \$75, dated as of the first of the month in which the sixth pay day falls.<sup>3</sup>

**\$7.50 allotment will purchase:**

Two \$25 bonds in 5 pay periods at a total cost of \$37.50, a bond to be issued at the end of the third and fifth pay periods.

One \$50 bond in 5 pay periods at a total cost of \$37.50, dated as of the first of the month in which the third pay day falls.<sup>3</sup>

One \$100 bond in 10 pay periods at a total cost of \$75, dated as of the first of the month in which the fifth pay day falls.<sup>3</sup>

**\$8.75 allotment will purchase:**

Seven \$25 bonds in 15 pay periods at a total cost of \$131.25, a bond to be issued at the end of the third, fifth, seventh, ninth, eleventh, thirteenth, and fifteenth pay periods.

**\$9.38 allotment will purchase:**

One \$25 bond in 2 pay periods at a total cost of \$18.75.

One \$50 bond in 4 pay periods at a total cost of \$37.50.

One \$100 bond in 8 pay periods at a total cost of \$75.00, dated as of the first of the month in which the fourth pay day falls.<sup>3</sup> (Extra cents credited to the employee's account will be subject to refund.)

**\$12.50 allotment will purchase:**

One \$50 bond in 3 pay periods at a total cost of \$37.50.

One \$100 bond in 6 pay periods at a total cost of \$75, dated as of the first of the month in which the third pay day falls.<sup>3</sup>

One \$500 bond in 30 pay periods at a total cost of \$375.00, dated as of the first of the month in which the fifteenth pay day falls.<sup>3</sup>

**\$15.00 allotment will purchase:**

Four \$25 bonds in 5 pay periods at a total cost of \$75.00, a bond to be issued at the end of the second, third, fourth, and fifth pay periods.

Two \$50 bonds in 5 pay periods at a total cost of \$75.00, a bond to be issued at the end of the third and fifth pay periods.

One \$100 bond in 5 pay periods at a total cost of \$75.00, dated as of the first of the month in which the third pay day falls.<sup>3</sup>

One \$500 bond in 25 pay periods at a total cost of \$375.00, dated as of the first of the month in which the thirteenth pay day falls.<sup>3</sup>

**\$18.75 allotment will purchase:**

One \$25 bond every pay period at a total cost of \$18.75.

One \$50 bond in 2 pay periods at a total cost of \$37.50.

One \$100 bond in 4 pay periods at a total cost of \$75.00.

One \$500 bond in 20 pay periods at a total cost of \$375.00, dated as of the first of the month in which the tenth pay period falls.<sup>3</sup>

**\$22.50 allotment will purchase:**

Three \$50 bonds in 5 pay periods at a total cost of \$112.50, a bond to be issued at the end of the second, fourth, and fifth pay periods.

Three \$100 bonds in 10 pay periods at a total cost of \$225.00, a bond to be issued at the end of the fourth, seventh, and tenth pay periods.

**\$25.00 allotment will purchase:**

Four \$25 bonds in 3 pay periods at a total cost of \$75.00, a bond to be issued at the end of the first pay period, the second bond at the end of the second pay period, and the third and fourth bonds (or one \$50 bond) at the end of the third pay period.

Two \$50 bonds in 3 pay periods at a total cost of \$75.00.

One \$100 bond in 3 pay periods at a total cost of \$75.00.

<sup>3</sup> See par. 11.

One \$500 bond in 15 pay periods at a total cost of \$375.00, dated as of the first of the month in which the eighth pay day falls.<sup>3</sup>

\$30.00 allotment will purchase:

Four \$50 bonds in 5 pay periods at a total cost of \$150.00, a bond to be issued at the end of the second, third, fourth, and fifth pay periods.

Two \$100 bonds in 5 pay periods at a total cost of \$150.00, a bond to be issued at the end of the third and fifth pay periods.

One \$1,000 bond in 25 pay periods at a total cost of \$750.00, dated as of the first of the month in which the thirteenth pay day falls.<sup>3</sup>

\$37.50 allotment will purchase:

One \$50 bond every pay period at a total cost of \$37.50.

One \$100 bond in 2 pay periods at a total cost of \$75.00.

One \$500 bond in 10 pay periods at a total cost of \$375.00, dated as of the first of the month in which the fifth pay day falls.<sup>3</sup>

\$45.00 allotment will purchase:

Three \$100 bonds in 5 pay periods at a total cost of \$225, a bond to be issued at the end of the second, fourth, and fifth pay periods.

\$50.00 allotment will purchase:

Four \$50 bonds in 3 pay periods at a total cost of \$150, a bond to be issued at the end of the first and second pay periods and two bonds at the end of the third pay period.

Two \$100 bonds in 3 pay periods at a total cost of \$150, a bond to be issued at the end of the second and third pay periods.

Two \$500 bonds in 15 pay periods at a total cost of \$750.00, the first bond to be issued at the end of the eighth pay period and dated as of the first of the month in which the fourth pay day falls<sup>3</sup>; and the second bond to be issued at the end of the fifteenth pay period, and dated as of the first of the month in which the twelfth pay day falls.<sup>3</sup>

\$52.50 allotment will purchase:

Seven \$50 bonds in 5 pay periods, at a total cost of \$262.50, a bond to be issued at the end of the first, second, and fourth pay periods, and two \$50 bonds (or one \$100 bond) at the end of the third and fifth pay periods.

Three \$100 bonds and one \$50 bond in 5 pay periods at a total cost of \$262.50, a \$100 bond to be issued at the end of the second, third, and fifth pay periods, and one \$50 bond at the end of the fourth pay period.

One \$1,000 and one \$50 bond in 15 pay periods, at a total cost of \$787.50, both bonds to be dated back to the first day in which the eighth pay period falls.

\$60.00 allotment will purchase:

Four \$100 bonds in 5 pay periods, at a total cost of \$300, a bond to be issued at the end of the second, third, fourth, and fifth pay periods.

One \$500 bond and three \$100 bonds in 10 pay periods, at a total cost of \$600, all bonds to be dated back to the first of the month in which the fifth pay period falls.

\$70.00 allotment will purchase:

Fourteen \$100 bonds in 15 pay periods, at a total cost of \$1,050, a bond to be issued after each pay period except the first.

One \$1,000 bond and four \$100 bonds in 15 pay periods, at a total cost of \$1,050, to be dated back to the first day of the month in which the eighth pay period falls.

\$75.00 allotment will purchase:

One \$100 bond each pay period at a total cost of \$75.00.

Two \$100 bonds in 2 pay periods at a total cost of \$150.00.

One \$500 bond in 5 pay periods at a total cost of \$375.00, dated as of the first of the month in which the third pay day falls.<sup>3</sup>

One \$1,000 bond in 10 pay periods at a total cost of \$750.00, dated as of the first of the month in which the fifth pay day falls.<sup>3</sup>

Other combinations or multiples of the foregoing rates may be made where necessary. For example, an allotment of \$10.00 each pay day will purchase twice the number of bonds of the same denominations as can be purchased with a \$5.00 allotment.

<sup>3</sup> See par. 11.

## DATING OF BONDS

11 (a). Bonds will be dated as of the first day of the month in which the pay-roll allotments of the employee accumulate to the full purchase price of the bond to be issued. For example, if the third allotment of \$6.25 should be made on the pay roll for June 23, the employee would receive a \$25 bond (maturity value) dated June 1. However, if the employee desires fewer bonds of higher denominations, arrangements may be made for the issuance of such larger denomination bonds without loss of increment because of later delivery if the denominations are \$50 or larger and the number of allotments required to purchase such bonds is 5 or more. In such cases, the bonds will be dated as of the first of the month in which one-half of the purchase price accumulates to the credit of the employee, delivery to be made when the full purchase price has been accumulated. For example, a semimonthly allotment of \$6.25 would entitle an employee to a \$25 bond every third pay period. Under this plan, in lieu of receiving a \$25 bond at the end of every third pay day, he may prefer to receive a \$100 bond at the end of every twelfth pay period, in which case the bond would be dated as of the first of the month in which the sixth pay period falls.

(b) Should an employee be unable to complete a payment for a higher denomination bond under the foregoing "average-dating" plan, a bond or bonds of the next lower denomination will be issued provided sufficient allotments have accumulated therefor. In such cases an average date will be used according to the above provisions if applicable; or, if the average dating procedure is not applicable, the bond or bonds then selected will be dated as of the first day of the month in which the allotments accumulate to the purchase price of such bonds. If there is any balance remaining to the employee's credit, he may be permitted to make a cash deposit for the balance necessary to complete the purchase price of the bond or, if he desires, he may elect to have the unapplied balance returned to him, as provided under paragraph 12.

## CHANGES IN PAY-ROLL ALLOTMENT AUTHORIZATION

12. Any employee may cancel his pay-roll allotment authorization by filing a request in writing with his superior officer. Any remainder amount which has not been applied to the purchase of a bond and which is standing to the credit of the employee will be refunded to such employee by the Department as soon as practicable after receipt of notice of cancellation.

13. No partial withdrawals may be made from accumulated pay-roll allotments; nor will loans be made against them.

14. Any employee desiring to increase or reduce the amount of his allotment or to change the denomination of bonds to be purchased may do so by executing a new authorization form indicating the change desired, but such change will not be effective until the pay period following the completion of the purchase of the bond covered by prior authorization.

15. Any employee desiring to change the instructions for the form of registration of the bond, or to change the address for delivery of bonds, may do so through written notification to his superior officer.

16. The authorization will be automatically canceled in cases where an employee resigns or whose services are otherwise terminated or who is transferred to another department, bureau, or office, or who is transferred from the departmental service to the field service, or vice versa. In such cases where such resignation, termination, or transfer occurs prior to the time the full amount of allotments necessary to purchase a bond has accumulated, the employee shall be permitted to make a cash deposit for the balance necessary to complete the purchase price of the bond which he is currently purchasing. Otherwise, the department will refund the accumulated allotments then standing to his credit.

17. In case of death of an employee, the pay-roll allotment authorization will be automatically canceled and the Government will refund to the employee's estate any amount due the employee.

## EMPLOYEES' PAY-ROLL ALLOTMENT ACCOUNT

18. Amounts set aside from employees' compensation for the purchase of bonds will be deposited in a special deposit account with the Treasurer of the United States in the name of the Chief Disbursing Officer. This account will—

(a) Be designated as "Employees' Pay-roll Allotment Account—United States War Savings Bonds."



(b) Be subject to withdrawal by the Chief Disbursing Officer only for the purchase of bonds in behalf of the employees and/or for refunds in accordance with the provisions of the plan.

#### PURCHASE OF BONDS

19. Promptly upon the accumulation of pay-roll allotments in an amount sufficient to purchase a bond in the denomination requested by the employee, the bond will be issued and transmitted to the employee in the manner requested in the authorization. As a general rule, with respect to employees in the District of Columbia and in certain large field offices, arrangements will be made for delivery of bonds to employees, through designated agents, at their places of employment. In other cases, the bonds will be forwarded by registered mail to the post office addresses as shown in the authorizations.

20. If a bond is not received within two weeks' time from the date the employee is entitled thereto, the employee should notify his superior officer who will see that immediate follow-up is made.

#### RECEIPT OF BONDS

21. Upon receipt of a bond, the employee should verify that (a) the denomination is correct, (b) the registration (name or names) on the face of the bond is correct, and (c) the bond is properly dated as provided in paragraph 11, and that the dating stamp (with current date) of the issuing officer is imprinted in the circle in the lower left corner of the face of the bond.

22. In case of error in any of the above, the employee should deliver the bond to his superior officer, together with a written statement covering the correction to be made, obtaining a receipt for the bond.

#### ASSIGNMENT

23. No assignment of funds accumulated to the account of an employee for the purchase of bonds will be recognized.

#### STATEMENT OF EMPLOYEE'S ACCOUNT

24. Since the employee will himself be able to determine when a bond is to be delivered, no periodic statement will be issued as to allotments made or balance of accounts. At the request of an employee, however, advice will be given as to the amount accumulated in his account.

### II. HEADS OF BUREAUS AND OFFICES

25. The head of the bureau or office in which the employee is employed will be responsible for—

(a) Seeing that all employees under his jurisdiction are made fully acquainted with the provisions of this plan and distributing forms necessary to its execution;

(b) Certifying, or having certified, to the Division of Disbursement, on approved pay-roll forms, the amount of each pay-roll allotment, supported by a "Schedule of Voucher Deductions" (Form 1096), reflecting the total amount of allotments;

(c) Maintaining an accurate account or record on T. D. Form 2254 relating to the pay-roll allotment made in the case of each participating employee under his jurisdiction and the bonds issued in connection therewith;

(d) Certifying, or having certified, to the designated bond issuing officer the name or names of the person or persons to whom a bond is authorized to be issued and the purchase price thereof;

(e) Certifying, or having certified, to the Division of Disbursement on a "Schedule of Transfers—Special Deposits" (Form 1046) the amount to be transferred from the special employees' pay-roll allotment account to the public debt account for the bonds issued in accordance with the preceding subparagraph;

(f) Certifying, or having certified, to the Division of Disbursement on a "Public Voucher for Refunds" (Form 1047) the names of the employees to whom refunds are to be made, and the amount of each refund; and

(g) Notifying the Division of Disbursement of the names of deceased employees participating in this plan and the amounts remaining to the credit of their accounts.

## III. DIVISION OF DISBURSEMENT

## 26. The Division of Disbursement, Treasury Department—

(a) Shall withhold from the pay of employees the amounts of employee pay-roll allotments as set forth in pay rolls certified by authorized persons;

(b) Deposit the amount thereof in a special account in the name of the Chief Disbursing Officer, Division of Disbursement, with the Treasurer of the United States, entitled "Employees' Pay-roll Allotment Account—United States War Savings Bonds";

(c) Transfer from the special account "Employees' Pay-roll Allotment Account—United States War Savings Bonds" to the general fund as public debt receipts the purchase price of bonds issued, as certified by an authorized certifying officer;

(d) Make authorized refunds to employees upon properly approved vouchers.

## IV. BOND ISSUING OFFICER

27. The Chief Disbursing Officer, Division of Disbursement, has been designated as bond issuing officer for the purpose of issuing bonds to employees of the various bureaus and offices of the Government.

28. The Chief Disbursing Officer shall furnish bond satisfactory to the Secretary of the Treasury for the faithful performance of his duties as bond issuing officer. He shall be responsible for maintaining adequate records and safeguards of unissued stock; of seeing that bonds are issued in the proper form and in the proper amounts and are delivered to the owners thereof; and that all bonds delivered to him are properly accounted for to the Bureau of the Public Debt.

29. Bonds purchased by employees in the field service whose salaries are paid through regional officers of the Division of Disbursement will be issued by the Chief Disbursing Officer through the appropriate regional assistant disbursing officers.

30. Promptly upon the issuance of bonds, the Chief Disbursing Officer shall transfer from his special pay-roll allotment account to the public debt account the purchase price of such bonds.

## V. TREASURER OF THE UNITED STATES

31. The Treasurer of the United States shall establish and thereafter maintain in the name of the Chief Disbursing Officer, Division of Disbursement, a special account entitled "Employees' Pay-roll Allotment Account—United States War Savings Bonds."

## VI. GENERAL PROVISIONS

32. The foregoing shall apply to all employees whether in Washington, D. C., or in the field, except that changes in procedure may be adopted wherever circumstances make it necessary or desirable.

33. The provisions of other Treasury Department circulars relating to terms and conditions of war savings bonds now or hereafter issued shall apply in the event any of the foregoing descriptive matter may appear to be in conflict therewith.

34. The Secretary of the Treasury may at any time or from time to time supplement or amend the terms of this circular.

H. MORGENTHAU, Jr.  
*Secretary of the Treasury.*

## AMENDMENT TO DEPARTMENT CIRCULAR No. 677 (REVISED)

TREASURY DEPARTMENT,  
Washington, July 9, 1942.

Department Circular No. 677 (Revised) is hereby amended to include United States war savings bonds Series F and G as media of the voluntary pay-roll savings plan. Series F and G, like Series E, are issued by and are direct obligations of the United States Government. Detailed information in regard to these added series of bonds is contained in Treasury Department Circular 654 (Revised), 1942.

Any employee wishing to purchase Series F or G bonds should indicate, in addition to the designations required in paragraph 7 of Department Circular No. 677 (Revised), the series desired to be purchased.

Allotments may be authorized by employees only in an aliquot part of the purchase price of a bond. The minimum semimonthly allotment will be \$9.25 in the case of Series F bonds, and \$12.50 in the case of Series G bonds.

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

### Exhibit 66

*Letter of the Postmaster General to the Secretary of the Treasury, dated November 14, 1942, certifying extraordinary expenditures contributing to the deficiencies of postal revenues for the fiscal year 1942, in pursuance of Public No. 316, approved June 9, 1930 (46 Stat. 523)*

WASHINGTON, D. C., November 14, 1942.

THE HONORABLE THE SECRETARY OF THE TREASURY.

MY DEAR MR. SECRETARY:

In accordance with the provisions of the act of June 9, 1930 (39 U. S. C. 793), embodied in section 260, Postal Laws and Regulations, the amounts as determined under our present system of estimating are set forth below with respect to certain mailings during the fiscal year ended June 30, 1942, and are certified to you in order that they may be separately classified on the books of the Treasury Department in stating the expenditures made from the appropriation to supply the deficiency of postal revenues:

(a) The estimated amount which would have been collected at regular rates of postage on matter mailed during the year by officers of the Government (other than those of the Post Office Department) under the penalty privilege, including registry fees:	
Postage.....	\$67,334,355
Registry fees, including surcharges.....	4,589,767
	\$71,924,122
(b) The estimated amount which would have been collected at regular rates of postage on matter mailed during the year by—	
1. Members of Congress under the franking privilege.....	\$766,839
2. Others under the franking privilege.....	189
	767,028
(c) The estimated amount which would have been collected during the year at regular rates of postage on publications going free in the county.....	601,105
(d) The estimated amount which would have been collected at regular rates of postage on matter mailed free to the blind during the year.....	297,208
(e) The estimated difference between the postage revenue collected during the year on mailings of newspapers and periodicals published by and in the interests of religious, educational, scientific, philanthropic, agricultural, labor, and fraternal organizations, and that which would have been collected at zone rates of postage.....	326,665
(f) The estimated excess during the year of the cost of aircraft service over the postage revenues derived from air mail.....	
Total.....	73,916,128

Very truly yours,

AMBROSE O'CONNELL,  
*Acting Postmaster General.*

### Exhibit 67

*Address and statements of the Secretary of the Treasury on taxes, inflation, public debt limitation, etc., during 1942*

STATEMENT OF SECRETARY MORGENTHAU BEFORE THE SENATE FINANCE COMMITTEE,  
AUGUST 8, 1941

My purpose in being here today is to discuss taxation as an essential part of national defense. Our great problem in providing for the defense of the Nation is fundamentally the problem of production—of actually building planes and tanks, ships and guns with labor, management, machinery, and raw materials. To solve that problem without impairing our economy or weakening the structure of democracy, our fiscal policy must be adapted to the needs of the times.

On April 24 I discussed with the Ways and Means Committee of the House the need of producing \$3.5 billions annually in additional revenue. The Treasury Department presented a suggested program for raising that amount of money. As it passed the House, this bill will produce approximately \$3.2 billions annually in additional revenue. In my opinion it is very important that the revenue yield be raised to at least the original \$3.5 billion level. It is also important that the bill be passed as promptly as possible. Income taxpayers and excess profits taxpayers should know as quickly as possible what their taxes on 1941 income and

profits are going to be, since more than seven months of the year have already elapsed. The excise taxes and the estate tax cannot be imposed retroactively, and every day's delay in the passage of this tax bill costs the Treasury several million dollars in revenue from those sources.

The rapid developments of the last few months have made this bill inadequate even before it is passed. Since my statement before the Ways and Means Committee, many things have happened. Two and one half months ago the President proclaimed the existence of an unlimited national emergency. He called upon "all loyal citizens to place the Nation's needs first in mind and in action to the end that we may mobilize and have ready for instant defensive use all of the physical power, all of the moral strength and all of the natural resources of this Nation."

Since I appeared before the Ways and Means Committee, the amount of appropriations, authorizations, and recommendations over and above the Budget has increased by about \$14 billions, thus completely changing the fiscal picture and greatly increasing the need for revenue.

Since I appeared before the Ways and Means Committee, prices and the cost of living have increased at an accelerated rate, thereby accentuating the need for a strong fiscal program.

In the light of these and other developments resulting from "all out" defense, I should like to point out what, in my opinion, will be necessary in "all out" taxation to support such a program.

First of all, we shall need more revenue—much more revenue. The defense program is an absolute necessity. It must be paid for. Insofar as possible, it should be paid for now. Borrowing should be kept to a minimum to maintain our fiscal strength. The rise in the Federal debt means merely that the taxpayer's burden is being postponed—that both principal and interest must be paid later out of higher taxes collected at a time when they may be harder to pay and less willingly paid than now.

Along with increased taxation should go the maximum reduction in the ordinary nondefense expenditures of government. The burden of paying for defense is so heavy that it should be relieved at every possible point.

Increased taxation is needed also to maintain economic stability. Rising purchasing power is exerting increasing pressure on the prices of many kinds of goods, while at the same time production of these goods is being increasingly curtailed by the necessity of diverting our resources to defense uses. This complication of increased demand and restricted output is causing inflationary price rises which threaten to increase the cost of the defense program, unbalance family budgets and seriously disturb our economic life.

This larger needed revenue should come from all sources where there is ability to pay—that's what an "all out" tax program means. The people of this country have never been more ready to make sacrifices for the common good. Our tax program has not kept pace with the defense program. We are still thinking too much of helping this group or that to escape its share of the burden. We have now come to the point where it is a matter not merely of fundamental equity, but of the utmost necessity that all exemptions from taxation be reduced to the absolute minimum.

An "all-out" tax program for defense should reach ability to pay at several points not now fully tapped.

1. In my opinion such a tax program might well involve a substantial lowering of personal exemptions and a consequent broadening of the base of the income tax, if simultaneously we take immediate steps to remedy defects in the application of the principle of ability to pay in other parts of the tax structure. Under the bill before you, the base has been broadened to add about 2,000,000 new taxpayers, but even so there will remain a relatively large proportion of the population in the lower income groups which will not be directly affected by the income tax. A further lowering of the exemptions would produce some additional revenue and in addition it would give millions of Americans an opportunity—a welcome opportunity—to make a direct contribution through taxes to the defense of their country. It would enable them to feel that they were participating personally and directly in the defense program. As the President wrote to Chairman Doughton on July 31, "Most Americans who are in the lowest income brackets are willing and proud to chip in directly even if their individual contributions are very small in terms of dollars."

But I believe this committee will agree with me that we ought not to accept such sacrifices, even though willing sacrifices, from millions of people with low incomes on whom the burden of other types of taxes falls most heavily, unless we reach in other places ability to pay which is escaping its fair share of taxes. Among these are the following:

2. The excess profits tax exempts profits of even the most prosperous corporation, except to the extent that such profits are in excess of its average profits for the years 1936-39. Surely Congress will not wish to impose additional taxes on millions more of our low-income group, unless it also imposes the excess profits tax on the exempt excess profits of such corporations.

3. Families pay lower Federal income taxes when both husband and wife receive income than when the same total amount of income is received by only one of them. This is a discrimination of which many wealthy people have taken advantage by large gifts of income-producing property between husband and wife. Furthermore, in at least eight States of the Union, Federal income taxes are made substantially lower than in the remaining States because the local law permits the splitting of income between husbands and wives. Here are discriminations against the rest of the taxpayers which, I believe your committee will agree must be eliminated if we are to extend the income tax downward to include millions of persons with low incomes. The discriminations can be eliminated by requiring husband and wife to file a single joint return with appropriate relief granted only where both husband and wife work outside the home.

4. For years the concerns engaged in extracting certain of our natural resources, notably oil, have been granted far greater allowances for depletion than can be justified on any reasonable basis of tax equity. If the income tax is to be extended to lower incomes, this privilege of tax escape should simultaneously be removed.

5. A few months ago the Congress eliminated the tax-exemption privilege from new issues of Federal securities. The purchasers of new State and local securities still enjoy this exemption. The exemption was inequitable and expensive even in more normal times. It cannot be borne longer in a time like this, and especially if we are to increase the direct tax burdens of persons with small incomes.

6. In its suggestions to the Ways and Means Committee, the Treasury recommended substantial increases in estate and gift taxes, and lower exemptions. In part, this recommendation was followed, but, in my opinion, the estate and gift taxes should reach more estates and provide more revenue if we are going to tax smaller incomes.

Those are some of the things that I mean when I say that an "all out" tax program for defense must go far beyond the present bill.

There is another condition which I would attach to lowering the personal exemptions. I think we ought not to take into the income tax system millions of new taxpayers with small incomes without simplifying the way in which their tax is computed.

Take, for example, a person with a \$900 salary. Under the present law, he first figures out what deductions he has—taxes paid, interest paid, contributions, and so on. Then he computes his earned income credit. Then he subtracts his personal exemptions from his income after deductions. On the balance, under rates of the bill before you, he computes a surtax at 5 percent. Then he goes back to the income and deducts his earned income credit. On the balance, he computes a normal tax at 4 percent. He then adds the normal tax and the surtax and takes 10 percent of the total for defense tax. He adds the defense tax to the normal tax and surtax and finally arrives at his income tax.

When he started to fill out his return, he may have been full of patriotic enthusiasm to pay his share toward the defense program, but by the time he has finished his last computation his cheerfulness may well have collapsed under the strain. It is difficult enough for persons with substantial incomes who are used to dealing with financial papers and who can afford high-priced lawyers and accountants to make their computations for them. The person with a small income should not be put to this annoyance and possible expense.

Furthermore, the checking of these tax computations by the administrative authorities takes time. Frequent errors are found which must be rectified, requiring correspondence and further annoyance of the taxpayer as well as expense to the Government. We in the Treasury do not enjoy pestering the taxpayer any more than he enjoys being pestered by us.

For taxpayers with relatively large incomes, refinements in determining income and computing taxes are troublesome but are necessary in the interest of equity. For small taxpayers, however, especially those now taxed for the first time, these refinements are cumbersome and confusing without serving any important purpose. The income taxes of millions of people can be determined with acceptable accuracy by less involved methods.

For such taxpayers a plain and easily understood table could be provided with the aid of which the small taxpayer could compute his tax bill in a very few moments. He would be spared time, trouble and annoyance and the Government would be spared expense.

To indicate more clearly what I have in mind, I have had prepared a sample table showing how this might be worked out in practice for incomes up to \$3,000. This is only a preliminary table, and improvements and changes will no doubt be desirable, but it will illustrate how the proposal can be applied.

The taxes imposed by the bill before you are very heavy; the taxes of an "all-out" program would be even heavier. I am convinced that the people are not opposed to heavy taxes, that in fact they favor heavy taxes because they know that the alternatives are much more onerous. At a time when expanding incomes are operating to force prices upward many kinds of measures must be employed if prices are to be kept under control. Without heavy taxation, the other measures have little chance to succeed.

Rising prices would take much more away from our people now and in the future than higher taxes now will take. Under the tax bill in its present form, a married couple with no dependents, having a net income of \$5,000 a year, will have its Federal income tax increased by \$198, or 4 percent of its income. Assuming that two-thirds of the family's income is spent on items affected by a changing cost of living, an increase in the cost of living of 6 percent would impose as great an additional burden on this family as would the proposed income tax. The cost of living index has increased 5½ percent since September 1940. It is clear from this simple illustration that rising prices tax the family income just as surely as do income taxes. Although, as prices rise, the incomes of some families will increase, many incomes will not increase and most incomes will not increase as fast or as much as prices.

If, in an attempt to protect the incomes of our people, we hold down taxes and as a result the cost of living rises, we shall have taxed them just as surely as if we had levied on them directly—and we shall still have the inflated costs of defense to pay later from taxes.

An "all-out" tax program will build public morale in an "all-out" defense program. By reducing the necessity for borrowing, it will strengthen confidence in the impregnable fiscal position of the Government. By contributing to the control of prices, it will help prevent the demoralization which would result from inflation. By distributing the defense burden fairly, it will help unite the Nation. It will make all the people equal partners in sharing the cost of the defense of our country.

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ADDRESS BY SECRETARY MORGENTHAU BEFORE THE ADVERTISING CLUB OF BOSTON,  
SEPTEMBER 9, 1941

We have been talking about inflation for a long time as if it were a threat remote from our daily lives. It is a distant threat no longer. We are facing it now and we must deal with it at once.

If we are selfish or shortsighted in facing this issue, the consequences may haunt us and our children for years. But if we look at the problem with clear vision and firm resolve, we can beat this thing. If we keep always in mind the interests of our country as a whole, if we provide promptly the appropriate means and use them vigorously whenever necessary, we can prevent inflation from fastening its grip upon us.

That task calls for alertness and mental toughness on the part of everyone in the executive departments of the Government, everyone in the halls of Congress, everyone of us here in this room, and everyone who may be listening to me tonight.

The word "inflation" is cold and lifeless, so cold that even you advertising men here tonight might have difficulty in making it real, but the thing it describes is treacherous and cruel. Memories are so short that I suppose many of us have forgotten what happened the last time a price inflation struck us twenty-five years ago. The effects of that inflation, however, lasted for many years and brought untold heartbreak and misery in their train.

Let us look at the record to see what happened a generation ago. In 1916 the cost of living began to rise sharply but there were few who saw its significance. It was only when prices had risen by 70 percent that President Wilson recommended any steps to prevent inflation. In fact, the country was so blind to its dangers that as late as June 1917 Congress actually hastened the rise in prices by reducing the reserve requirements for member banks of the Federal Reserve System.

The consequences were so serious for every American that there must be many housewives even today who can remember them. By 1920 a 10-pound bag of sugar cost \$2.67, a dozen eggs cost 92 cents, a 10-pound bag of flour cost 88 cents,

a pound of butter cost 76 cents, and a pound of pork chops cost 50 cents. By that year prices had skyrocketed to twice the level of five years earlier. The money the housewife paid for one loaf of bread in 1914 brought only half a loaf in 1920. The money she paid for a pound of bacon in 1914 brought only a half a pound in 1920. The money she paid for a yard of cotton cloth was enough to buy only one-third of a yard in 1920. The consumer found that food, fuel, shelter, and clothing which cost a dollar in April 1916 had risen to almost two dollars by 1920. The family with no increase in income found its purchasing power cut in half.

We have now, as we had then in 1916, a moderate rise in the cost of living, a great rise in wholesale prices, and a still greater rise in the prices of basic commodities like wheat, hogs, cotton, and lumber. It is the rise in the prices of basic commodities that constitutes our red light, our warning signal, today, for such a rise is always the advance guard of an increase in the cost of living.

If we fail to use the controls at our disposal now, if we fail to do the specific things which are in our power to check inflation now, if we allow prices to go on rising as they did from 1916 to 1920, we may find that food, fuel, shelter, and clothing which now cost a dollar will once more cost almost twice as much before the process has ended.

The rise in prices is by no means confined to foodstuffs and clothing. I have before me, for instance, the actual figures on the cost of constructing a standard six-room frame house in one of our typical cities. This home that could have been built a year ago for \$6,000 now costs \$7,140 to build. Here we have an increase in prices of nearly 20 percent, and if it goes along the 1916 pattern, we are only at the beginning of the story.

Not only is the cost of building homes rising, but higher rentals are also on the way for the millions who do not own their homes. In scores of areas where industrial expansion has first taken hold, rents have already risen ten, twenty, thirty percent, and even higher.

I have brought with me tonight a pictorial chart which I wish the radio audience could see because it shows so plainly the road we traveled once, and the road which we must not travel again. The chart shows how the buying power of your dollar shrank from 1914 to 1920, how your dollar bought less food, less clothing, less shelter, less heat and light because prices were allowed to run away. It shows how your dollar is already buying less in 1941 than in 1939, and it leaves a big question mark for the space showing what your dollar may buy in 1942. The answer to that question is in our keeping as Americans, whether we are officials of the Government or private citizens. And I have written on the chart, alongside the question mark, the words: "Answer depends on us." We must decide now, this year, we in Washington and you in the country at large, whether we shall have the common sense and determination to avoid what we went through 25 years ago.

Let it not be said of us, as David Lloyd George said of his people in 1915, that we were "too late in moving here, too late in arriving there, too late in coming to this decision, too late in starting with enterprises, too late in preparing."

There is no excuse for us to be too late in meeting this threat of inflation that faces us. We now know, or ought to know, what is going on; that is perhaps the greatest difference between conditions today and 1916. This time our eyes are open to the dangers that lie ahead of us. We now know that the time to do something about inflation is before it occurs, not after it has gathered momentum. We should profit by our greater knowledge and take prompt and effective action now.

There is no need for me to remind this audience in detail of the reasons why prices have already risen. The reasons are plain for everyone to see. Our economy today resembles an overloaded steam boiler. The fire under the boiler is being fed by billions of additional purchasing power in the hands of the public. The fire is growing hotter and is generating more steam than the boiler can safely hold. If we are to prevent the boiler from bursting, we must damp down the fires by diverting spending away from those articles or commodities in which there is a shortage, actual or potential. We must damp down the fires also by increasing the flow of supplies of goods available to the consumer.

We can, as I have said before, defeat this threat of inflation, just as we can defeat and destroy the forces of evil that have been let loose upon this earth. But we need to understand the issues and we need to see clearly the consequences of inaction or delay. I should like, therefore, to point out, first, what we have done, and then, what we need to do, in order to stop prices from rising further.

In the first place, Congress is on the point of passing a huge tax bill designed to

raise almost four billion dollars in additional revenue, thus withdrawing a great amount of purchasing power that competes with the defense efforts.

Secondly, the Treasury in its borrowing program is trying to obtain as large a portion of its funds as possible from current consumers' income.

Through a new form of note—the tax anticipation note—it is seeking to increase the effectiveness of the income tax as a check on current purchasing power, and I am happy to report to you that more than a billion dollars' worth of these notes were sold in the month of August.

The Treasury has also begun a program of selling defense savings bonds and stamps to people of moderate and low incomes. The people have responded to a tune of a billion and a quarter dollars in four months, without coercion of any kind; and in making that response possible the advertising profession has been of truly invaluable help.

The President has recently issued an order authorizing the Board of Governors of the Federal Reserve System to control consumers' installment credit.

The Congress is considering, and I hope will pass without undue delay, a bill to limit price rises and to supplement the efforts of the Office of Price Administration to limit those rises by voluntary cooperation.

All these are useful steps to a necessary end, but they are not enough.

We shall have to tax ourselves much more heavily next year than this year, great and far-reaching as the present tax bill will be.

We shall have to invest much more widely and systematically in defense savings bonds and stamps. In particular, the rising pay rolls of the past year have been a clear call to the wage earners of America to set aside a portion of their earnings each week for their own good and their country's good.

We may have to extend general controls over bank credit and create controls over selected capital expenditures.

I hope that we may extend the social security program so as to increase the flow of funds to the Treasury from current income during the emergency and increase the outflow of funds when needed in the post-defense period. In addition, I have already suggested the creation of what I have called a "separation wage"—that is, an entirely new form of contribution out of which a worker may draw a regular wage for a stated period in case he loses his job. These measures would be good and desirable in themselves, but they are especially necessary at this time, for they should help us to decrease certain forms of purchasing now and increase them in the future when they may be needed.

We must, as I have said many times, reduce nonessential Federal expenditures. We must also appeal for economy in State and local government expenditure and a curtailment of their borrowing for nondefense purposes. The President pointed the way a month ago when he vetoed a bill calling for 320 million dollars worth of highway construction. By this action he demonstrated that there is a clear distinction nowadays between the spending that is necessary for defense and the spending that can be postponed until a later day.

The country should congratulate itself on the President's veto of this measure, and also upon the Senate's action only last week in approving the creation of a joint committee of the taxing and the appropriating agencies of Congress to study the possibilities of economy all along the line in nondefense activities. I have several times suggested the creation of such a committee, and I am very happy that my suggestion has been adopted by the Senate at last. I hope now that the House will also approve the idea, because it seems to me that such joint action is the only sensible way to proceed if we are to cut the costs of government and clear the decks for defense spending.

All of the measures I have so far suggested for combatting inflation would attack the problem by reducing the demand for goods now and by helping to build up a backlog of purchasing power for the post-war world.

But we should also attack the problem from the opposite direction. We must make every effort to increase the supply of goods available to the consumer wherever this can be done without encroaching upon the defense program. Above all, we must make full use of those supplies that are available, not only in defense production, but in the provision of civilian goods which do not compete with defense output.

This is a time when we must flatten the peaks and fill up the valleys in our economic picture. If we reduce undesirable purchasing now and keep prices down now, we shall be helping to provide for the day when these vast defense expenditures will end and when our defense workers will take up the work of peace again.

The most effective way to prevent a damaging rise in prices is, quite simply, to release surpluses from storage.



I wonder if the housewife knows, when she pays fifteen percent more than she did a year ago for a bag of flour, that our supply of wheat is the largest on record, and that 498 million bushels of several years' crops are available in our neighbor democracy of Canada. It is true that only three months ago a rigid quota was applied to the importation of wheat from Canada, with the ultimate objective of keeping up the price of wheat in this country. But it is also true that only the other day the quota on sugar from Cuba was enlarged so substantially as to absorb most of the reserve stocks in that country. It seems to me desirable and necessary that we now follow the example set in the case of Cuban sugar and permit the entry of Canadian wheat in larger volume.

Here in this country we have large reserve stocks of farm products of many kinds which should be released for consumption as fast as necessary to prevent unreasonable price rises.

The Government now holds or controls seven million bales of cotton in reserve, and cotton prices have risen from nine cents a pound on August 1, 1939, to over seventeen cents a pound at the present time. In spite of this rise of not far from 100 percent in two years, Congress recently sent to the President a bill to freeze Government stocks of cotton and wheat for the duration of the war, and thus to prevent the Government from disposing of any of the surplus wheat and cotton it had acquired. The President promptly vetoed the bill because this measure would have aggravated the danger of inflation and might have frustrated our efforts to fight it.

We ought not to withhold cotton surpluses, or any surpluses, from the market in times like these. The housewife ought not to be made to pay a tribute to profiteers and speculators when she buys a cotton sheet for her home or a shirt for her husband or a suit for her child.

Millions of people still go without the milk, butter, and eggs which, according to the testimony of food experts and the dictates of plain common sense, are necessary to good health and good morale. Yet the reserve stocks of butter, cheese, beef, and pork now held in this country are far higher than they were a year ago and far higher than the average of the past five years.

This has been historically a land of milk and honey. There is still plenty of milk and honey, but too much of it is in the warehouses. Let's make it flow. If we were to let it flow to the public we would not only help in keeping prices stable but we would be doing something even more important; we would be helping to make our people healthier and happier.

It is sheer folly from the farmer's point of view to push prices up by creating scarcities in times like these. The farmers suffered cruelly for twelve long years after the collapse of the inflation of 1920 and 1921; they should not be made to suffer again.

It is sheer folly in the same way for labor leaders to seek new increases in wages every few months—new increases which in turn produce higher manufacturing costs, higher prices, and a higher cost of living.

It is short-sighted for a landlord to charge all that the traffic will bear in defense centers where housing space is at a premium.

It is poor business, in the long run, for any businessman to seek exorbitant profits in this period of defense spending.

It is bad banking, in the long run, for any banker to exploit the present demand for funds by seeking to charge unreasonable interest rates.

There are always selfish groups in any country which think they can profit from inflation. They are wrong.

Inflation does more than merely to rob the wage earner of a portion of his earnings. It does more than saddle the farmer with a load of debt which he cannot repay. It is more destructive of morale than any other single force. Inflation divides the country. It sets up producers against consumers, workers against employers, the people who owe money against the people to whom the money is owed.

No group in a community profits from inflation in the long run except the Three Horsemen—the Speculator, the Profiteer, and the Hoarder.

These are truths that should be self-evident. They should be especially so now, in view of the fact that rising prices will only add to the cost of our defense program and make the arming of our country steadily more difficult. They should be self-evident now in the light of the experience that we suffered only twenty-five years ago.

We Americans have more than 150 years of self-government behind us. We are a mature nation, and we should be able to face up to our responsibilities as mature men and women. My plea to you tonight is that we should learn from bitter experience. My hope and my belief is that no group among us—whether farmers,

workingmen, or businessmen—shall be tempted by the illusion of selfish gain into allowing prices to rise unchecked.

The cost of inflation is too ruinous to producer and consumer alike for anyone in authority to tolerate it now. "I can give you only this pledge—that this Administration will do everything humanly possible to prevent inflation. But in this fight the Administration must have the firm support and the clear understanding of 130 million Americans behind it. If we have that support and that understanding, I know that we shall not fail."

STATEMENT OF SECRETARY MORGENTHAU BEFORE THE COMMITTEE ON BANKING AND CURRENCY OF THE HOUSE OF REPRESENTATIVES, SEPTEMBER 24, 1941

I am glad to testify in behalf of this bill not only because I am in accord with its objectives, but also because I am convinced of the terrible urgency of the problem which this bill would help to solve.

As the President said two months ago in recommending to Congress a bill to control prices:

"Today we stand, as we did in the closing months of 1915, at the beginning of an upward sweep of the whole price structure."

In the facts and figures already presented to this committee there has been ample demonstration of the accuracy and timeliness of the President's warning. Almost any part of the price data presented to this committee points to the same conclusion, namely, that the pattern of price rises in the past two years is showing an alarming similarity to the price movements during the first two years of World War No. 1.

In the last war we waited too long. It was not until August 1917 that the first step was taken to check price rises. The Lever Act empowering the President to control food and fuel prices was not introduced until June 11, 1917, and did not become law until August of that year.

By that time the damage had already been done. The general price level had risen more than 75 percent and the forces making for further price rises had become so powerful that they could not be stopped.

Are we again to wait until prices have risen 75 percent before we take bold and effective action?

The wholesale prices of farm products have risen 37 percent in the past year, and of that rise, 6 percent has occurred in the last month. All commodities have risen 18 percent in the last year and 2 percent in the last month alone. Similarly down the line: foods are up 25 percent; hides and leather up 13 percent; textiles up 23 percent; building materials up 12 percent; and chemicals up 14 percent.

The public is amply aware of what is happening. The housewife knows that pork chops that were 29 cents a pound in January were 30 in February, 31 in April, 32 in May, 35 in June, 37 in July, 38 in August, and 41 at the moment, a total rise of 40 percent in those nine months. The housewife knows that eggs have risen more than a third since January, that coffee is up about one-fourth in the same period, and that sugar and flour are up almost a fifth in the same period, respectively. The housewife, the businessman, the wage-earner, and the Government employee all know from their daily experiences that prices are rising.

The forces at work today are the same as those that brought our inflations in previous periods of war or rearmament. Yet there is fortunately one difference in the situation which, I believe, can save us from the disaster of inflation now. This time the public and the Government are aware of what happened before and what is happening now. All of us are able, if we choose, to take positive, effective, preventive measures in time.

That is what the Congress is being asked to do today. Passage of this bill would be one additional step forward in the war against inflation, the war on our home front, the war that must be fought and won if we are to preserve our American heritage.

It is true, of course, that price control alone will not conquer inflation. This bill alone cannot stop price rises. Every government that has attempted to check inflation has found that direct price controls alone cannot hold down the lid when the income of the consuming public is increasing and the amount of goods available to the consumer is decreasing. Additional steps are necessary.

Our Government has already taken some of them:

(1) The Congress has passed, and the President has just approved, a tax bill designed to raise more than 3½ billion dollars of additional revenue. This is a major accomplishment in the anti-inflation effort, for it will absorb a substantial portion of the increased incomes that are initially responsible for price rises.

(2) Secondly, the Treasury is engaged in a borrowing program designed to absorb still more of this excess income. Through the sale of defense savings bonds and stamps the Treasury is trying to borrow a large proportion of its funds from current consumer incomes, rather than from banks. In the past four months 1½ billion dollars of defense savings bonds and stamps have been sold.

(3) Thirdly, a new form of borrowing—the tax anticipation note—has been introduced with the object of absorbing consumer incomes before the date at which income taxes fall due. During the month of August more than \$1 billion of these notes were sold, absorbing income that might otherwise be pushing up prices in the market place.

(4) Fourthly, the Board of Governors of the Federal Reserve System has recently been given the authority to control consumer installment credit and has just increased reserve requirements of member banks as a further check against inflation.

(5) Finally, the Office of Price Administration has been exerting every effort to control prices through the cooperation of producers and consumers.

Those are the more important steps that the Government is now taking to check price rises. But they are not enough.

If we are to be sure of victory in the fight against inflation, we must prepare further to increase taxes. We may have to extend the general controls over bank credits. We shall certainly have to reduce capital expenditures for nondefense needs, and widen the sale of defense savings bonds and stamps.

It would be wise to extend the social security program to absorb purchasing power now and pave the way for increased purchasing power after the emergency.

It will also be essential for Federal, State, and local governments to reduce nondefense spending as much as possible.

I am looking forward now to an early meeting of the joint committee of the taxing and appropriating agencies of Congress, a committee that has just been created to study the whole problem of nonessential Federal expenditures. I hope that this committee will receive constant support from Congress and the country at large, for it can make a vital contribution in the anti-inflationary struggle.

We must do much more than cut down purchasing power; we must attack the problem from the other side. Rising prices can also be retarded by increasing the supplies of goods which do not compete with defense needs.

We are in a position to do just that. The Government has in its warehouses vast quantities of cotton, wheat, and corn. Our granary doors should now be opened, enough at least to prevent unreasonable price rises. Such a step would be in agreement with our established agricultural policy—the ever-normal granary. Having accumulated stocks in times of low prices, they should be distributed in times of high prices. Now is the time to draw on these supplies, both as an anti-inflationary measure and as a preparation for replenishing them if that should again become necessary.

The concept of an ever-normal granary, which calls for a control of falling farm prices, seems to me to call equally for control over rising farm prices. This bill, however, specifically restricts the authority of the price-control administration over farm prices. That is, I believe, the major defect of the bill. I strongly recommend that this inflexibility be removed—in the interest of the attack upon inflation, in the interest of the standard of living of our people and in the long-run interests of farmers as well.

I am not disturbed by the general level of agricultural prices now prevailing, but I am deeply concerned about the danger that agricultural prices will continue to rise as they did in the World War. Such a rise would hasten general inflation, would restrict the standard of living, and would even interfere with the health and morale of our people. And it cannot be repeated too often that in the long run the worst sufferers from inflation are farmers themselves. After the First World War inflation, agriculture was the hardest hit and the slowest to recover.

It has been suggested during these hearings that this price-control bill should include a ceiling over wages. I should like to go on record as not sharing this view. In free countries labor is not a commodity, human beings are not property; and they should not be treated as such.

I fully appreciate that wages affect the cost of production and the general level of prices. However, I feel very definitely that if we can on the one hand keep the cost of living from rising, and on the other hand impose adequate taxes on excessive profits, then we will have removed the major causes for demands for general wage increases. Furthermore, it is worth noting that the major portion of our defense industries today is covered by collective bargaining contracts, and only a sharp rise in the cost of living is likely to upset those contracts.

Two weeks ago I said at Boston that it was folly for labor leaders to seek continual increases in wages every few months, and that it was equally short-sighted for farmers, businessmen, landlords, or bankers to seek to exploit the present abnormal situation for selfish gain.

If we provide effective price control and adequate excess-profits taxation, and if it should later develop that wage rates are not being kept within bounds, we shall have to consider other measures. As yet, however, I see no necessity for them.

Before closing, I feel it my particular responsibility as Secretary of the Treasury to point out to you the special interests of the Government and the Treasury in stopping prices from rising further.

As the Nation's largest purchaser, the Government is concerned with the problem in a very direct way. Congress has already appropriated more than \$50 billions for defense, and the end is not yet in sight. The rise in prices which has already taken place will cost us billions of dollars. If prices are allowed to behave as they did during the World War, we may find that our defense program will cost us double without giving us a single additional gun or plane for that extra expenditure.

We not only are the Nation's largest purchaser of goods, but we are the Nation's largest employer. The Government now employs nearly one and a half million civilians in the executive departments, with a pay roll now running at the rate of \$2.5 billions a year. A substantial rise in the cost of living will raise for us as an employer a choice of evils: to permit the real incomes of our employees to be unjustly reduced, or to increase still further the pay roll that we must meet.

I fully appreciate that it requires courage on the part of Congress to pass this bill. It always requires courage to put brakes on rising prices. But if any lesson is to be learned from the record of the past, it should be that inflation is inevitable in times like these unless all of us—Congress, the executive departments, and the people—fight it on all fronts and with all the strength and courage at our command.

We should gain courage from the knowledge that inflation is not only accompanied by serious evils but is followed by even greater evils. We should never lose sight of the fact that inflation is always followed by deflation and that the ride down is a lot longer and a lot harder and a lot more painful than the short, intoxicating ride up.

After all, this question of inflation is one that goes to the very heart of the social aspirations of the American people. An uncontrolled price rise now would endanger the fruits of our hard-won progress of many years. If we lack the necessary realism and courage now, we shall place multitudes of American farmers, workers, and Government employees at the mercy of those whom I have called "the Three Horsemen—the Speculator, the Profiteer, and the Hoarder."

Every hardworking and thrifty man and woman in the United States has a direct personal stake in the success of the battle against inflation. I regard it as vitally important for Congress to pass this bill and pass it promptly.

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STATEMENT OF SECRETARY MORGENTHAU BEFORE THE WAYS AND MEANS COMMITTEE OF THE HOUSE OF REPRESENTATIVES, MARCH 3, 1942

I am here to offer my suggestions as to our first Revenue Act of the war. I hardly need to emphasize the seriousness of the occasion. The task before us is to decide how this desperately serious war is to be financed and how its gigantic cost is to be distributed. Economic and social conditions during and after the war will depend to a large degree upon the courage and wisdom with which we attack these problems now.

To defeat the strongest combination of enemies in our history we shall have to spend on a scale for which there is no precedent. If we are to equip and transport fighting men in sufficient numbers to turn the tide, if we are to furnish the weapons to the men who are doing the fighting, we shall have to use every ounce of our national energy and mobilize every possible dollar of our income. The President has announced a program involving expenditures of \$59 billions in the fiscal year of 1943. We shall have to tax in accordance with the magnitude of that program and in accordance with the seriousness of the position in which we stand.

The President's Budget Message in January called for the raising of \$7 billions in new revenue from taxes, together with an additional \$2 billions to be obtained from the social security program. The unprecedented sum of \$39.8 billions will have to be borrowed in the coming fiscal year, even if the new Revenue Act fulfills the President's hopes to the last dollar. I should like to urge, therefore,

the adoption and attainment of the goal the President has set, not as the maximum but as the very least that the American people can afford to provide at this critical time.

Our task is more than the raising of a huge amount of new revenue. It is to make the tax program an instrument of victory. It is to frame the new Revenue Act so wisely and so soundly that it will facilitate the maximum production of war materials, hasten the mobilization of our resources, strengthen the unity of our people for the waging of total war, and prepare us for the new economic and social problems that will face us when the war is won.

This means, first, that the new Revenue Act must help to check inflation, for nothing in the economic field can interfere with the war effort as much as an uncontrolled rise in prices. An inflationary price rise is a source of grave social injustice. It undermines morale and impedes war production. It strikes at random without consideration of equity or ability to bear the hardships which it imposes. Once it has acquired momentum, inflation is extremely difficult to control, and leaves a heritage of post-war stresses and strains that will haunt us for decades.

Today we are confronted with a grave threat of inflation. Prices of food today are following precisely the trend of the First World War; prices of all commodities are rising at a somewhat slower but nevertheless disturbing rate. Unless effective preventive measures are taken by all the means at our command, we shall have a rapid general increase in prices, with a resultant rise in the cost of our war effort far beyond the figures now contemplated.

The way to prevent inflation is to prevent people from engaging in the futile effort to buy more goods than can be produced. This requires, first of all, the continuous and willing cooperation of every man and woman. It also requires a comprehensive and integrated program of anti-inflationary measures, in which increased taxes and increased savings are essential parts. Price control, rationing and the regulation of consumer credit are other parts of such an integrated program.

It is important for us to remember that all these controls are interrelated. The devices of price control, allocation, and rationing will be more effective if taxes and savings are increased. Similarly, the effectiveness of the fiscal devices in preventing inflation will be greater if price and commodity controls are used.

We should, therefore, tax so as to withdraw the greatest possible volume of purchasing power at this time, when money incomes are high and the quantity of goods for civilian use is shrinking day by day because of the demands of our war effort.

A second obligation, second pressing duty, is the need for severe economy in the operations of Federal, State, and local governments. The anti-inflationary purposes of our taxing and savings program will be defeated if, at the same time, Federal, State or local governments indulge in unnecessary expenditure.

As you know, I recommended a few months ago the saving of at least \$1 billion in Federal expenditures which compete with war production and add unnecessarily to the volume of purchasing power in the hands of the people. I recommended especially the immediate reduction of expenditures on highway construction, rivers and harbors, nondefense vocational training and Federal subsidies to keep up the prices of agricultural products.

Since then some economies have been made, but a large field for economy remains, not only here in Washington but in the operations of State and local governments. I should like to urge once more that real and substantial economies be made as a corollary to the new tax program.

I do not mean that we should economize on the health and strength of our underprivileged, for that is no economy at all; but I do mean that we should save in subsidies to those who no longer need Government assistance, and in non-defense construction projects which can be postponed until the war is over.

I have spoken of the need of checking inflation and the need of cutting non-essential expenditures in financing the war effort; I come now to a third and most insistent need that should govern our wartime fiscal program. That is the need of holding fast to the basic principle of our tax system, namely, that taxes should be fair and nondiscriminatory and imposed in accordance with ability to pay. The cost of this war will have to be borne by everyone. It will be borne willingly and cheerfully if the principle of ability to pay is followed.

In terms of the new tax program, this principle means that special privileges in our tax laws should be removed. It means that taxes which cannot be adjusted to differences in income or family responsibilities, such as general sales taxes, should be avoided. It means that undue profits should be recaptured wherever they occur. Unreasonable profits are not necessary in order to obtain maximum production with economical business management. The country will not tolerate

the retention of undue profits at a time like this, when millions are pledging their very lives to save and perpetuate our freedom.

All will be expected to bear their fair share, in the higher and lower income levels alike. The recommendations which I shall now outline to the Committee will involve progressively increased taxes throughout the whole range of individual and corporate income now covered by our tax laws.

1. *Individual income tax.*—The individual income tax is the best available type of tax based upon ability to pay. Its rates and exemptions can be adjusted to the size of personal income and differing family responsibilities. Furthermore, it is a direct tax. It falls where the Congress wants it to fall.

I recommend that the individual income tax be changed to yield approximately \$3 billions, or about 60 percent more revenue than will be yielded under the present law.

In recommending this amount I have had in mind the fact that the great bulk of tax increases under the social security changes will also fall on individual incomes. In accordance with the President's views, I feel that the social security program should be expanded both as to coverage and as to protection, and that taxes for this purpose should be increased by approximately \$2 billions a year. I am not making any recommendations with regard to social security taxation or benefits in connection with this bill, but changes of the magnitude indicated should be kept in mind in planning the tax program.

As for the individual income taxes themselves, I am suggesting a substantial increase in the income surtax rates throughout the scale. I should like to give you a few examples to show the effect of these increases on typical incomes.

A single person with no dependents, with a net income of \$3,000, pays \$221 tax under the present law; he would pay \$470 under the suggested schedule. A married person with two dependents, and with a net income of \$3,000, pays \$58 under the present law; he would pay \$118 under the suggested schedule.

A single person with no dependents and with a net income of \$10,000 pays \$1,493 under the present law; the suggested schedule would call for payment of \$2,720. A married person with two dependents and with net income of \$10,000 pays \$1,117 under the present law and would pay \$2,143 under the proposed schedule.

The accompanying tables, which I shall now submit to the Committee, will show the rate scale and comparative effective rates of tax under the present law and under the suggested program (tables A, B, C, D).

You will notice that these proposed schedules involve no further lowering of the personal exemptions, which now begin at an income of \$750 a year for a single person and \$1,500 for a married person, with a credit of \$400 for each dependent. The exemptions were lowered in the 1940 Revenue Act; they were lowered again in the 1941 Act, and their value has been reduced still further this year by the rise in the cost of living. Although single persons with less than \$15 a week and married persons with less than \$30 a week do not pay any direct taxes, they already pay a disproportionate part of their little incomes in indirect taxes of all kinds.

Moreover, a further lowering of the exemptions would yield a relatively insignificant amount of revenue from the earners of very low incomes. If I felt that the expenditures of this group added materially to the danger of inflation, I should not hesitate to recommend the lowering of the exemptions in spite of the small amount of revenue that would be produced. Our studies at the Treasury indicate, however, that the very lowest income earners have all they can do to feed and clothe themselves and their families. Their buying habits are governed strictly by the need of maintaining nutrition and health, and I cannot recommend a direct tax upon them until we have exhausted every possible source of revenue from those who enjoy higher incomes.

Because of the threat of inflation and because of large increases suggested throughout the existing rate scale, it becomes essential to afford a more convenient method for the payment of income taxes. The best available expedient for this purpose is a provision for collecting at the source for those incomes that are paid periodically, including wages, salaries, bond interest, and dividends.

To start such a system immediately, however, might cause considerable hardship to taxpayers because of the substantial increases they are already called upon to pay during the year 1942 as a result of the Revenue Act of 1941. On the other hand, if the threat of inflation makes necessary substantial speeding up of tax collection, we cannot afford to postpone collection at the source.

Since it is not known how soon it may become necessary to speed up tax collection to check inflationary price rises, the Secretary of the Treasury should be

authorized to begin the collection of income taxes at the source, at any time and at rates within his discretion up to 10 percent of wages and salaries, with an allowance for personal exemption and credit for dependents, and up to 10 percent of the full amount of dividends and interest. This would not be a supplementary tax; it would simply be a means of collection. It would furnish needed flexibility in relating tax collections to future economic conditions.

2. *Corporation taxes.*—It is recommended that additional taxes be raised from corporations in the amount of \$3 billions, an increase of about 40 percent.

A substantial share of the increased corporation tax should fall on excess profits. Taxes paid from such profits have less disrupting effects on business than taxes which are generally applicable to all corporate earnings irrespective of the rate of return. A tax which absorbs excess profits still leaves the corporate taxpayer with a sufficient margin of income for dividends and safety.

On the other hand, a tax which dips too deeply into the incomes of low-earning corporations may seriously affect their debt-paying capacity, if not their very existence.

It is suggested that the maximum rate of the excess profits tax be increased from 60 percent to 75 percent with corresponding increases in the lower rate brackets.

The proposed increases in the excess profits taxes have the additional virtue of recapturing undue profits on war contracts. This method is far better than imposing profit limits specifically on war contracts. The difficulties of segregating profits on war contracts are very great and involve personnel, expense, uncertainty and litigation which we can ill afford at this time. Moreover, it is almost impossible to determine what rates of profit on cost or sales would be equitable under the widely varying special circumstances confronting different industries and contractors.

With rates of this magnitude it is increasingly important to have a fair basis from which to measure the profits subject to the excess profits tax. In addition to the many provisions in existing law to adjust earnings of the base period to take account of unusual circumstances, it is suggested that further relief be afforded where the earnings of the base period were abnormally depressed.

Other changes in the excess profits tax law should also be made, some to eliminate defects which have been brought to light in the operation of the law, and others to eliminate unnecessary hardships. These changes are of a more technical character and will be presented later, at the Committee's convenience.

There should be no further increase in the corporate normal rate because any such increase would result in an undesirable windfall to the holders of partially tax-exempt Federal securities.

It is suggested that the balance of the \$3 billions in additional corporate taxes be provided by a special war surtax which would absorb the present corporate surtax and would be imposed at the rate of 31 percent on corporations with incomes of more than \$25,000. This tax would differ from the present surtax in that a special tax credit would be allowed when the surtax net income for the current year has dropped in comparison to the income for the pre-war period. In a further statement, the Treasury will give the Committee a detailed explanation of this proposed war surtax and the reasons which have led the Treasury to recommend it.

There can be no fair quarrel with the imposition upon corporations of a substantial proportion of the increased load of taxation required by our national peril. We are fighting for the maintenance of the very system of free enterprise which makes corporate profits possible. At a time like this, I am confident that incorporated business will willingly pay additional taxes which will, after all, leave it in the aggregate about the same amount of income after taxes as during the years before 1940.

In the critical months ahead our patriotism will be put to the acid test. It must rise above the profit motive. National war production may be tragically inadequate if it depends upon that motive alone. This is a time when we must forget profits and concentrate upon a supreme productive effort which alone will win the war.

However, it is recognized that very high top, or so-called "marginal rates," may leave little incentive for the maintenance of efficiency in business operation. Furthermore, after the war there may well be need for a large volume of expenditure in readjusting industry and maintaining employment. For these reasons it is believed desirable that in the case of any dollar of corporate profits the receipt of which results in an increase in tax beyond perhaps eighty cents, the additional tax on such dollar shall be held by the Government to the account of the corporation and be returnable within a limited period after the war, in those cases where

it is spent for new and additional capital equipment or otherwise is spent in the additional employment of labor.

The uncertainties of this period also make it important to reduce to the minimum the necessity for prophesying. The capital stock tax and the associated declared value excess profits tax are determined largely by the accuracy of guesses about future profits. It is suggested that the revenue produced by these taxes can be more fairly and less harmfully produced by the other taxes on corporations and that accordingly the capital stock and declared value excess profits taxes be repealed.

3. *Estate and gift taxes.*—The estate and gift taxes are imposed at the time of the transfer of wealth from one person to another. Many of the fortunes which are being transferred, and will be transferred in the future, were built up during a period when income tax rates were far lower than they are today. It is much more difficult now to build up large holdings of property. For this reason substantial increases in the estate and gift taxes should be imposed as a method of equalizing tax burdens. The suggested increases are indicated in attached tables (tables E and F).

In conjunction with the rate increases, it is suggested that the existing insurance exclusion of \$40,000 be merged with the existing exemption of \$40,000, and that a single exemption of \$60,000 be allowed. This will increase the present exemption in some cases and decrease it in others, and will remove a discrimination between persons who are insured and those who are not.

It is likewise suggested that the exemption for the gift tax be reduced to \$30,000 and that the annual exclusion of gifts be made a total of \$5,000 for each donor regardless of the number of donees to whom property is given.

These changes in rates and exemptions, together with certain changes designed to prevent avoidance of the tax, should increase the annual revenue from estate and gift taxes by \$300 millions.

4. *Excise taxes.*—New and increased special excise taxes on distilled spirits, gasoline, cigarettes, soft drinks, candy, and chewing gum, and other items listed in the attached table, are suggested to raise approximately \$1.3 billion of additional revenue (table G).

Although these excise taxes are in the nature of sales taxes, their effects are substantially different from the effects of general sales taxes. Some of them are imposed on commodities of which there is or will increasingly be a scarcity. Such taxes not only yield revenue but help to conserve materials needed for the war. Those excise taxes not relating to scarce commodities have been chosen so as to fall on goods which are widely used and are of a luxury or semi-luxury character. The increase in consumer incomes will keep up the demand for those commodities despite the higher taxes. Needed revenue will thus be obtained, consumer purchasing power will be tapped, the producers will not be injured, and the consumers will not be taxed on necessities of life.

These special excise taxes have the further advantage of not requiring any substantial expansion of administrative machinery.

No general sales tax is recommended, and indeed, I strongly urge that no such tax be made a part of this revenue bill. The general sales tax falls on scarce and plentiful commodities alike. It strikes at necessities and luxuries alike. As compared with the taxes proposed in this program, it bears disproportionately on the low income groups whose incomes are almost wholly spent on consumer goods. It is, therefore, regressive and encroaches harmfully upon the standard of living. It increases prices and makes price control more difficult. It stimulates demands for higher wages and adds to the parity prices of agricultural products. It is not, as many suppose, easily collected; on the contrary, its collection would require much additional administrative machinery at a time when manpower is limited.

5. *Removal of special privileges.*—There are in our tax system certain provisions which grant to relatively few of our people special advantages and privileges at the expense of the great mass who must pay what is thereby lost. I am reluctant to recommend that the great mass of the taxpayers of the United States should pay billions of dollars of additional revenues until these defects have been removed from the tax laws. They are bad enough in time of peace—they are intolerable in time of war.

(a) *Tax exempt securities.*—An important example of such a privilege is presented by tax exempt securities. Every element in our population should bear its fair share of the burdens which war imposes. Through tax exempt securities, however, persons with large taxpaying ability find themselves in a sheltered position. For the most part they did not buy these securities at prices reflecting to any significant extent the great favor of escape from wartime burdens, and surely the States



did not offer the securities on any such basis. The holders of tax exempt securities are obtaining what are essentially windfall profits in a time of national sacrifice.

For a long time Presidents, Secretaries of the Treasury, and congressional committees have recommended the elimination of the tax exemption of interest on future Government securities. Last year the Congress, at my recommendation, removed the exemption on interest from future issues of Federal securities. No action has been taken with respect to the interest on future or outstanding State and local securities.

In times of peace, when the strain on other elements in the population was not so heavy, there was much to be said for the gradual elimination of tax exemption through taxing future issues only. The national emergency of war makes this gradual approach unacceptable. I therefore recommend the repeal of the present exemption applicable to outstanding issues of State and local securities.

Unfortunately, tax exemption clauses appear in many of the outstanding issues of Federal securities and these promises must not be violated. In the case of State and local securities, however, there has never been any contract or moral commitment between the Federal Government and the security holders or the State and local governmental authorities regarding Federal taxation. Since the Supreme Court decision in the case of *Graves v. O'Keefe* in 1939 fair-minded experts in constitutional law have had no doubt of the Federal power and moral right to tax the income from State and municipal securities.

A tax system cannot be defended which in a time of grave national emergency calls upon the great mass of our taxpayers to shoulder the heavy burden of additional taxes and yet permits persons with large taxpaying ability to pay virtually nothing in taxes. The sacrifices necessary to win a war for the benefit of all of us should be shared by all of us—including the holders of tax exempt securities. The President said in his Budget Message, "When so many Americans are contributing all their energies and even their lives to the Nation's great task, I am confident that all Americans will be proud to contribute their utmost in taxes."

Taxing the interest of future and outstanding issues of State and municipal securities would yield \$200 millions a year.

(b) *Percentage depletion.*—A second example of special privilege is the allowance for depletion. At the present time the owners of mines and oil wells are allowed to deduct so-called percentage depletion or cost depletion, whichever is higher. Percentage depletion consists of a certain percentage of gross income (27½ percent in the case of persons having an economic interest in oil and gas properties), the deduction being limited to fifty percent of the net income from the property. Under this arrangement percentage depletion goes on even after one hundred percent of the cost is recovered and may substantially exceed depletion based on cost.

In 1937 the President and the Treasury recommended the elimination of percentage depletion, but no action was then taken. The war has intensified the necessity for eliminating any such special favor to one group of taxpayers. The removal of this special privilege would yield \$80 millions a year.

One of the reasons asserted in behalf of percentage depletion for oil and gas properties is that it stimulates exploration for such properties. If this is a proper objective, it would be better achieved by a special depletion allowance to those who do explore without indiscriminate extension of the same favor to all owners. At the convenience of the Committee, we shall place before it a plan directed to this purpose.

So far as minerals other than oil and gas are concerned, it is believed that an adequate stimulus for exploration would remain if the percentages allowable for depletion purposes were substantially reduced or percentage depletion were eliminated.

(c) *Separate returns by married persons.*—A third example of special favoritism in the tax laws is the option allowed married couples to file separate income tax returns. This permission has little or no significance for most taxpayers since at the present time married couples with incomes of up to \$3,500 (the amount is higher in the case of married couples with dependents) pay the same total tax whether they file joint returns or separate returns. It may make a great deal of difference in tax, however, in the case of married couples with large incomes, especially if the income is more or less evenly divided between husband and wife.

This difference in tax is unwarranted since in actual operation the family is the economic unit. Two families with the same total income will usually manage and dispose of that income in a similar fashion, regardless of whether the income is received by only one spouse or is received by both spouses.

The adoption of mandatory joint returns would remove this tax differential and would also eliminate two specific kinds of tax avoidance which are present under existing law. The first is the treatment of community income in the so-called community-property States. In the non-community-property States the income is taxable to the spouse who earns it. In the community-property States, however, the husband who earns the income may for tax purposes attribute half the earnings to his wife, although he retains the management and control of all the earnings. The result is that married couples with high incomes in community-property States receive a very substantial tax advantage over those living in other States. This advantage would be removed if joint returns were made mandatory.

A second source of tax avoidance which would be eliminated by mandatory joint returns is the possibility of manipulating incomes between husband and wife. For example, if the husband receives a large amount of income from securities, he may reduce the family income tax substantially (and also reduce the amount of estate tax in case he predeceases his wife) by giving a portion of his fortune to his wife. This, and other methods of reducing taxes by married couples, would be eliminated through provision for mandatory joint returns.

Accordingly, it is suggested that the filing of joint tax returns by married couples be made mandatory, with a special allowance for the earned income of the wife or the husband.

At the present rates of individual income tax, it is estimated that the revenue from requiring the filing of joint income tax returns would be approximately \$300 millions.

(d) *Other special privileges.*—There are other examples of special privilege in our tax laws which need to be removed. They are to be found in the provisions of our present laws affecting capital gains, insurance company taxes, and pension trusts, and will be discussed in detail later in these hearings. The removal of these additional methods of avoidance would yield about \$100 millions a year in additional revenue.

(e) *Hardships on taxpayers.*—The inequities of our tax laws work in two directions. As I have said, some of them extend undue privileges to a favored few. Still others result in unfair burdens upon certain taxpayers. Let me give you a few examples of such inequities which need correction.

If you rent your house to tenants but are not in the real estate business, you are taxed on the rent you received but you may be denied the right to deduct your expenses in producing that income. If, as an individual, you expand your plant to produce war materials, you are denied the benefits of the amortization provision which applies to corporations. If you collect a debt which you previously charged off as worthless, the amount collected becomes part of your taxable income even though you received no tax relief when you charged it off. With rates at wartime levels it becomes urgent to correct all such defects. I, therefore, propose that we make every effort in this session of Congress to eliminate all hardships of this character so that our tax laws will cast their burden equitably upon all taxpayers.

*Conclusion.*—The recommendations I have outlined to the Committee this morning would, if added together, produce over \$8 billions in additional revenue. Since the effects of any series of tax proposals are interrelated to some extent, we should deduct about \$1 billion from this total. That would give us the \$7 billions in new revenue which, as I said at the outset of my statement, should be regarded as the very least that we can call for at this time.

We are at war. An adequate tax program is vital to the successful prosecution of the war. The new taxes will be severe, and their impact will be felt in every American home. War is never cheap; but, as I have said before, it is a million times cheaper to win than to lose.

Table A.—Comparison of individual surtax rate schedule under present law and proposal

Surtax net income	Bracket rate		Total surtax, cumulative	
	Present law	Proposal	Present law	Proposal
	Percent	Percent		
Under \$500.....	6	12	\$30	\$60
\$500 to \$1,000.....	6	15	60	135
\$1,000 to \$1,500.....	6	18	90	225
\$1,500 to \$2,000.....	6	20	120	325
\$2,000 to \$3,000.....	9	22	210	545
\$3,000 to \$4,000.....	9	24	300	785
\$4,000 to \$6,000.....	13	27	560	1,325
\$6,000 to \$8,000.....	17	30	900	1,925
\$8,000 to \$10,000.....	21	34	1,320	2,605
\$10,000 to \$12,000.....	25	38	1,820	3,365
\$12,000 to \$14,000.....	29	42	2,400	4,205
\$14,000 to \$16,000.....	32	45	3,040	5,105
\$16,000 to \$18,000.....	35	48	3,740	6,065
\$18,000 to \$20,000.....	38	51	4,500	7,085
\$20,000 to \$22,000.....	41	54	5,320	8,105
\$22,000 to \$26,000.....	44	57	7,080	10,445
\$26,000 to \$32,000.....	47	60	9,900	14,045
\$32,000 to \$38,000.....	50	64	12,900	17,885
\$38,000 to \$44,000.....	53	68	16,080	21,965
\$44,000 to \$50,000.....	55	72	19,380	26,285
\$50,000 to \$60,000.....	57	76	25,080	33,885
\$60,000 to \$70,000.....	59	78	30,880	41,685
\$70,000 to \$80,000.....	61	80	37,080	49,685
\$80,000 to \$90,000.....	63	82	43,380	57,885
\$90,000 to \$100,000.....	64	84	49,780	66,285
\$100,000 to \$150,000.....	65	86	82,280	109,285
\$150,000 to \$200,000.....	66	86	115,280	152,285
\$200,000 to \$250,000.....	67	86	148,780	195,285
\$250,000 to \$300,000.....	69	86	182,280	238,285
\$300,000 to \$400,000.....	71	86	254,280	324,285
\$400,000 to \$500,000.....	72	86	326,280	410,285
\$500,000 to \$750,000.....	73	86	508,780	625,285
\$750,000 to \$1,000,000.....	74	86	693,780	840,285
\$1,000,000 to \$2,000,000.....	75	86	1,443,780	1,700,285
\$2,000,000 to \$5,000,000.....	76	86	3,723,780	4,280,285
\$5,000,000 and over.....	77	86		

Table B.—Amount of individual income taxes and effective rates under present law and proposal for single person with no dependents, personal exemption \$750

Net income before personal exemption	Amount of tax			Effective rates		
	Present law	Proposal	Increase in tax	Present law	Proposal	Increase in effective rates
				Percent	Percent	Percent
\$800.....	\$3	\$8	\$5	0.4	1.0	0.6
\$900.....	11	24	13	1.2	2.7	1.5
\$1,000.....	21	40	19	2.1	4.0	1.9
\$1,100.....	31	56	25	2.8	5.1	2.3
\$1,200.....	40	72	32	3.3	6.0	2.7
\$1,500.....	69	128	59	4.6	8.5	3.9
\$1,600.....	79	147	68	4.9	9.2	4.3
\$2,000.....	117	230	113	5.9	11.5	5.6
\$2,500.....	165	345	180	6.6	13.8	7.2
\$3,000.....	221	470	249	7.4	15.7	8.3
\$4,000.....	347	735	388	8.7	18.4	9.7
\$5,000.....	483	1,023	540	9.7	20.5	10.8
\$6,000.....	649	1,333	684	10.8	22.2	11.4
\$8,000.....	1,031	1,990	959	12.9	24.9	12.0
\$10,000.....	1,493	2,720	1,227	14.9	27.2	12.3
\$12,500.....	2,178	3,740	1,562	17.4	29.9	12.5
\$15,000.....	2,994	4,888	1,894	20.0	32.6	12.6
\$20,000.....	4,929	7,473	2,544	24.6	37.4	12.8
\$25,000.....	7,224	10,418	3,194	28.9	41.7	12.8
\$50,000.....	20,882	27,715	6,833	41.8	55.4	13.6
\$75,000.....	36,487	48,055	11,568	48.6	64.1	15.5
\$100,000.....	53,214	69,625	16,411	53.2	69.6	16.4
\$500,000.....	345,654	429,610	83,956	69.1	85.9	16.8
\$1,000,000.....	733,139	879,610	146,471	73.3	88.0	14.7
\$5,000,000.....	3,923,124	4,479,610	556,486	78.5	89.6	11.1

Table C.—Amount of individual income taxes and effective rates under present law and proposal for married with no dependents, personal exemption \$1,500

Net income before personal exemption	Amount of tax			Effective rates		
	Present law	Proposal	Increase in tax	Present law	Proposal	Increase in effective rates
				Percent	Percent	Percent
\$1,500.....						
\$1,600.....	\$6	\$16	\$10	0.4	1.0	0.6
\$1,700.....	13	32	19	.8	1.9	1.1
\$1,800.....	23	48	25	1.3	2.7	1.4
\$1,900.....	32	64	32	1.7	3.4	1.7
\$2,000.....	42	80	38	2.1	4.0	1.9
\$2,100.....	52	99	47	2.5	4.7	2.2
\$2,200.....	61	118	57	2.8	5.4	2.6
\$2,300.....	71	137	66	3.1	6.0	2.9
\$2,400.....	80	156	76	3.3	6.5	3.2
\$2,500.....	90	175	85	3.6	7.0	3.4
\$3,000.....	138	285	147	4.6	9.5	4.9
\$4,000.....	249	535	286	6.2	13.4	7.2
\$5,000.....	375	805	430	7.5	16.1	8.6
\$6,000.....	521	1,100	579	8.7	18.3	9.6
\$8,000.....	873	1,735	862	10.9	21.7	10.8
\$10,000.....	1,305	2,435	1,130	13.1	24.4	11.3
\$12,500.....	1,960	3,425	1,465	15.7	27.4	11.7
\$15,000.....	2,739	4,535	1,796	18.3	30.2	11.9
\$20,000.....	4,614	7,060	2,446	23.1	35.3	12.2
\$25,000.....	6,864	9,960	3,096	27.5	39.8	12.3
\$50,000.....	20,439	27,145	6,706	40.9	54.3	13.4
\$75,000.....	35,999	47,425	11,426	48.0	63.2	15.2
\$100,000.....	52,704	68,965	16,261	52.7	69.0	16.3
\$500,000.....	345,084	428,935	83,851	69.0	85.8	16.8
\$1,000,000.....	732,554	878,935	146,381	73.3	87.9	14.6
\$5,000,000.....	3,922,524	4,478,935	556,411	78.5	89.6	11.1

Table D.—Amount of individual income taxes and effective rates under present law and proposal for married person with two dependents, personal exemption \$1,500, dependent credit \$400

Net income before personal exemption and dependent credit	Amount of tax			Effective rates		
	Present law	Proposal	Increase in tax	Present law	Proposal	Increase in effective rates
				Percent	Percent	Percent
\$2,300.....						
\$2,400.....	\$6	\$16	\$10	0.3	0.7	0.4
\$2,500.....	12	32	20	.5	1.3	.8
\$2,700.....	29	64	35	1.1	2.4	1.3
\$3,000.....	58	118	60	1.9	3.9	2.0
\$4,000.....	154	333	179	3.9	8.3	4.4
\$5,000.....	271	587	316	5.4	11.7	6.3
\$6,000.....	397	861	464	6.6	14.4	7.8
\$8,000.....	717	1,472	755	9.0	18.4	9.4
\$10,000.....	1,117	2,143	1,026	11.2	21.4	10.2
\$12,500.....	1,728	3,089	1,361	13.8	24.7	10.9
\$15,000.....	2,475	4,167	1,692	16.5	27.8	11.3
\$20,000.....	4,287	6,629	2,342	21.4	33.1	11.7
\$25,000.....	6,480	9,472	2,992	25.0	37.0	12.0
\$50,000.....	19,967	26,537	6,570	39.9	53.1	13.2
\$75,000.....	35,479	46,753	11,274	47.3	62.3	15.0
\$100,000.....	52,160	68,261	16,101	52.2	68.3	16.1
\$500,000.....	344,476	428,215	83,739	68.9	85.6	16.7
\$1,000,000.....	731,930	878,215	146,285	73.2	87.8	14.6
\$5,000,000.....	3,921,884	4,478,215	556,331	78.4	89.6	11.2

Table E.—Comparison of estate tax rate schedule under present law and proposal

Net estate after specific exemption <sup>1</sup>	Bracket rate		Total estate tax cumulative	
	Present law	Proposal	Present law	Proposal
	Percent	Percent		
Under \$5,000.....	3	8	\$150	\$400
\$5,000 to \$10,000.....	7	12	500	1,000
\$10,000 to \$15,000.....	11	15	1,050	1,750
\$15,000 to \$20,000.....	11	18	1,600	2,650
\$20,000 to \$30,000.....	14	22	3,000	4,850
\$30,000 to \$40,000.....	18	26	4,800	7,450
\$40,000 to \$50,000.....	22	30	7,000	10,450
\$50,000 to \$60,000.....	25	33	9,500	13,750
\$60,000 to \$70,000.....	28	36	12,300	17,350
\$70,000 to \$100,000.....	28	40	20,700	29,350
\$100,000 to \$150,000.....	30	44	35,700	51,350
\$150,000 to \$200,000.....	30	46	50,700	74,350
\$200,000 to \$250,000.....	30	48	65,700	98,350
\$250,000 to \$300,000.....	32	50	81,700	123,350
\$300,000 to \$350,000.....	32	52	97,700	149,350
\$350,000 to \$400,000.....	32	54	113,700	176,350
\$400,000 to \$450,000.....	32	56	129,700	204,350
\$450,000 to \$500,000.....	32	58	145,700	233,350
\$500,000 to \$600,000.....	35	60	180,700	293,350
\$600,000 to \$700,000.....	35	62	215,700	355,350
\$700,000 to \$800,000.....	35-37	64	251,700	419,350
\$800,000 to \$900,000.....	37	66	288,700	485,350
\$900,000 to \$1,000,000.....	37	68	325,700	553,350
\$1,000,000 to \$1,500,000.....	39-42	70	528,200	903,350
\$1,500,000 to \$2,000,000.....	45	72	753,200	1,263,350
\$2,000,000 to \$2,500,000.....	49	75	998,200	1,638,350
\$2,500,000 to \$3,000,000.....	53	76	1,263,200	2,018,350
\$3,000,000 to \$4,000,000.....	56-59	78	1,838,200	2,798,350
\$4,000,000 to \$5,000,000.....	63	79	2,468,200	3,588,350
\$5,000,000 to \$6,000,000.....	67	80	3,138,200	4,388,350
\$6,000,000 to \$7,000,000.....	70	80	3,838,200	5,188,350
\$7,000,000 to \$8,000,000.....	73	80	4,568,200	5,988,350
\$8,000,000 to \$9,000,000.....	76	80	5,328,200	6,788,350
\$9,000,000 to \$10,000,000.....	76	80	6,088,200	7,588,350
\$10,000,000 and over.....	77	80		

<sup>1</sup> A specific exemption of \$40,000 and a life insurance exclusion of \$40,000 are allowed by the present law. The proposal would allow a single specific exemption of \$60,000 but no life insurance exclusion.

Table F.—Amount of estate taxes and effective rates under present law and proposal

Net estate before specific exemption <sup>1</sup>	Amount of tax			Effective rates		
	Present law	Proposal	Increase in tax	Present law	Proposal	Increase in effective rates
				Percent	Percent	Percent
\$60,000.....	\$500		—\$500	0.8		—0.8
\$70,000.....	1,600	\$1,000	—600	2.3	1.4	— .9
\$90,000.....	4,800	4,850	50	5.3	5.4	.1
\$100,000.....	7,000	7,450	450	7.0	7.5	.5
\$150,000.....	20,700	25,350	4,650	13.8	16.9	3.1
\$200,000.....	35,700	46,950	11,250	17.9	23.5	5.6
\$400,000.....	97,700	144,150	46,450	24.4	36.0	11.6
\$600,000.....	163,200	257,350	94,150	27.2	42.9	15.7
\$800,000.....	233,200	380,950	147,750	29.2	47.6	18.4
\$1,000,000.....	307,200	512,550	205,350	30.7	51.3	20.6
\$2,000,000.....	730,700	1,220,150	489,450	36.5	61.0	24.5
\$4,000,000.....	1,808,700	2,751,550	942,850	45.2	68.8	23.6
\$6,000,000.....	3,104,700	4,340,350	1,235,650	51.7	72.3	20.6
\$10,000,000.....	6,050,200	7,540,350	1,490,150	60.5	75.4	14.9
\$20,000,000.....	13,749,700	15,540,350	1,790,650	68.7	77.7	9.0
\$40,000,000.....	29,149,700	31,540,350	2,390,650	72.9	78.9	6.0

<sup>1</sup> The amounts shown as the size of the "net estate before specific exemption" include \$10,000 of life insurance. It is assumed that none of this insurance would have been taxable under present law, which allows a \$40,000 insurance exclusion, in addition to a specific exemption of \$40,000. The proposal would eliminate the insurance exclusion and provide a single specific exemption of \$60,000. In recent years the amount of excluded insurance has averaged about \$6,000 per taxable estate.

Table G.—Excise tax proposals

Article	Present tax	Recommended tax rate and base	Estimated increases in revenues <sup>1</sup> (in millions)
1. Photographic apparatus.....	10% manufacturers' sales price.	25% manufacturers' sales price.....	\$11.2
2. Transportation by pipe line.....	4½% of amount paid.....	10% of amount paid.....	18.7
3. Communications:			
a. Telephone toll service.....	24-50¢, tax 5¢; additional 5¢ tax on each 50¢.	25¢ to 39¢, 5¢ tax..... 40¢ to 64¢, 10¢ tax..... 65¢ to 99¢, 15¢ tax..... 5¢ additional tax for each 25¢ or fraction thereof.	24.5
b. Telegraph, cable.....	10% of charge.....	15% of charge.....	
c. Leased wires, etc.....	do.....	do.....	
d. Local telephone bill.....	6% of bill.....	10% of bill.....	46.6
e. Coin-operated telephone under 25¢.	Exempt.....	10% of service charge.....	6.7
4. Gasoline.....	11½¢ per gal.....	3¢ per gal.....	242.2
5. Lubricating oil.....	4½¢ per gal.....	10¢ per gal.....	49.9
6. Beer.....	\$6 per bbl.....	\$8 per bbl.....	117.1
7. Wines:			
Still wines:			
Not more than 14% alcohol.....	8¢ per gal.....	15¢ per gal.....	
14-21% alcohol.....	30¢ per gal.....	50¢ per gal.....	
More than 21%.....	65¢ per gal.....	100¢ per gal.....	
Sparkling wines.....	7¢ per half-pint.....	10¢ per half-pint.....	25.0
Artificial carbonated wines.....	3½¢ per half-pint.....	5¢ per half-pint.....	
Liqueurs, cordials, etc.....	do.....	do.....	
8. Distilled spirits.....	\$4 per gal.....	\$6 per gal.....	279.7
9. Transportation of persons.....	5% of amount paid.....	15% on transportation; 20% on seats and berths.	94.8
10. Carbonated soft drinks.....	None.....	a. Schedule for bottled drinks based on 1¢ per bottle retailing at not more than 10¢. b. 80¢ per lb. of carbonic acid gas used in unbottled drinks.	146.9
11. Candy and chewing gum.....	do.....	15% manufacturers' sales price.....	45.3
12. Cigars.....	Rate schedule.....	New schedule <sup>2</sup> .....	13.1
13. Smoking tobacco.....	18¢ per lb.....	36¢ per lb.....	26.8
14. Cigarettes.....	\$3.25 per M.....	\$3.50 per M, 10-cent brands; \$4.00 per M, 15-cent brands.	188.6
15. Cigarette papers and tubes.....	Schedule.....	No exemption; tax all papers and tubes ½¢ per 25 papers or tubes.	7.8
Total.....			1,344.9

<sup>1</sup> Estimated full year effect of indicated excises at estimated fiscal year 1943 levels of business after allowing for the initial impact of the imposition of the augmented rates.

<sup>2</sup> Class A, retail price 2-5¢, tax \$2.50 M; B, 5¢, tax \$5.00 M; C, 5.1-8¢, tax \$7.50 M; D, 8.1-10¢, tax \$10.00 M; E, 10.1-15¢, tax \$15.00 M; F, 15.1-20¢, tax \$20.00 M; G, 20.1-30¢, tax \$25.00 M; H, 30.1 and over, tax \$40.00 M.

Table H.—Corporation tax plan under present law and under the proposal

	Present law	Proposal
1. Excess profits credit:		
a. Invested capital method:		
First \$5,000,000 of invested capital.....	8%	8%
Over \$5,000,000 of invested capital.....	7%	7%
b. Income method:		
Portion of average earnings in base period, 1936-1939.....	95%	95%
c. Specific exemption.....	\$5,000	\$5,000
2. Excess profits tax rates:		
Adjusted excess profits net income:		
First \$20,000.....	35%	50%
\$20,000 to \$50,000.....	40	55
\$50,000 to \$100,000.....	45	60
\$100,000 to \$250,000.....	50	65
\$250,000 to \$500,000.....	55	70
Over \$500,000.....	60	75

Table H.—Corporation tax plan under present law and under the proposal—Continued

	Present law	Proposal
3. Income tax:		
a. Normal tax:		
(1) Corporations with net income of not more than \$25,000:	Percent	Percent
First \$5,000.....	15	15
\$5,000 to \$20,000.....	17	17
\$20,000 to \$25,000.....	19	19
(2) Corporations with net income over \$25,000: Flat rate.....	24	24
b. Surtax:		
(1) Corporations with net income of not more than \$25,000: First \$25,000.....	6 <sup>1</sup>	18
(2) Corporations with net income over \$25,000:		
First \$25,000.....	6	31
Over \$25,000.....	7	31
(a) Relief provision: Corporations with current year surtax net income less than the average surtax net income for the base period years, 1936-1939, are allowed a tax credit of 10% of the difference but not to exceed 20% of surtax net income. This provision applies only to corporations with net income over \$25,000.		

Table I.—Estimated revenue increase from proposed tax program

	Increase over yield of present law <sup>1</sup> (in millions)
Individual income tax.....	\$3,200
Corporation taxes.....	3,060
Estate and gift taxes.....	330
Excise taxes.....	1,340
Removal of special privileges, approximately:	
Eliminate exemption from income and profits taxes with respect to interest from all State and local governmental obligations.....	200
Percentage depletion.....	80
Mandatory joint returns.....	300
Other, approximately.....	100
Grand total.....	8,610
Less allowance for interrelated effects, approximately.....	1,000
Approximate increase in revenue from proposed tax program.....	7,610

<sup>1</sup> For a full year of operation.

## STATEMENT OF SECRETARY MORGENTHAU BEFORE THE COMMITTEE ON WAYS AND MEANS OF THE HOUSE OF REPRESENTATIVES ON H. R. 6691, MARCH 3, 1942

I am appearing before you today in support of H. R. 6691 which raises the limitation on the power of the Treasury to issue public debt obligations under the Second Liberty Bond Act, as amended, from \$65 billion to \$125 billion, and provides greater flexibility to enable the Treasury to conduct its war financing operations. On previous occasions I have stated that I favored this periodic review by the Congress of the situation with respect to the public debt. I think it serves a useful purpose. It brings to the attention of the Congress and the public the condition of the public treasury.

It is urgent that this bill be promptly enacted. The balance of our borrowing authority at the end of February 1942 was about \$1.5 billion. By the end of March it is anticipated that the borrowing authority will be insufficient to cover the debt issues that will be required during the month of April.

In January 1941, I appeared before your Committee in support of a bill to increase the total borrowing authority from \$49 billion to \$65 billion. It appeared at that time that a limitation of \$65 billion would be sufficient to enable the Treasury to finance the estimated deficit in the Budget until the end of the present fiscal year and provide some margin. But we could not foresee then that we would be engaged in a war that would require our all-out effort. Our defense program at that time amounted to approximately \$28½ billion in appropriations, contract authorizations, and recommendations. The war program now exceeds \$140 billion, exclusive of commitments by governmental corporations.

The 1943 Budget submitted to the Congress early in January indicates that the deficit for the current fiscal year ending next June 30 will amount to \$18.6 billion, and, in addition, that the Treasury will be required to advance to governmental corporations approximately \$3 billion to finance their activities. On the basis of these estimates the public debt on June 30, 1942, will amount to \$70.6 billion.

The estimated deficit in the fiscal year beginning July 1, 1942, after taking into consideration contemplated additional budgetary revenues of \$7 billion from new tax legislation, will amount to \$35.4 billion. We will also be required to raise \$4.4 billion for governmental corporations. The estimated increase in the public debt for the fiscal year beginning July 1, 1942, based on these estimates, will thus be \$39.8 billion and leave us with a public debt on June 30, 1943, of \$110.4 billion.

While these figures are huge in amount, they are made necessary by the great task to which the Congress and the American people have dedicated themselves, namely, the task of winning this war. Whatever the cost may be we are ready to face it. We are strong enough to bear it, and we know that it will be worth it in the end. As I have suggested before, our production of overwhelming quantities of war materials, an effort that makes this debt necessary, should frighten no one but our enemies.

The bill before you proposes certain changes in the authority of the Treasury to conduct its financing operations in addition to the increase in the debt limitation. Briefly, these are as follows:

1. The Secretary of the Treasury would be authorized to issue Treasury marketable securities on a discount basis or on a combination interest-bearing and discount basis. At the present time we have authority to issue regular marketable securities on a discount basis only if the maturity date is not more than one year after their date of issuance. We also have authority to issue savings bonds on a discount basis. But this additional authority would give the Treasury more flexibility and permit it to design its issues to conform more closely to the investment requirements of particular classes of purchasers.

2. The Secretary of the Treasury would be authorized to accept in his discretion obligations of the United States which are redeemable upon demand in payment of any taxes imposed by the United States. This, in effect, can now be accomplished by the holder of such obligations turning them in to the Treasury and getting the cash and then using the cash to pay taxes. The new authority would simplify the procedure and would make it more convenient to the taxpayer.

3. The Secretary would be authorized to offer any new Treasury obligations in exchange for outstanding obligations of any agency or instrumentality of the United States which are guaranteed by the United States as to both principal and interest. The Treasury has taken over all the financing of the various governmental agencies which formerly issued marketable guaranteed obligations and now provides them with funds by purchasing their securities. We are also in process of refunding the outstanding guaranteed obligations of these agencies into Treasury securities, but in view of the language of the various statutes under which guaranteed securities are issued, it is now necessary to refund them indirectly by purchasing the guaranteed security and selling the holder a Treasury security. This proposed amendment would simplify these operations and permit us to offer Treasury securities directly to the holders of these guaranteed obligations in exchange for such obligations, in the same manner as Treasury securities are now refunded.

4. A provision is included to clarify the authority existing in section 19 of the Second Liberty Bond Act, which, as originally enacted in 1934, was intended to permit the Treasury to buy any of its securities in the market at or before maturity out of the proceeds of any public debt securities previously sold. The present language, however, is ambiguous and might be interpreted to mean that the authority may only be used, in effect, for the exchange of one security for another. This amendment would clarify the language in that section.

5. The Postmaster General would be authorized to transfer the liability for outstanding postal savings stamps to the Treasury, and his authority to issue such stamps would be terminated as of the date when the Treasury makes Treasury savings stamps available to the public under section 22 of the Second Liberty Bond Act, as amended. The Treasury will then assume the liability for redeeming such outstanding stamps and such stamps will become a public debt obligation.

When we initiated our present defense savings program last year we deemed it advisable to utilize the facilities of the Postal Savings System because it was already issuing savings stamps and had the facilities for immediately carrying



out an expanded program. The question is now often raised by the purchaser of postal savings stamps as to whether the funds thus provided go into the Treasury for the purpose of helping to pay for the national defense. Of course such funds do come into the Treasury and they are available for that purpose, but it is sometimes a little difficult for the purchaser to understand. In view of the fact that the defense savings program is carried on in the Treasury, I believe that it would clarify the whole program if we could eliminate postal savings stamps and issue instead Treasury savings stamps. These new stamps would also be sold through Post Offices as well as other agencies. The Postmaster General concurs in this proposed change.

6. A provision is included to remove the tax-exemption privileges on income from shares of stock issued by Federal agencies and instrumentalities which were inadvertently omitted from a similar provision in the Public Debt Act of 1941. This would put these shares of stock on the same basis as obligations issued by the United States and by its agencies as provided in the act enacted last year.

With this enlarged borrowing program before us it is necessary more than ever that the Treasury exert every effort to obtain its funds from the current income of the people. We have, therefore, materially expanded our campaign to sell defense saving bonds. Since last May first, when the present defense savings bond program was inaugurated, we have received approximately \$4.3 billion in cash through the sale of these securities. Up to December first, just prior to the attack on Pearl Harbor, the sale of these securities averaged about \$300 million a month. In the month of December we sold \$500 million, in the month of January over a billion dollars, and in the month of February approximately \$700 million. The American people are responding splendidly to our efforts to place these securities in the hands of the real investing public. Within the past few months we have inaugurated a plan for voluntary pay-roll deductions to purchase savings bonds. Many business institutions have already adopted such plans and the number is increasing each week. At the present time nearly one-half of all persons working in trade and industry have this method for buying savings bonds available to them. It is hoped that within the course of the next few weeks practically all businesses will have adopted these plans.

The Treasury has a tremendous program ahead of it. No one appreciates the magnitude of our problems better than those of us in the Treasury. We are facing the facts squarely, and we are working continuously in our endeavor to finance the war program as much as possible from current savings in order that our fiscal operations may be a positive force in winning the war and in preventing inflation.

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STATEMENT OF SECRETARY MORGENTHAU BEFORE THE JOINT COMMITTEE ON  
INTERNAL REVENUE TAXATION, MAY 28, 1942

The very helpful interest in tax collection problems shown by the members of the Joint Committee on Internal Revenue Taxation, under the able leadership of your chairman, Mr. Doughton, encourages me to appear before you to discuss an administrative matter.

I know that this Committee and the Congress are determined that no man and no corporation shall be permitted to make exorbitant profits out of the war effort. It is the responsibility of the Congress to draft legislation to achieve that purpose. It is our responsibility at the Treasury to use all the powers the Congress has given us to see that all taxes are fully, honestly, and justly collected. It is our responsibility to see that by no form of trick or chicanery is any one taxpayer permitted to escape his just share and thus to throw unjust burdens on others.

I have come before this Committee tonight to tell you of some instances of what seem to me to be particularly unpardonable attempts to escape wartime taxation, and I should like to report what the Treasury is doing and intends to do to stop these practices. In every instance the method used by the taxpayer was to inflate expenses with the evident purpose of avoiding normal and excess profits taxes on corporation earnings. The devices used included the payment of excessive salaries, the distribution of unearned bonuses and the payment of unreasonable sums for purported services to persons closely connected with the management of the companies involved.

It will be obvious to members of this committee that these practices, if successful, would reduce the revenue of the Government, the revenue we need so urgently for fighting and winning the war.

We do not intend that this shall happen. We do not intend that any of these practices shall succeed. The Congress has already given power to the Treasury to deal with cases of this kind, and that power is being exercised.

The instances I shall mention to you were discovered as a result of speeding up our investigation of 1941 returns of corporations holding war contracts. Reports of the examination of 31 returns for 1941 are now available. Let me mention briefly seven cases illustrating the practices with which we have to deal.

Company A makes an important airplane part. This corporation is owned by one man who hired himself as its sales representative. His compensation in 1941 was \$1,656,000. By consolidating these earnings with those of the corporation, we have blocked this obvious attempt to divert profits and we have increased the corporation's income tax by \$1,117,000.

Company B makes steel. All stock in this corporation is held by three families. Excessive salaries were paid to officers who were also stockholders. The Revenue Agent has recommended disallowance of \$82,000 in salaries, and the company has already agreed to a disallowance of \$58,000.

Company C makes vital equipment for airplane pilots. This corporation paid \$31,104 in rent in one year to the wife of the president for using property which had cost her \$45,412. A brother of the principal stockholder, without special training or ability, drew a salary of \$15,000 a year and a son and daughter, just out of school, got \$7,500 a year each.

Company D makes tools and dies. This company is owned by two brothers and their wives. It paid dividends of \$40,000 in 1940 and \$100,000 in 1941, while salaries totaling \$128,000 were paid in 1941 to the president, his wife, and his brother.

Company E makes forgings. The stock is owned by three families. From 1938 to 1941 the salaries of employees who were stockholders and relatives of stockholders increased 523 percent. Excessive salaries for 1941 have been disallowed to the amount of \$568,000.

Company F makes equipment for airplanes. Three principal officers of this corporation took salaries of \$100,000 each and the corporation claimed it had set aside over \$575,000 in bonuses. Salary and bonus payments totaling \$516,000 were found to be excessive. Other disallowed deductions included \$16,000 paid for watches given to employees, \$14,000 for banquets and picnics, \$4,000 for photographs taken at banquets and picnics, and \$1,900 for tickets to football games. Other important deficiencies were found in the tax return.

Company G makes a device important to aviation. This corporation is owned almost entirely by one man, his wife, and his brother. The two men increased their salaries from \$12,000 and \$15,000 in 1939 to \$72,000 and \$90,000 in 1941. The royalty rate on the patent jointly held by them was increased, with the result that, with expanded sales for war purposes, the royalties paid to them increased from \$87,000 in 1939 to \$1,179,000 in 1941.

You will note that I have not named any of the corporations or the individuals concerned. I leave it to this Committee to decide whether that should be done. Personally I am inclined to believe it would have a very wholesome effect.

Assistant Secretary Sullivan and Commissioner Helvering are here tonight to give you further details of the results of some of these investigations. They stand ready to come before you from time to time and to report the results of further investigations now in progress.

It should be noted that these cases all deal with returns for 1941. It is of course true that all of the contracts for war work covered by these 1941 returns were signed before the United States entered the war and that nearly all the earnings represented in the tax-dodging devices attempted were pre-war earnings. But I think that changes the situation very little. An attempt to escape lawful taxes while we were actually at war would be only a slight degree blacker than an attempt to escape taxes which would pay for arming and equipping our Army and Navy when we stood in imminent danger of attack.

It may be that these instances are an isolated few and that not many more of the same kind will be found. I sincerely hope that will be the case. I am wholly confident that the great and overwhelming proportion of American corporations are too patriotic even to consider such practices.

We are taking two steps to detect and deal with the evils I have mentioned. In the first place, we are expediting examination of the tax returns and records of all corporations, beginning with those who have war contracts, to determine whether excessive expenses are being claimed. Ordinarily our investigation of returns filed for the year 1941 would not begin until July 1, 1942, and this work would continue through the fiscal year ending June 30, 1943. Under present circumstances we cannot afford to wait so long before acting. By speeding up our investigations we expect to check unlawful practices of this sort at an earlier stage.

In the second place, we are disallowing excessive expenditures which have the effect of reducing corporate tax liabilities. We are compelling the corporations to include such amounts in earnings, and at the same time we are requiring the recipient to pay full personal income taxes on the amounts received.

The disallowance of excessive expenditures does not represent a new procedure. The law and regulations permit the deduction only of ordinary and necessary business expenses for the purpose of determining profits. In applying the law and regulations, the Bureau of Internal Revenue has often disallowed expenditures which seemed to lack sound business justification and which were, in effect, distributions of profits. Today, however, the problem has assumed major importance in view of the huge increases in income of a great number of corporations resulting from the war effort.

In presenting this problem to you, I am anxious to be as constructive as possible. It seems to me that the businessmen of this country are entitled to know not only the extent of our legal powers but also the standards that we have adopted in applying them. Accordingly, it may be helpful if I outline the following general considerations that will guide us in examining expenses claimed in tax returns.

1. *Salaries and bonuses paid to officers and employees.*—Deductions claimed for greatly increased salaries and extraordinary bonuses paid to officers or employees will be disallowed unless the taxpayer proves that the payments are, in fact, for services actually rendered and are reasonable.

In determining whether the payments are reasonable, it will be assumed that reasonable compensation is only as much as would ordinarily be paid for like services by like enterprises under like circumstances. The factors that will be considered in determining the reasonableness of such payments are the duties performed by the recipient, the character and amount of responsibility, the time devoted to the enterprise, and the peculiar ability or special talent of the particular officer or employee. Where the payments are to relatives or to shareholders, the taxpayer must show that family considerations have not influenced the amount paid and that the payments are not distributions of profits in disguise. Large profits attributable to causes entirely unrelated to the activities of the officers or employees, which are not unusual in these abnormal times, do not of themselves justify or warrant large salary payments.

2. *Rents, royalties, and other payments to shareholders.*—Deductibility of rents, royalties or other payments to shareholders depends upon whether such charges are in fact fair and reasonable payments for the use of property and are not merely a device for distribution of profits. Any shareholder should be entitled only to a fair return on his investment in the property which he permits the corporation to use.

3. *Payments to profit sharing or pension trusts.*—The deductibility of payments to pension trusts is governed by section 23(p) of the Internal Revenue Code. If payments to such trusts are reasonable, their deduction will be allowed. If the payments are unreasonable in amount, or if the trust is not created for the exclusive benefit of employees, or if it is a device to distribute profits to shareholders, the deductions will be disallowed. It is also our purpose to set up a barrier to deductions of large salaries, bonuses, or insurance premiums for officers under the guise of payments to a pension trust.

4. *Payments for repairs.*—The deductibility for income tax purposes of costs of repairs depends upon whether the expenditure is actually for repairs, or is in fact a capital expenditure which should be added to capital investment or charged against reserve for depreciation, since the costs of repairs are deductible while capital expenditures are not. We must guard against the tendency during high profit years to make extensive improvements and to charge the cost of such improvements against profits under the caption of repairs.

It will be our policy to scrutinize carefully the items claimed as deductions for expenditures for repairs. We shall disallow such deductions where it is not shown that the expenditures are in fact for repairs instead of for improvements or betterments which should be capitalized.

5. *Expenses or allowances paid to obtain Government business, including fees paid to Washington representatives or for other professional service.*—Whether deductions for items of this class will be allowed depends upon whether they meet the test laid down in the Internal Revenue Code, that is, whether they are necessary and ordinary and reasonable. If such items are considered exorbitant or unreasonable, they will be disallowed as deductions. Many of the factors that apply in determining the deductibility of salaries and bonuses will apply also in determining the deductibility of items of this class. Particular attention will be given to deductions for payments which are against public policy, and all such deductions will be disallowed.

STATEMENT OF SECRETARY MORGENTHAU CONTAINED IN THE PRESS RELEASE OF  
JULY 2, 1942

The following statement was made today by Secretary Morgenthau:

Total budgetary expenditures of the United States Government during the fiscal year ended June 30, 1942, were \$32,397 millions, as reflected in the Daily Treasury Statement released today. Of these expenditures \$25,954 millions, or 80 percent, were for war activities.

The rate of expenditure for war purposes has risen rapidly, month by month, reflecting the steady expansion of our war production. In June 1941, we spent on national defense \$832 millions or approximately 10 percent of the estimated national income for that month. In June 1942 we had succeeded in increasing war production so that war expenditures had risen nearly fivefold to \$3,823 millions or about 40 percent of that month's estimated national income. In the entire fiscal year just closed we expended approximately 25 percent of the national income for the war effort. In 1943 the contemplated war expenditures will represent approximately 55 percent of the national income.

Net revenue receipts of \$12,799 millions during the fiscal year were 68 percent higher than those of the preceding fiscal year, which were the highest up to that time. Despite this rapid increase in revenue, the net deficit for the year amounted to \$19,598 millions.

If only the receipts from taxes now on the statute books are taken into account, the deficit for the fiscal year which has just begun will be about \$56,223 millions. The magnitude of this figure emphasizes the urgency of obtaining additional revenue.

This indicates clearly that the tax bill now before Congress should be the start, and not the conclusion, of the wartime revenue program. It is evident, however, that no matter how vigorous the tax policy, it will still be necessary to borrow many billions during the fiscal year 1943. It is of the utmost importance that as large a proportion of this money as possible be borrowed from the current savings of the people, and that the remainder be raised with a minimum of pressure upon price ceilings and of disturbance to the credit structure. It is also important, in order to minimize the post-war burden of the debt, that the necessary funds should be borrowed without departing from a policy of low-interest rates. As a matter of fact, the Government's market financing for this period has been carried out at rates no higher than three-eighths of 1 percent on the shortest term borrowings and 2½ percent for long-term issues.

In order to achieve its objectives the Treasury has issued a series of obligations of a restricted character intended to appeal to the current savings of particular classes of investors. The sale of United States savings bonds, for example, has been consistently pressed and has been recently intensified. Thirty percent of the deficit of the year just ended was financed from this source. These savings bonds are now held by millions of individuals, most of whom have never owned a Government security before. While these bonds carry with them the right of redemption, the redemptions during the fiscal year amounted to only about 3½ percent of sales for that period.

A new instrument—the tax savings note—was devised during the year. This security provides taxpayers with a convenient means of accumulating money in anticipation of taxes. Net sales of these notes provided for financing more than 15 percent of the deficit during the fiscal year just ended.

Funds of a noninflationary character are also provided by purchases of the regular forms of Government obligations by individuals and trust accounts and by insurance companies and other corporations from their current savings. A further source of such funds lies in uninvested depreciation and depletion reserves and in the funds accumulated in all classes of business enterprises by the diminution of inventories and by the postponement of capital expenditures. Sales of Government securities to commercial banks do not have an inflationary effect to the extent that they are offset by a diminution in the other assets of the banks, or by the accumulation of individual and corporate savings in the form of bank balances.

It has been the policy of the Treasury Department throughout the fiscal year to place a sufficient proportion of new issues of Government securities in long maturities to provide an ample outlet for all of the savings desired to be invested at the long-term interest rate. In May, the Treasury made a new departure in borrowing policy by offering a long-term registered 2½ percent security eligible for purchase only by nonbanking investors. By means of this type of security, it is hoped to make the maximum appeal to savers of long-term funds, while avoiding the difficulties incident to the sale of long-term securities to the banks.

During the latter half of the fiscal year, an increasing proportion of short-term securities was offered by the Treasury. This was done for the twofold purpose of providing an attractive medium of investment for unabsorbed depreciation and depletion reserves and other business funds likely to be unemployed only for the duration of the war, and of providing a greater fluidity in the money market. The objective of fluidity also was furthered and the short-term rate of interest stabilized by the posting by the Federal Reserve Banks, on April 30, of a three-eighths of 1 percent buying rate for Treasury bills.

[The remainder of the statement took up matters relating to receipts, expenditures, and public debt, which may be found elsewhere in this report.]

#### ECONOMY SUGGESTIONS SUBMITTED BY SECRETARY MORGENTHAU TO THE JOINT COMMITTEE ON REDUCTION OF NONDEFENSE EXPENDITURES, NOVEMBER 14, 1941

There are certain classes of nondefense expenditures which consist in large part of construction projects, such as reclamation work, river and harbor work, road building, etc. Reductions in activities for these purposes will have multiple advantages, as follows:

- (1) Reducing nondefense expenditures.
- (2) Releasing manpower needed for defense plants.
- (3) Increasing the supplies of materials and equipment which can be devoted to defense efforts.
- (4) Building up a backlog of projects for continued employment in the post-war period.

There are other instances where there appear to be overlapping and duplication both in effort and in expenditure of funds.

In other cases, the Government undertook programs aimed at correcting or adjusting certain inequities which had grown up in our economic system. Some of these inequities have been eliminated and circumstances which made the initial program urgent have altered. Nevertheless, large sums continue to be appropriated and spent under such programs despite the greatly reduced justification for such expenditures during the period of defense expansion.

I shall refer briefly to certain specific nondefense expenditures which I recommend to the Committee for its consideration.

#### RECLAMATION PROJECTS:

Fiscal years 1932 to 1941, inclusive:	<i>(In millions)</i>
Total expenditures during the 10-year period (1932-41) amounted to about.....	\$880. 0
This includes expenditures for irrigation and water conservation under the Emergency Relief Appropriation Acts.	
Fiscal year 1941—expended (checks issued).....	86. 0
Fiscal year 1942—estimated to be spent.....	95. 0

#### *Economy suggestion:*

It is suggested that all reclamation work be reexamined in the light of our present defense program and its anticipated acceleration. Wherever it is possible to delay existing or postpone proposed projects which are not necessary in connection with the generation of power for defense purposes, this should be done.

#### RIVER AND HARBOR WORK AND FLOOD CONTROL:

Fiscal years 1932 to 1941, inclusive:	<i>(In millions)</i>
Total expenditures during the 10-year period (1932-41) amounted to.....	\$1, 870. 0
Fiscal year 1941—expended (checks paid).....	219. 0
Fiscal year 1942—estimated to be spent.....	200. 0

#### *Economy suggestion:*

It is recognized that certain river and harbor, flood control, and soil erosion work must continue in the interest of the lives and safety of our people. But all projects which are not vital from this standpoint or necessary for definite defense purposes should be reexamined. Work on all projects of this character which can be delayed or postponed should be prohibited and funds heretofore appropriated should be canceled.

## PUBLIC ROADS:

Fiscal years 1932 to 1941, inclusive:

(In millions)

Total expenditures during the 10-year period (1932-41)  
amounted to about \$5,800.0

This includes expenditures for highways, roads, streets,  
etc., under the Emergency Relief Appropriation Acts and the  
Public Works Administration Act of 1938.

Fiscal year 1941—expended (checks paid):

Regular.....\$174.1  
W. P. A., etc.....485.0  
659.1

Fiscal year 1942—estimated to be spent:

Regular.....175.0  
W. P. A.....Not available

Fiscal year 1943—expenditures in this year were obligated on or before January 1, 1941.

Fiscal year 1944—expenditures in this year will be obligated on or before January 1, 1942.

Fiscal year 1942: The amount appropriated and being spent in the current fiscal year covers the Federal-aid highway, grade crossing, etc., authorization of \$162,000,000 for the fiscal year 1941 and balances of prior years' authorizations. These expenditures were obligated on or before January 1, 1940.

Fiscal year 1943: The act of September 5, 1940, contained an authorization of \$139,000,000 for Federal-aid highways, etc., for 1942. This authorization was obligated on or before January 1, 1941, and there is an obligation on the Congress to appropriate sufficient amounts in the next fiscal year to pay these obligations. This cannot be avoided.

Fiscal year 1944: The act of September 5, 1940, contained an authorization of \$139,000,000 for the fiscal year 1943. Under existing law this amount must be apportioned among the States not later than January 1, 1942. After such apportionment specific projects are approved. The approval of projects constitutes a contractual obligation of the Federal Government for the payment of its pro rata share of the cost of the projects approved. This can be postponed.

*Economy suggestion:*

It is suggested that the Congress, by appropriate enactment rescind the 1943 highway authorization. This would result in a reduction of expenditures for public roads in the fiscal year 1944 (July 1, 1943, to June 30, 1944). Inasmuch as money spent by the Government is matched by the States, a reduction in the Federal road expenditures will most likely bring a desired reduction in highway expenditures by the States.

State and local authorities should be requested to defer undertaking new projects, even though allotments have already been made for them. Other major projects already under way which can be appropriately discontinued or curtailed should be suspended.

Any new roads or enlargement of existing road facilities required by national defense activities could be specifically authorized as defense projects.

## AGENCIES ENGAGED IN VOCATIONAL ACTIVITIES:

(In millions)

	Amounts appropriated for 1942			Estimated expenditures 1942
	Administra- tive expenses	Other activi- ties	Total	
Civilian Conservation Corps.....	\$19.2	\$227.8	\$247.0	\$200.0
National Youth Administration:				
Regular.....	5.8	86.0	91.8	90.0
National defense.....	3.0	57.0	60.0	60.0
Office of Education:				
Regular.....	.9	28.4	29.3	30.1
National defense.....	1.2	106.9	108.1	118.8
Total.....	30.1	506.1	536.2	498.9

*Economy suggestion:*

Each of the above agencies is under the Federal Security Agency, and its primary function is the vocational training of youth, with present emphasis on employment in defense occupations.

It would seem that the regular activities of the Civilian Conservation Corps and National Youth Administration must conflict with the more important defense program, and should be eliminated or drastically reduced.

It is suggested that all vocational training activities be consolidated in a new Bureau of Defense Training. Any overlapping functions or duplication of work could be eliminated and one comprehensive training program, integrated with the defense program, could be formulated and administered more economically than appears possible under the present organizations.

Particularly, it is suggested that grants by the Office of Education to States and educational institutions be reviewed. In making this recommendation I should like to point out that I have always been a strong advocate of measures designed to protect and further the interests and welfare of young people. However, at this time the number of young people needing assistance is being greatly reduced by the exceptional employment opportunities offered by the expansion of the defense program, together with the demands of our armed forces. Such young people as have not entered employment through normal channels or are not in the Army should receive vocational training designed to fit them for employment in defense.

**FARM PROGRAM:****Reflected in Budget:**

Expenditures included in the Budget under the farm program which was initiated in 1933, after the catastrophic fall in prices in 1932, were designed mainly to meet conditions involving low prices for farm products, surplus production and loss of export markets.

Present conditions are radically different from those which the farm program was designed to meet.

Major expenditures under the farm program are included under the following captions:

	Expenditures (in millions)		
	Estimated 1942	Actual 1941	Actual 1940
Surplus Marketing Administration, and Agricultural Adjustment Administration (act of Aug. 24, 1935).....	\$240. 0	\$240. 9	\$142. 6
Soil Conservation and Domestic Allotment Act.....	475. 0	465. 1	605. 1
Administration of Sugar Act of 1937.....	48. 0	50. 4	48. 8
Price Adjustment Act of 1938 and parity payments.....	205. 0	198. 3	215. 0
Total.....	968. 0	954. 7	1,011. 5

*Economy suggestion:*

I believe that the Administration has done a wonderful job for the farmer in nearly tripling his income in ten years. It is estimated that in 1941 the farmer's share of the total national income will be 20 percent greater than in 1932, notwithstanding a reduction of almost 10 percent in the proportion of the farm population to the total population of the country.

Year	Estimated farm income and population, in relation to national totals, 1932-42 (in millions)					Farm population as a percentage of total population
	Gross cash farm income			Net income from agriculture		
	From farm marketings	Government payments	Total	Amount	Percent of national income	
1932.....	\$4, 682	\$0	\$4, 682	\$3, 232	8. 1	24. 9
1941.....	10, 550	650	11, 200	8, 600	9. 7	22. 8
1942.....	12, 350	650	13, 000			

Although governmental aid was necessary in order to bring the farmer's net income from three and one-quarter billion dollars in 1932 up to eight and one-half billion dollars or more in 1941, certainly after having reached this goal there does not appear to be any reason to continue spending at the same rate. This is especially important when the money we are using for this purpose is so badly needed for armaments and lend-lease aid. The farmer is getting his share of the total expenditures made by the Government, as the increase in his net income indicates. In addition, there are substantial benefits that will accrue to the farmer from the lend-lease program. About five hundred million dollars have been allocated under the lend-lease program for the purchase of agricultural commodities. In view of all these circumstances I feel at this time that we could well afford to make drastic cuts in our agricultural expenditures.

Exception should, of course, be made for those expenditures which are for the purpose of helping the lowest income group, which suffers from wholly inadequate nutrition.

#### FARM PROGRAM:

Not reflected in Budget:

There are other phases of the farm program involving loans for rural rehabilitation, farm tenancy and rural electrification. In 1941 and 1942 expenditures for these purposes have been shifted from the Budget and transferred to the R. F. C., which has been authorized to advance funds to the Secretary of Agriculture to enable him to make loans.

Activities of this character are as follows:

Expenditures:	General budget	R. F. C. funds
Farm Security Administration:		
Fiscal year 1940.....	\$158.5	
Fiscal year 1941.....	62.2	\$111.3
Farm Tenant Act:		
Fiscal year 1940.....	41.8	
Fiscal year 1941.....	27.3	29.4
Rural Electrification Administration:		
Fiscal year 1940.....	38.0	
Fiscal year 1941.....	24.2	36.0
Estimates for 1942:		
Farm Security Administration.....	60.0	134.0
Farm Tenant Act.....	7.0	71.0
Rural Electrification Administration.....	8.0	139.0

<sup>1</sup> Unused balances of authorizations.

#### Commodity Credit Corporation:

Inter-related with the farm program are the activities of the Commodity Credit Corporation. Expenditures have been made by this Corporation with funds received from the following sources:

##### From the Treasury:

##### Included in the Budget:

##### Capital and surplus:

Fiscal year 1934.....	\$3,000,000
Fiscal year 1936.....	97,000,000
Fiscal year 1938.....	94,000,000
Fiscal year 1940 (net).....	76,000,000
Fiscal year 1942.....	1,600,000

271,600,000

Not included in the Budget: Purchase of notes (net to Nov. 10).....	120,000,000
From public borrowing (net to Nov. 10).....	701,000,000

Total.....<sup>1</sup> 1,092,600,000

<sup>1</sup> In addition, receipts from repayments of loans and sale of commodities are available for expenditure.

Recent estimates furnished to the Treasury by the Commodity Credit Corporation show for the current fiscal year, the following:

Estimated disbursements.....	<sup>1</sup> \$1,100,000,000
Estimated receipts.....	<sup>1</sup> 913,000,000

Excess of disbursements, to be covered by borrowing funds from the Treasury..... 187,000,000

<sup>1</sup> Include transactions under the lend-lease program.



*Economy suggestion:*

It is suggested that we reexamine the need for continuing that part of the farm program which is not reflected in the annual Budget and which is financed from funds obtained through corporations or borrowed from the Treasury. The Congress is apt to overlook the substantial expenditures which are not reflected in the annual Budget. Eventually any losses which may be incurred through these programs will become budget charges. Each of these items should be reexamined in the same manner that has been suggested for the farm program expenditures which are reflected in the budget proper.

I should like it understood that in making the suggestion that this class of farm expenditures should be reexamined, I do not refer to the bulk of activities undertaken by the Farm Security Administration, inasmuch as the need for much of their expenditures is, in my opinion, still urgent.

Just as I suggested earlier that there should be no reduction of expenditures for the help of the under-nourished, so I believe that there should be no reduction in our help of the share-croppers and farm tenants who are in urgent and continuing need of economic rehabilitation.



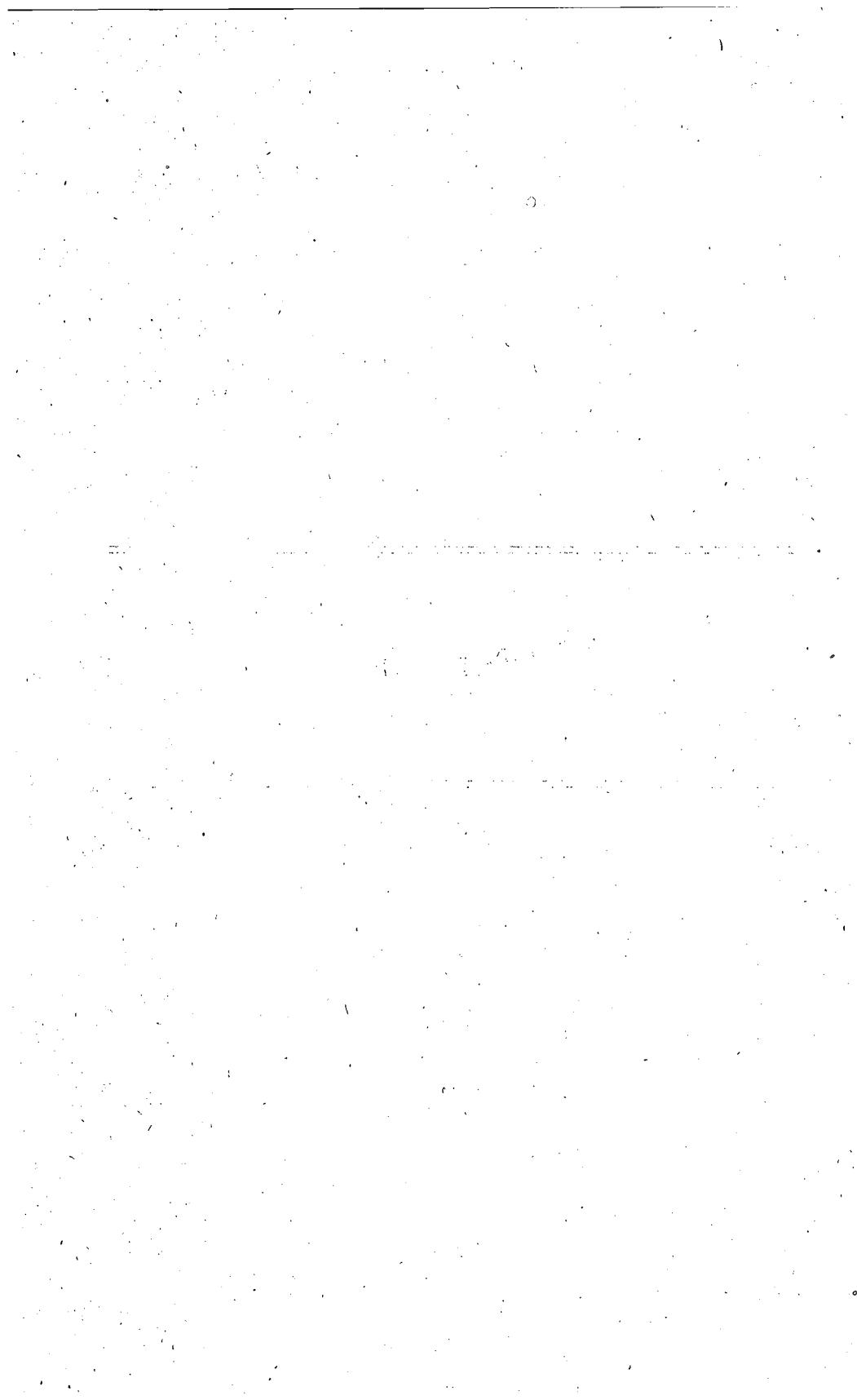
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## TABLES

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## EXPLANATION OF BASES USED IN TABLES

Figures in the following tables are shown on various bases, namely: (1) Daily Treasury statements, unrevised (current cash); (2) daily Treasury statements, revised (actual); (3) warrants issued; (4) checks issued; and (5) collections reported by collecting officers.

**Daily Treasury statements (unrevised) (receipts and expenditures).**—The figures shown in the Daily Statement of the United States Treasury are compiled from the latest daily reports received by the Treasurer of the United States from Treasury officers and public depositaries holding Government funds. The daily Treasury statement, therefore, is a current report compiled from latest available information, and, by reason of the promptness with which the information is obtained and made public, it has come into general use as reflecting the financial operations of the Government covering a given period, and giving an accurate idea of the actual condition of the Treasury as far as it is ascertainable from day to day. This is known as "current cash basis," according to daily Treasury statements (unrevised). Tables 3 and 4 (pp. 400 and 406) show receipts and expenditures on this basis. The current assets and liabilities of the Treasury are also available on this basis.

**Daily Treasury statements (revised) (receipts and expenditures).**—On account of the distance of some of the Treasury offices and depositaries from the Treasury, it is obvious that the reports from all officers covering a particular day's transactions cannot be received and assembled in the Treasury at one time without delaying for several days the publication of the daily Treasury statement. It is necessary, therefore, in order to exhibit the actual receipts and expenditures for any given month or fiscal year, to take into consideration those reports covering the transactions for the last few days of the month or fiscal year concerned which have not been received in the Treasury until the succeeding month or fiscal year, and to eliminate receipts and expenditures relating to the preceding month. After taking into consideration these reports, the revised figures indicate the condition of the Treasury on the basis of actual transactions occurring during the period under review. This is known as "the basis of daily Treasury statements (revised)."

It is not practical to delay the publication of the daily Treasury statement in order to include the later reports. The unrevised figures as shown in current daily Treasury statements are the basis for the Budget estimates submitted to Congress by the President. The revised figures are of no practical use except to enable the use of a true General Fund balance on the monthly Statement of the Public Debt of the United States and to bring the daily Treasury statement figures into agreement with the figures based on warrants issued. The outstanding public debt (pp. 486 to 506) is available on this basis.

**Warrants issued (receipts).**—Section 305 of the Revised Statutes provides that receipts for all moneys received by the Treasurer of the United States shall be endorsed upon warrants signed by the Secretary of the Treasury, without which warrants, so signed, no acknowledgment for money received into the Public Treasury shall be valid. The issuance of warrants by the Secretary of the Treasury, as provided by law, represents the formal covering of receipts into the Treasury.

Certificates of deposit covering actual deposits in Treasury offices and depositaries, upon which covering warrants are based, cannot reach the Treasury simultaneously, and for that reason all receipts for a fiscal year cannot be covered into the Treasury by warrants of the Secretary immediately upon the close of that fiscal year. It is necessary to have all certificates of deposit before a statement can be issued showing the total receipts for a particular fiscal year on a warrant basis. The figures thus compiled will agree with the figures compiled on the basis of daily Treasury statements (revised). Table 2 (p. 394), for years prior to 1916, shows receipts on this basis.

**Warrants issued (expenditures).**—The Constitution of the United States provides that no money shall be drawn from the Treasury but in consequence of appropriations made by law. Section 305 of the Revised Statutes requires that

the Treasurer of the United States shall disburse the moneys of the United States upon warrants drawn by the Secretary of the Treasury. As the warrants are issued by the Secretary they are charged against the appropriate appropriations provided by law. Some of these warrants do not represent actual payments to claimants, but are merely advances of funds to be placed to the credit of disbursing officers of the Government with the Treasurer of the United States for the payment of Government obligations. The disbursing officer then issues his check on the Treasurer in payment of such obligations. As far as the appropriation accounts are concerned, the warrants issued and charged thereto constitute expenditures, but it will be observed that such expenditures necessarily include unexpended balances to the credit of the disbursing officers.

**Checks issued (expenditures).—**This basis, more than any other, reflects the real expenditures of the Government. Expenditures for a given fiscal year on the basis of checks issued differ from the corresponding figures on the basis of warrants in that the former include expenditures made by disbursing officers from credits granted during the previous fiscal year, and exclude the amount of unexpended balances remaining to their credit at the end of the fiscal year. The basis of checks issued differs from the basis of the daily Treasury statement (revised) in that the former includes checks outstanding at the end of the fiscal year, and excludes unpaid checks outstanding at the beginning of the fiscal year. A detailed explanation of the basis of checks issued will be found on page 89 of the Secretary's report for 1927. Table 9 (p. 441) shows expenditures on this basis.

**Collections reported by collecting officers (receipts).—**Statements showing receipts on a collection basis are compiled from reports received by the various administrative offices from collecting officers in the field, such as collectors of internal revenue and collectors of customs. These reports cover the collections actually made by these officers during the period specified. The collections are then deposited in a designated Government depository to the credit of the Treasurer of the United States, which depository renders a report to the Treasurer. The reports of the collecting officers and the depositories do not, of course, coincide, for the reason that the collecting officers make collections during the last few days of the fiscal year which are not deposited until after the close of the fiscal year. On this account the two reports do not agree. The receipts are reported on a collection basis merely for statistical purposes and to furnish information as to detailed sources of revenue. Classification of such items on the basis of deposits has been found to be impracticable and uneconomical. Table 8 (p. 437) shows receipts on a collection basis.

### DESCRIPTION OF ACCOUNTS THROUGH WHICH TREASURY OPERATIONS ARE EFFECTED

All receipts of the Government are covered into the General Fund of the Treasury from which all expenditures are made. Receipts and expenditures, however, are classified in the Treasury's records according to the class of accounts through which operations are effected. Transactions are segregated in order to exhibit separately those effected through general and special accounts, as contrasted with those effected through trust accounts. This classification was first shown for the warrants and checks-issued bases and on the daily Treasury statements beginning with the July 1, 1933, issue, in order to conform to the practice of the Bureau of the Budget. In some tables in this report, however, transactions in the three types of accounts are combined for purposes of historical comparison. A brief general explanation of the three classes of accounts is presented below.

**General accounts.**—The principal sources of general account receipts are income taxes, miscellaneous internal revenue, social security taxes, taxes upon carriers and their employees, and customs duties. In addition, a large number of miscellaneous receipts come under this head, including such items as proceeds of Government-owned securities (except those which are applicable to public debt retirement), sale of surplus and condemned property, Panama Canal tolls, fees (including consular and passport fees), fines, penalties, forfeitures, rentals, royalties, reimbursements, immigration head tax, sale of public land, seigniorage on coinage of subsidiary silver and minor coins, etc. Moneys represented in the general accounts may be withdrawn from the Treasury only in pursuance of appropriations made by Congress. There are four classes of appropriations payable through the general accounts of the Treasury, namely: (a) Annual, being those made each year in the several departmental supply bills and limited for obligation during the fiscal year for which made; (b) continuing (no year) being available until expended or until the object for which appropriated has been

accomplished, such as construction of public works; (c) permanent-specific, being fixed amounts provided for each of a series of years by permanent legislation, without annual action of Congress; and (d) permanent-indefinite, being indefinite amounts (so much as may be necessary) provided by permanent legislation without annual action of Congress, such as the indefinite appropriation to cover interest on the public debt.

A statement of general account receipts and expenditures is, therefore, in the nature of a general operating statement, and gives a picture of the relationship between the general revenues of the Government and the operating expenditures (including capital outlays and fixed charges) chargeable against them.

**Special accounts.**—Special account receipts may be generally defined as funds received under special authorizations of law which may be expended only for the particular purposes specified therein. Special account receipts may not be used for the general expenditures of the Government. The most important items of receipts included under this heading, from the standpoint of amounts, are those applicable to the retirement of the public debt. Other important special account receipts are the reclamation fund and receipts under the Mineral Leasing Act under the Department of the Interior, and the national forest funds under the Department of Agriculture. There are many other special account receipts of lesser importance.

**Trust accounts.**—Trust account receipts represent moneys received by the Government for the benefit of individuals or classes of individuals and are used for purposes specified in the trust. Moneys held in trust, being payable to or for the use of beneficiaries only, are not available for general expenditures of the Government. There are several classes of trust account receipts, the beneficiaries under which may be either individuals or groups of individuals. The accounts may represent (a) moneys received directly from or for account of individuals, as in the case of moneys received from foreign governments or other sources in trust for citizens of the United States or others under the act of February 27, 1896; (b) moneys collected as revenues and held in trust, such as the proceeds of sales of Indian lands which are held as interest-bearing funds for the benefit of Indian tribes; (c) proceeds of grants from the general accounts of the Treasury in pursuance of treaty or other obligations such as the perpetual trust fund created for the Ute Indians under section 5 of the act of June 15, 1880; (d) deposits, donations, or contributions for specified purposes, such as funds received for the purchase of lands in the national parks; and (e) deposits to be held until appropriate disposition thereof can be made, such as proceeds from the redemption of bonds found and whose owners are unknown.

**Checking accounts of Government corporations.**—The manner in which certain checking accounts of Government corporations are handled in the daily statement of the Treasury was explained in the announcement appearing on page 347 of the annual report for 1938.

## RECEIPTS AND EXPENDITURES

## Summary tables on receipts and expenditures

TABLE 1.—Summary of receipts and expenditures, fiscal years 1932 to 1942 and monthly July 1941 to June 1942

[On basis of daily Treasury statements (unrevised), see p. 387]

## PART A. GENERAL AND SPECIAL ACCOUNTS

Fiscal year or month	Receipts					Deduct: Net transfers to Federal old-age and survivors insurance trust fund <sup>1</sup>	Net receipts
	Internal revenue	Customs	Other	Total receipts			
1932.....	\$1,561,006,334.38	\$327,754,969.12	\$116,964,133.64	\$2,005,725,437.14			\$2,005,725,437.14
1933.....	1,604,423,956.56	250,750,251.27	224,522,533.93	2,079,696,741.76			2,079,696,741.76
1934.....	2,640,603,828.30	313,434,302.19	161,515,919.04	3,115,554,049.53			3,115,554,049.53
1935.....	3,277,690,027.82	343,353,033.56	179,424,140.58	3,800,467,201.96			3,800,467,201.96
1936.....	3,512,851,608.15	386,811,593.69	216,293,413.29	4,115,956,615.13			4,115,956,615.13
1937.....	4,597,140,102.49	486,356,598.90	210,343,535.48	5,293,840,236.87	\$265,000,000.00		5,028,840,236.87
1938.....	5,674,318,436.66	359,187,249.57	208,155,540.76	6,241,661,226.99	387,000,000.00		5,854,661,226.99
1939.....	5,161,220,846.63	318,837,311.27	187,765,467.69	5,667,823,625.59	503,000,000.00		5,164,823,625.59
1940.....	5,303,133,988.29	348,590,635.21	273,111,779.26	5,924,836,402.76	537,711,733.00		5,387,124,669.76
1941.....	7,361,674,982.23	391,870,013.27	514,967,590.00	8,268,512,585.50	661,300,733.42		7,607,211,852.08
1942.....	12,993,117,887.52	388,948,426.88	285,848,509.44	13,667,914,823.84	868,853,202.82		12,799,061,621.02
1941:							
July.....	399,783,279.32	36,742,978.96	19,029,262.99	455,555,521.27	42,613,914.96		412,941,606.31
August.....	500,132,182.74	36,511,235.04	19,189,654.19	553,833,071.97	157,323,119.04		396,509,952.93
September.....	1,076,505,839.38	34,114,473.22	23,458,316.43	1,136,078,629.03	1,164,842.50		1,134,913,786.53
October.....	431,294,330.42	34,039,681.16	23,423,605.24	488,757,616.82	43,464,312.63		445,293,304.19
November.....	682,681,583.55	29,967,410.19	17,548,773.35	730,197,767.09	166,248,672.87		563,949,094.22
December.....	1,159,386,823.48	32,925,707.12	22,104,233.66	1,214,416,764.26	2,113,530.32		1,212,303,233.94
1942:							
January.....	555,031,011.12	35,186,770.84	23,866,057.49	614,083,839.45	36,436,840.25		577,646,999.20
February.....	879,416,639.38	27,284,478.59	30,579,698.80	937,280,816.77	179,304,595.24		757,976,221.53
March.....	3,493,082,053.61	32,559,014.41	22,159,147.11	3,547,800,215.13	630,735.46		3,547,169,479.67
April.....	683,522,239.84	32,386,005.68	16,328,881.07	732,237,126.59	36,803,858.25		695,433,268.34
May.....	708,059,255.23	29,608,447.86	26,369,049.09	764,036,752.18	201,370,821.59		562,665,930.59
June.....	2,424,222,649.45	27,622,223.81	41,791,830.02	2,493,636,703.28	1,377,959.71		2,492,258,743.57



Fiscal year or month	Expenditures							Excess of receipts or expenditures (—)	
	General	War activities	Revolving funds (net)	Transfers to trust accounts, etc.	Total expenditures, excluding debt retirements	Debt retirements (sinking fund, etc.) <sup>2</sup>	Total expenditures, including debt retirements	Gross surplus or deficit (—) <sup>3</sup>	Net surplus or deficit (—) <sup>4</sup>
1932.....	\$3,499,048,548.89	\$753,166,387.24	\$61,867,202.03	\$221,065,000.00	\$4,535,147,138.16	\$412,629,750.00	\$4,947,776,888.16	-\$2,942,051,451.02	-\$2,529,421,701.02
1933.....	2,988,779,846.72	679,694,732.58	73,804,343.13	121,266,000.00	3,863,544,922.43	461,604,800.00	4,325,149,722.43	-2,245,452,980.67	-1,783,848,180.67
1934.....	4,913,527,176.54	530,744,983.70	495,668,393.88	71,142,700.00	6,011,083,254.12	359,864,092.90	6,370,947,347.02	-3,255,393,297.49	-2,895,529,204.59
1935.....	5,905,015,737.68	888,521,488.67	345,328,985.37	71,009,100.00	7,009,875,311.72	573,556,250.00	7,583,433,561.72	-3,782,966,359.76	-3,209,408,109.76
1936.....	5,940,969,107.77	699,510,200.00	11,011,182.19	1,814,154,931.72	8,665,645,421.68	403,240,150.00	9,068,885,571.68	-4,952,928,956.55	-4,549,688,806.55
1937.....	6,441,508,362.08	928,963,909.90	203,535,759.04	603,400,724.68	8,177,408,755.70	103,971,200.00	8,281,379,955.70	-3,252,539,718.83	-3,148,568,518.83
1938.....	5,869,408,525.28	1,028,803,375.04	120,952,670.86	219,657,587.18	7,238,822,158.36	65,464,950.00	7,304,287,108.36	-1,449,625,881.37	-1,384,160,931.37
1939.....	7,226,352,198.48	1,206,081,773.86	92,453,595.38	182,204,012.82	8,707,091,580.54	58,246,450.00	8,765,338,030.54	-3,600,514,404.95	-3,542,267,954.95
1940.....	7,061,083,960.03	1,657,432,455.90	53,918,945.04	225,754,345.50	8,998,189,706.47	129,184,100.00	9,127,373,806.47	-3,740,249,136.71	-3,611,065,036.71
1941.....	6,214,698,804.75	6,301,043,165.91	136,886,109.94	331,173,957.25	12,710,629,823.97	64,260,500.00	12,774,890,323.97	-5,167,678,471.89	-5,103,417,971.89
1942.....	5,986,225,630.43	26,011,065,089.39	18,394,391.22	380,899,986.65	32,396,585,097.69	94,722,300.00	32,491,307,397.69	-19,692,245,776.67	-19,597,523,476.67
1941:									
July.....	453,858,550.18	968,623,350.66	1,504,958.84	173,611,776.96	1,597,598,636.64	2,653,950.00	1,600,252,586.64	-1,187,310,980.33	-1,184,657,030.33
August.....	379,810,101.91	1,131,352,149.06	3,073,269.96	15,253,152.04	1,529,488,672.97	34,223,100.00	1,563,711,772.97	-1,167,201,820.04	-1,132,978,720.04
September.....	536,326,521.92	1,329,961,077.12	1,572,896.78	6,200,000.00	1,874,060,495.82	7,950,800.00	1,882,011,295.82	-747,097,509.29	-739,146,709.29
October.....	485,710,151.12	1,536,555,483.69	15,350,222.30	45,010,000.00	2,082,625,857.11	6,709,850.00	2,089,335,707.11	-1,644,042,402.92	-1,637,332,552.92
November.....	400,480,764.29	1,448,344,910.85	870,478.80	9,750,000.00	1,857,705,196.94	2,739,950.00	1,860,445,146.94	-1,296,496,052.72	-1,293,756,102.72
December.....	682,239,773.19	1,850,135,453.15	424,677.78	8,750,000.00	2,541,549,904.12	15,553,450.00	2,557,103,354.12	-1,344,800,120.18	-1,329,246,670.18
1942:									
January.....	484,378,869.41	2,103,581,612.71	1,802,822.52	41,540,000.00	2,627,697,659.60	3,270,050.00	2,630,967,709.60	-2,053,320,710.40	-2,050,050,660.40
February.....	412,049,159.43	2,207,683,654.82	328,912.35	5,360,000.00	2,628,768,901.90	1,070,300.00	2,629,839,201.90	-1,871,862,980.37	-1,870,792,680.37
March.....	590,567,981.49	2,808,829,250.19	601,749.40	22,113,000.00	3,420,908,482.28	15,392,350.00	3,436,300,832.28	-3,059,865,451.35	-3,057,576,351.35
April.....	467,481,627.41	3,237,815,336.67	547,344.39	48,260,000.00	3,753,099,619.69	2,289,100.00	3,755,298,719.69	-3,392,302,027.79	-3,390,801,677.79
May.....	393,281,513.31	3,559,554,259.18	626,835.89	5,000.00	3,953,467,608.38	1,500,350.00	3,954,967,958.38	-2,038,814,368.67	-2,037,445,318.67
June.....	700,040,616.77	3,828,628,551.29	12,163.47	1,047,057.65	4,529,704,062.24	1,369,050.00	4,531,073,112.24		

<sup>0</sup> Excess credits (deduct).

<sup>1</sup> Figures for fiscal year 1937 through Dec. 31, 1939, include amounts formerly classified as expenditures under transfers to trust accounts, etc., for the old-age reserve account which was thereafter designated as the "Federal old-age and survivors insurance trust fund." The amounts in this statement are deducted from receipts in order to conform to the classification effective with the fiscal year 1942. -Figures for 1940 through 1942 are exclusive of reimbursements from the trust fund to the General Fund for administrative expenses as provided under sec. 201 (b) of the Social Security Act Amendments of 1939.

<sup>2</sup> Represents retirements required by law, chargeable to the sinking fund, and retirements under special provisions of law from other accounts.

<sup>3</sup> Gross surplus or deficit after giving effect to expenditures for retirement of public debt, chargeable to sinking fund, etc.

<sup>4</sup> Net surplus or deficit before giving effect to expenditures for retirement of public debt, chargeable to sinking fund, etc.

<sup>5</sup> Reflects adjustment for expenditures in connection with the sale and redemption of surplus commodity stamps by the Agricultural Marketing Administration.

<sup>6</sup> Revised to reflect adjustments, expenditures by reason of transfer of certain activities from "General-Departmental" to "War activities," as per classifications in effect at the beginning of the fiscal year 1943.

<sup>7</sup> Effective July 1, 1942, Federal contributions to the District of Columbia (U. S. share), previously classified under "General," are shown under "Transfers to trust accounts, etc.," and receipts and expenditures therefor are shown gross under "Trust accounts, increment on gold, etc." Figures for fiscal years 1941 and 1942 revised to provide uniform classification.

TABLE 1.—Summary of receipts and expenditures, fiscal years 1932 to 1942 and monthly July 1941 to June 1942—Continued

## PART B. TRUST ACCOUNTS, INCREMENT ON GOLD, ETC.

Fiscal year or month	Receipts						
	Federal old-age and survivors insurance trust fund <sup>a</sup>	Unemployment trust fund	Railroad retirement account	Other trust funds and accounts	Increment resulting from reduction in weight of gold dollar	Seigniorage	Total receipts
1932				\$381,259,630.12			\$381,259,630.12
1933				280,075,438.80			280,075,438.80
1934				233,472,590.63	\$2,811,375,756.72		3,044,848,347.35
1935				300,819,334.35	1,738,019.63	\$140,111,441.47	442,668,795.45
1936		\$18,949,421.44		2,053,132,867.22	784,464.60	175,789,415.49	2,248,656,168.75
1937	\$267,261,810.97	294,439,871.20		857,521,545.82	1,676,187.53	39,786,924.30	1,460,686,339.82
1938	402,412,232.89	762,832,518.88	\$147,813,409.10	322,527,677.06	1,094,842.97	90,351,012.40	1,727,031,693.30
1939	529,951,054.81	838,087,109.99	109,299,289.54	349,275,703.83	481,398.61	90,267,427.02	1,917,361,983.80
1940	580,200,560.85	958,639,162.80	122,932,516.39	* 408,367,711.86	402,359.49	48,879,863.70	* 2,119,422,175.09
1941	717,259,011.54	1,113,922,996.42	126,833,837.53	* 659,189,937.33	398,606.27	20,190,852.24	* 2,637,845,261.33
1942	939,859,765.05	1,243,587,217.14	143,993,058.91	849,563,668.54	298,559.69	13,581,830.38	3,190,884,099.71
1941:							
July	42,622,956.06	81,931,177.46	46,350,000.00	165,415,959.81	23,571.74	2,054,484.48	338,398,149.55
August	157,363,393.01	176,444,543.17	25,150.68	52,942,832.87	24,411.24	2,130,306.22	388,930,687.19
September	1,245,456.20	23,791,483.03	72,776.71	51,150,168.71	27,467.29	1,564,135.13	77,851,487.07
October	43,552,257.83	73,765,246.32	31,596,657.53	61,028,092.99	29,606.98	1,894,768.62	211,866,630.27
November	166,362,097.53	192,221,716.91	124,273.97	43,724,439.67	17,439.73	1,071,518.01	403,521,485.82
December	2,355,009.78	60,485,494.91	156,410.96	53,240,426.40	23,642.27	989,304.32	117,250,288.64
1942:							
January	36,605,744.36	75,421,187.76	31,676,054.80	56,287,069.19	35,414.87	907,082.91	200,932,553.89
February	179,494,458.25	202,895,903.15	193,150.68	48,945,908.08	20,901.24	824,828.16	432,375,149.56
March	1,090,375.08	29,350,936.80	215,432.88	82,756,629.83	31,534.10	742,538.86	114,187,447.55
April	37,040,981.54	43,310,319.79	31,733,013.70	71,685,056.25	18,317.01	907,685.37	184,695,373.66
May	201,631,369.54	219,848,198.92	258,904.11	52,498,694.68	22,402.24	495,178.30	474,754,747.79
June	70,495,665.87	64,121,008.92	1,591,232.89	109,888,340.06	23,850.98		246,120,098.72

Fiscal year or month	Expenditures <sup>10</sup>							Excess of receipts or expenditures (—)
	Federal old-age and survivors insurance trust fund <sup>a</sup>	Unemployment trust fund	Railroad retirement account	Other trust funds and accounts	Charges against increment on gold	Transactions in checking accounts of Government agencies, etc. (net)	Total expenditures	
1932.....				\$386,437,680.15		\$205,868,006.52	\$592,305,686.67	—\$211,046,056.55
1933.....				285,085,427.53		817,803,904.18	1,102,889,331.71	—822,813,892.91
1934.....				209,968,239.61	\$2,000,000,000.00	734,102,737.93	2,944,070,977.54	100,777,369.81
1935.....				237,118,762.87	113,022,629.27	<sup>a</sup> 637,137,145.71	<sup>a</sup> 836,995,753.57	729,664,549.02
1936.....		\$18,909,000.00		2,019,436,888.15	403,828,779.50	<sup>a</sup> 108,298,680.74	2,333,876,046.91	—85,219,878.16
1937.....	\$267,126,969.35	294,386,000.00		837,343,848.17	100,781,944.13	<sup>a</sup> 513,840,604.95	1,185,798,156.70	274,888,183.12
1938.....	400,604,062.87	750,680,000.00	\$146,049,056.18	327,047,497.83	51,638,418.49	<sup>a</sup> 203,986,966.47	1,472,032,068.90	254,999,624.40
1939.....	528,791,583.23	836,795,000.00	106,774,077.31	323,540,918.03	5,499,693.74	<sup>a</sup> 768,325,461.87	1,033,075,810.44	884,286,173.36
1940.....	576,705,088.55	957,316,273.97	125,299,073.50	<sup>b</sup> 357,655,186.89	4,574.58	<sup>a</sup> 53,142,041.36	<sup>b</sup> 1,983,838,156.13	135,584,018.96
1941.....	706,841,884.66	1,118,127,110.94	115,773,514.47	<sup>b</sup> 627,638,832.70	1,821.67	<sup>b</sup> 217,525,701.26	<sup>b</sup> 2,785,908,866.70	—148,063,605.37
1942.....	931,314,952.20	1,243,142,328.20	143,743,910.67	753,461,725.74	1,878.73	3,624,724,254.35	6,696,389,049.89	—3,505,504,950.18
1941:								
July.....	<sup>a</sup> 2,535,480.59	88,641,347.03	44,145,010.21	142,908,297.69		<sup>a</sup> 533,953,580.11	<sup>a</sup> 260,794,405.77	599,192,555.32
August.....	<sup>a</sup> 2,093,892.98	171,376,037.22	4,314,127.83	47,355,079.97		169,486,104.30	390,437,456.34	—1,506,769.15
September.....	203,459,584.10	24,266,831.03	<sup>a</sup> 429,266.28	50,789,570.01	1,210.16	93,246,454.08	371,334,383.10	—293,482,896.03
October.....	<sup>a</sup> 1,711,143.68	79,023,187.16	31,595,759.47	55,976,713.52	668.57	271,528,872.39	436,414,057.43	—224,547,427.16
November.....	<sup>a</sup> 1,594,434.60	188,770,349.78	<sup>a</sup> 142,943.68	41,168,780.51		659,158,517.80	887,360,265.01	—483,838,779.19
December.....	209,470,334.38	54,861,389.15	<sup>a</sup> 301,004.33	41,527,045.86		140,111,530.57	445,669,295.63	—328,419,006.99
1942:								
January.....	<sup>a</sup> 734,093.48	83,360,990.62	31,485,460.02	39,675,781.09		680,536,716.80	834,324,855.05	—633,392,301.16
February.....	44,319,181.76	190,504,194.41	457,524.65	48,838,225.00		34,706,879.34	318,826,005.16	113,549,144.40
March.....	172,528,892.15	33,008,442.54	190,908.42	67,704,929.56		75,033,553.50	348,466,756.17	—234,279,308.62
April.....	375,769.44	42,038,955.85	31,776,173.55	48,089,830.85		188,597,831.97	310,878,561.66	—126,183,188.00
May.....	24,715,139.99	225,257,577.68	<sup>a</sup> 106,638.08	52,624,594.89		429,674,331.62	732,165,006.10	—257,410,258.31
June.....	285,115,095.61	62,033,025.73	758,803.79	116,802,876.79		1,416,597,012.09	1,881,306,814.01	—1,635,186,715.29

<sup>a</sup> Excess credits (deduct).<sup>b</sup> Effective January 1, 1940, successor to the old-age reserve account.<sup>c</sup> Revised to adjust classifications.<sup>10</sup> Includes transactions on account of investments in Government securities.

TABLE 2.—Receipts and expenditures

[On basis of warrants issued from 1789 to 1915, and on basis of daily Treasury statements (unrevised) for 1916  
1930. Trust accounts excluded for 1931 and subsequent]

Year	Total receipts	Customs (in- cluding ton- nage tax)	Internal revenue		Other receipts	Total expend- itures ex- cluding public debt retire- ments
			Income and profits taxes	Other		
1789-91	\$4,418,913	\$4,399,473			\$19,440	\$4,269,027
1792	3,669,960	3,443,071		\$208,943	17,946	5,079,532
1793	4,652,923	4,255,307		337,706	59,910	4,482,313
1794	5,431,905	4,801,065		274,090	356,750	6,990,839
1795	6,114,534	5,588,461		337,755	188,318	7,539,809
1796	8,377,530	6,567,988		475,290	1,334,252	5,726,986
1797	8,688,781	7,549,650		575,491	563,640	6,133,634
1798	7,900,496	7,106,062		644,358	150,076	7,676,504
1799	7,546,813	6,610,449		779,136	157,228	9,666,455
1800	10,848,749	9,080,933		809,396	958,420	10,786,075
1801	12,935,331	10,750,779		1,048,033	1,136,519	9,394,682
1802	14,995,794	12,438,236		621,899	1,935,659	7,862,118
1803	11,064,098	10,479,418		215,180	369,500	7,851,653
1804	11,826,307	11,098,565		50,941	676,801	8,719,442
1805	13,560,693	12,936,487		21,747	602,459	10,506,234
1806	15,559,931	14,667,698		20,101	872,132	9,803,617
1807	16,398,019	15,845,522		13,051	539,446	8,354,151
1808	17,060,662	16,363,551		8,211	688,900	9,932,492
1809	7,773,473	7,296,021		4,044	473,408	10,280,748
1810	9,384,215	8,583,309		7,431	793,475	8,156,510
1811	14,423,529	13,313,223		2,296	1,108,010	8,058,337
1812	9,801,133	8,958,778		4,903	837,452	20,280,771
1813	14,340,410	13,224,623		4,755	1,111,032	31,681,852
1814	11,181,625	5,998,772		1,662,985	3,519,868	34,720,926
1815	15,729,024	7,282,942		4,678,059	3,768,023	32,708,139
1816	47,677,671	36,306,875		5,124,708	6,246,088	30,586,691
1817	33,099,050	26,283,348		2,678,101	4,137,601	21,843,820
1818	21,585,171	17,176,385		955,270	3,453,516	19,825,121
1819	24,603,375	20,283,609		229,594	4,090,172	21,463,810
1820	17,880,670	15,005,612		106,261	2,768,797	18,260,627
1821	14,573,380	13,004,447		69,028	1,499,905	15,810,753
1822	20,232,428	17,589,762		67,666	2,575,000	15,000,220
1823	20,540,666	19,088,433		34,242	1,417,991	14,706,840
1824	19,381,213	17,878,326		34,663	1,468,224	20,326,708
1825	21,840,858	20,098,713		25,771	1,716,374	15,857,229
1826	25,260,434	23,341,332		21,590	1,897,512	17,035,797
1827	22,966,364	19,712,283		19,886	3,234,195	16,139,168
1828	24,763,630	23,205,524		17,452	1,540,654	16,394,843
1829	24,827,627	22,681,966		14,503	2,131,158	15,203,333
1830	24,844,116	21,922,391		12,161	2,909,564	15,143,066
1831	28,626,821	24,224,442		6,934	4,295,445	15,247,651
1832	31,865,561	28,465,237		11,631	3,388,693	17,288,950
1833	33,948,427	29,032,509		2,759	4,913,159	23,017,552
1834	21,791,936	16,214,957		4,196	5,572,783	18,627,569
1835	35,430,087	19,391,311		10,459	16,028,317	17,872,813
1836	50,826,796	23,409,941		370	27,416,485	30,868,164
1837	24,954,153	11,169,290		5,494	13,779,369	37,243,496
1838	26,302,562	16,158,800		2,467	10,141,295	33,865,059
1839	31,482,749	23,137,925		2,553	8,342,271	26,899,128
1840	19,480,115	13,499,502		1,682	5,978,931	24,317,579
1841	16,860,160	14,487,217		3,261	2,369,682	26,565,873
1842	19,976,198	18,187,909		495	1,787,794	25,205,761
1843	8,302,702	7,046,844		103	1,255,755	11,858,075
1844	29,321,374	26,183,571		1,777	3,136,026	22,337,571
1845	29,970,106	27,528,113		3,517	2,438,476	22,937,408
1846	29,699,967	26,712,668		2,897	2,984,402	27,766,925
1847	26,495,769	23,747,865		375	2,747,529	57,281,412
1848	35,735,779	31,757,071		375	3,978,333	45,377,226
1849	31,208,143	28,346,739			2,861,404	45,051,657
1850	43,603,439	39,668,686			3,934,753	39,543,492
1851	52,559,304	49,017,563			3,541,736	47,709,017
1852	49,846,816	47,339,327			2,507,489	44,194,919
1853	61,687,074	58,931,866			2,655,188	48,184,111
1854	73,800,341	64,224,190			9,576,151	58,044,862
1855	65,350,575	53,025,794			12,324,781	59,742,668
1856	74,056,699	64,022,863			10,033,836	69,371,026
1857	68,965,313	63,875,905			5,089,408	67,795,708
1858	46,655,366	41,789,621			4,865,745	74,185,270
1859	53,486,465	49,665,824			3,920,641	69,070,977

Footnotes at end of table.

for the fiscal years 1789 to 1942<sup>1</sup>

and subsequent years, see p. 387. General, special, emergency, and trust accounts combined from 1789 to years. For explanation of accounts, see p. 388]

Ordinary expenditures				Public debt retirements (sinking fund, etc.) <sup>2</sup>	Excess of receipts or expenditures (-)	
Civil and miscellaneous <sup>3</sup>	War Department (including rivers and harbors and Panama Canal) <sup>4</sup>	Navy Department <sup>5</sup>	Interest on the public debt		Gross surplus or deficit <sup>6</sup>	Net surplus or deficit <sup>7</sup>
\$1,286,216	\$632,804	\$570	\$2,349,437		\$149,886	\$149,886
777,149	1,100,702	53	3,201,628		-1,409,572	-1,409,572
579,822	1,130,249		2,772,242		170,510	170,610
800,039	2,639,098	61,409	3,490,293		-1,558,934	-1,558,934
1,459,186	2,480,910	410,562	3,189,151		-1,425,275	-1,425,275
996,883	1,260,264	274,784	3,105,055		2,650,544	2,650,544
1,411,556	1,039,403	382,632	3,300,043		2,555,147	2,555,147
1,232,353	2,009,522	1,381,348	3,053,281		223,992	223,992
1,155,138	2,466,947	2,858,082	3,186,288		-2,119,642	-2,119,642
1,401,775	2,560,879	3,448,716	3,374,705		62,674	62,674
1,197,301	1,672,944	2,111,424	4,412,913		3,540,749	3,540,749
1,642,369	1,179,148	915,562	4,125,039		7,132,676	7,132,676
1,965,538	822,056	1,215,231	3,848,828		3,212,445	3,212,445
2,387,602	875,424	1,189,833	4,266,553		3,106,865	3,106,865
4,046,954	712,781	1,597,500	4,148,990		3,054,459	3,054,459
3,206,213	1,224,355	1,649,641	3,723,408		5,756,314	5,756,314
1,973,823	1,288,686	1,722,064	3,369,578		8,043,868	8,043,868
1,719,437	2,900,834	1,884,068	3,428,153		7,128,170	7,128,170
1,641,142	3,345,772	2,427,759	2,866,075		-2,607,275	-2,607,275
1,362,514	2,294,324	1,654,244	2,845,428		1,227,705	1,227,705
1,594,210	2,032,828	1,965,566	2,465,733		6,365,192	6,365,192
2,052,335	11,817,798	3,959,365	2,451,273		-10,479,638	-10,479,638
1,938,784	19,652,013	6,446,600	3,599,455		-17,341,442	-17,341,442
2,465,589	20,650,807	7,311,291	4,583,239		-23,539,301	-23,539,301
3,499,276	14,794,294	8,660,000	5,754,560		-16,979,115	-16,979,115
3,453,057	16,012,097	3,908,278	7,213,259		17,090,980	17,090,980
4,135,775	8,004,237	3,314,598	6,380,210		11,255,230	11,255,230
6,232,264	5,622,715	2,958,695	6,016,447		1,760,050	1,760,050
5,946,332	6,506,300	3,847,640	5,163,538		3,139,565	3,139,565
6,116,148	2,630,392	4,387,990	5,126,097		-379,957	-379,957
2,942,944	4,461,292	3,319,243	5,087,274		-1,237,373	-1,237,373
4,491,202	3,111,981	2,224,459	5,172,578		5,232,208	5,232,208
4,183,465	3,096,924	2,503,766	4,922,685		5,833,826	5,833,826
9,084,624	3,340,940	2,904,582	4,996,562		-945,495	-945,495
4,781,462	3,659,914	3,049,084	4,366,769		5,983,629	5,983,629
4,900,220	3,943,194	4,218,902	3,973,481		8,224,637	8,224,637
4,450,241	3,938,978	4,263,877	3,486,072		6,827,196	6,827,196
5,231,711	4,145,545	3,918,786	3,098,801		8,368,787	8,368,787
4,627,454	4,724,291	3,308,745	2,542,843		9,624,294	9,624,294
5,222,975	4,767,129	3,239,429	1,913,533		9,701,050	9,701,050
5,166,049	4,841,836	3,856,183	1,383,583		13,279,170	13,279,170
7,113,983	5,446,035	3,956,370	772,562		14,576,611	14,576,611
12,108,379	6,704,019	3,901,357	303,797		10,930,875	10,930,875
8,772,967	5,696,159	3,956,260	202,153		3,164,367	3,164,367
7,890,854	5,759,157	3,864,939	67,863		17,857,274	17,857,274
12,891,219	12,169,227	5,807,718			19,958,632	19,958,632
16,913,847	13,682,734	6,646,915			-12,289,343	-12,289,343
14,821,242	12,897,224	6,131,596	14,997		-7,562,497	-7,562,497
11,400,004	8,916,996	6,182,294	309,834		4,583,621	4,583,621
10,932,014	7,097,070	6,113,897	174,598		-4,837,464	-4,837,464
11,474,253	8,805,565	6,001,077	254,978		-9,705,713	-9,705,713
9,423,081	6,611,887	8,397,243	773,550		-5,229,563	-5,229,563
4,649,469	2,957,300	3,727,711	523,595		-3,555,373	-3,555,373
8,826,285	5,179,220	6,498,199	1,833,867		6,983,803	6,983,803
9,847,487	5,752,644	6,297,245	1,040,032		7,032,698	7,032,698
9,676,388	10,792,867	6,454,947	842,723		1,933,042	1,933,042
9,956,041	38,305,520	7,900,636	1,119,215		-30,785,643	-30,785,643
8,075,962	25,501,963	9,408,476	2,390,825		-9,641,447	-9,641,447
16,846,407	14,852,906	9,780,706	3,565,578		-13,843,514	-13,843,514
18,456,213	9,400,239	7,904,709	3,782,331		4,059,947	4,059,947
23,194,572	11,811,793	9,005,931	3,696,721		4,850,287	4,850,287
23,016,573	8,225,247	8,952,801	4,000,298		5,651,897	5,651,897
23,652,206	9,947,291	10,918,781	3,665,833		13,402,943	13,402,943
32,441,630	11,733,629	10,798,586	3,071,017		15,755,479	15,755,479
29,342,443	14,773,826	13,312,024	2,314,375		5,607,907	5,607,907
36,577,226	16,948,197	14,091,781	1,953,822		4,485,673	4,485,673
34,107,692	19,261,774	12,747,977	1,678,265		1,169,605	1,169,605
33,148,280	25,485,383	13,984,551	1,567,056		-27,529,904	-27,529,903
28,545,700	23,243,823	14,642,990	2,638,464		-15,584,512	-15,584,515

TABLE 2.—Receipts and expenditures

Year	Total receipts	Customs (including tonnage tax)	Internal revenue		Other receipts	Total expenditures excluding public debt retirements
			Income and profits taxes	Other		
1860	\$56,064,608	\$53,187,512			\$2,877,096	\$63,130,598
1861	41,509,931	39,582,126			1,927,805	66,546,645
1862	51,987,456	49,056,398			2,931,058	474,761,819
1863	112,697,291	69,059,642	\$2,741,858	\$34,898,930	5,906,861	714,740,725
1864	264,626,771	102,316,153	20,294,732	89,446,402	52,569,484	865,322,642
1865	333,714,605	84,928,261	60,979,320	148,484,886	39,322,129	1,297,555,224
1866	558,032,620	179,046,652	72,982,159	236,244,654	69,759,155	520,809,417
1867	490,634,010	176,417,811	66,014,429	200,013,108	48,188,682	357,542,675
1868	405,638,083	164,464,600	41,455,598	149,631,991	50,085,894	377,840,285
1869	370,943,747	180,048,427	34,791,856	123,564,605	32,538,859	322,865,278
1870	411,255,477	194,538,374	37,775,874	147,123,882	31,817,347	309,653,561
1871	383,323,945	206,270,408	19,162,651	123,935,503	33,955,383	292,177,188
1872	374,106,868	216,370,287	14,436,862	116,205,316	27,094,403	277,517,963
1873	333,738,205	188,089,523	5,062,312	108,667,002	31,919,368	290,345,245
1874	304,978,756	163,103,834	139,472	102,270,313	39,465,137	302,633,873
1875	288,000,051	157,167,722	233	110,007,261	20,824,835	274,623,393
1876	294,095,865	148,071,985	588	116,700,144	29,323,148	265,101,085
1877	281,406,419	130,956,493	98	118,630,310	31,819,518	241,334,475
1878	257,763,879	130,170,680		110,581,625	17,011,574	236,964,327
1879	273,827,185	137,250,048		113,561,611	23,015,526	266,947,884
1880	333,526,611	186,522,064		124,009,374	22,995,173	267,642,958
1881	360,782,293	198,159,676	3,022	135,261,364	27,358,231	260,712,888
1882	403,525,250	220,410,730		146,497,596	36,616,924	257,981,440
1883	398,287,582	214,706,497		144,720,369	38,800,716	265,408,138
1884	348,519,870	195,067,490	55,628	121,530,445	31,866,307	244,126,244
1885	323,690,706	181,471,939		112,498,726	29,720,041	260,226,935
1886	336,439,726	192,905,023		116,805,936	26,728,767	242,483,139
1887	371,403,277	217,286,893		118,823,391	35,292,993	267,932,181
1888	379,266,075	219,091,174		124,296,872	35,878,029	267,924,801
1889	387,050,059	223,832,742		130,881,514	32,335,803	299,288,978
1890	403,080,984	229,668,585		142,606,706	30,805,693	318,040,711
1891	392,612,447	219,522,205		145,686,250	27,403,992	365,773,904
1892	354,937,784	177,452,964		153,971,072	23,513,748	345,023,331
1893	385,819,629	203,855,017		161,027,624	21,436,988	387,477,953
1894	306,355,316	131,818,531		147,111,233	27,425,552	363,525,281
1895	324,729,419	152,158,617	77,131	143,344,541	29,149,130	356,195,298
1896	338,142,447	160,021,752		146,762,865	31,357,830	352,179,446
1897	347,721,705	176,554,127		146,638,574	24,479,004	365,774,159
1898	405,321,335	149,575,062		170,900,642	84,845,631	443,368,583
1899	515,960,621	206,128,482		273,437,162	36,394,977	605,072,179
1900	567,240,852	233,164,871		295,327,927	38,748,054	520,860,847
1901	587,685,338	238,585,456		307,180,664	41,919,218	524,616,925
1902	562,478,233	254,444,708		271,880,122	36,153,403	485,234,249
1903	561,880,722	284,479,582		230,810,124	46,591,016	517,006,127
1904	541,087,085	261,274,565		232,904,119	46,908,401	583,659,900
1905	544,274,685	261,798,857		234,095,741	48,380,087	567,778,914
1906	594,984,446	300,251,878		249,150,213	45,582,355	570,202,278
1907	665,860,386	332,233,363		269,666,773	63,960,250	579,128,842
1908	601,861,907	286,113,130		251,711,127	64,037,650	659,196,320
1909	604,320,498	300,711,934		246,212,644	57,395,920	693,743,885
1910	675,511,715	333,683,445	20,951,781	268,981,738	51,894,751	693,617,065
1911	701,832,911	314,497,071	33,516,977	289,012,224	64,806,639	691,201,512
1912	692,609,204	311,321,672	28,583,304	293,028,896	59,675,332	689,881,334
1913	724,111,230	318,891,396	35,006,300	309,410,666	60,802,868	724,511,963
1914	734,673,167	329,620,014	71,381,275	308,659,733	62,312,145	735,081,431
1915	697,910,827	299,786,672	80,201,759	335,467,887	72,454,509	760,586,802
1916	782,534,548	213,185,846	124,937,253	387,764,776	56,646,673	734,556,202
1917	1,124,324,795	225,962,393	359,681,228	449,684,980	88,996,194	1,977,681,751
1918	3,664,582,865	179,988,385	2,314,006,292	872,028,020	298,550,178	12,696,702,471
1919	5,152,257,136	184,457,867	3,018,783,687	1,296,501,292	669,572,290	18,514,879,955
1920	6,694,565,389	322,902,650	3,944,949,288	1,460,082,287	966,631,164	6,403,343,841
1921	5,624,932,961	308,564,391	3,206,046,158	1,390,379,823	719,942,589	5,115,927,690
1922	4,109,104,151	356,443,867	2,068,128,193	1,145,125,064	539,407,507	3,372,607,900
1923	4,007,135,481	361,928,887	1,678,607,428	945,865,333	820,733,853	3,294,627,529
1924	4,012,044,702	545,637,504	1,842,144,418	953,012,618	671,250,162	3,048,677,965
1925	3,780,148,685	547,661,226	1,760,537,824	828,638,068	643,411,567	3,063,105,332

Footnotes at end of table.

for the fiscal years 1789 to 1942<sup>1</sup>—Continued

Ordinary expenditures				Public debt retirements (sinking fund, etc.) <sup>6</sup>	Excess of receipts or expenditures (—)	
Civil and miscellaneous <sup>3</sup>	War Department (including rivers and harbors and Panama Canal) <sup>4</sup>	Navy Department <sup>5</sup>	Interest on the public debt		Gross surplus or deficit <sup>6</sup>	Net surplus or deficit <sup>7</sup>
\$32,028,551	\$16,409,767	\$11,514,965	\$3,177,315	-----	-\$7,065,990	-\$7,065,990
27,144,433	22,981,150	12,420,888	4,000,174	-----	-25,036,714	-25,036,714
24,634,810	394,368,407	42,668,277	13,190,325	-----	-422,774,363	-422,774,363
27,490,313	599,298,601	63,221,964	24,729,847	-----	-602,043,434	-602,043,434
35,119,382	690,791,843	85,725,995	53,685,422	-----	-600,695,871	-600,695,871
66,221,206	1,031,323,361	122,612,945	77,397,712	-----	-963,840,619	-963,840,619
59,967,855	284,449,702	43,324,118	133,067,742	-----	37,223,203	37,223,203
87,502,657	95,224,415	31,034,011	143,781,592	-----	133,091,335	133,091,335
87,894,088	123,246,648	25,775,503	140,424,046	-----	28,297,798	28,297,798
93,668,286	78,501,991	20,000,758	130,694,243	-----	48,078,469	48,078,469
100,982,157	57,655,676	21,780,230	129,235,498	-----	101,601,916	101,601,916
111,369,603	35,799,992	19,431,027	125,576,566	-----	91,146,757	91,146,757
103,638,156	35,372,157	21,249,810	117,357,840	-----	96,588,905	96,588,905
115,745,162	46,323,138	23,526,257	104,750,688	-----	43,392,960	43,392,960
122,267,544	42,313,927	30,932,587	107,119,815	-----	2,344,883	2,344,883
108,911,576	41,120,646	21,497,626	103,093,545	-----	13,376,658	13,376,658
107,823,615	38,070,889	18,963,310	100,243,271	-----	28,994,780	28,994,780
92,167,292	37,082,736	14,959,935	97,124,512	-----	40,071,944	40,071,944
84,944,003	32,154,148	17,365,301	102,500,875	-----	20,799,552	20,799,552
106,069,147	40,425,661	15,125,127	105,327,949	-----	6,879,301	6,879,301
120,231,482	38,116,916	13,536,985	95,757,575	-----	65,883,653	65,883,653
122,051,014	40,466,461	15,686,672	82,508,741	-----	100,069,405	100,069,405
128,301,693	43,570,944	15,032,046	71,077,207	-----	145,543,810	145,543,810
142,053,187	48,911,383	15,283,437	59,160,131	-----	132,879,444	132,879,444
132,825,661	39,429,603	17,292,601	54,578,379	-----	104,393,626	104,393,626
150,149,021	42,670,578	16,021,080	51,386,256	-----	63,463,771	63,463,771
143,670,952	34,324,153	13,907,888	50,580,146	-----	93,956,587	93,956,587
166,488,451	38,561,026	15,141,127	47,741,577	-----	103,471,096	103,471,096
167,760,920	38,522,436	16,926,438	44,715,007	-----	111,341,274	111,341,274
192,473,414	44,435,271	21,378,809	41,001,484	-----	87,761,081	87,761,081
215,352,383	44,582,838	22,006,206	36,099,284	-----	85,040,273	85,040,273
253,392,808	48,720,065	26,113,896	37,547,135	-----	26,838,543	26,838,543
245,575,620	46,895,456	29,174,139	23,378,116	-----	9,914,453	9,914,453
276,435,704	49,641,773	30,136,084	27,264,392	-----	2,341,676	2,341,676
253,414,651	54,567,930	31,701,294	27,341,406	-----	-61,169,965	-61,169,965
244,614,713	61,804,759	28,767,796	30,978,030	-----	-31,465,879	-31,465,879
238,815,764	50,830,921	27,147,732	35,385,029	-----	-14,036,999	-14,036,999
244,471,235	48,950,268	34,561,546	37,791,110	-----	-18,052,454	-18,052,454
254,967,542	91,992,000	58,823,985	37,585,056	-----	-38,047,248	-38,047,248
271,391,896	229,841,254	63,942,104	39,896,925	-----	-89,111,558	-89,111,558
289,972,668	134,774,768	55,953,078	40,160,333	-----	46,380,005	46,380,005
287,151,271	144,615,697	60,506,978	32,342,979	-----	63,068,413	63,068,413
276,050,860	112,272,216	67,803,128	29,108,045	-----	77,243,984	77,243,984
287,202,239	118,629,505	82,618,034	28,556,349	-----	44,874,595	44,874,595
290,857,397	165,199,911	102,956,102	24,646,490	-----	-42,572,815	-42,572,815
299,043,768	126,093,894	117,550,308	24,590,944	-----	-23,004,229	-23,004,229
298,093,372	137,326,066	110,474,264	24,308,576	-----	24,782,168	24,782,168
307,744,131	149,775,084	97,128,469	24,481,158	-----	86,731,544	86,731,544
343,892,632	175,840,453	118,037,097	21,426,138	-----	-57,334,413	-57,334,413
363,907,134	192,486,904	115,546,011	21,803,836	-----	-89,423,387	-89,423,387
359,276,990	189,823,379	123,173,717	21,342,979	-----	-18,105,350	-18,105,350
352,753,043	197,199,491	119,937,641	21,311,334	-----	10,631,399	10,631,399
347,550,285	184,122,793	135,591,956	22,616,300	-----	2,727,870	2,727,870
366,221,282	202,128,711	133,262,862	22,899,108	-----	-400,733	-400,733
364,185,542	208,349,746	139,682,186	22,863,957	-----	-408,264	-408,264
393,688,117	202,160,134	141,835,654	22,902,897	-----	-62,675,975	-62,675,975
374,125,327	183,176,439	153,853,567	22,900,869	-----	48,478,346	48,478,346
1,335,365,422	377,940,870	239,632,757	24,742,702	-----	-853,356,956	-853,356,956
6,358,163,471	869,955,286	1,278,840,487	189,743,277	\$1,134,234	-9,033,253,840	-9,032,119,606
6,884,277,842	97,075,789	2,002,310,785	619,215,569	8,014,750	-13,370,637,569	-13,362,622,819
3,025,117,668	1,621,953,095	736,021,456	1,020,251,622	78,746,350	212,475,198	291,221,548
2,348,332,700	1,118,076,423	650,373,836	999,144,731	422,281,500	86,723,771	509,005,271
1,447,075,808	457,756,139	476,775,194	991,000,759	422,694,600	313,801,651	736,496,251
1,508,451,881	397,050,596	333,201,362	1,055,923,690	402,850,941	309,657,461	712,507,952
1,418,809,037	357,016,878	332,249,137	940,602,913	457,999,750	505,366,987	963,366,377
1,464,175,961	370,980,708	346,142,001	881,806,662	466,538,114	250,505,239	717,043,353

TABLE 2.—Receipts and expenditures

Year	Total receipts	Customs (including tonnage tax) <sup>1</sup>	Internal revenue		Other receipts <sup>3</sup>	Total expenditures excluding public debt retirements
			Income and profits taxes	Other		
1926	\$3,962,755,690	\$579,430,093	\$1,982,040,088	\$855,599,289	\$545,686,220	\$3,097,611,823
1927	4,129,394,441	605,499,983	2,224,992,800	644,421,542	654,480,116	2,974,029,674
1928	4,042,348,156	568,986,188	2,173,952,557	621,018,666	678,390,745	3,103,264,855
1929	4,033,250,225	602,262,786	2,330,711,823	607,307,549	492,968,067	3,298,859,486
1930	4,177,941,702	587,000,903	2,410,986,978	628,308,036	551,645,785	3,440,268,884
1931	3,189,638,632	378,354,005	1,860,394,295	569,386,721	381,503,611	3,651,515,712
1932	2,005,725,437	327,754,969	1,057,335,853	503,670,481	116,964,134	4,535,147,138
1933	2,079,696,742	250,750,251	746,206,445	858,217,512	224,522,534	3,863,544,922
1934	3,115,554,050	313,434,302	817,961,481	<sup>10</sup> 1,822,642,347	161,515,919	6,011,083,254
1935	3,800,467,202	343,353,034	1,099,118,638	<sup>10</sup> 2,178,571,390	179,424,141	7,009,875,312
1936	4,115,956,615	386,811,594	1,426,575,434	<sup>10</sup> 2,086,276,174	216,293,413	8,665,645,422
1937	<sup>11</sup> 5,028,840,237	486,356,599	<sup>12</sup> 2,163,413,817	<sup>10</sup> 2,168,726,286	210,343,535	8,177,408,756
1938	<sup>11</sup> 5,854,661,227	359,187,249	<sup>12</sup> 2,640,284,711	<sup>10</sup> 2,647,033,726	208,155,541	7,238,822,158
1939	<sup>11</sup> 5,164,823,626	318,837,311	<sup>12</sup> 2,188,757,289	<sup>10</sup> 2,469,463,558	187,765,468	8,707,091,581
1940	<sup>11</sup> 5,387,124,670	348,590,636	<sup>12</sup> 2,125,324,635	<sup>10</sup> 2,640,097,620	<sup>13</sup> 273,111,779	8,998,189,706
1941	<sup>11</sup> 7,607,211,852	391,870,013	<sup>12</sup> 3,469,637,849	<sup>10</sup> 3,230,736,400	<sup>14</sup> 514,967,590	<sup>15</sup> 12,710,629,824
1942	<sup>11</sup> 12,799,061,621	388,948,427	<sup>12</sup> 7,960,464,973	<sup>10</sup> 4,163,799,712	<sup>13</sup> 285,848,509	32,396,585,098

<sup>1</sup> Revised to adjust classifications.

<sup>2</sup> From 1789 to 1842 the fiscal year ended Dec. 31; from 1844 to date, on June 30. Figures for 1843 are for a half year, Jan. 1 to June 30.

<sup>3</sup> Includes railroad unemployment insurance contributions, proceeds of Government-owned securities, Panama Canal tolls, etc., seigniorage, and other miscellaneous. For details of Panama Canal receipts and receipts from sales of public lands, see tables 17 and 19.

<sup>4</sup> Includes civil expenditures under War and Navy Departments in Washington, to and including fiscal year 1915, and unavailable funds charged off under act of June 3, 1922 (42 Stat. 1592). For details of expenditures for pensions and Indians, see table 19.

<sup>5</sup> Exclusive of civil expenditures under War Department and Navy Department in Washington to and including fiscal year 1915. For details of Panama Canal expenditures, see table 17. Additional expenditures for "War activities" are reflected in the column "Civil and miscellaneous" in the amounts of \$310,316,405, and \$3,361,518,100 for the fiscal years 1941 and 1942, respectively.

<sup>6</sup> Represents retirements (at par) required by law, chargeable to the sinking fund, and retirements under special provisions of law from other funds.

<sup>7</sup> Gross surplus or deficit is after giving effect to expenditures for retirement of public debt, chargeable to sinking fund, etc.

<sup>8</sup> Net surplus or deficit is before giving effect to expenditures for retirement of public debt, chargeable to sinking fund, etc.

<sup>9</sup> Receipts and public debt retirements for 1921 exclude \$4,842,066.45 written off the debt Dec. 31, 1920. See note 4 p. 544.

<sup>10</sup> Beginning with the fiscal year 1932, tonnage tax has been covered into the Treasury as miscellaneous receipts reflected in column "other receipts."



for the fiscal years 1789 to 1942<sup>1</sup>—Continued

Ordinary expenditures					Excess of receipts or expenditures (—)	
Civil and miscellaneous <sup>2</sup>	War Department (including rivers and harbors and Panama Canal) <sup>3</sup>	Navy Department <sup>4</sup>	Interest on the public debt	Public debt retirements (sinking fund, etc.) <sup>5</sup>	Gross surplus or deficit <sup>6</sup>	Net surplus or deficit <sup>7</sup>
\$1,588,840,768	\$364,089,945	\$312,743,410	\$831,937,700	\$487,376,051	\$377,767,816	-\$865,143,867
1,498,986,878	369,114,122	318,909,096	787,019,578	519,554,845	635,809,921	1,155,364,766
1,639,175,204	400,989,683	331,335,492	731,764,476	540,255,020	398,828,281	939,083,301
1,830,020,348	425,947,194	364,561,544	678,330,400	549,603,704	184,787,035	734,390,739
1,941,902,117	464,853,515	374,165,639	659,347,613	553,883,603	183,789,215	737,672,818
2,207,466,030	478,418,974	354,071,004	611,559,704	440,082,000	-901,959,080	-461,877,080
3,102,047,362	476,305,311	357,517,834	599,276,631	412,629,750	-2,942,051,451	-2,529,421,701
2,390,186,162	434,620,860	349,372,734	689,365,106	461,604,800	-2,245,452,981	-1,783,848,181
4,548,951,854	408,586,783	296,927,490	756,017,127	559,804,093	-3,255,393,297	-2,895,529,205
5,264,688,237	487,995,220	436,265,532	820,926,353	373,558,250	-3,782,966,360	-3,209,408,110
6,768,779,293	618,587,184	528,832,143	749,390,802	403,240,150	-4,952,928,957	-4,549,688,807
6,126,246,074	628,104,285	556,674,066	866,384,331	103,971,200	-3,252,539,719	-3,148,568,519
5,072,147,863	644,263,842	596,129,739	926,280,714	65,464,950	-1,449,625,881	-1,384,160,931
6,398,573,009	695,256,481	672,722,327	940,539,764	58,246,450	-3,600,514,405	-3,542,207,955
6,158,609,335	907,160,151	891,484,523	1,040,935,697	129,184,100	-3,740,249,137	-3,611,065,037
5,347,936,008	3,938,943,048	2,313,057,956	1,110,692,812	64,260,500	-5,167,678,472	-5,103,417,972
8,231,402,688	14,325,508,098	8,579,588,976	1,260,085,336	94,722,300	-19,692,245,777	-19,597,523,477

<sup>10</sup> Includes processing taxes on farm products, taxes on carriers and their employees under the Carriers' Taxing Act of 1937, taxes for unemployment insurance under the Federal Unemployment Tax Act (formerly Title IX of the Social Security Act); and also net receipts from taxes for old-age insurance under the Federal Insurance Contributions Act (formerly Title VIII of the Social Security Act), as follows:

Social security taxes <sup>10</sup>	1937	1938	1939	1940	1941	1942
Total receipts.....	\$194,346,309	\$514,405,671	\$530,357,680	\$604,694,236	\$690,554,674	\$895,618,839
Less: Net amount's transferred to the Federal old-age and survivors insurance trust fund.	265,000,000	387,000,000	503,000,000	537,711,733	661,300,733	868,853,203
Net receipts.....	70,653,691	127,405,671	27,357,680	66,982,503	29,253,941	26,765,636

<sup>11</sup> Beginning with the fiscal year 1937, this column is exclusive of net receipts under Title VIII of the Social Security Act. Amounts representing appropriations equal to "Social security taxes—Federal Insurance Contributions Act" collected and deposited as provided under sec. 201 (a) of the Social Security Act Amendments of 1939, less reimbursements to the General Fund for administrative expenses, are deducted on the daily Treasury statement from total receipts. Such net amounts are reflected under trust account receipts as net appropriations to the Federal old-age and survivors insurance trust fund.

<sup>12</sup> Beginning with the fiscal year 1937, includes unjust enrichment tax.

<sup>13</sup> Includes \$43,756,731 in 1940 and \$18,000,000 in 1942, representing repayment of amounts paid to Commodities Credit Corporation for capital impairment and retirement of \$9,854,000 of Treasury investment in shares in Federal savings and loan associations.

<sup>14</sup> Includes return of capital funds by Government corporations as follows:

Federal savings and loan associations.....	\$10,466,200
Reconstruction Finance Corporation:	
Purchase of stock of Federal home loan banks.....	124,741,000
Reduction in capital or surplus funds.....	175,000,000
Purchase of securities from Public Works Administration.....	9,000,000

<sup>15</sup> Receipt from capital stock and paid-in surplus reductions that are available to be reissued under existing law are not reflected under receipts, but rather are included as negative items under expenditures. During the fiscal year 1941, reductions in capital in this manner were as follows: Banks for cooperatives, \$60 millions; Federal land banks, \$100 millions; Federal Farm Mortgage Corporation, \$100 millions; Federal intermediate credit banks, \$40 millions; and production credit corporations, \$15 millions; a total of \$315 millions.

NOTE.—For postal receipts and expenditures, see table 18. Figures are rounded to nearest dollar and will not necessarily add to totals.

## Detail tables on receipts and expenditures

TABLE 3.—*Monthly receipts, fiscal year 1942, classified by major sources*

[On basis of daily Treasury statements (unrevised), see p. 387]

## PART A. GENERAL AND SPECIAL ACCOUNTS

Source	1941						1942
	July	August	September	October	November	December	January
<b>Internal revenue:</b>							
Income tax (including unjust enrichment tax).....	\$83,667,767.38	\$58,673,962.18	\$779,917,161.00	\$68,307,588.62	\$66,228,758.04	\$767,098,372.46	\$133,468,893.63
Miscellaneous internal revenue.....	268,194,813.81	268,818,867.73	261,202,064.77	314,085,708.91	435,935,260.50	352,832,668.81	368,996,806.71
Social security taxes:							
Federal Insurance Contributions Act.....	44,815,303.29	159,524,507.37	3,366,230.84	45,673,825.13	168,458,185.37	4,323,042.82	38,578,698.25
Federal Unemployment Tax Act.....	2,233,657.87	7,477,315.26	909,577.42	2,169,085.06	6,807,588.07	1,266,553.42	12,710,021.26
Taxes upon carriers and their employees.....	871,736.97	5,637,530.20	31,110,805.35	1,058,122.70	5,201,791.57	33,866,185.97	1,276,591.27
Railroad unemployment insurance contributions.....	4,816.60	56,861.94	1,810,295.92	8,597.90	93,810.41	1,920,683.97	10,637.56
Customs.....	36,742,978.96	34,511,235.04	36,114,473.22	34,039,681.16	29,967,410.19	32,925,707.12	35,186,770.84
Miscellaneous receipts:							
Proceeds of Government-owned securities:							
Interest—foreign obligations.....						19,656.32	
Other.....	874,497.52	3,885,687.74	81,415.04	66,041.25	189,631.87	619,312.86	1,938,655.45
Panama Canal tolls, etc.....	1,535,148.74	673,564.28	1,479,034.64	2,266,415.66	1,178,816.77	1,219,292.71	1,034,520.12
Seigniorage.....	7,893,298.48	7,657,750.79	9,377,903.19	8,760,730.77	8,473,368.33	7,697,832.19	8,241,713.28
Other miscellaneous.....	8,721,501.65	6,915,789.44	10,709,667.64	12,321,819.66	7,613,145.97	10,627,455.61	12,640,531.08
Total receipts.....	455,555,521.27	553,833,071.97	1,136,078,629.03	488,757,616.82	730,197,767.09	1,214,416,764.26	614,083,839.45
<b>Deduct:</b>							
Net appropriation to Federal old-age and survivors insurance trust fund.....	42,613,914.96	157,323,119.04	1,164,842.50	43,464,312.63	166,248,672.87	2,113,530.32	36,436,840.25
Net receipts.....	412,941,606.31	396,509,952.93	1,134,913,786.53	445,293,304.19	563,949,094.22	1,212,303,233.94	577,646,999.20

Source	1942					Total fiscal year	
	February	March	April	May	June	1942	1941
Internal revenue:							
Income tax (including unjust enrichment tax).....	\$282,505,926.17	\$3,082,627,146.13	\$335,369,551.42	\$216,134,526.66	\$2,086,465,319.30	\$7,960,464,972.99	\$3,469,637,848.48
Miscellaneous internal revenue.....	340,034,726.07	364,113,568.74	304,920,705.45	269,859,638.03	298,033,408.68	3,847,078,238.21	2,966,863,798.83
Social security taxes:							
Federal Insurance Contributions Act.....	181,446,453.24	2,772,592.46	39,172,978.42	203,739,941.76	3,747,079.87	895,618,838.82	* 690,554,674.33
Federal Unemployment Tax Act.....	71,268,832.36	1,994,543.27	2,853,405.83	9,301,853.04	951,713.18	119,944,146.04	97,676,584.19
Taxes upon carriers and their employees.....	4,160,701.54	41,574,203.01	1,205,598.72	9,023,295.74	35,025,128.42	170,011,691.46	136,942,076.40
Railroad unemployment insurance contributions.....	78,539.02	2,234,662.67	450.82	68,432.08	2,184,423.21	8,472,212.10	6,814,717.52
Customs.....	27,284,478.59	32,559,014.41	32,386,005.68	29,608,447.86	27,622,223.81	388,948,426.88	391,870,013.27
Miscellaneous receipts:							
Proceeds of Government-owned securities:							
Interest—foreign obligations.....						19,656.32	96,996.16
Other.....	2,409,774.13	493,668.88	60,649.86	2,011,135.69	2,843,918.83	15,474,389.12	329,841,049.85
Panama Canal tolls, etc.....	501,038.06	873,257.14	705,037.22	536,146.99	295,578.13	12,297,850.46	20,448,524.83
Seigniorage.....	5,283,811.94	4,658,420.21	4,606,727.04	8,273,232.29	6,641,935.86	87,566,724.37	67,906,883.71
Other miscellaneous.....	22,306,535.65	13,899,138.21	10,956,016.13	15,480,102.04	* 29,825,973.99	* 162,017,677.07	89,859,417.93
Total receipts.....	937,280,816.77	3,547,800,215.13	732,237,126.59	764,036,752.18	2,493,636,703.28	13,667,914,823.84	8,268,512,585.50
Deduct:							
Net appropriation to Federal old-age and survivors insurance trust fund <sup>1</sup> .....	179,304,595.24	630,735.46	36,803,858.25	201,370,821.59	1,377,959.71	868,853,202.82	661,300,733.42
Net receipts.....	757,976,221.53	3,547,169,479.67	695,433,268.34	562,665,930.59	2,492,258,743.57	12,799,061,621.02	7,607,211,852.08

<sup>1</sup> Represents appropriations equal to "Social security taxes—Federal Insurance Contributions Act" collected and deposited as provided under sec. 201 (a) of the Social Security Act Amendments of 1939 less reimbursements to the General Fund for administrative expenses in the amount reflected under receipts for the Federal old-age and survivors insurance trust fund.

<sup>2</sup> Includes \$2,413,946.05 representing receipts from "Social security taxes—Federal Insurance Contributions Act" collected prior to July 1, 1940, which are not available for appropriation to the Federal old-age and survivors insurance trust fund.

<sup>3</sup> Includes \$18,000,000.00 representing repayment of amounts paid to the Commodity Credit Corporation for capital impairment.

TABLE 3.—Monthly receipts, fiscal year 1942, classified by major sources—Continued

## PART B. TRUST ACCOUNTS, INCREMENT ON GOLD, ETC.

Source	1941						1942
	July	August	September	October	November	December	January
Federal old-age and survivors insurance trust fund: <sup>4</sup>							
Appropriations.....	\$44,815,303.20	\$159,524,507.37	\$3,366,230.84	\$45,673,825.13	\$168,458,185.37	\$4,323,042.82	\$38,578,698.25
Less reimbursements to General Fund.....	2,201,388.33	2,201,388.33	2,201,388.34	2,209,512.50	2,209,512.50	2,209,512.50	2,141,858.00
Net appropriations <sup>5</sup> .....	42,613,914.96	157,323,119.04	1,164,842.50	43,464,312.63	166,248,672.87	2,113,530.32	36,436,840.25
Interest on investments.....	9,041.10	40,273.97	80,613.70	87,945.20	113,424.66	241,479.46	168,904.11
Net receipts.....	42,622,956.06	157,363,393.01	1,245,456.20	43,552,257.83	166,362,097.53	2,355,009.78	36,605,744.36
Agricultural Marketing Administration: <sup>6</sup>							
Sale of commodity stamps.....	17,961,205.00	17,160,233.00	17,187,685.00	16,876,467.25	15,862,858.00	17,785,753.00	17,780,180.25
Transfers from General Fund.....	15,410,000.00	14,310,000.00	6,200,000.00	13,510,000.00	9,750,000.00	8,750,000.00	10,040,000.00
Railroad retirement account:							
Interest on investments.....		25,150.68	72,776.71	96,657.53	124,273.97	156,410.96	176,054.80
Transfers from General Fund.....	46,350,000.00			31,500,000.00			31,500,000.00
Unemployment trust fund:							
Deposits by States.....	77,969,916.00	175,927,740.04	7,445,622.53	73,654,180.11	191,376,919.59	12,026,363.66	75,306,817.81
Interest on investments.....	7,133.15		52,989.13	33,288.04		31,170,852.61	18,301.11
Railroad unemployment insurance account:							
Deposits by Railroad Retirement Board.....	45,128.31	516,136.13	16,292,871.37	77,778.17	844,797.32	17,288,278.64	96,068.84
Transfers from railroad unemployment insurance administration fund (act Oct. 10, 1940).....	3,909,000.00	667.00					
Transfers from States (act June 25, 1938).....							
Other trust accounts:							
Adjusted service certificate fund:							
Interest on loans and investments.....	6,775.97	38.42	4,584.16	10,717.53	11.87	21.85	621,541.93
Transfers from General Fund.....							
Alaska Railroad retirement fund:							
Deductions from employees' salaries, etc.....	11,611.23	9,920.27	11,528.34	10,071.26	12,801.95	11,463.62	11,918.92
Interest on investments.....							
Transfers from General Fund (United States share).....	175,000.00						
Canal Zone retirement fund:							
Deductions from employees' salaries, etc.....	90,511.49	83,018.79	83,196.55	81,426.83	85,081.40	79,565.01	88,375.12
Interest on investments.....	64.55	106.96		80.88	716.27	463.78	471.23
Transfers from General Fund (United States share).....	1,177,000.00						
Civil service retirement fund:							
Deductions from employees' salaries, etc.....	5,198,761.20	5,351,024.28	5,326,844.09	5,479,031.36	5,846,089.51	5,818,469.77	6,091,863.35
District of Columbia share.....	849,640.00						
Interest and profits on investments.....	5,095.89	6,684.93	11,090.41	6,739.73	19,989.04	14,115.07	7,068.49
Transfers from General Fund (United States share).....	100,911,562.00						

Source	1942					Total fiscal year	
	February	March	April	May	June	1942	1941
Federal old-age and survivors insurance trust fund: <sup>4</sup>							
Appropriations.....	\$181,446,453.24	\$2,772,592.46	\$39,172,978.42	\$203,739,941.76	\$3,747,079.87	\$895,618,838.82	\$688,140,728.28
Less reimbursements to General Fund.....	2,141,858.00	2,141,857.00	2,369,120.17	2,369,120.17	2,369,120.16	26,765,636.00	26,839,994.86
Net appropriations <sup>4</sup> .....	179,304,595.24	630,735.46	36,803,858.25	201,370,821.59	1,377,959.71	868,853,202.82	661,300,733.42
Interest on investments.....	189,863.01	459,639.62	237,123.29	260,547.95	69,117,706.16	71,006,562.23	55,958,278.12
Net receipts.....	179,494,458.25	1,090,375.08	37,040,981.54	201,631,369.54	70,495,665.87	939,859,765.05	717,259,011.54
Agricultural Marketing Administration: <sup>5</sup>							
Sale of commodity stamps.....	17,282,934.00	19,097,444.50	17,330,294.75	16,752,173.05	14,163,405.95	205,240,633.75	153,415,457.00
Transfers from General Fund.....	9,360,000.00	22,113,000.00	16,760,000.00	5,000.00		126,208,000.00	90,608,957.25
Railroad retirement account:							
Interest on investments.....	193,150.68	215,432.88	233,013.70	258,904.11	1,591,232.89	3,143,058.91	2,533,857.53
Transfers from General Fund.....			31,500,000.00			140,850,000.00	124,350,000.00
Unemployment trust fund:							
Deposits by States.....	202,169,789.22	9,130,180.48	43,168,594.07	219,232,201.85	8,582,388.06	1,095,990,713.42	892,023,224.27
Interest on investments.....	18,646.41	104,281.76	137,430.94		35,878,062.82	67,420,985.97	48,952,549.64
Railroad unemployment insurance account:							
Deposits by Railroad Retirement Board.....	707,467.52	20,116,474.56	4,294.78	615,997.07	19,660,558.04	76,265,850.75	61,347,271.64
Transfers from railroad unemployment insurance administration fund (act Oct. 10, 1940).....						3,909,667.00	7,500,000.00
Transfers from States (act June 25, 1938).....							104,099,950.87
Other trust accounts:							
Adjusted service certificate fund:							
Interest on loans and investments.....	38.37	910.57	1,765.52	1,353.96	1,095.89	648,856.04	444,514.44
Transfers from General Fund.....							10,000,000.00
Alaska Railroad retirement fund:							
Deductions from employees' salaries, etc.....	13,197.68	12,853.55	12,368.68	28,831.37	15,048.21	161,615.08	145,762.33
Interest on investments.....					48,293.15	48,293.15	38,016.98
Transfers from General Fund (United States share).....						175,000.00	175,000.00
Canal Zone retirement fund:							
Deductions from employees' salaries, etc.....	91,777.74	104,043.96	94,111.67	189,723.79	98,986.09	1,169,818.44	840,091.74
Interest on investments.....	2,663.01			2,818.41	250,771.28	258,156.37	212,812.29
Transfers from General Fund (United States share).....						1,177,000.00	1,177,000.00
Civil service retirement fund:							
Deductions from employees' salaries, etc.....	6,882,330.77	9,303,967.68	9,610,587.55	10,396,000.43	10,748,041.97	86,053,011.96	54,789,543.53
District of Columbia share.....						849,640.00	805,110.00
Interest and profits on investments.....	15,978.08				29,635,630.97	29,722,392.61	25,163,610.35
Transfers from General Fund (United States share).....						100,911,562.00	90,754,000.00

<sup>4</sup> Includes transactions formerly classified under the caption, "Old-age reserve account."

<sup>5</sup> See footnote 1, p. 401.

<sup>6</sup> Effective September 1941 the receipts, transfers from the General Fund, and expenditures in connection with the sale and redemption of commodity stamps issued by the Agricultural Marketing Administration are shown on a gross basis. Adjustments have been made in figures for periods prior to September 1941 for comparative purposes.

TABLE 3.—Monthly receipts, fiscal year 1942, classified by major sources—Continued

## PART B. TRUST ACCOUNTS, INCREMENT ON GOLD, ETC.—Continued

Source	1941						1942
	July	August	September	October	November	December	January
Other trust accounts—Continued.							
District of Columbia:							
Revenues from taxes, etc.	\$2,094,818.83	\$1,620,267.76	\$6,234,199.64	\$10,337,550.11	\$2,376,492.25	\$2,274,242.62	\$3,607,012.24
Transfers from General Fund (U. S. share)	5,057,514.96	942,485.04					
Foreign service retirement fund:							
Deductions from employees' salaries, etc.	233,009.97	4,825.91	5,351.73	4,311.43	3,313.09	8,054.95	7,197.82
Interest on investments	27.13	180.49	352.88	296.55	466.41	604.93	518.36
Transfers from General Fund (United States share)	621,700.00						
Government life insurance fund:							
Interest and profits on investments	629,985.00		2,812,487.49	989,144.73	41,207.23	1,276,005.54	629,985.00
Premiums and other receipts	5,905,001.95	4,318,490.77	4,207,740.15	4,716,821.61	3,852,694.27	4,775,617.43	5,313,735.77
Indian tribal funds	598,948.96	573,014.91	549,731.14	547,063.80	419,629.33	695,734.68	470,932.55
Insular possessions	1,370,808.70	1,709,153.62	2,060,148.79	1,877,615.44	2,335,822.14	1,790,508.39	1,888,654.23
National service life insurance fund:							
Interest and profits on investments							
Premiums and other receipts	1,178,681.35	1,215,401.08	1,422,764.44	1,394,020.98	1,380,237.15	618,344.05	4,369,686.23
Transfers from General Fund							
Other *	4,429,395.05	5,533,041.15	3,695,226.76	5,099,357.06	4,278,888.47	6,929,662.89	4,982,493.44
Unclassified	1,498,840.53	104,995.49	1,337,237.14	87,376.44	2,641,858.71	2,411,798.82	375,434.26
Other funds and accounts:							
Increment resulting from reduction in the weight of the gold dollar	23,571.74	24,411.24	27,467.29	29,606.98	17,439.73	23,642.27	35,414.87
Seigniorage *	2,054,484.48	2,130,306.22	1,564,135.13	1,894,768.62	1,071,518.01	989,304.32	907,082.91
Total receipts *	338,398,149.55	388,930,687.19	77,851,487.07	211,866,630.27	403,521,485.82	117,250,288.64	200,932,553.89

Source	1942					Total fiscal year	
	February	March	April	May	June	1942	1941
Other trust accounts—Continued.							
District of Columbia:							
Revenues from taxes, etc.-----	\$2,221,861.88	\$8,183,490.81	\$11,086,657.12	\$5,023,238.27	\$1,846,266.51	\$56,906,098.04	\$56,145,133.90
Transfers from General Fund (U. S. share)-----						6,000,000.00	6,000,000.00
Foreign service retirement fund:							
Deductions from employees' salaries, etc.-----	9,811.32	3,651.94	11,447.56	3,198.40	5,162.27	299,336.39	312,251.84
Interest on investments-----	798.90	750.68	932.82	951.67	209,591.68	215,472.55	186,876.39
Transfers from General Fund (United States share)-----						621,700.00	609,000.00
Government life insurance fund:							
Interest and profits on investments-----		3,125,829.16	866,405.00		23,869,005.24	34,240,054.39	33,675,853.15
Premiums and other receipts-----	4,126,117.01	5,224,240.57	4,284,026.21	4,931,152.85	5,717,722.91	57,373,361.50	57,760,664.20
Indian tribal funds-----	990,883.16	495,886.46	569,302.12	611,300.70	541,356.48	7,063,784.29	5,531,203.17
Insular possessions-----	1,571,114.54	1,399,077.32	1,337,250.91	915,793.34	742,770.03	18,998,717.45	18,814,931.53
National service life insurance fund:							
Interest and profits on investments-----					433,551.37	433,551.37	15,425.35
Premiums and other receipts-----	3,853,355.36	6,458,329.67	6,429,005.27	6,759,412.50	9,801,008.54	44,880,246.62	3,497,788.18
Transfers from General Fund-----					1,047,057.65	1,047,057.65	
Other <sup>6</sup> -----	5,165,031.74	5,422,543.65	3,162,855.36	11,769,528.16	4,948,776.01	65,416,799.74	49,494,149.62
Unclassified-----	<sup>7</sup> 2,641,985.48	1,810,609.31	128,045.71	<sup>7</sup> 4,891,782.22	<sup>7</sup> 764,797.86	3,443,509.15	<sup>7</sup> 1,428,215.91
Other funds and accounts:							
Increment resulting from reduction in the weight of the gold dollar-----	20,901.24	31,534.10	18,317.01	2,402.24	23,850.98	298,559.69	398,606.27
Seigniorage <sup>8</sup> -----	824,828.16	742,538.86	907,685.37	495,178.30		13,581,830.38	20,190,852.24
Total receipts <sup>8</sup> -----	432,375,149.56	114,187,447.55	184,695,373.66	474,754,747.79	246,120,098.72	3,190,884,099.71	2,637,845,261.33

<sup>6</sup> Effective September 1941 the receipts, transfers from the General Fund, and expenditures in connection with the sale and redemption of commodity stamps issued by the Agricultural Marketing Administration are shown on a gross basis. Adjustments have been made in figures for periods prior to September 1941 for comparative purposes.

<sup>7</sup> Counter-entry receipts (deduct).

<sup>8</sup> This item of seigniorage represents the difference between the cost value and the monetary value of silver bullion revalued and held to secure silver certificates issued on account of silver acquired under the Silver Purchase Act of 1934 and under the President's proclamation dated Aug. 9, 1934.

TABLE 4.—Monthly expenditures, fiscal year 1942, classified by accounts

[On basis of daily Treasury statements (unrevised) (see p. 387), adjusted to provide uniform classification of expenditures on a basis comparable to that in effect during the early part of the fiscal year 1943, including changes as a result of Executive orders involving reorganizations]

## SUMMARY SHOWING EXPENDITURES, RECEIPTS, AND EXCESS OF RECEIPTS OR EXPENDITURES

	1941						1942
	July	August	September	October	November	December	January
<b>PART A. GENERAL AND SPECIAL ACCOUNTS</b>							
Total receipts.....	\$412,941,606.31	\$396,509,952.93	\$1,134,913,786.53	\$445,293,304.19	\$563,949,094.22	\$1,212,303,233.94	\$577,646,999.20
Expenditures:							
I. General:							
A. Departmental (see p. 408).....	58,104,833.74	57,971,262.47	53,428,199.69	55,780,976.62	50,844,149.72	59,383,150.47	67,963,736.17
B. Agricultural programs (see p. 410).....	59,343,859.31	45,175,270.55	59,783,958.43	61,408,699.25	96,144,670.15	130,082,493.85	114,755,322.12
C. Federal Security Agency and Federal Works Agency (see p. 414).....	224,005,211.72	175,895,145.86	161,268,745.74	191,152,381.70	151,189,681.61	162,687,683.24	166,746,405.38
D. Other (see p. 416).....	112,404,645.41	100,768,423.03	261,845,618.06	177,368,093.55	102,302,262.81	330,086,445.63	134,913,405.74
Total general expenditures.....	453,858,550.18	379,810,101.91	536,326,521.92	485,710,151.12	400,480,764.29	682,239,773.19	494,378,869.41
II. War activities (see p. 418).....	968,623,350.66	1,131,352,149.06	1,329,961,077.12	1,536,555,483.69	1,448,344,910.85	1,850,135,453.15	2,103,581,612.71
III. Revolving funds (see p. 420).....	1,504,958.84	3,073,269.96	1,572,896.78	15,350,222.30	870,478.20	424,677.78	1,802,822.62
IV. Transfers to trust accounts (see p. 420).....	173,611,776.96	15,253,152.04	6,200,000.00	45,010,000.00	9,750,000.00	8,750,000.00	41,540,000.00
Total expenditures (excluding debt retirements).....	1,597,598,636.64	1,529,488,672.97	1,874,060,495.82	2,082,625,857.11	1,857,705,196.94	2,541,549,904.12	2,627,687,659.60
V. Debt retirements (see p. 420).....	2,653,950.00	34,223,100.00	7,950,800.00	6,709,850.00	2,739,950.00	15,553,450.00	3,270,050.00
Total expenditures.....	1,600,252,586.64	1,563,711,772.97	1,882,011,295.82	2,089,335,707.11	1,860,445,146.94	2,557,103,354.12	2,630,967,709.60
Excess of expenditures over receipts.....	1,187,310,980.33	1,167,201,820.04	747,097,509.29	1,644,042,402.92	1,296,496,052.72	1,344,800,120.18	2,053,320,710.40
<b>PART B. TRUST ACCOUNTS, INCREMENT ON GOLD, ETC.</b>							
Total receipts.....	338,398,149.55	388,930,687.19	77,851,487.07	211,866,630.27	403,521,485.82	117,250,288.64	200,932,553.89
Expenditures:							
I. Trust accounts (see p. 422).....	273,159,174.34	220,951,352.04	278,086,718.86	164,884,516.47	228,201,747.21	305,557,765.06	153,788,138.25
II. Increment on gold, transactions in checking accounts, etc. (see p. 426).....	533,953,580.11	169,486,104.30	93,247,664.24	271,529,540.96	659,153,517.80	140,111,530.57	680,536,716.80
Total expenditures.....	260,194,405.77	390,437,456.34	371,334,383.10	436,414,057.43	887,360,265.01	445,669,295.63	834,324,855.05
Excess of expenditures over receipts.....	599,192,555.32	1,506,769.15	293,482,896.03	224,547,427.16	483,838,779.19	328,419,006.99	633,392,301.16



	1942					Total fiscal year	
	February	March	April	May	June	1942	1941
<b>PART A. GENERAL AND SPECIAL ACCOUNTS</b>							
Total receipts.....	\$757,976, 221. 53	\$3,547, 169, 479. 67	\$695, 433, 268. 34	\$562, 665, 930. 59	\$2, 492, 258, 743. 57	\$12,799, 061, 621. 02	\$7,607, 211, 852. 08
Expenditures:							
I. General:							
A. Departmental (see p. 409).....	54, 821, 943. 11	57, 232, 390. 99	55, 428, 635. 30	56, 428, 469. 34	57, 997, 183. 10	685, 384, 930. 72	675, 512, 193. 62
B. Agricultural programs (see p. 411).....	114, 597, 343. 59	98, 803, 904. 82	77, 359, 446. 55	78, 379, 615. 78	40, 254, 693. 43	976, 089, 277. 83	879, 784, 020. 82
C. Federal Security Agency and Federal Works Agency (see p. 415).....	142, 227, 692. 41	137, 649, 888. 04	159, 208, 214. 01	148, 395, 113. 94	102, 646, 995. 72	1, 923, 073, 159. 37	2, 467, 144, 672. 83
D. Other (see p. 417).....	100, 402, 180. 32	296, 881, 797. 64	175, 485, 331. 55	110, 078, 314. 25	499, 141, 744. 52	2, 401, 678, 262. 51	2, 192, 257, 917. 48
Total general expenditures.....	412, 049, 150. 43	590, 567, 981. 49	467, 481, 627. 41	393, 281, 513. 31	700, 040, 616. 77	5, 986, 225, 630. 43	6, 214, 698, 804. 75
II. War activities (see p. 419).....	2, 207, 683, 654. 82	2, 808, 829, 250. 19	3, 237, 815, 336. 67	3, 559, 554, 259. 18	3, 828, 628, 551. 29	26, 011, 065, 089. 39	6, 301, 043, 165. 91
III. Revolving fund (see p. 421).....	• 323, 912. 35	• 601, 719. 40	• 647, 844. 39	626, 835. 89	• 12, 163. 47	18, 394, 391. 22	• 136, 286, 105. 84
IV. Transfers to trust accounts (see p. 421).....	9, 360, 000. 00	22, 113, 000. 00	48, 260, 000. 00	5, 000. 00	1, 047, 057. 65	380, 899, 986. 65	331, 173, 957. 25
Total expenditures (excluding debt retirements).....	2, 628, 768, 901. 90	3, 420, 908, 482. 28	3, 753, 009, 619. 69	3, 953, 467, 608. 38	4, 529, 704, 062. 24	32, 396, 585, 097. 69	12, 710, 629, 823. 97
V. Debt retirements (see p. 421).....	1, 070, 300. 00	15, 392, 350. 00	2, 289, 100. 00	1, 500, 350. 00	1, 369, 050. 00	94, 722, 300. 00	64, 260, 500. 00
Total expenditures.....	2, 629, 839, 201. 90	3, 436, 300, 832. 28	3, 755, 298, 719. 69	3, 954, 967, 958. 38	4, 531, 073, 112. 24	32, 491, 307, 397. 69	12, 774, 890, 323. 97
Excess of expenditures over receipts.....	1, 871, 862, 980. 37	• 110, 868, 647. 39	3, 059, 865, 451. 35	3, 392, 302, 027. 79	2, 038, 814, 368. 67	19, 692, 245, 776. 67	5, 167, 678, 471. 89
<b>PART B. TRUST ACCOUNTS, INCREMENT ON GOLD, ETC.</b>							
Total receipts.....	432, 375, 149. 56	114, 187, 447. 55	184, 695, 373. 66	474, 754, 747. 79	246, 120, 098. 72	3, 190, 884, 099. 71	2, 637, 845, 261. 33
Expenditures:							
I. Trust accounts (see p. 423).....	284, 119, 125. 82	273, 433, 172. 67	122, 280, 729. 69	302, 490, 674. 48	464, 709, 801. 92	3, 071, 662, 916. 81	2, 568, 381, 343. 77
II. Increment on gold, transactions in checking accounts, etc. (see p. 427).....	34, 706, 879. 34	75, 033, 583. 50	188, 597, 831. 97	429, 674, 331. 62	1, 416, 597, 012. 09	3, 624, 726, 133. 08	217, 527, 522. 93
Total expenditures.....	318, 826, 005. 16	348, 466, 756. 17	310, 878, 561. 66	732, 165, 006. 10	1, 881, 306, 814. 01	6, 696, 389, 049. 89	2, 785, 908, 866. 70
Excess of expenditures over receipts.....	• 113, 549, 144. 40	234, 279, 308. 62	126, 183, 188. 00	257, 410, 258. 31	1, 635, 186, 715. 29	3, 505, 504, 950. 18	148, 063, 605. 37

• Excess credits (deduct).

TABLE 4.—Monthly expenditures, fiscal year 1942, classified by accounts—Continued

DETAILS OF EXPENDITURES  
PART A. GENERAL AND SPECIAL ACCOUNTS

	1941						1942
	July	August	September	October	November	December	January
<b>I. General:</b>							
<b>A. Departmental (not otherwise classified):<sup>1</sup></b>							
Agriculture Department.....	\$19,616,993.58	\$7,822,303.44	\$7,011,757.56	\$10,594,431.43	\$8,590,136.57	\$7,834,583.70	\$19,214,005.56
Commerce Department:							
Civil Aeronautics Authority.....	2,283,290.47	2,313,006.24	2,603,634.12	3,134,885.07	2,129,503.83	2,782,702.22	2,682,110.77
Other.....	2,625,173.22	2,036,047.66	2,509,036.18	3,322,166.67	2,132,158.04	3,276,925.17	2,797,464.58
<b>Executive office:</b>							
Bureau of the Budget.....	89,022.36	87,861.14	88,931.75	86,236.39	86,996.42	89,932.45	92,552.75
Executive proper.....	41,728.78	51,901.68	43,340.98	43,359.30	44,807.20	41,590.78	44,524.17
National Resources Planning Board.....	105,847.64	52,114.20	58,771.31	59,749.64	52,304.64	56,780.80	52,619.85
Independent offices and commissions.....	5,671,592.32	5,734,631.44	6,104,671.82	5,638,938.94	5,856,388.11	5,575,244.29	5,356,344.91
Interior Department.....	10,148,040.35	9,267,735.15	8,173,720.05	10,458,006.15	8,903,799.45	10,930,841.47	8,458,604.31
Judicial.....	943,791.15	868,287.92	897,366.03	984,317.09	1,028,873.98	1,059,247.50	934,216.84
Justice Department.....	6,910,398.97	4,634,011.21	4,273,708.18	4,521,394.84	4,918,354.98	4,865,151.71	4,490,298.80
Labor Department.....	1,098,369.03	1,915,588.93	2,045,684.85	2,260,023.01	2,258,840.12	1,373,559.44	2,813,114.91
Legislative establishment.....	1,561,605.75	1,147,650.80	2,360,570.51	2,524,583.34	2,807,732.99	2,539,170.23	1,872,791.52
Post Office Department.....	° 25,715.59	33,247.84	° 77.47	11,262.44	° 65,902.55	2,331.76	38,709.53
State Department.....	2,453,924.92	1,774,764.96	2,382,512.58	2,256,059.25	1,956,642.08	2,189,189.34	2,293,695.31
Treasury Department.....	° 9,859,821.59	° 12,324,488.17	° 11,257,306.56	° 12,284,183.62	° 9,325,611.12	18,405,048.08	15,594,109.82
War Department (nonmilitary).....							
Unclassified.....	° 309,861.16	2,556,503.71	° 232,712.49	° 5,100,370.55	1,132,936.56	109,580.96	20,756.40
Adjustment for disbursing officers' checks outstanding.....	° 63,074,023.88	° 52,620,144.49	° 49,578,222.52	° 55,079,226.83	° 51,159,183.54	61,131,879.90	66,755,920.03
	-4,969,190.14	+5,351,117.98	+3,849,977.17	-701,749.79	-315,033.82	-1,748,729.43	+1,207,816.14
Subtotal <sup>1</sup> .....	° 58,104,833.74	° 57,971,262.47	° 53,428,199.69	° 55,780,976.62	° 50,844,149.72	59,383,150.47	67,963,736.17

	1942					Total fiscal year	
	February	March	April	May	June	1942	1941
<b>I. General:</b>							
<b>A. Departmental (not otherwise classified):<sup>1</sup></b>							
Agriculture Department.....	\$8,997,866.88	\$5,829,954.51	\$9,253,536.63	\$7,734,337.22	\$11,040,248.59	\$123,540,155.67	\$134,055,240.47
Commerce Department:							
Civil Aeronautics Authority.....	1,299,037.41	2,690,186.61	1,933,528.35	2,711,921.01	2,673,324.56	29,237,130.66	<sup>2</sup> 27,097,489.90
Other.....	2,420,922.87	2,753,756.38	2,263,268.32	2,181,947.31	2,400,744.88	30,719,611.28	45,153,855.22
Executive office:							
Bureau of the Budget.....	90,567.64	92,245.14	138,664.48	96,036.30	99,017.20	1,138,064.02	875,212.97
Executive proper.....	41,494.03	38,834.84	40,235.16	31,145.15	36,345.37	499,107.44	513,313.61
National Resources Planning Board.....	55,358.15	45,092.30	47,418.61	56,670.92	57,547.72	700,275.78	768,492.42
Other.....							742,545.60
Independent offices and commissions.....	5,789,319.98	5,532,703.21	5,841,271.50	6,148,731.71	6,575,575.53	69,825,414.26	<sup>3</sup> 69,663,432.71
Interior Department.....	9,358,245.92	8,779,419.66	8,802,878.80	8,971,883.03	8,368,522.30	110,621,796.64	<sup>2</sup> 107,673,241.92
Judicial.....	957,534.33	1,030,030.09	760,995.59	1,054,554.23	1,018,522.07	11,537,736.82	11,425,848.47
Justice Department.....	4,397,403.34	7,499,512.12	6,984,423.99	5,847,438.55	5,004,184.43	64,346,081.12	<sup>2</sup> 57,500,088.96
Labor Department.....	1,631,320.48	1,237,087.90	2,937,299.35	2,159,808.19	1,217,700.36	22,948,396.57	23,518,741.57
Legislative establishment.....	1,972,860.70	4,193,663.96	2,021,900.60	2,557,546.49	1,708,896.30	27,268,973.19	24,172,235.98
Post Office Department.....	<sup>*</sup> 7,097.89	5,343.28	<sup>*</sup> 492,477.85	<sup>*</sup> 31,584.50	<sup>*</sup> 47,133.84	<sup>*</sup> 579,094.34	66,505.69
State Department.....	2,236,393.27	3,726,945.04	2,030,259.25	2,509,849.00	3,011,900.02	28,912,144.02	22,860,348.42
Treasury Department.....	13,198,796.74	15,231,733.89	13,400,682.74	15,043,306.78	13,571,575.46	159,496,664.57	<sup>2</sup> 146,525,673.73
War Department (nonmilitary).....							3,677,346.52
Unclassified.....	603,714.46	<sup>*</sup> 167,678.49	<sup>*</sup> 616,564.74	<sup>*</sup> 60,954.77	<sup>*</sup> 161,278.29	<sup>*</sup> 215,828.20	<sup>*</sup> 180,648.94
Adjustment for disbursing officers' checks outstanding.....	53,043,538.31 +778,404.80	58,518,730.44 -1,286,339.45	55,347,421.28 +81,214.02	57,112,636.62 -684,167.28	56,575,701.66 +1,421,481.44	679,996,629.50 +5,388,301.22	<sup>2</sup> 676,108,965.22 -596,771.60
Subtotal.....	53,821,943.11	57,232,390.99	55,428,635.30	56,428,469.34	57,997,183.10	685,384,930.72	<sup>2</sup> 675,512,193.62

<sup>\*</sup> Excess credits (deduct).

<sup>1</sup> Figures for July 1941 and for the fiscal year 1941 have been adjusted by transferring expenditures of the U. S. Maritime Commission from the "Departmental" classification to "War activities."

<sup>2</sup> Classifications have been adjusted on account of the transfer of certain expenditures, reflected prior to Nov. 1, 1941, as "General," to "War activities" in accordance with Executive orders, etc.

TABLE 4.—Monthly expenditures, fiscal year 1942, classified by accounts—Continued

## DETAILS OF EXPENDITURES—Continued

## PART A. GENERAL AND SPECIAL ACCOUNTS—Continued

	1941						1942
	July	August	September	October	November	December	January
I. General—Continued.							
B. Agricultural programs:*							
Agricultural Conservation and Adjustment Administration:							
Administration of Sugar Act of 1937.....	\$1,610,836.71	\$206,774.92	\$902,304.32	\$3,390,887.13	\$3,770,300.50	\$1,481,691.97	\$3,728,973.27
Agricultural Adjustment Agency.....	176,242.70	141,174.99	141,264.88	177,193.78	150,040.35	151,531.86	206,119.87
Agricultural Adjustment, act of Aug. 24, 1935.....	5,221,424.53	4,232,804.89	4,259,882.48	5,503,894.20	5,551,057.29	5,653,128.15	4,791,476.92
Agricultural contract adjustments.....	3,970.42	2,691.64	1,911.06	4,183.10	3,211.31	* 8,797.66	1,272.60
Federal Crop Insurance Act:							
Administrative expenses.....	242,698.78	293,366.96	2,030,712.60	334,476.59	186,557.80	272,870.21	540,719.42
Subscriptions to capital stock of Federal Crop Insurance Corporation.....							
Price Adjustment Act of 1938 and parity payments.....	11,144,834.84	12,462,849.65	18,112,618.87	28,667,992.55	26,088,425.84	33,478,886.78	23,387,990.35
Soil Conservation and Domestic Allotment Act.....	25,335,585.60	9,034,620.31	6,410,407.22	19,218,050.41	35,625,548.60	71,491,606.06	73,304,845.40
Unclassified.....	* 34,510.71	34,818.62	1,422.34	* 2,042.51	580.95	* 22,532.71	22,612.68
Agricultural Marketing Administration:							
Surplus Marketing.....	530,528.84	355,323.64	595,183.22	570,228.12	444,106.20	341,183.91	266,705.97
Commodity Credit Corporation, restoration of capital impairment.....			* 1,637,445.51				

	1942					Total fiscal year	
	February	March	April	May	June	1942	1941
I. General—Continued.							
B. Agricultural programs: <sup>3</sup>							
Agricultural Conservation and Adjustment Administration:							
Administration of Sugar Act of 1937-----	\$4,670,719.35	\$5,488,125.19	\$3,142,303.58	\$9,342,535.17	\$795,660.40	\$38,531,112.51	\$50,422,089.82
Agricultural Adjustment Agency-----	164,332.81	172,211.21	156,209.82	155,073.67	145,691.67	1,937,087.61	1,911,681.80
Agricultural Adjustment, act of Aug. 24, 1935-----	5,311,949.41	7,096,561.95	4,137,111.18	4,590,951.72	4,756,083.20	61,106,325.92	97,486,248.44
Agricultural contract adjustments-----	933.96	895.61	1,024.00	603.97	390.77	12,290.79	59,697.47
Federal Crop Insurance Act:							
Administrative expenses-----	211,846.57	277,299.06	2,274,136.25	220,407.72	263,660.47	7,148,752.43	4,996,622.46
Subscriptions to capital stock of Federal Crop Insurance Corporation-----	6,000,000.00					6,000,000.00	6,000,000.00
Price Adjustment Act of 1938 and parity payments-----	15,479,830.45	16,229,985.70	5,376,737.17	3,770,008.14	2,904,510.33	197,104,670.67	198,257,186.59
Soil Conservation and Domestic Allotment Act-----	64,987,996.88	52,013,127.39	50,526,056.66	43,592,440.03	22,170,763.69	473,711,048.25	465,136,204.14
Unclassified-----	186.03	260.79	128.70	393,541.77	383,834.05	778,127.94	588.51
Agricultural Marketing Administration:							
Surplus Marketing <sup>4</sup> -----	102,438.12	105,566.51	85,683.58	191,080.23	27,397.95	3,615,426.19	52,884,819.92
Commodity Credit Corporation, restoration of capital impairment-----						<sup>5</sup> 1,637,445.51	

<sup>1</sup> Excess credits (deduct).

<sup>2</sup> Additional expenditures are included in corresponding captions under "Departmental" above.

<sup>3</sup> Includes transactions formerly classified under the caption "Federal Surplus Commodities Corporation."

<sup>4</sup> Represents capital impairment applicable to fiscal year 1941 but not appropriated by Congress until July 3, 1941.

TABLE 4.—Monthly expenditures, fiscal year 1942, classified by accounts—Continued

## DETAILS OF EXPENDITURES—Continued

## PART A. GENERAL AND SPECIAL ACCOUNTS—Continued

	1941						1942
	July	August	September	October	November	December	January
General—Continued.							
Agricultural programs—Continued.							
Farm Credit Administration: <sup>a</sup>							
Banks for cooperatives—capital stock.....	7 \$7,000,000.00	7 \$4,500,000.00	7 \$2,500,000.00	\$13,500,000.00	\$11,500,000.00	\$12,000,000.00	\$1,000,000.00
Crop loans.....	<sup>a</sup> 123,769.58	<sup>a</sup> 898,368.43	<sup>a</sup> 1,990,989.39	<sup>a</sup> 3,511,937.99	<sup>a</sup> 2,709,146.85	<sup>a</sup> 1,401,011.89	<sup>a</sup> 594,949.90
Other.....	7 539,150.01	7 522,078.95	7 15,476,601.42	<sup>a</sup> 13,993,773.10	1,491,222.68	569,852.64	521,178.36
Unclassified.....	10.20	<sup>a</sup> 94,985.53	94,891.71	78.15	<sup>a</sup> 44.33	<sup>a</sup> 367,123.05	<sup>a</sup> 178,329.73
Farm Security Administration.....	5,159,606.13	4,244,232.71	4,821,705.17	4,534,973.86	3,932,658.44	5,398,342.80	4,636,183.35
Farm Tenant Act:							
Loans.....	80,593.97	50,258.35	38,286.98	36,904.48	<sup>a</sup> 6,133.17	13,242.86	44,845.07
Other.....	615,920.03	614,327.31	562,996.07	538,374.39	410,603.45	450,136.61	414,814.74
Unclassified.....			<sup>a</sup> 324.16	324.16			
Federal Farm Mortgage Corporation, reduction in interest rate on mortgages.....		2,127,406.28			2,351,286.98		
Federal land banks:							
Capital stock.....	<sup>a</sup> 208,400.00		208,800.00				<sup>a</sup> 43,345.00
Reduction in interest rates on mortgages.....		5,090,575.32	1,081,171.15	783,059.46	5,455,354.12		1,403,205.21
Subscriptions to paid-in surplus.....	<sup>a</sup> 258,360.05		535,461.49		216,345.67	<sup>a</sup> 1,000,000.00	154,220.81
Forest roads and trails.....	855,193.28	1,074,685.81	929,705.35	995,854.39	836,845.04	904,799.65	654,432.91
Rural Electrification Administration:							
Loans.....	910,109.33	867,549.14	707,479.69	332,586.53	555,588.73	441,144.75	197,035.27
Other.....	541,994.28	313,025.02	725,020.45	327,391.55	290,265.55	233,540.90	295,314.65
Subtotal.....	59,343,859.31	45,175,270.55	59,783,958.43	61,408,699.25	96,144,670.15	130,082,493.85	114,755,322.12

	1942					Total fiscal year	
	February	March	April	May	June	1942	1941
I. General—Continued.							
B. Agricultural programs—Continued.							
Farm Credit Administration: <sup>5</sup>							
Banks for cooperatives—capital stock.....	\$3,000,000.00					\$55,000,000.00	* \$60,000,000.00
Crop loans.....	2,280,866.08	\$5,048,679.18	\$4,074,326.45	\$1,825,237.19	\$280,724.96	2,279,659.83	820,804.83
Other.....	959,780.78	591,697.14	291,761.31	382,949.68	478,665.38	7,831,165.25	2,045,021.16
Unclassified.....	151,785.47	110,095.36	29,749.58	138,872.82	* 65,394.82	* 170,334.17	* 258.12
Farm Security Administration.....	4,911,487.41	6,178,649.57	5,294,352.00	6,357,418.46	4,559,015.26	60,028,625.16	62,165,326.97
Farm Tenant Act:							
Loans.....	4,952.99	9,205.24	3,336.00	6,199.34	7,647.00	289,334.11	17,771,963.87
Other.....	446,976.48	486,105.54	431,067.97	405,465.36	450,867.91	5,827,655.86	9,515,987.49
Unclassified.....	293.32	* 296.82	1,143.46	* 1,139.96	2,566.50	2,566.50	7.27
Federal Farm Mortgage Corporation, reduction in interest rate on mortgages.....		2,838,687.55		2,290,194.43		9,607,575.24	9,340,201.41
Federal land banks:							
Capital stock.....	* 101,775.00					* 144,720.00	* 57,483,515.00
Reduction in interest rates on mortgages.....	5,161,944.81	1,236,181.98	934,448.88	3,237,385.75	2,118,176.43	26,501,503.11	27,929,355.94
Subscriptions to paid-in surplus.....				488,584.31		136,252.23	* 41,571,778.71
Forest roads and trails.....	389,946.63	340,597.84	324,548.98	461,183.38	425,815.70	8,193,608.96	7,909,583.73
Rural Electrification Administration:							
Loans.....	214,578.67	298,589.35	31,137.53	293,487.80	284,574.66	5,133,861.45	20,665,677.21
Other.....	246,644.43	281,679.48	244,183.45	237,134.80	254,041.92	3,990,236.48	3,521,475.04
Subtotal.....	114,597,343.59	98,803,904.82	77,359,446.55	78,379,615.78	40,254,693.43	976,089,277.83	879,784,020.82

\* Excess credits (deduct).

<sup>5</sup> Additional transactions are included in revolving funds stated separately below.

<sup>7</sup> Reflects adjustment to change classifications on account of subscriptions to capital stock of banks for cooperatives previously classified under "Farm Credit Administration: Other."

<sup>8</sup> Reflects adjustment of \$15,000,000 to change classification on account of purchase of capital stock of production credit corporations chargeable to "Farm Credit Administration: Production credit corporations—capital stock" under "Revolving funds (net)" instead of "Farm Credit Administration: Other" and under "General" expenditures.

TABLE 4.—Monthly expenditures, fiscal year 1942, classified by accounts—Continued

## DETAILS OF EXPENDITURES—Continued

## PART A. GENERAL AND SPECIAL ACCOUNTS—Continued

	1941						1942
	July	August	September	October	November	December	January
I. General—Continued.							
C. Federal Security Agency and Federal Works Agency:							
Federal Security Agency:							
Civilian Conservation Corps.....	\$20,794,821.80	\$19,215,304.59	\$17,681,410.67	\$16,893,002.06	\$13,775,640.10	\$15,152,906.66	\$12,069,779.71
National Youth Administration.....	12,155,647.10	7,563,953.48	7,926,464.11	7,622,978.76	7,731,309.81	10,128,084.75	7,653,845.84
Social Security Board:							
Administrative expenses.....	2,154,172.19	2,037,189.10	2,070,811.83	1,926,940.19	1,976,672.86	2,071,681.32	2,246,961.91
Grants to States (social security).....	54,358,864.28	38,523,155.02	29,123,819.16	49,762,354.89	35,700,458.20	29,936,105.19	48,369,181.85
Other.....	694,330.93	90,941.70	201,263.03	519,607.36	48,924.68	65,568.37	10,570.69
Unclassified.....	* 541.01	330.05	75.54	* 16,040.14	16,018.59	8,008.85	* 9,167.63
Other.....	14,295,093.71	7,003,086.02	2,983,039.53	6,883,137.02	3,176,245.78	2,531,815.14	12,554,096.40
Federal Works Agency:							
Public Buildings Administration:							
Construction.....	4,418,985.88	2,710,581.39	2,207,863.31	1,936,981.59	1,074,315.99	2,981,851.84	1,186,095.74
Other.....	1,578,355.27	2,135,475.49	2,332,769.84	1,291,064.35	2,525,614.50	1,513,546.72	2,526,986.34
Unclassified.....	8,583.80	66,741.34	* 67,850.00	1,086,350.00	* 1,118,500.00	587,700.00	* 587,722.58
Public Roads Administration.....	14,599,997.76	18,424,475.85	17,565,497.33	20,891,317.16	15,689,859.32	13,103,852.46	9,882,984.60
Public Works Administration: <sup>9</sup>							
Administrative expenses.....	263,351.38	208,914.21	* 82,544.16	* 2,426.47	85,118.17	* 20,632.17	17,797.02
Grants (act June 21, 1938).....	4,683,124.10	3,218,283.35	1,163,452.45	1,952,993.44	572,375.64	449,729.18	1,255,534.63
Loans (act June 21, 1938).....	* 16.00						314,170.08
Unclassified.....	* 4.00	4.00					
Work Projects Administration.....	93,965,362.60	74,683,910.24	78,062,936.15	80,362,936.42	69,907,312.40	84,126,043.33	69,204,530.83
Other.....	34,881.93	12,800.03	49,736.95	41,185.07	28,315.57	51,421.60	50,759.95
Subtotal.....	224,005,211.72	175,895,145.86	161,268,745.74	191,152,381.70	151,189,681.61	162,687,683.24	166,746,405.38



	1942					Total fiscal year	
	February	March	April	May	June	1942	1941
I. General—Continued.							
C. Federal Security Agency and Federal Works Agency:							
Federal Security Agency:							
Civilian Conservation Corps .....	\$11,661,917.19	\$10,637,513.30	\$9,779,858.51	\$8,085,203.27	\$6,922,841.53	\$162,670,199.39	\$257,396,531.12
National Youth Administration .....	5,941,038.02	6,741,408.57	5,333,307.33	4,805,686.41	4,238,735.55	87,842,459.73	<sup>10</sup> 89,807,637.71
Social Security Board:							
Administrative expenses .....	2,043,253.00	2,228,192.71	1,982,454.68	2,067,851.82	1,945,979.09	24,752,160.70	25,667,884.86
Grants to States (social security) .....	33,351,521.20	28,247,284.20	41,769,978.90	49,062,094.27	8,466,719.76	446,671,536.92	393,338,063.81
Other .....	5,205.71	4,069.74	30,603.15	6,534.36	7,398.78	1,685,918.50	4,151,482.22
Unclassified .....	1,127.64	40.51	<sup>a</sup> 51.52	<sup>a</sup> 773.46	891.33	118.75	<sup>a</sup> 51.88
Other .....	5,832,570.86	2,849,045.68	9,898,206.53	4,271,364.44	2,753,850.68	75,031,551.79	<sup>10</sup> 65,654,450.70
Federal Works Agency:							
Public Buildings Administration:							
Construction .....	2,275,417.99	2,317,757.85	4,066,301.18	4,623,594.92	3,979,927.93	33,779,675.61	51,688,757.19
Other .....	2,164,900.60	2,858,615.79	2,657,160.26	2,306,605.45	2,671,347.99	26,562,442.60	16,988,093.68
Unclassified .....	1,522.58	20,107.69	63,392.31	<sup>a</sup> 34,990.00	51,331.01	26,666.15	<sup>a</sup> 25,550.92
Public Roads Administration .....	8,687,996.26	7,962,671.20	7,510,406.08	7,604,067.82	10,686,631.36	152,609,737.20	174,056,134.65
Public Works Administration: <sup>b</sup>							
Administrative expenses .....	<sup>a</sup> 307.38	<sup>a</sup> 40,724.62	17,698.72	<sup>a</sup> 13,869.58	<sup>a</sup> 18,805.97	463,569.15	3,664,183.40
Grants (act June 21, 1938) .....	2,386,160.13	844,628.40	5,462,196.86	4,964,741.64	786,012.86	27,739,232.68	98,817,451.26
Loans (act June 21, 1938) .....	<sup>a</sup> 1,300,000.00			1,300,000.00	<sup>a</sup> 170.08	313,984.00	975,318.99
Unclassified .....	<sup>a</sup> 699,455.26	599,453.26	5.00	<sup>a</sup> 3,484,497.68	3,510,743.89	26,251.21	
Work Projects Administration .....	69,747,522.77	72,329,821.20	70,611,959.80	62,832,871.42	56,608,253.27	882,443,460.43	1,284,593,920.85
Other .....	27,299.10	49,102.56	24,736.22	48,628.84	35,306.74	454,174.56	370,365.19
Subtotal .....	142,227,692.41	137,649,888.04	159,208,214.01	148,395,113.94	102,646,995.72	1,923,073,159.37	2,467,144,672.83

<sup>a</sup> Excess credits (deduct).<sup>b</sup> Additional transactions are included in revolving funds stated separately below.<sup>10</sup> Reflects adjustments by reason of transfer of certain accounts to the "War activities" classification in accordance with Executive orders, etc.

TABLE 4.—Monthly expenditures, fiscal year 1942, classified by accounts—Continued

## DETAILS OF EXPENDITURES—Continued

## PART A. GENERAL AND SPECIAL ACCOUNTS—Continued

	1941						1942
	July	August	September	October	November	December	January
I. General—Continued.							
D. Other:							
Interior Department: <sup>11</sup>							
Reclamation projects.....	\$7,754,346.12	\$8,998,617.16	\$9,867,359.90	\$8,178,686.83	\$8,762,224.30	\$6,666,911.32	\$9,054,033.56
National Housing Agency:							
Federal Housing Administration.....	42,440.13	407,713.56	487,222.16	1,417,219.73	338,675.52	615,769.43	767,426.13
Federal Public Housing Authority <sup>12</sup> .....	848,763.28	383,422.05	27,943.15	1,400,983.05	846,065.54	1,776,065.07	127,467.52
Other <sup>13</sup> .....	115,706.86	122,325.52	122,252.18	116,697.94	113,220.87	140,787.45	119,182.57
Panama Canal.....	1,277,556.84	2,778,367.22	2,004,169.03	4,958,211.07	2,304,820.68	3,505,465.29	4,241,580.98
Post Office Department (deficiency):							
Current.....							
Prior years.....		6,538.58					
Railroad Retirement Board:							
Acquisition of service and compensation data.....	212,507.00	526,276.50	309,687.00	446,671.50	460,161.00	554,018.00	257,591.50
Administrative expenses.....	254,756.20	258,742.10	227,365.61	287,832.95	293,311.12	235,863.17	245,134.54
Railroad unemployment insurance administration fund.....	194,850.38	304,989.99	194,953.64	219,212.18	179,790.51	205,373.43	182,193.45
Unclassified.....	0.01	.11				.23	0.23
River and harbor work and flood control.....	17,498,422.42	19,304,925.51	19,065,166.85	18,825,977.14	12,579,074.84	18,022,553.92	16,842,116.59
Tennessee Valley Authority.....	7,759,626.09	6,455,604.01	7,546,817.03	11,201,595.57	8,883,535.93	12,395,235.85	13,512,143.46
Treasury Department: <sup>11</sup>							
Interest on the public debt.....	24,828,191.76	8,556,335.15	169,358,956.64	74,604,493.63	15,489,638.94	232,445,829.02	31,736,736.61
Refunds of taxes and duties:							
Customs.....	1,325,679.89	1,714,482.30	1,456,606.75	2,501,635.14	1,996,567.59	1,961,780.50	1,878,702.87
Internal revenue.....	3,738,486.41	4,083,053.97	5,343,888.40	4,099,544.86	3,559,110.50	4,697,102.41	3,994,949.83
Processing tax on farm products.....	611,663.44	827,865.23	116,805.87	1,238,441.77	406,692.78	494,584.42	5,587,628.38
Unclassified.....	0.860.08	3,076.10	0.070.97	83.23	0.185.58	92.39	0.14.83
Veterans' Administration.....	45,944,498.68	46,036,087.97	45,719,494.82	47,870,806.96	46,089,558.27	46,369,013.73	46,366,532.81
Subtotal.....	112,404,645.41	100,768,423.03	261,845,618.06	177,368,093.55	102,302,262.81	330,086,445.63	134,913,405.74
Total general expenditures <sup>14</sup> .....	<sup>15</sup> 453,858,550.18	<sup>15</sup> 379,810,101.91	<sup>15</sup> 536,326,521.92	<sup>15</sup> 485,710,151.12	<sup>15</sup> 400,480,764.29	682,239,773.19	484,378,869.41

	1942					Total fiscal year	
	February	March	April	May	June	1942	1941
I. General—Continued.							
D. Other:							
Interior Department: <sup>11</sup>							
Reclamation projects.....	\$6,359,987.97	\$6,026,258.53	\$6,869,532.74	\$6,344,896.19	\$6,556,086.96	\$91,438,941.58	\$85,596,484.30
National Housing Agency:							
Federal Housing Administration.....	585,074.94	1,092,876.51	201,628.92	1,088.09	18,347.85	5,975,482.97	10,199,321.55
Federal Public Housing Authority: <sup>12</sup>	<sup>a</sup> 96,461.46	2,985,272.87	54,950.57	424,829.19	1,294,534.30	10,073,835.13	6,004,531.72
Other <sup>13</sup> .....	120,514.93	126,946.77	123,462.20	113,843.39	124,710.22	1,459,650.90	1,289,852.15
Panama Canal.....	4,565,032.35	3,405,599.71	3,113,757.85	3,310,143.15	2,075,313.68	37,540,017.85	<sup>15</sup> 29,106,073.99
Post Office Department (deficiency):							
Current.....					19,000,000.00	19,000,000.00	30,000,000.00
Prior years.....		42,248.80	<sup>a</sup> 25.00		<sup>a</sup> 739,893.19	<sup>a</sup> 691,130.81	64,047.93
Railroad Retirement Board:							
Acquisition of service and compensation data.....	442,665.00	422,820.00	406,601.50	388,249.50	296,865.50	4,724,114.00	887,910.50
Administrative expenses.....	269,788.04	239,514.13	192,026.89	162,196.95	189,690.94	2,856,222.64	2,962,069.57
Railroad unemployment insurance administration fund.....	255,151.95	192,024.64	167,066.77	152,093.99	258,604.99	2,506,305.92	3,396,877.28
Unclassified.....			<sup>a</sup> 3,950.81	3,950.81			<sup>a</sup> 10
River and harbor work and flood control.....	13,919,031.09	11,246,384.62	16,653,000.47	13,741,336.55	12,803,708.30	190,501,698.30	218,517,752.37
Tennessee Valley Authority.....	9,902,129.27	11,570,809.08	10,515,136.77	12,514,973.86	14,728,943.35	126,986,550.27	51,175,171.37
Treasury Department: <sup>14</sup>							
Interest on the public debt.....	12,135,927.48	204,885,644.45	76,597,607.35	19,202,540.14	390,243,435.29	1,260,085,336.46	1,110,692,811.91
Refunds of taxes and duties:							
Customs.....	1,837,730.61	1,700,977.15	1,692,722.27	1,238,092.25	190,883.76	19,495,861.08	27,331,472.73
Internal revenue.....	2,939,016.52	3,862,715.68	6,957,647.00	5,665,489.87	4,525,624.08	53,466,629.53	54,220,101.51
Processing tax on farm products.....	2,183,592.13	3,390,958.98	5,525,052.91	119,580.07	934,203.47	21,437,069.45	8,115,716.68
Unclassified.....	1,634.34	<sup>a</sup> 295.78	<sup>a</sup> 37,331.86	37,322.53	1,933.24	392.73	16,919.94
Veterans' Administration.....	44,981,365.16	45,691,041.50	46,466,445.01	46,657,687.72	46,638,751.78	554,821,284.41	552,680,802.03
Subtotal.....	100,402,180.32	296,881,797.64	175,485,331.55	110,078,314.25	499,141,744.52	2,401,678,262.51	2,192,257,917.48
Total general expenditures <sup>14</sup> .....	412,049,159.43	590,567,981.49	467,481,627.41	393,281,513.31	700,040,616.77	5,986,225,630.43	<sup>15</sup> 6,214,698,804.75

<sup>a</sup> Excess credits (deduct).

<sup>11</sup> Additional expenditures are included in corresponding captions under "Departmental" above.

<sup>12</sup> Formerly United States Housing Authority, the functions of which were transferred to the Federal Public Housing Authority of the National Housing Agency, pursuant to Executive Order No. 9070.

<sup>13</sup> Includes expenditures prior to Apr. 1, 1942, of the Federal Loan Agency, which expenditures cannot be segregated from other expenditures in this classification. The remaining functions of the Federal Loan Agency were transferred to the Department of Commerce under Executive Order No. 9071, dated Feb. 24, 1942.

<sup>14</sup> Figures for July 1941 and for the fiscal year 1941 have been revised by transferring expenditures of the United States Maritime Commission from the "Departmental" classification to "War activities."

<sup>15</sup> Reflects adjustments by reason of transfer of certain accounts to the "War activities" classification in accordance with Executive orders, etc.

TABLE 4.—Monthly expenditures, fiscal year 1942, classified by accounts—Continued

## DETAILS OF EXPENDITURES—Continued

## PART A. GENERAL AND SPECIAL ACCOUNTS—Continued

	1941						1942
	July	August	September	October	November	December	January
II. War activities: <sup>16</sup>							
War Department.....	\$515,768,270.89	\$597,620,372.19	\$745,507,174.44	\$833,821,184.09	\$770,910,876.12	\$1,072,017,745.89	\$1,281,763,978.59
Navy Department.....	<sup>17</sup> 361,806,478.40	<sup>17</sup> 440,837,327.70	<sup>17</sup> 424,332,764.85	<sup>17</sup> 497,411,081.27	<sup>17</sup> 492,694,021.50	544,889,811.31	574,548,416.81
Agriculture Department <sup>18</sup> .....	5,098,916.97	18,539,299.14	36,837,830.53	65,700,882.11	41,395,359.91	43,317,573.78	62,954,123.19
Federal Security Agency:							
National Youth Administration.....	477,578.76	2,073,585.37	3,249,486.10	4,203,886.94	3,847,182.58	4,794,746.57	3,959,426.38
Office of Education.....	2,781,379.95	27,056,463.01	12,579,319.09	7,527,840.70	5,197,124.05	6,641,778.05	6,590,277.57
Other.....	119,514.03	178,731.23	129,585.58	393,394.87	462,004.17	296,781.10	510,920.35
Unclassified.....	145,315.06	* 145,147.64	246.16	1,230.05	* 1,652.38	281,107.72	* 281,276.46
Federal Works Agency: <sup>19</sup>							
Public Roads Administration.....							61,528.13
Public works (community facilities).....		239,323.45	358,005.08	618,139.84	1,099,533.28	3,138,273.56	2,402,691.93
Other.....					114,933.03	511,391.19	1,387,789.83
Unclassified.....						* 455.58	429.70
National Housing Agency <sup>19</sup> .....	21,086,846.02	26,385,293.88	29,565,741.73	39,631,341.03	28,638,652.39	28,501,199.31	26,677,265.93
Selective Service (administrative expenses).....	2,499,118.90	2,382,267.23	2,371,884.87	2,375,145.26	2,175,737.98	2,258,950.55	2,382,668.82
Treasury Department <sup>18</sup> .....	<sup>17</sup> 6,567,016.26	<sup>17</sup> 8,654,483.68	<sup>17</sup> 15,644,940.69	<sup>17</sup> 23,560,398.70	<sup>17</sup> 28,917,255.16	51,926,079.96	34,666,481.03
United States Maritime Commission <sup>20</sup> .....	41,410,509.21	* 6,272,987.54	45,894,572.62	43,752,310.73	56,523,389.26	68,610,233.60	85,692,313.72
War Shipping Administration.....							
Aid to China.....							
Other:							
Commerce Department.....	4,997,588.18	5,869,908.34	7,664,953.27	10,416,695.05	6,946,205.34	10,484,322.22	10,299,297.12
Executive office:							
Office for Emergency Management <sup>21</sup> .....		2,533,663.34	1,702,888.29	2,237,162.01	2,946,221.82	4,639,336.50	4,670,066.99
Other.....	1,235,274.41	982,208.26	1,129,822.55	768,200.05	729,703.08	496,850.24	559,327.18
Justice Department.....	458,429.72	1,523,778.05	1,792,768.59	1,676,188.94	1,932,753.05	2,100,433.57	2,048,877.84
Panama Canal.....	2,826,139.28	1,419,464.22	1,597,066.55	1,323,215.03	1,579,422.71	2,918,542.91	1,897,312.66
Other.....	849,581.56	1,330,435.09	1,083,991.96	1,388,149.71	1,641,860.29	1,834,115.12	1,730,139.03
Unclassified.....	* 160,244.69	143,680.06	* 1,491,938.83	* 250,962.69	594,327.51	476,635.58	* 838,443.63
Subtotal <sup>22</sup> .....	<sup>17</sup> 968,623,350.66	<sup>17</sup> 1,131,352,149.06	<sup>17</sup> 1,329,961,077.12	<sup>17</sup> 1,536,555,483.69	<sup>17</sup> 1,448,344,910.85	1,850,135,453.15	2,103,581,612.71

	1942					Total fiscal year	
	February	March	April	May	June	1942	1941
<b>II. War activities:</b> <sup>16</sup>							
War Department.....	\$1,368,948,951.59	\$1,432,411,593.48	\$1,593,658,074.93	\$1,850,466,142.72	\$2,007,063,649.66	\$14,069,958,014.59	\$3,677,668,804.50
Navy Department.....	580,657,787.41	946,087,970.62	1,101,152,740.34	1,306,626,741.47	1,308,543,834.00	8,579,588,975.68	17 2,313,057,956.26
Agriculture Department <sup>18</sup> .....	52,893,066.16	104,928,833.65	65,022,017.87	80,434,608.96	119,144,335.44	696,266,847.71	2,747,250.16
Federal Security Agency:							
National Youth Administration.....	3,526,184.11	4,198,435.41	3,661,476.01	3,841,365.42	3,859,787.07	41,693,140.72	46,545,087.00
Office of Education.....	8,702,807.08	8,576,571.86	6,728,802.11	7,142,353.45	6,592,354.73	106,117,071.65	60,301,325.32
Other.....	* 187,458.88	693,077.28	649,546.22	387,999.97	986,259.44	4,610,355.36	1,339,107.82
Unclassified.....	800,430.88	* 800,482.22	896.56	492.63	1,129.51	2,289.87	-----
Federal Works Agency: <sup>19</sup>							
Public Roads Administration.....	3,778,645.28	2,404,859.03	6,046,214.44	1,594,267.14	1,631,826.36	15,517,340.38	-----
Public works (community facilities).....	4,296,741.98	4,723,677.79	6,488,509.88	5,788,014.79	4,943,207.44	34,096,119.02	-----
Other.....	1,813,584.56	3,016,191.04	1,156,724.01	2,986,899.32	1,001,809.35	11,989,322.33	-----
Unclassified.....	182.04	* 1,865.23	1,720.82	* 6.07	66.12	72.80	-----
National Housing Agency <sup>18</sup> .....	19,012,174.76	17,595,812.02	21,590,625.47	17,114,714.99	21,236,616.14	297,036,283.67	45,317,554.84
Selective Service (administrative expenses).....	2,637,442.87	3,039,873.05	3,239,448.35	3,638,851.51	3,921,915.11	32,943,304.50	17,516,746.12
Treasury Department <sup>18</sup> .....	41,949,652.30	62,540,472.53	63,251,697.69	82,651,082.93	99,124,904.36	619,454,465.29	17 23,956,169.23
United States Maritime Commission <sup>20</sup> .....	95,022,909.73	120,987,556.45	98,353,827.43	130,040,587.83	149,525,869.10	929,451,092.14	51,253,618.02
War Shipping Administration.....	1,688,225.58	16,152,438.13	41,864,752.23	33,339,688.72	39,126,070.99	132,171,175.65	-----
Aid to China.....	-----	-----	200,000,000.00	-----	-----	200,000,000.00	-----
Other:							
Commerce Department.....	12,608,516.04	8,760,579.75	14,289,125.64	10,991,184.12	18,572,198.39	121,900,573.46	30,383,852.10
Executive office:							
Office for Emergency Management <sup>21</sup> .....	5,568,324.22	63,325,836.88	8,135,473.86	10,178,448.96	24,822,798.48	131,405,859.10	922,474.14
Other.....	343,143.45	677,068.60	707,122.37	2,890,360.00	3,897,641.60	14,407,721.79	6,407,424.63
Justice Department.....	2,385,329.41	798,993.88	560,175.01	470,264.18	2,064,442.38	17,807,432.62	5,855,979.04
Panama Canal.....	1,743,324.37	3,902,274.30	2,766,798.41	3,440,222.24	2,094,554.55	27,508,367.23	9,973,070.70
Other.....	2,965,399.51	2,847,647.08	4,859,437.95	4,941,504.45	13,360,726.12	38,842,987.87	7,796,746.03
Unclassified.....	* 3,481,709.63	1,961,834.81	* 6,369,870.93	588,468.45	* 2,887,445.05	* 11,703,784.04	-----
Subtotal <sup>22</sup> .....	2,207,683,654.82	2,808,829,250.19	3,237,815,336.67	3,559,554,259.18	3,828,628,551.29	17 26,011,065,089.39	6,301,043,165.91

<sup>a</sup> Excess credits (deduct).<sup>16</sup> Additional expenditures attributable to war activities, payable from funds which have supplemented regular appropriations of the civil establishment, are included under "General" expenditures above.<sup>17</sup> Reflects adjustments by reason of transfer of certain accounts to the "War activities" classification in accordance with Executive orders, etc.<sup>18</sup> Includes adjustment for fiscal year 1942 to cover expenditures for foreign war and refugee relief formerly classified under the caption "Departmental" and classified herein as "War activities."<sup>19</sup> War public housing functions were transferred to the National Housing Agency from the Federal Works Agency, pursuant to Executive Order No. 9070, and expenditures have been adjusted accordingly.<sup>20</sup> Excludes expenditures of the War Shipping Administration shown below.<sup>21</sup> Includes adjustments for fiscal year 1942 to cover expenditures for the Office of Government Reports formerly classified under the caption "Departmental" and classified herein as "War activities."<sup>22</sup> Figures for July 1941 and for the fiscal year 1941 have been adjusted by transferring expenditures of the U. S. Maritime Commission from the "Departmental" classification to "War activities."

TABLE 4.—Monthly expenditures, fiscal year 1942, classified by accounts—Continued

## DETAILS OF EXPENDITURES—Continued

## PART A. GENERAL AND SPECIAL ACCOUNTS—Continued

	1941						1942
	July	August	September	October	November	December	January
III. Revolving funds (net):							
Farm Credit Administration:							
Production credit corporations—capital stock				<sup>23</sup> \$15,000,000.00			
Other	• \$19,215.73	• \$161,750.44	• \$470,962.85	• \$84,691.29	• \$1,045,254.04	• \$1,693,470.07	• \$1,813,812.07
Federal Farm Mortgage Corporation (capital stock reduction, act June 25, 1940)							
Public Works Administration:							
Loans and grants to States, municipalities, etc.	1,524,174.57	3,235,020.40	2,043,859.63	734,913.59	174,775.84	2,118,147.85	10,989.55
Subtotal	1,504,958.84	3,073,269.96	1,572,896.78	15,350,222.30	• 870,478.20	424,677.78	• 1,802,822.52
IV. Transfers to trust accounts, etc.:							
Adjusted service certificate fund							
Agricultural Marketing Administration (surplus commodity stamps) <sup>24</sup>	15,410,000.00	14,310,000.00	6,200,000.00	13,510,000.00	9,750,000.00	8,750,000.00	10,040,000.00
Federal contribution to District of Columbia (United States share)	5,057,514.96	942,485.04					
Government employees' retirement funds (United States share):							
Alaska Railroad retirement fund	175,000.00						
Canal Zone retirement fund	1,177,000.00						
Civil service retirement fund	100,911,562.00						
Foreign service retirement fund	621,700.00						
National service life insurance fund							
Railroad retirement account	46,350,000.00			31,500,000.00			31,500,000.00
Railroad unemployment insurance administration fund transfers to unemployment trust fund (act Oct. 10, 1940)	3,909,000.00	667.00					
Subtotal	173,611,776.96	15,253,152.04	6,200,000.00	45,010,000.00	9,750,000.00	8,750,000.00	41,540,000.00
V. Public debt retirements:							
Estate taxes, forfeitures, gifts, etc.	500.00		1,500.00		500.00	500.00	1,000.00
Retirements from excess capital of Commodity Credit Corporation	2,628,150.00	15,764,650.00					
Sinking fund	25,300.00	18,458,450.00	7,949,300.00	6,709,850.00	2,739,450.00	15,552,950.00	3,269,050.00
Subtotal	2,653,950.00	34,223,100.00	7,950,800.00	6,709,850.00	2,739,950.00	15,553,450.00	3,270,050.00
Total expenditures (including public debt retirements)	1,600,252,586.64	1,563,711,772.97	1,882,011,295.82	2,089,335,707.11	1,860,445,146.94	2,557,103,354.12	2,630,967,709.60

	1942					Total fiscal year	
	February	March	April	May	June	1942	1941
III. Revolving funds (net):							
Farm Credit Administration:							
Production credit corporations—capital stock						\$15,000,000.00	<sup>a</sup> \$15,000,000.00
Other	<sup>a</sup> \$716,976.90	<sup>a</sup> \$975,565.36	<sup>a</sup> \$411,036.95	<sup>a</sup> \$158,374.47	<sup>a</sup> \$56,270.08	<sup>a</sup> 7,907,380.25	<sup>a</sup> 44,093,505.37
Federal Farm Mortgage Corporation (capital stock reduction, act June 25, 1940)							<sup>a</sup> 100,000,000.00
Public Works Administration:							
Loans and grants to States, municipalities, etc.	393,064.55	373,815.96	<sup>a</sup> 136,307.44	785,210.36	44,106.61	11,301,771.47	22,807,401.43
Subtotal	<sup>a</sup> 323,912.35	<sup>a</sup> 601,749.40	<sup>a</sup> 547,344.39	626,835.89	<sup>a</sup> 12,163.47	18,394,391.22	<sup>a</sup> 136,286,103.94
IV. Transfers to trust accounts, etc.:							
Adjusted service certificate fund							10,000,000.00
Agricultural Marketing Administration (surplus commodity stamps) <sup>24</sup>	9,360,000.00	22,113,000.00	16,760,000.00	5,000.00		126,208,000.00	90,608,957.25
Federal contribution to District of Columbia (United States share)						<sup>25</sup> 6,000,000.00	<sup>25</sup> 6,000,000.00
Government employees' retirement funds (United States share):							
Alaska Railroad retirement fund						175,000.00	175,000.00
Canal Zone retirement fund						1,177,000.00	1,177,000.00
Civil service retirement fund						100,911,562.00	90,754,000.00
Foreign service retirement fund						621,700.00	609,000.00
National service life insurance fund					1,047,057.65	1,047,057.65	
Railroad retirement account			31,500,000.00			140,850,000.00	124,350,000.00
Railroad unemployment insurance administration fund transfers to unemployment trust fund (act Oct. 10, 1940)						3,909,667.00	7,500,000.00
Subtotal	9,360,000.00	22,113,000.00	48,260,000.00	5,000.00	1,047,057.65	380,899,986.65	331,173,957.25
V. Public debt retirements:							
Estate taxes, forfeitures, gifts, etc.	500.00	929,900.00		500.00	53,000.00	987,900.00	1,885,700.00
Retirements from excess capital of Commodity Credit Corporation						18,392,800.00	25,363,900.00
Sinking fund	1,069,800.00	14,462,450.00	2,289,100.00	1,499,850.00	1,316,050.00	75,341,600.00	37,010,900.00
Subtotal	1,070,300.00	15,392,350.00	2,289,100.00	1,500,350.00	1,369,050.00	94,722,300.00	64,260,500.00
Total expenditures (including public debt retirements)	2,629,839,201.90	3,436,300,832.28	3,755,298,719.69	3,954,967,958.38	4,531,073,112.24	32,491,307,397.69	12,774,890,323.97

<sup>a</sup> Excess credits (deduct).

<sup>23</sup> Reflects adjustment of \$15,000,000 to change classification on account of purchase of capital stock of production credit corporations chargeable to "Farm Credit Administration: Production credit corporations—capital stock" under "Revolving funds (net)" instead of "Farm Credit Administration: Other" under "General" expenditures.

<sup>24</sup> Effective September 1941 the receipts, transfers from the General Fund, and expenditures in connection with the sale and redemption of commodity stamps issued by the Agricultural Marketing Administration are shown on a gross basis. Adjustments have been made in figures for periods prior to September 1941 for comparative purposes.

<sup>25</sup> Effective July 1, 1942, Federal contributions to the District of Columbia (U. S. share), previously classified under "General," are shown under "Transfers to trust accounts, etc.," and receipts and disbursements therefor are shown gross under "Trust accounts, increment on gold, etc." Figures for fiscal years 1941 and 1942 adjusted to provide uniform classification.

TABLE 4.—Monthly expenditures, fiscal year 1942, classified by accounts—Continued

## DETAILS OF EXPENDITURES—Continued

## PART B. TRUST ACCOUNTS, INCREMENT ON GOLD, ETC.

	1941						1942
	July	August	September	October	November	December	January
I. Trust accounts:							
Federal old-age and survivors insurance trust fund: <sup>20</sup>							
Benefit payments.....	\$7,464,519.41	\$7,906,107.02	\$8,059,584.10	\$8,288,856.32	\$8,405,565.50	\$9,070,334.38	\$9,265,906.52
Investments.....	<sup>b</sup> 10,000,000.00	<sup>b</sup> 10,000,000.00	195,400,000.00	<sup>b</sup> 10,000,000.00	<sup>b</sup> 10,000,000.00	200,400,000.00	<sup>b</sup> 10,000,000.00
Agricultural Marketing Administration:							
Redemption of commodity stamps <sup>24</sup> .....	27,678,579.50	27,389,220.75	30,844,926.80	33,804,088.75	25,707,148.50	28,967,820.50	27,970,469.50
Railroad retirement account:							
Benefit payments.....	10,295,010.21	10,314,127.83	10,420,733.72	10,595,759.47	10,357,051.42	10,698,995.67	10,485,460.02
Investments.....	33,850,000.00	<sup>b</sup> 6,000,000.00	<sup>b</sup> 10,850,000.00	21,000,000.00	<sup>b</sup> 10,500,000.00	<sup>b</sup> 11,000,000.00	21,000,000.00
Unemployment trust fund:							
Investments.....	60,000,000.00	146,000,000.00	-----	59,000,000.00	168,000,000.00	26,000,000.00	39,000,000.00
Railroad unemployment insurance account:							
Benefit payments.....	365,847.03	487,037.22	596,331.03	615,187.16	567,350.50	819,889.15	1,256,990.62
State accounts:							
Transfers to railroad unemployment insurance account (act June 25, 1938).....	-----	-----	-----	-----	-----	-----	-----
Withdrawals by States.....	28,275,500.00	24,889,000.00	23,670,500.00	19,408,000.00	20,202,999.28	28,041,500.00	43,104,000.00
Other trust accounts: <sup>27</sup>							
Adjusted service certificate fund:							
Investments.....	<sup>b</sup> 800,000.00	-----	<sup>b</sup> 150,000.00	<sup>b</sup> 300,000.00	-----	-----	250,000.00
Other.....	154,023.87	173,251.24	151,260.27	156,609.95	104,782.58	137,140.34	154,381.94
Alaska Railroad retirement fund:							
Annuities and refunds.....	14,277.36	7,368.43	10,332.41	6,637.55	11,759.65	7,126.86	6,708.69
Investments.....	175,000.00	-----	-----	35,000.00	-----	-----	-----
Canal Zone retirement fund:							
Annuities and refunds.....	92,747.85	88,629.63	103,849.34	117,660.45	106,930.87	103,916.40	101,357.24
Investments.....	1,158,000.00	<sup>b</sup> 16,000.00	-----	<sup>b</sup> 6,000.00	<sup>b</sup> 45,000.00	<sup>b</sup> 23,000.00	<sup>b</sup> 20,000.00
Civil service retirement fund:							
Annuities and refunds.....	6,218,663.65	6,121,889.60	6,267,311.20	6,446,043.50	6,272,420.63	6,444,456.30	6,351,306.71
Investments.....	100,200,000.00	<sup>b</sup> 900,000.00	<sup>b</sup> 1,081,000.00	<sup>b</sup> 171,000.00	<sup>b</sup> 1,173,000.00	<sup>b</sup> 666,000.00	<sup>b</sup> 253,000.00
District of Columbia.....	5,057,514.96	3,848,826.73	3,912,799.34	5,572,102.72	4,616,764.01	5,913,748.00	4,253,872.17



	1942					Total fiscal year	
	February	March	April	May	June	1942	1941
I. Trust accounts:							
Federal old-age and survivors insurance trust fund: <sup>26</sup>							
Benefit payments.....	\$9,638,952.02	\$10,274,871.89	\$10,375,769.44	\$10,715,139.99	\$10,815,095.61	\$110,280,702.20	\$64,341,884.66
Investments.....	34,680,229.74	162,254,020.26	<sup>b</sup> 10,000,000.00	14,000,000.00	274,300,000.00	821,034,250.00	642,500,000.00
Agricultural Marketing Administration:							
Redemption of commodity stamps <sup>24</sup> .....	26,941,759.75	28,259,924.50	27,811,708.25	25,676,161.25	25,707,281.15	336,759,089.20	217,001,988.25
Railroad retirement account:							
Benefit payments.....	10,457,524.65	10,690,908.42	10,776,173.55	10,393,361.92	10,758,803.79	126,243,910.67	121,173,514.47
Investments.....	<sup>b</sup> 10,000,000.00	<sup>b</sup> 10,500,000.00	21,000,000.00	<sup>b</sup> 10,500,000.00	<sup>b</sup> 10,000,000.00	17,500,000.00	<sup>b</sup> 5,400,000.00
Unemployment trust fund:							
Investments.....	152,000,000.00	<sup>b</sup> 13,000,000.00	4,000,000.00	192,000,000.00	33,000,000.00	866,000,000.00	563,000,000.00
Railroad unemployment insurance account:							
Benefit payments.....	1,326,194.41	1,342,442.54	902,955.85	548,577.68	243,025.73	9,071,828.92	17,784,319.08
State accounts:							
Transfers to railroad unemployment insurance account (act June 25, 1938).....							104,099,950.87
Withdrawals by States.....	37,178,000.00	44,666,000.00	37,136,000.00	32,709,000.00	28,790,000.00	368,070,499.28	433,242,840.99
Other trust accounts: <sup>27</sup>							
Adjusted service certificate fund:							
Investments.....		<sup>b</sup> 100,000.00	<sup>b</sup> 100,000.00	<sup>b</sup> 100,000.00	<sup>b</sup> 65,000.00	<sup>b</sup> 865,000.00	8,000,000.00
Other.....	124,395.43	139,614.89	120,136.36	123,984.81	85,598.84	1,625,180.52	2,679,464.04
Alaska Railroad retirement fund:							
Annuities and refunds.....	8,316.49	9,945.38	8,233.93	9,747.17	7,348.04	107,801.96	102,729.60
Investments.....				28,000.00	57,000.00	295,000.00	238,000.00
Canal Zone retirement fund:							
Annuities and refunds.....	94,439.11	102,667.50	80,026.43	111,738.87	101,903.83	1,205,867.52	1,047,532.22
Investments.....	<sup>b</sup> 100,000.00			<sup>b</sup> 7,000.00	347,000.00	1,290,000.00	1,104,000.00
Civil service retirement fund:							
Annuities and refunds.....	6,253,870.87	6,396,943.79	6,435,390.54	6,363,199.73	6,626,461.46	76,197,957.98	72,332,213.39
Investments.....	<sup>b</sup> 663,000.00	27,000.00	36,000.00	5,000,000.00	37,214,000.00	137,365,000.00	95,085,000.00
District of Columbia.....	4,830,066.96	4,923,049.94	4,519,029.38	5,009,903.57	5,209,992.35	<sup>25</sup> 57,667,670.13	<sup>25</sup> 58,600,415.55

<sup>b</sup> Excess redemptions (deduct).

<sup>24</sup> Effective September 1941 the receipts, transfers from the General Fund, and expenditures in connection with the sale and redemption of commodity stamps issued by the Agricultural Marketing Administration are shown on a gross basis. Adjustments have been made in figures for periods prior to September 1941 for comparative purposes.

<sup>25</sup> Effective July 1, 1942, Federal contributions to the District of Columbia (U. S. share), previously classified under "General," are shown under "Transfers to trust accounts, etc.," and receipts and disbursements therefor are shown gross under "Trust accounts, increment on gold, etc." Figures for fiscal years 1941 and 1942 adjusted to provide uniform classification.

<sup>26</sup> Includes transactions formerly classified under the caption "Old-age reserve account."

<sup>27</sup> The expenditures shown for the classifications under "Special deposits (net)" were, prior to December 1940, included in similar classifications under "Other trust accounts."

TABLE 4.—Monthly expenditures, fiscal year 1942, classified by accounts—Continued

## DETAILS OF EXPENDITURES—Continued

## PART B. TRUST ACCOUNTS, INCREMENT ON GOLD, ETC.—Continued

	1941						1942
	July	August	September	October	November	December	January
I. Trust accounts—Continued.							
Other trust accounts—Continued.							
Foreign service retirement fund:							
Annuities and refunds.....	\$34,023.41	\$33,944.83	\$32,550.47	\$33,490.98	\$34,201.97	\$30,756.96	\$39,095.04
Investments.....	813,000.00	27,000.00	35,000.00	22,000.00	23,000.00	30,000.00	22,000.00
Government life insurance fund:							
Benefits, refunds, etc.....	4,912,926.92	4,050,664.71	3,719,286.50	4,050,242.78	2,905,585.37	3,819,727.63	4,327,363.22
Investments.....	1,500,000.00	1,000,000.00	4,000,000.00	2,100,000.00	510,972.41	8,863,000.00	7,622,360.21
Indian tribal funds.....	358,400.11	306,454.22	713,176.97	665,846.67	246,728.94	587,688.83	301,088.06
National service life insurance fund:							
Benefits, refunds, etc.....	15,593.11	34,954.35	27,881.75	36,362.89	25,974.07	29,944.04	34,399.54
Investments.....	1,125,000.00	950,000.00	1,200,000.00	1,425,000.00	1,300,000.00	1,450,000.00	1,650,000.00
Other.....	9,102,960.75	3,966,493.16	3,912,459.74	2,873,080.30	2,704,548.42	2,734,990.53	2,798,428.91
Unclassified.....	60,551.24	802,451.04	1,399,013.10	528,552.38	61,360.22	8,755.54	8,111.73
Other funds and accounts:							
Public Works Administration revolving fund (act June 21, 1938).....	24,045.58	66,250.00	24,750.00	-----	1,546,583.34	37,324.16	233,126.21
Special deposits (net):							
District of Columbia.....	147,044.44	124,085.05	39,132.58	138,055.53	125,037.36	51,939.09	193,900.46
Indian tribal funds.....	135,644.65	165,042.83	437,979.05	203,335.16	539,174.02	644,735.66	486,102.13
Other.....	15,214,328.53	698,946.60	1,668,216.35	187,533.67	3,323,843.81	2,656,295.20	16,437,067.44
Unclassified.....	-----	-----	601,011.14	601,011.14	-----	20,861.60	29,803.15
Subtotal.....	273,159,174.34	220,951,352.04	278,086,718.86	164,884,516.47	228,201,747.21	305,557,765.06	153,788,138.25

	1942					Total fiscal year	
	February	March	April	May	June	1942	1941
I. Trust accounts—Continued.							
Other trust accounts—Continued.							
Foreign service retirement fund:							
Annuities and refunds.....	\$32,197.77	\$44,249.32	\$37,374.41	\$34,324.01	\$36,263.60	\$422,472.77	\$348,900.43
Investments.....	<sup>b</sup> 30,000.00	<sup>b</sup> 26,000.00	<sup>b</sup> 28,000.00	<sup>b</sup> 26,000.00	189,000.00	729,000.00	787,000.00
Government life insurance fund:							
Benefits, refunds, etc.....	3,016,323.85	4,915,145.14	3,010,899.73	3,288,174.13	2,971,183.08	44,987,523.06	62,571,389.86
Investments.....	2,014,468.28	5,232,113.25	2,650,000.00	1,000,000.00	25,500,000.00	47,166,914.15	29,500,000.00
Indian tribal funds.....	321,716.47	1,317,751.96	104,745.13	370,135.89	942,705.38	6,236,438.63	5,325,319.30
National service life insurance fund:							
Benefits, refunds, etc.....	108,374.10	86,776.06	43,291.53	252,245.17	167,950.16	863,751.77	31,041.83
Investments.....	3,500,000.00	3,725,000.00	6,150,000.00	6,640,000.00	5,700,000.00	34,815,000.00	2,800,000.00
Other <sup>a</sup> .....	3,300,412.62	11,951,616.25	5,827,450.54	<sup>a</sup> 1,221,934.07	2,677,089.21	50,627,574.36	54,327,993.82
Unclassified.....	<sup>a</sup> 1,802.76	102,727.37	<sup>a</sup> 80,992.63	<sup>a</sup> 175,208.85	755,999.37	655,268.09	<sup>a</sup> 60,861.98
Other funds and accounts:							
Public Works Administration revolving fund (act June 21, 1938).....	1,481,194.44	528,694.44	<sup>a</sup> 89.44	1,521,166.68	2,046,234.90	7,376,780.31	<sup>a</sup> 454,890.13
Special deposits (net) <sup>a</sup> .....							
District of Columbia.....	170,878.18	25,645.18	<sup>a</sup> 79,789.60	63,851.84	4,210.58	<sup>a</sup> 37,838.35	79,129.27
Indian tribal funds.....	233,169.46	<sup>a</sup> 273,900.19	<sup>a</sup> 16,413.06	251,157.07	<sup>a</sup> 718,510.10	<sup>a</sup> 544,799.08	<sup>a</sup> 6,754.32
Other.....	<sup>a</sup> 2,889,615.09	319,975.40	<sup>a</sup> 8,439,204.06	<sup>a</sup> 1,588,518.97	1,238,655.94	<sup>a</sup> 51,484,936.28	16,199,221.97
Unclassified.....	<sup>a</sup> 8,940.93	<sup>a</sup> 10.62	33.41	<sup>a</sup> 533.41	509.00	9.00	-----
Subtotal.....	284,119,125.82	273,433,172.67	122,280,729.69	302,490,674.48	464,709,801.92	3,071,662,916.81	2,568,381,343.77

<sup>a</sup> Excess credits (deduct).

<sup>b</sup> Excess redemptions (deduct).

<sup>28</sup> Effective September 1941 the receipts, transfers from the General Fund, and expenditures in connection with the sale and redemption of commodity stamps issued by the Agricultural Marketing Administration are shown on a gross basis. Adjustments have been made in figures for periods prior to September 1941 for comparative purposes.

<sup>29</sup> The expenditures shown for the classifications under "Special deposits (net)" were, prior to December 1940, included in similar classifications under "Other trust accounts."

TABLE 4.—Monthly expenditures, fiscal year 1942, classified by accounts—Continued

## DETAILS OF EXPENDITURES—Continued

## PART B. TRUST ACCOUNTS, INCREMENT ON GOLD, ETC.—Continued

	1941						1942
	July	August	September	October	November	December	January
II. Increment on gold, transactions in checking accounts, etc.:							
Charges against increment on gold, melting losses, etc.			\$1,210.16	\$668.57			
Transactions in checking accounts of Government agencies, etc. (net):							
Sales and redemptions of obligations in market (net):							
Guaranteed by the United States:							
Commodity Credit Corporation	\$210,781,000.00	\$1,481,000.00	76,000.00	23,000.00	\$204,249,000.00	\$53,000.00	\$37,000.00
Federal Farm Mortgage Corporation		50,000.00		15,000.00	1,700.00		310,669,100.00
Federal Housing Administration	1,491,750.00	17,550.00	46,050.00	2,500.00	27,850.00	13,550.00	1,387,150.00
Federal Public Housing Authority <sup>30</sup>					111,870,000.00	87,000.00	103,000.00
Home Owners' Loan Corporation	1,206,625.00	790,525.00	366,675.00	409,950.00	262,650.00	397,350.00	393,950.00
Reconstruction Finance Corporation	\$360,106,000.00	103,000.00	\$98,000.00	67,000.00	299,844,000.00		307,899,000.00
Not guaranteed by the United States:							
Electric Home and Farm Authority	\$600,000.00	\$100,000.00	\$150,000.00	700,000.00	725,000.00	715,000.00	865,000.00
Federal home loan banks	250,000.00	1,000.00		75,000.00		\$15,000,000.00	
Federal land banks		875,000.00		125,000.00		5,080,000.00	3,215,000.00
Home Owners' Loan Corporation	3,450.00	2,300.00	1,800.00	300.00	3,775.00	9,400.00	2,775.00
Other transactions (net):							
Commodity Credit Corporation	\$9,751,601.53	32,876,093.77	12,982,583.43	\$16,777,521.56	16,962,345.89	27,927,598.59	2,407,985.35
Export-Import Bank of Washington	\$732,338.27	\$24,721,271.09	25,665,064.02	\$131,182.20	\$10,616.09	\$510,008.29	463,212.89
Federal Housing Administration	317,366.10	\$1,087,484.72	\$1,507,711.57	2,803,737.21	\$1,139,264.26	\$594,665.28	\$1,094,306.11
Federal Public Housing Authority <sup>30</sup>	\$21,956,023.94	10,467,312.27	9,141,825.73	19,722,595.68	\$2,840,639.46	10,979,406.73	36,753,034.84
Home Owners' Loan Corporation	\$18,775,873.83	\$30,353,096.70	\$23,918,171.18	\$23,039,631.47	\$11,908,258.24	\$20,052,869.84	\$19,373,995.20
Reconstruction Finance Corporation <sup>31</sup>	79,726,034.26	\$166,083,061.39	97,968,263.54	276,506,680.16	33,811,649.22	141,862,695.82	37,976,743.56
Rural Electrification Administration	\$1,191,283.42	912,681.72	\$1,686,765.62	620,793.89	935,706.67	1,082,374.15	\$92,984.73
Other <sup>34</sup>	6,943,370.37	12,583,432.66	\$25,641,159.27	10,405,700.68	6,363,649.07	\$12,138,501.31	\$1,014,918.77
Subtotal	\$533,953,580.11	169,486,104.30	93,247,664.24	271,529,540.96	659,158,517.80	140,111,530.57	680,536,716.80
Total expenditures	\$260,794,406.77	390,437,456.34	371,334,383.10	436,414,057.43	887,360,265.01	445,669,295.63	834,324,855.05

	1942					Total fiscal year	
	February	March	April	May	June	1942	1941
II. Increment on gold, transactions in checking accounts, etc.:							
Charges against increment on gold, melting losses, etc.						\$1,878.73	\$1,821.67
Transactions in checking accounts of Government agencies, etc. (net):							
Sales and redemptions of obligations in market (net):							
Guaranteed by the United States:							
Commodity Credit Corporation.....	\$6,000.00	\$11,000.00		\$1,000.00		* 4,844,000.00	* 289,458,000.00
Federal Farm Mortgage Corporation.....	5,412,100.00	6,432,000.00	\$1,516,700.00	1,100,100.00	\$651,900.00	325,788,600.00	211,300.00
Federal Housing Administration.....	125,750.00	67,250.00	32,950.00	7,050.00	1,750.00	3,221,150.00	2,552,450.00
Federal Public Housing Authority <sup>20</sup> .....	10,000.00	11,000.00	1,000.00	8,000.00	4,000.00	112,094,000.00	* 112,099,000.00
Home Owners' Loan Corporation.....	258,225.00	285,025.00	327,925.00	237,500.00	<sup>21</sup> 846,318,300.00	<sup>21</sup> 851,254,700.00	211,532,825.00
Reconstruction Finance Corporation.....	1,784,000.00	12,000.00		2,000.00	<sup>22</sup> 272,290,000.00	<sup>22</sup> 521,797,000.00	* 645,092,000.00
Not guaranteed by the United States:							
Electric Home and Farm Authority.....	500,000.00	735,000.00	698,750.00	557,500.00	795,000.00	5,441,250.00	* 2,951,750.00
Federal home loan banks.....	15,000,000.00	* 25,997,000.00	9,886,000.00		114,000.00	* 15,671,000.00	* 27,829,000.00
Federal land banks.....		1,000,000.00				10,295,000.00	10,917,000.00
Home Owners' Loan Corporation.....	2,875.00	1,500.00	2,525.00	1,500.00	4,150.00	36,350.00	66,325.00
Other transactions (net):							
Commodity Credit Corporation.....	* 33,822,348.85	* 98,570,245.51	7,151,473.79	252,767,469.76	47,524,827.45	241,678,660.78	347,077,377.25
Export-Import Bank of Washington.....	* 149,105.20	* 45,753.51	65,792.62	* 124,259.47	* 252,865.75	* 283,415.34	208,482.55
Federal Housing Administration.....	61,571.45	* 2,188,019.88	* 1,123,696.70	2,072,749.90	* 1,177,699.29	* 4,658,226.48	* 8,098,547.21
Federal Public Housing Authority <sup>20</sup> .....	* 24,895,145.72	901,194.79	16,742,756.29	* 8,087,016.99	* 1,062,814.65	45,866,455.57	232,844,284.19
Home Owners' Loan Corporation.....	* 27,196,320.67	* 28,090,024.02	* 22,714,594.16	* 15,883,605.50	* 13,986,524.77	* 255,761,020.63	* 259,313,806.97
Reconstruction Finance Corporation <sup>22</sup> .....	138,192,543.18	252,862,410.51	204,385,889.06	221,007,173.30	285,584,840.33	1,935,972,984.33	725,489,421.05
Rural Electrification Administration.....	* 510,195.84	1,543,007.32	* 1,188,268.55	277,236.34	145,767.92	854,076.05	* 1,059,156.93
Other <sup>24</sup> .....	* 40,073,069.01	* 33,965,856.20	* 27,193,473.58	* 24,270,065.42	* 20,357,619.15	* 148,353,359.93	* 12,027,477.33
Subtotal.....	34,706,879.34	75,033,583.50	188,597,831.97	429,674,331.62	1,416,597,012.09	3,624,726,133.08	217,527,522.93
Total expenditures.....	318,826,005.16	348,466,756.17	310,878,561.66	732,165,006.10	1,881,306,814.01	6,696,389,049.89	2,785,908,866.70

\* Excess credits (deduct).

<sup>20</sup> Formerly United States Housing Authority, the functions of which were transferred to the Federal Public Housing Authority of the National Housing Agency, pursuant to Executive Order No. 9070.

<sup>21</sup> Includes \$846,081,400 of 2½ percent Home Owners' Loan Corporation bonds, Series G-1942-44, exchanged for 1½ percent Treasury notes, Series B-1946.

<sup>22</sup> Includes \$272,272,000 of 1 percent Reconstruction Finance Corporation notes, Series S, exchanged for 1½ percent Treasury notes, Series B-1946.

<sup>23</sup> Includes transaction on account of sale of preferred stock by Export-Import Bank to Reconstruction Finance Corporation amounting to \$25,000,000.

<sup>24</sup> Effective September 1941 the receipts, transfers from the General Fund, and expenditures in connection with the sale and redemption of commodity stamps issued by the Agricultural Marketing Administration are shown on a gross basis. Adjustments have been made in figures for periods prior to September 1941 for comparative purposes.

TABLE 5.—Expenditures from general and special accounts, by major functions, fiscal years 1934 to 1942<sup>1</sup>

[On basis of daily Treasury statements (unrevised), see p. 387]

	1942	1941	1940	1939	1938	1937	1936	1935	1934
War activities: <sup>2</sup>									
(a) War Department.....	\$14,069,958,015	\$3,677,668,805	\$667,138,364	\$489,545,592	\$431,501,523	\$378,167,039	\$382,588,002	\$273,421,902	\$243,260,118
(b) Navy Department.....	8,579,588,976	2,313,057,956	891,484,523	672,722,327	596,129,739	556,674,066	528,882,143	436,265,531	296,927,490
(c) Selective service (administrative expenses).....	32,943,305	17,516,746							
(d) United States Maritime Commission.....	929,451,092	51,253,618	98,809,569	43,813,855	1,172,113	5,877,195	11,959,945	21,165,944	9,442,625
(e) War housing.....	237,036,284	45,317,555							
(f) Other.....	2,102,087,419	196,228,486							
Total war activities <sup>2</sup> .....	26,011,065,089	6,301,043,166	1,657,432,456	1,206,081,774	1,028,803,375	928,963,910	899,510,200	688,521,489	530,744,984
Veterans' pensions and benefits:									
(a) World War veterans' adjusted service certificates.....		10,000,000				556,665,425	1,773,492,532	50,000,000	50,000,000
(b) Other.....	555,868,342	552,680,802	556,673,384	557,070,722	581,977,735	580,644,364	577,890,592	557,064,725	506,950,488
Total veterans' pensions and benefits.....	555,868,342	562,680,802	556,673,384	557,070,722	581,977,735	1,137,309,818	2,351,383,123	607,064,725	556,950,488
Social security program.....	650,340,935	588,475,856	512,521,742	453,919,696	481,626,645	184,252,481	28,715,727		
Public works <sup>3</sup> .....	680,017,984	738,175,313	949,418,040	1,000,477,117	803,522,448	1,023,944,802	883,377,377	697,950,927	
Aid to agriculture <sup>4</sup> .....	1,224,736,445	937,445,129	1,558,887,081	1,228,209,740	853,779,797	970,535,213	932,650,462	1,071,305,444	775,281,486
Relief and work relief: <sup>5</sup>									
(a) Direct relief: Federal Emergency Relief Administration <sup>6</sup> .....			544,116	1,659,786	4,114,706	953,044	494,317,450	1,820,122,309	707,839,277
(b) Work relief:									
Civil Works Administration.....			11,379	222,268	222,101	206,751	676,196	11,327,264	805,122,892
Work Projects Administration and National Youth Administration.....	970,285,920	1,374,401,559	1,572,186,243	2,239,603,411	1,472,499,478	1,896,446,658	1,263,661,490		
Civilian Conservation Corps.....	162,670,169	257,346,531	283,244,749	280,385,528	326,382,548	385,807,730	486,281,194	435,508,643	331,940,851
Total relief and work relief.....	1,132,956,119	1,631,798,090	1,855,986,487	2,531,870,993	1,803,218,833	2,281,618,095	2,244,636,330	2,266,958,216	1,844,903,020
Interest on public debt.....	1,260,085,336	1,110,692,812	1,040,935,697	940,539,764	926,280,714	866,384,331	749,396,802	820,926,353	756,617,127
Other <sup>8</sup> .....	872,514,847	840,318,656	866,334,819	788,921,776	759,612,611	784,400,106	729,383,475	671,721,708	848,635,222
Total expenditures excluding debt retirements.....	32,396,585,098	12,710,629,824	8,998,189,706	8,707,091,581	7,238,822,158	8,177,408,756	8,665,645,422	7,009,875,312	6,011,083,254

- Revised to adjust classification.
- Excess credits (deduct).
- Excludes debt retirements.
- For details see table 4, p. 418.
- Includes Public Roads Administration, forest roads and trails, Public Buildings Administration, Tennessee Valley Authority, reclamation projects, river and harbor work (including flood control), Public Works Administration, and Federal Public Housing Authority.
- Includes Agricultural Conservation and Adjustment Administration, Agricultural Marketing Administration, Farm Credit Administration, Federal Farm Mortgage Corporation, Federal land banks, Farm Security Administration, Farm Tenant Act, Rural Electrification Administration, Commodity Credit Corporation, and Department of Agriculture. Department of Agriculture expenditures include aids for the benefit of the general public (such as meat inspection, etc.).
- Excludes total expenditures from emergency appropriations and allocations to other departments and agencies for the period 1934 to 1942 totaling \$3,058,647,714.
- Includes Reconstruction Finance Corporation loans and grants to States, municipalities, etc., for direct relief.
- Excludes expenditures by National Youth Administration shown under "War activities".
- Includes departmental expenditures and transfers to trust accounts not otherwise classified.

NOTE.—Figures are rounded to nearest dollar and will not necessarily add to totals.

## Other receipts and expenditures tables

TABLE 6.—Expenditures of the several activities of the Treasury Department in each of the States and Territories, fiscal year 1942<sup>1</sup>

States, etc.	Total	Administrative expenses, emer- gency relief <sup>2</sup>	Bureau of Customs	Division of Disbursement	Bureau of In- ternal Revenue <sup>3</sup>	Bureau of the Mint
Alabama.....	\$743,900.99	\$9,289.56	\$107,764.52	-----	\$532,664.39	-----
Arizona.....	448,795.56	3,006.55	281,767.07	-----	147,648.62	-----
Arkansas.....	432,900.09	14,832.56	( <sup>4</sup> )	-----	333,306.03	-----
California.....	9,447,236.61	104,721.96	2,465,725.95	\$135,252.52	4,550,049.96	\$1,314,441.84
Colorado.....	1,842,046.48	41,079.91	26,810.34	55,762.72	649,205.27	974,516.68
Connecticut.....	1,593,266.25	6,454.67	549,441.64	-----	966,604.71	-----
Delaware.....	201,952.56	2,624.99	( <sup>5</sup> )	-----	191,958.80	-----
District of Columbia:						
Departmental.....	37,262,702.37	1,421,891.93	658,370.14	1,586,658.84	12,424,607.42	133,902.94
Field.....	1,364,676.67	6,585.29	229,196.74	-----	671,071.07	-----
Florida.....	1,474,485.00	4,578.80	505,202.35	-----	865,384.09	-----
Georgia.....	1,717,602.71	108,414.79	98,740.44	158,829.28	1,043,965.80	-----
Idaho.....	185,904.20	2,753.20	( <sup>6</sup> )	-----	150,965.77	-----
Illinois.....	6,998,866.14	179,487.98	857,984.95	133,668.24	4,806,173.24	-----
Indiana.....	1,250,605.67	7,593.35	28,477.28	-----	1,112,893.05	-----
Iowa.....	725,145.49	3,759.57	( <sup>7</sup> )	-----	668,198.96	-----
Kansas.....	697,404.55	6,602.91	( <sup>8</sup> )	-----	620,590.67	-----
Kentucky.....	1,796,601.10	9,508.67	63,436.21	-----	1,532,001.46	76,341.06
Louisiana.....	2,417,551.05	93,452.47	1,017,763.87	89,793.88	1,067,421.66	38,008.06
Maine.....	680,815.94	1,918.63	430,106.22	-----	235,452.07	-----
Maryland.....	3,281,971.08	6,578.39	1,318,229.19	-----	1,842,413.21	-----
Massachusetts.....	7,419,119.71	102,962.25	2,332,897.60	74,800.48	2,595,158.17	-----
Michigan.....	3,417,501.52	5,982.95	967,178.35	-----	2,263,769.09	-----
Minnesota.....	2,002,154.05	60,480.69	277,938.13	82,764.21	1,212,117.46	-----
Mississippi.....	367,036.43	6,807.51	( <sup>9</sup> )	-----	293,931.17	-----
Missouri.....	2,857,995.58	97,246.61	119,529.17	183,977.14	1,792,182.48	-----
Montana.....	744,292.04	22,320.24	430,156.17	31,714.69	218,563.39	-----
Nebraska.....	583,921.60	11,891.46	13,847.89	-----	497,126.53	-----
Nevada.....	117,582.73	1,962.19	( <sup>10</sup> )	-----	87,612.09	-----
New Hampshire.....	201,794.10	2,663.33	( <sup>11</sup> )	-----	189,731.29	-----
New Jersey.....	2,623,203.66	11,890.89	( <sup>12</sup> )	-----	2,485,575.70	-----
New Mexico.....	202,363.34	2,516.24	( <sup>13</sup> )	34,509.57	131,940.06	-----
New York.....	35,128,989.73	156,353.57	21,918,552.59	139,011.34	10,029,094.13	728,159.30
North Carolina.....	1,038,556.23	10,469.02	149,532.42	-----	787,241.49	-----
North Dakota.....	862,100.42	4,731.95	202,126.04	-----	143,958.48	-----
Ohio.....	4,387,471.53	83,587.31	430,406.51	64,203.80	3,123,970.20	-----
Oklahoma.....	908,224.11	11,578.71	( <sup>14</sup> )	-----	800,005.56	-----
Oregon.....	739,334.32	13,758.81	173,270.84	49,747.87	425,650.75	-----
Pennsylvania.....	10,219,701.42	114,782.35	2,076,811.40	61,544.22	4,733,254.80	2,536,696.11
Rhode Island.....	406,757.94	-----	102,818.98	-----	287,949.69	-----
South Carolina.....	557,274.27	6,715.27	40,880.84	-----	428,958.10	-----



South Dakota.....	159,945.64	6,910.33	(15)		145,973.88	
Tennessee.....	831,526.75	4,935.37	39,463.52		709,549.75	
Texas.....	4,684,521.21	122,340.33	1,708,351.10	147,183.51	2,242,785.42	
Utah.....	319,219.04	27,092.57	(16)	23,747.87	235,926.95	
Vermont.....	485,301.30	1,735.89	344,241.11		128,030.92	
Virginia.....	1,637,472.60	98,405.24	295,784.71	20,260.17	826,988.83	
Washington.....	2,046,432.86	27,670.42	793,101.95	42,667.44	1,023,991.44	45,667.44
West Virginia.....	537,261.87	10,219.78	(17)		460,573.24	
Wisconsin.....	1,224,020.06	8,642.11	75,168.58		1,061,387.53	
Wyoming.....	134,261.87	2,623.58	(18)		116,544.29	
Alaska.....	119,368.59	13,793.50	90,315.96	3,081.67	9,849.02	
Hawaii.....	532,479.46	55.79	254,814.45	14,364.61	244,906.17	
Panama.....	4,859.51			4,859.51		
Philippine Islands.....	616.75			575.50	41.25	
Puerto Rico.....	2,544,225.26	54,073.62	2,429,950.94	8,158.54	14,652.29	
Virgin Islands.....	48,715.04	6,353.16	38,090.13	4,266.75		
Total.....	164,159,833.05	3,147,694.22	43,950,252.29	3,151,404.37	74,161,572.91	5,847,733.43

Footnotes at end of table.

TABLE 6.—Expenditures of the several activities of the Treasury Department in each of the States and Territories, fiscal year 1942—Con.

States, etc.	Bureau of Narcotics	Procurement Division	Bureau of the Public Debt	Secret Service Division	Treasurer of the United States
Alabama.....	\$8,000.00	\$59,141.10	\$11,092.57	\$15,948.85	-----
Arizona.....	6,000.00	8.59	5,762.61	4,602.12	-----
Arkansas.....	12,100.00	50,539.22	9,723.12	12,349.11	-----
California.....	74,000.00	142,955.84	553,651.70	78,460.18	\$27,976.66
Colorado.....	17,900.00	45,003.80	16,202.38	15,565.33	-----
Connecticut.....	3,000.00	19,708.09	36,331.41	11,725.73	-----
Delaware.....	500.00	-----	4,587.43	2,281.34	-----
District of Columbia	-----	-----	-----	-----	-----
Departmental.....	226,100.00	1,121,827.20	17,327,439.75	81,073.63	2,280,830.52
Field.....	27,700.00	-----	14,120.32	416,003.25	-----
Florida.....	15,500.00	52,261.01	11,832.02	19,726.73	-----
Georgia.....	17,200.00	51,981.62	168,135.67	36,201.03	34,134.08
Idaho.....	1,000.00	19,614.30	9,133.47	2,432.46	-----
Illinois.....	95,200.00	117,082.10	709,635.18	66,657.29	32,977.16
Indiana.....	10,500.00	55,638.03	26,299.71	9,204.25	-----
Iowa.....	7,000.00	28,052.67	15,972.02	2,162.27	-----
Kansas.....	7,000.00	40,197.08	20,492.41	2,521.48	-----
Kentucky.....	28,300.00	55,568.45	10,194.29	21,250.96	-----
Louisiana.....	28,100.00	51,466.04	7,716.18	23,828.89	-----
Maine.....	2,800.00	-----	8,617.89	1,921.13	-----
Maryland.....	14,000.00	41,128.48	28,397.03	31,224.78	-----
Massachusetts.....	15,800.00	112,120.01	2,115,096.99	56,250.76	14,033.45
Michigan.....	36,900.00	51,375.91	33,155.15	59,139.07	-----
Minnesota.....	14,600.00	105,920.20	222,475.71	14,226.44	11,631.21
Mississippi.....	6,000.00	43,549.31	11,345.26	5,403.18	-----
Missouri.....	39,600.00	64,179.18	504,336.09	28,241.07	28,703.84
Montana.....	5,000.00	25,321.91	8,689.15	2,521.49	-----
Nebraska.....	8,000.00	29,136.71	14,193.28	9,725.73	-----
Nevada.....	4,000.00	12,545.17	6,741.09	4,722.19	-----
New Hampshire.....	500.00	-----	4,984.79	3,914.69	-----
New Jersey.....	12,000.00	67,781.92	19,035.90	26,918.25	-----
New Mexico.....	3,500.00	16,942.35	7,620.70	5,334.42	-----
New York.....	203,900.00	274,288.20	1,479,120.76	169,704.16	30,805.68
North Carolina.....	21,000.00	41,993.41	11,888.96	15,630.93	-----
North Dakota.....	500.00	-----	9,102.95	1,681.00	-----
Ohio.....	31,600.00	52,716.01	533,006.04	52,695.18	15,286.48
Oklahoma.....	16,600.00	48,852.38	14,377.56	16,309.90	-----
Oregon.....	10,300.00	40,207.07	15,553.98	9,845.00	-----
Pennsylvania.....	40,500.00	120,909.94	447,622.14	70,849.63	16,630.83
Rhode Island.....	-----	-----	6,353.61	9,605.66	-----

South Carolina.....	4,700.00	51,178.10	9,427.96	10,408.00	
South Dakota.....	1,000.00		4,344.41	1,717.02	
Tennessee.....	23,350.00	34,043.94	9,137.66	11,046.51	
Texas.....	87,400.00	72,139.05	211,458.33	74,849.88	18,013.59
Utah.....	5,000.00	16,985.20	6,384.04	4,082.41	
Vermont.....	500.00		9,112.39	1,680.99	
Virginia.....	10,000.00	37,872.99	292,397.26	38,648.93	17,114.47
Washington.....	23,000.00	38,222.73	15,803.32	36,308.12	
West Virginia.....	5,200.00	51,549.21	7,438.30	2,281.34	
Wisconsin.....	4,500.00	62,534.18	7,707.02	4,080.64	
Wyoming.....	2,000.00	5,854.13	5,438.81	1,801.06	
Alaska.....			2,328.44		
Hawaii.....	7,800.00		9,219.02	1,319.42	
Panama.....					
Philippine Islands.....					
Puerto Rico.....		37,389.87			
Virgin Islands.....					
Total.....	<sup>19</sup> 1,247,350.00	<sup>20</sup> 3,467,832.70	25,051,271.23	<sup>21</sup> 1,606,583.93	<sup>22</sup> 2,528,137.97

<sup>1</sup> The figures in this statement include only those expenditures under each Treasury activity susceptible of distribution on State lines and do not exhibit all expenditures by the Treasury in the various States. Items such as payments of interest and principal under public debt, certain administrative expenses in Washington, D. C., and certain other expenditures not susceptible of distribution are excluded. The expenditures by States are on a gross checks-issued basis.

<sup>2</sup> For accounting and disbursing expenditures by the Bureau of Accounts from emergency relief funds.

<sup>3</sup> The accounts of expenditures reported are not entirely indicative of the cost of collection of taxes in the respective States, as Alcohol Tax districts, Internal Revenue agents, Technical Staff field divisions, field divisions of Intelligence Unit, as well as several other field divisions of the Internal Revenue Bureau, do not follow State boundaries. Only approximate expenditures by States are available for those branches of the Internal Revenue Bureau.

<sup>4</sup> Included in Tennessee.

<sup>5</sup> Included in Pennsylvania.

<sup>6</sup> Included in Montana.

<sup>7</sup> Included in Illinois.

<sup>8</sup> Included in Missouri.

<sup>9</sup> Included in Alabama and Louisiana.

<sup>10</sup> Included in California.

<sup>11</sup> Included in Maine.

<sup>12</sup> Included in New York and Pennsylvania.

<sup>13</sup> Included in Texas.

<sup>14</sup> Included in Missouri.

<sup>15</sup> Included in North Dakota.

<sup>16</sup> Included in California.

<sup>17</sup> Included in Pennsylvania.

<sup>18</sup> Included in Nebraska.

<sup>19</sup> Estimated. No exact distribution by States available since enforcement work is divided into districts.

<sup>20</sup> Expenditures from emergency relief funds, except \$810,439.74 expended in the District of Columbia from regular funds.

<sup>21</sup> Includes expenditures from emergency relief funds.

TABLE 7.—Comparison of detailed internal revenue collections, fiscal years 1941 and 1942

[On basis of reports of collections, see p. 388]

Source	1941	1942	Increase or decrease (—)
<b>Income, excess profits, and unjust enrichment taxes:</b>			
Corporation income taxes.....	\$1,851,985,542.10	\$3,069,270,540.87	\$1,217,284,998.77
Individual income taxes.....	1,417,655,126.59	1,3,262,800,389.86	1,845,145,263.27
Total income taxes.....	3,269,640,668.69	1,6,332,070,930.73	3,062,430,262.04
Excess profits taxes—declared value.....	25,919,566.85	1,51,237,371.60	25,317,804.75
Excess profits taxes—Vinson Act.....	2,156,717.81	981,717.42	—1,175,000.39
Excess profits taxes—Revenue Acts of 1940 and 1941.....	164,308,967.23	1,1,618,188,950.87	1,453,879,983.64
Unjust enrichment taxes (Title III, Revenue Act of 1936).....	9,095,561.51	4,401,767.86	—4,693,793.65
Total income, excess profits, and unjust enrichment taxes.....	3,471,121,482.09	8,006,880,738.48	4,535,759,256.39
<b>Capital stock tax.....</b>	166,652,639.88	2,281,900,134.89	115,247,495.01
Estate tax.....	355,194,033.49	340,322,905.08	—14,871,128.41
Gift tax.....	51,863,714.03	92,217,383.01	40,353,668.98
<b>Liquor taxes:</b>			
Distilled spirits (imported) excise tax.....	34,889,895.90	3,35,765,107.45	875,211.55
Distilled spirits (domestic) excise tax.....	393,571,988.21	3,538,485,193.68	144,913,195.47
Distilled spirits, rectification tax.....	13,457,180.70	17,224,716.89	3,767,536.19
Still or sparkling wines, cordials, etc. (imported), excise tax.....	378,380.60	1,331,797.64	—46,582.96
Still or sparkling wines, cordials, etc. (domestic), excise tax.....	11,045,056.57	1,23,653,857.83	12,608,801.26
Brandy used for fortifying sweet wines (repealed June 24, 1940).....	1,396,394.48	1,250,287.55	—146,106.93
Rectifiers, retail and wholesale liquor dealers, manufacturers of stills (special taxes).....	7,971,666.43	7,577,480.85	—394,185.58
Stamps for distilled spirits intended for export.....	537.30	1,235.46	698.16
Stamps for distilled spirits bottled in bond.....	1,039,267.64	1,109,484.18	70,216.54
Container stamps (Liquor Taxing Act of 1934).....	10,123,000.68	11,197,412.68	1,074,412.00
Floor taxes (levies on tax-paid stocks, inventories of Jan. 12, 1934, July 1, 1938, July 1, 1940, and Oct. 1, 1941).....	25,304,050.09	41,910,928.09	16,606,878.00
Fermented malt liquors.....	316,736,852.63	366,158,960.87	49,422,108.24
Brewers, retail and wholesale dealers in fermented malt liquors (special taxes).....	3,954,695.21	3,498,438.37	—456,256.84
Total liquor taxes.....	819,868,976.44	1,048,164,901.54	228,295,925.10
<b>Stamp taxes (Title VIII, Revenue Act of 1926, as amended):</b>			
Bonds, issues of capital stock, deeds of conveyances, etc.....	22,072,503.40	22,875,490.24	802,986.84
Capital stock and similar interests, sales or transfers.....	12,176,496.92	13,028,316.93	851,820.01
Sales of produce (future delivery) (repealed July 1, 1938).....	92.99	—	—92.99
Playing cards.....	4,756,572.10	5,757,955.50	1,001,383.40
Silver bullion sales or transfers.....	51,286.28	40,402.25	—10,884.03
Total stamp taxes.....	39,056,951.69	41,702,164.92	2,645,213.23
<b>Tobacco taxes:</b>			
Cigars (large):			
Class A.....	9,862,496.69	10,697,174.34	834,677.65
Class B.....	128,675.57	142,784.98	14,109.41
Class C.....	2,579,202.15	2,828,568.29	249,366.14
Class D.....	408,680.49	449,547.99	40,867.50
Class E.....	57,849.74	70,116.43	12,266.69
Total cigars (large).....	13,036,904.64	14,188,192.03	1,151,287.39
Cigars (small).....	113,969.87	104,051.62	—9,918.25
Cigarettes (large).....	12,007.89	15,977.62	3,969.73
Cigarettes (small).....	616,744,342.40	704,933,203.05	88,188,860.65
Snuff.....	6,899,820.62	7,440,212.25	540,391.63
Tobacco, chewing and smoking.....	54,927,762.02	52,138,920.05	—2,788,841.97
Cigarette papers and tubes.....	1,431,315.35	1,960,557.77	529,242.42
Leaf dealer penalties.....	11,814.90	6,049.82	—5,765.08
Cigarette floor tax.....	4,534,384.21	5,105.35	—4,529,278.86
Total tobacco taxes.....	697,712,321.90	780,792,269.56	83,079,947.66

Footnotes at end of table.

TABLE 7.—Comparison of detailed internal revenue collections, fiscal years 1941 and 1942—Continued

Source	1941	1942	Increase or decrease (—)
<b>Manufacturers' excise taxes:</b>			
Lubricating oils.....	\$38,220,844.40	\$46,432,267.73	\$8,211,423.33
Matches.....	95,140.82	6,920,995.79	6,834,854.97
Gasoline.....	343,021,269.39	369,587,150.81	26,565,881.42
Electrical energy.....	47,021,015.62	49,977,581.17	2,956,565.55
Tires and inner tubes.....	51,054,262.05	64,811,000.24	13,756,738.19
Rubber articles.....		21,545,389.16	21,545,389.16
Phonograph records.....		968,390.47	968,390.47
Musical instruments.....		2,325,320.99	2,325,320.99
Luggage.....		2,833,995.54	2,833,995.54
Electric, gas, and oil appliances.....		17,701,606.69	17,701,606.69
Electric signs.....		778,790.62	778,790.62
Business and store machines.....		6,971,675.81	6,971,675.81
Washing machines.....		165,558.16	165,558.16
Optical equipment.....		458,979.90	458,979.90
Photographic apparatus.....	1,884.37	6,017,447.83	6,015,563.46
Electric light bulbs and tubes.....		3,101,846.59	3,101,846.59
Automobile trucks.....	10,746,619.35	18,361,144.43	7,614,525.08
Other automobiles and motorcycles.....	81,402,519.06	77,171,920.04	-4,230,599.02
Parts and accessories for automobiles.....	13,083,554.90	28,087,714.42	15,004,159.52
Radio sets, phonographs, components, etc.....	6,935,182.03	19,144,408.18	12,209,226.15
Refrigerators, air-conditioners, etc.....	13,278,909.68	16,245,869.54	2,966,959.86
Sporting goods.....	124,205.12	3,487,269.21	3,363,064.09
Firearms, shells and cartridges.....	5,535,773.25	5,072,587.60	-463,185.65
Pistols and revolvers.....	85,301.13	84,494.05	-807.08
Toilet preparations (perfumes, cosmetics, etc.) (repealed Oct. 1, 1941).....	6,661,922.05	3,551,037.44	-3,110,884.61
Toilet preparations (dentifrices, toilet soaps, etc.) (repealed July 1, 1938).....	21,611.17	944.40	-20,666.77
Repealed manufacturers' excise taxes.....	83,357.52	87,871.70	4,514.18
<b>Total manufacturers' excise taxes.....</b>	<b>617,373,371.91</b>	<b>771,902,258.51</b>	<b>154,528,886.60</b>
<b>Miscellaneous taxes:</b>			
Bituminous Coal Act of 1937.....	4,385,798.77	5,478,908.89	1,093,110.12
Sugar Act of 1937.....	74,834,721.90	68,229,805.06	-6,604,916.84
Telegraph, telephone, cable, and radio facilities.....	27,331,113.61	48,231,338.63	20,900,225.02
Local telephone service.....		26,791,432.95	26,791,432.95
Use of motor vehicles.....		72,625,488.49	72,625,488.49
Use of boats.....		12,228,387.41	12,228,387.41
Bowling alleys, pool tables, etc.....		1,698,394.37	1,698,394.37
Coin-operated devices.....		6,484,999.54	6,484,999.54
Transportation of persons.....		21,378,895.32	21,378,895.32
Transportation of oil by pipe line.....	12,480,585.65	13,474,822.61	994,236.96
Leases of safe deposit boxes.....	2,215,898.10	3,662,535.73	1,446,637.63
Admissions to theaters, concerts, cabarets, etc.....	70,963,094.06	115,032,268.75	44,069,174.69
Club dues and initiation fees.....	6,582,649.28	6,791,399.71	209,250.43
Adulterated butter, including special taxes.....	8,954.72	7,499.32	-1,455.40
Renovated butter, including special taxes.....	7,093.27	9,866.56	2,773.29
Filled cheese.....	6,366.97	5,552.77	-814.20
Mixed flour.....	7,208.10	9,168.00	1,959.90
Oleomargarine:			
Colored.....	49,762.38	87,106.73	37,344.35
Uncolored.....	850,755.25	888,755.49	38,000.24
Special taxes.....	1,221,195.09	1,268,389.84	47,194.75
Marihuana Tax Act of 1937.....	6,090.38	63,995.62	57,905.24
Narcotics (opium, coca leaves, and special taxes).....	684,197.90	681,047.12	-3,150.78
Coconut, etc., oils processed.....	5,163,184.40	7,160,701.07	1,997,516.67
Crude petroleum processed (repealed July 1, 1938).....	359.12	473.30	114.18
National Firearms Act.....	15,897.50	19,502.45	3,604.95
Receipts from miscellaneous sources, etc.....	16,396.33	190,014.67	173,618.34
<b>Total miscellaneous taxes.....</b>	<b>206,831,322.78</b>	<b>400,500,748.40</b>	<b>193,669,425.62</b>
<b>Retailers' excise taxes:</b>			
Retailers' excise tax—jewelry.....		41,500,948.74	41,500,948.74
Retailers' excise tax—furs.....		19,743,864.96	19,743,864.96
Retailers' excise tax—toilet preparations.....		18,922,310.76	18,922,310.76
<b>Total retailers' excise taxes.....</b>		<b>80,167,124.46</b>	<b>80,167,124.46</b>
<b>Employment taxes:</b>			
Federal Insurance Contributions Act.....	687,327,551.09	895,335,861.32	208,008,310.23
Federal Unemployment Tax Act (employment of 8 or more).....	100,657,721.58	119,616,967.91	18,959,246.33

Footnotes at end of table.

TABLE 7.—Comparison of detailed internal revenue collections, fiscal years 1941 and 1942—Continued

Source	1941	1942	Increase or decrease (—)
Employment taxes—Continued.			
Carriers taxes (old-age benefits).....	\$137, 871, 187. 71	\$170, 409, 014. 46	\$32, 537, 826. 75
Total <sup>1</sup> employment taxes.....	925, 856, 460. 38	1, 185, 361, 843. 69	259, 505, 383. 31
Grand total, all collections.....	7, 351, 531, 274. 59	13, 029, 912, 472. 54	5, 678, 381, 197. 95
Adjustment for items in transit.....	10, 143, 707. 64	-36, 794, 585. 02	-46, 938, 292. 66
Receipts per daily Treasury statement.....	7, 361, 674, 982. 23	12, 993, 117, 887. 52	5, 631, 442, 905. 29

NOTE.—Collections for credit to trust accounts, excluded in the table above, were as follows:

	1941	1942	Increase or decrease (—)
Corporation income tax (Alaska railways)...	\$2, 448. 48	\$2, 805. 20	\$356. 72
Distilled spirits (domestic).....	179, 627. 06	347, 765. 15	168, 138. 09
Distilled spirits rectification tax.....	3, 374. 09	1, 751. 01	-1, 623. 08
Wines (domestic).....	9. 45	1. 88	-7. 57
Fermented malt liquors.....	4, 174. 48	2, 276. 18	-1, 898. 30
Cigars (large).....	363, 622. 96	189, 636. 10	-173, 986. 86
Cigarettes (large).....	51. 94	3. 82	-48. 12
Cigarettes (small).....	891. 91	301. 56	-590. 35
Manufactured tobacco.....	2. 16	4. 68	2. 52
Coconut oil.....	18, 022, 751. 63	17, 411, 486. 72	-611, 264. 91
Playing cards.....	14. 40	2. 08	-12. 32
Brandy.....	16. 81	10. 80	-6. 01
Sugar.....	117. 70	-----	-117. 70
Total trust fund collections.....	18, 577, 103. 07	17, 956, 045. 18	-621, 057. 89

<sup>1</sup> Revised to adjust classifications.

<sup>2</sup> Rates of taxes were increased by Revenue Act of 1941.

<sup>3</sup> Tax increased to \$1.25 per \$1,000, effective for fiscal year 1942 and subsequent years.

<sup>4</sup> Effective Oct. 1, 1941, rates were increased from \$3 to \$4 per gallon and on brandy from \$2.75 to \$4 per gallon.

<sup>5</sup> Effective Oct. 1, 1941, graduated rates on wines were increased.

<sup>6</sup> Effective Oct. 1, 1941, rate on playing cards was increased from 11 cents to 13 cents per pack.

<sup>7</sup> Effective Oct. 1, 1941, rate on tires increased from 2½ cents to 5 cents and on inner tubes from 4½ cents to 9 cents.

<sup>8</sup> New taxes effective Oct. 1, 1941, levied by Revenue Act of 1941.

<sup>9</sup> Repealed taxes for 1941 comprise \$63,698.56 from furs, \$18,709.29 from jewelry, \$100 from brewer's wort, \$28.86 from malt, \$770.98 from soft drinks, and \$49.83 from chewing gum.

<sup>10</sup> Repealed taxes for 1942 comprise \$45,977.52 from furs, \$37,957.32 from jewelry, and \$3,936.86 from soft drinks.

<sup>11</sup> New tax effective Oct. 1, 1941—6 percent of amount paid for service.

<sup>12</sup> New tax effective Feb. 1, 1942—\$5 per vehicle for each fiscal year.

<sup>13</sup> New tax effective Feb. 1, 1942—graduated rates varying with length of boat.

<sup>14</sup> New tax effective Oct. 1, 1941—rate \$10 per year for each alley or table.

<sup>15</sup> New tax effective Oct. 1, 1941—rates \$10 per year for amusement devices and \$50 per year for gaming devices.

<sup>16</sup> New tax effective Oct. 10, 1941—rate 5 percent of amount paid for transportation.

<sup>17</sup> Effective Oct. 1, 1941, tax on leases of safe deposit boxes increased from 11 percent to 20 percent.

<sup>18</sup> Effective Oct. 1, 1941, all admissions are taxable and certain exemptions allowed under prior laws repealed.

<sup>19</sup> Repealed taxes for 1941 comprise \$1,732.53 from check taxes, \$501.02 from candy, \$1 from boats and yachts, and \$14,161.78 from miscellaneous sources.

<sup>20</sup> Repealed taxes for 1942 comprise \$1,629.41 from check taxes and \$188,385.26 from miscellaneous unclassified sources.

<sup>21</sup> New tax effective Oct. 1, 1941; rate 10 percent on retail selling price.

TABLE 8.—Internal revenue receipts, by tax sources, fiscal years 1916 to 1942<sup>1</sup>

[On basis of reports of collections, see p. 388]

Year	Income and excess profits, <sup>2</sup> including unjust enrichment					Total income, excess profits, and unjust enrichment
	Corporation	Individual	Total income	Excess profits	Unjust enrichment	
1916.....	\$56,993,658	\$67,943,595	\$124,937,253			\$124,937,253
1917.....	<sup>3</sup> 207,236,828	180,108,340	<sup>3</sup> 387,345,168	\$37,176		387,382,344
1918.....			<sup>3</sup> 2,852,324,866			2,852,324,866
1919.....			2,600,783,903			2,600,783,903
1920.....			3,956,936,004			3,956,936,004
1921.....			3,228,137,674			3,228,137,674
1922.....			2,086,918,465			2,086,918,465
1923.....			1,691,089,535			1,691,089,535
1924.....			1,841,759,317			1,841,759,317
1925.....	916,232,697	845,426,352	1,761,659,049			1,761,659,049
1926.....	1,094,979,734	879,124,407	1,974,104,141			1,974,104,141
1927.....	1,308,012,533	911,939,911	2,219,952,444			2,219,952,444
1928.....	1,291,845,989	882,727,114	2,174,573,103			2,174,573,103
1929.....	1,235,733,256	1,095,541,172	2,331,274,428			2,331,274,428
1930.....	1,263,414,466	1,146,844,764	2,410,259,230			2,410,259,230
1931.....	1,026,392,699	833,647,798	1,860,040,497			1,860,040,497
1932.....	629,566,115	427,190,582	1,056,756,697			1,056,756,697
1933.....	394,217,784	352,573,620	746,791,404			746,791,404
1934.....	397,515,852	419,509,488	817,025,340	2,630,615		819,655,955
1935.....	572,115,002	527,112,506	1,099,227,508	6,560,483		1,105,787,991
1936.....	738,520,530	674,416,074	1,412,936,604	14,509,290		1,427,445,894
1937.....	1,056,909,063	1,091,740,746	2,148,649,809	25,104,608	\$6,073,351	2,179,827,768
1938.....	1,299,918,084	1,286,311,882	2,586,229,966	36,569,042	6,216,736	2,629,015,744
1939.....	1,122,531,026	1,028,833,796	2,151,364,822	27,056,373	6,683,335	2,185,104,530
1940.....	1,120,578,620	982,017,376	2,102,595,996	18,474,202	8,536,178	2,129,606,376
1941.....	1,851,985,542	1,417,655,127	3,269,640,669	192,385,252	9,995,562	3,471,121,482
1942.....	3,069,270,540	3,262,800,390	6,332,070,930	1,670,408,040	4,401,768	8,006,880,738

Year	Capital stock	Estate	Gift	Liquor taxes		
				Distilled spirits and wines, including special taxes	Fermented malt liquors, including special taxes	Total liquor taxes
1916.....				\$158,682,440	\$88,771,104	\$247,453,544
1917.....	\$10,471,689	\$6,076,575		192,111,319	91,897,194	284,008,513
1918.....	24,996,205	47,452,880		317,553,687	126,285,858	443,839,545
1919.....	28,775,750	82,029,983		365,211,252	117,839,602	483,050,854
1920.....	93,020,421	103,635,563		97,905,276	41,965,874	139,871,150
1921.....	81,525,653	154,043,260		82,598,065	25,364	82,623,429
1922.....	80,612,240	139,418,846		45,563,350	46,086	45,609,436
1923.....	81,567,739	126,705,207		30,354,007	4,079	30,358,086
1924.....	87,471,692	102,966,762		27,580,381	5,328	27,585,709
1925.....	90,002,595	101,421,767	\$7,518,129	25,902,820	1,954	25,904,774
1926.....	97,385,756	116,041,036	3,175,339	26,436,334	15,694	26,452,028
1927.....	8,970,231	100,339,852		21,194,669	883	21,195,552
1928.....	8,688,502	60,087,234		15,307,496	300	15,307,796
1929.....	5,956,296	61,897,141		12,776,628	100	12,776,728
1930.....	40,967	64,769,625		11,695,267		11,695,267
1931.....		48,078,327		10,432,064		10,432,064
1932.....		47,422,313		8,703,963		8,703,963
1933.....		29,693,062	4,616,662	8,016,045	35,158,272	43,174,317
1934.....	80,168,344	103,985,288	9,153,076	89,951,748	168,959,585	258,911,333
1935.....	91,508,121	140,440,682	71,671,277	195,363,693	215,561,848	410,925,541
1936.....	94,942,752	218,780,754	160,058,761	256,117,118	249,125,679	505,242,797
1937.....	137,499,246	281,635,983	23,911,783	312,247,468	281,583,886	593,831,354
1938.....	139,348,567	382,175,326	34,698,739	294,477,894	273,191,515	567,669,409
1939.....	127,203,009	332,279,613	28,435,597	324,271,723	263,333,223	587,604,946
1940.....	132,738,637	330,886,049	29,185,118	356,292,909	267,771,426	624,064,335
1941.....	166,652,640	355,194,033	51,863,714	499,177,429	320,691,547	819,868,976
1942.....	281,900,135	340,322,905	92,217,383	678,507,502	369,657,400	1,048,164,902

Footnotes at end of table.

TABLE 8.—Internal revenue receipts, by tax sources, fiscal years 1916 to 1942 <sup>1</sup>—Con.

Year	Stamp taxes					
	Bonds, issues of capital stock, deeds of conveyance, etc. <sup>4</sup>	Capital stock and similar interests, sales or transfers	Sales of produce for future delivery	Playing cards	Silver bullion, sales or transfers	Total stamp taxes
1916.....	\$38,110,282	( <sup>5</sup> )	( <sup>5</sup> )	\$319,654		\$38,929,936
1917.....	8,254,342	( <sup>5</sup> )	( <sup>5</sup> )	820,897		9,075,239
1918.....	17,284,805	\$2,226,040	\$2,353,889	1,276,605		23,151,239
1919.....	26,946,888	7,540,881	7,283,571	2,091,791		45,843,131
1920.....	59,715,331	13,372,164	8,171,871	3,088,462		84,347,828
1921.....	53,551,491	8,790,906	7,521,676	2,603,941		72,468,014
1922.....	41,347,753	9,012,702	5,558,589	2,787,921		58,706,965
1923.....	44,603,166	9,871,604	7,015,382	3,385,227		64,875,379
1924.....	43,031,608	7,936,832	7,557,577	3,731,537		62,257,554
1925.....	27,862,622	12,808,629	5,397,148	3,183,385		49,251,784
1926.....	28,480,422	17,137,186	4,183,218	4,213,414		54,014,240
1927.....	13,044,446	16,674,103	2,884,534	4,742,469		37,345,552
1928.....	15,561,459	24,208,538	4,048,499	5,010,712		48,829,208
1929.....	17,868,372	37,595,928	3,333,427	5,375,804		64,173,531
1930.....	22,611,275	46,698,227	3,599,875	4,819,293		77,728,670
1931.....	14,757,383	25,519,973	1,682,681	4,993,559		46,953,596
1932.....	9,198,539	17,696,130	959,320	4,386,831		32,240,820
1933.....	16,034,755	33,188,495	4,206,598	3,908,385		57,338,202
1934.....	16,259,305	38,065,999	7,847,743	4,406,385	\$606	66,580,038
1935.....	17,934,777	15,747,363	3,950,544	4,351,299	1,149,390	43,133,373
1936.....	28,162,658	33,054,798	2,943,542	4,143,698	685,188	68,989,884
1937.....	28,651,710	31,350,597	5,096,814	4,186,502	633,712	69,919,335
1938.....	20,083,581	18,355,346	3,599,389	4,052,567	142,107	46,232,990
1939.....	19,366,430	17,064,488	248,982	4,141,167	261,772	41,082,839
1940.....	18,145,228	15,527,950		4,814,328	193,737	38,681,243
1941.....	22,072,503	12,176,497	93	4,756,572	51,286	39,056,951
1942.....	22,875,490	13,028,317		5,757,956	40,402	41,702,165

Year	Tobacco manufactures, including special taxes in effect to June 30, 1926	Manufacturers', etc., excise <sup>6</sup>	Soft drinks	Telegraph, telephone, cable, and radio facilities, etc.	Transportation, including oil by pipe line	Insurance
1916.....	\$88,063,948	\$4,218,979		( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )
1917.....	103,201,582	775,078		( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )
1918.....	156,188,660	36,636,607	\$2,215,181	\$6,299,017	\$64,437,533	\$6,492,025
1919.....	206,003,092	79,400,266	7,182,219	17,902,389	219,937,183	14,508,881
1920.....	295,809,355	267,968,579	57,460,956	27,677,041	261,671,046	18,421,754
1921.....	255,219,385	229,397,837	58,675,973	28,442,413	273,070,001	18,992,094
1922.....	270,759,384	174,361,288	33,504,284	29,271,522	169,518,727	10,855,404
1923.....	309,015,493	185,117,058	10,137,897	30,380,784		
1924.....	325,638,931	200,921,721	10,418,866	34,662,429		
1925.....	345,247,211	140,877,326				
1926.....	370,666,439	150,220,488				
1927.....	376,170,205	66,850,109				
1928.....	396,450,041	51,951,694				
1929.....	434,444,543	5,723,791				
1930.....	450,339,061	2,676,261				
1931.....	444,276,503	149,744				
1932.....	398,578,619	96,195				
1933.....	402,739,059	243,600,368	4,186,447	14,564,756	7,467,298	
1934.....	425,168,897	385,291,214	4,746,733	19,250,800	10,379,370	
1935.....	458,775,934	342,144,686	129,991	19,741,434	9,479,722	
1936.....	500,785,385	382,716,142	60,029	21,098,348	9,793,995	
1937.....	551,922,580	449,853,630	38,553	24,569,627	11,244,096	
1938.....	567,777,410	416,753,516	35,052	23,977,064	12,517,030	
1939.....	579,784,074	396,891,003	5,362	24,093,719	10,954,733	
1940.....	608,072,770	447,087,632	2,062	26,367,945	11,510,647	
1941.....	697,712,322	617,373,372	771	27,331,114	12,480,586	
1942.....	780,792,270	771,902,259	3,937	75,022,772	34,853,718	

Footnotes at end of table.



TABLE 8.—Internal revenue receipts, by tax sources, fiscal years 1916 to 1942<sup>1</sup>—Con.

Year	Leases of safe deposit boxes	Checks, drafts, or orders for the payment of money	Admissions	Club dues	Oleomarga- rine, includ- ing special taxes	Narcotics, including special taxes
1916.....					\$1,485,971	\$245,072
1917.....					1,995,720	277,165
1918.....			\$26,357,339	\$2,259,057	2,336,907	185,359
1919.....			50,919,608	4,072,549	2,791,831	726,137
1920.....			76,720,555	5,198,001	3,728,276	1,514,230
1921.....			89,730,833	6,159,818	2,986,465	1,170,316
1922.....			73,384,956	6,615,634	2,121,080	1,269,090
1923.....			70,175,147	7,170,731	2,254,531	1,013,736
1924.....			77,712,524	8,009,861	2,814,104	1,057,341
1925.....			30,907,809	8,690,588	3,038,928	1,090,933
1926.....			23,980,677	10,073,838	3,070,218	981,739
1927.....			17,940,637	10,436,021	3,164,219	797,825
1928.....			17,724,952	10,352,990	3,407,600	690,432
1929.....			6,083,056	11,245,255	3,611,153	605,336
1930.....			4,230,667	12,521,092	3,919,388	588,682
1931.....			2,778,864	11,477,723	2,681,428	607,340
1932.....			1,858,606	9,204,587	1,744,737	521,163
1933.....	\$2,365,041	\$38,456,493	15,520,512	6,679,201	1,347,191	457,068
1934.....	2,715,851	41,383,199	14,613,414	5,986,150	1,476,230	495,270
1935.....	2,317,619	25,645,139	15,379,397	5,784,495	2,048,977	580,613
1936.....	1,997,410	25,556	17,112,176	6,090,923	2,203,804	554,028
1937.....	2,039,714	8,221	19,740,192	6,287,768	2,348,415	573,493
1938.....	2,013,159	14,770	20,800,779	6,550,931	2,465,926	574,164
1939.....	1,980,525	4,288	19,470,802	6,216,900	2,210,386	572,088
1940.....	1,988,934	2,304	21,887,916	6,334,909	2,013,600	610,098
1941.....	2,215,898	1,733	70,963,094	6,582,649	2,121,713	690,288
1942.....	3,662,536	1,629	115,032,269	6,791,900	2,244,252	745,043

Year	Cocunut, etc., oils processed	Crude pe- troleum processed, etc.	National Firearms Act	Bituminous coal	Employment	
					Social security	Carriers and their employees
1935.....	\$7,314,619	\$1,759,790	\$8,015			
1936.....	11,730,752	1,163,755	5,342	\$729,218		\$48,270
1937.....	11,560,430	894,183	4,451		\$265,458,404	286,904
1938.....	13,266,652	991,248	10,747	3,211,601	593,184,560	149,475,666
1939.....	9,024,699	106,055	9,079	3,317,259	631,002,237	109,426,628
1940.....	5,697,834	555	12,389	4,161,664	711,473,332	122,047,644
1941.....	5,163,184	359	15,898	4,385,799	787,985,273	137,871,188
1942.....	7,160,701	473	19,502	5,478,909	1,014,952,329	170,409,015

Year	Retailers' excise	Use of motor vehicles	Use of boats	Bowling alleys, pool tables, etc.	Coin-oper- ated devices
1942.....	\$80,167,124	\$72,625,488	\$228,387	\$1,698,394	\$6,485,000

Footnotes at end of table.

TABLE 8.—Internal revenue receipts, by tax sources, fiscal years 1916 to 1942<sup>1</sup>—Con.

Year	Receipts in connection with prohibition enforcement	Miscellaneous <sup>2</sup>	Special taxes not elsewhere included <sup>3</sup>	Agricultural adjustment	Sugar Act of 1937	Grand total
1916		\$480,477	\$6,908,108			\$512,723,288
1917		892,681	5,237,044			809,393,640
1918		1,091,814	2,691,587			3,698,955,821
1919		1,501,005	4,721,298			3,850,150,079
1920	\$641,029	3,045,183	9,913,281			5,407,580,252
1921	2,152,387	1,975,970	8,585,540			4,595,357,062
1922	1,979,587	3,881,415	8,062,760			3,197,451,083
1923	729,244	3,125,078	8,035,583			2,621,745,228
1924	855,395	4,232,637	7,814,414			2,790,179,257
1925	560,888	12,156,929	5,811,558			2,584,140,268
1926	416,198	870,777	4,546,978			2,835,999,892
1927	502,877	2,009,639	7,967			2,865,683,130
1928	925,252	1,536,971	9,703			2,790,535,538
1929	727,006	536,111				2,839,054,375
1930	1,105,172	265,651				3,040,145,733
1931	586,150	166,518				2,428,228,754
1932	490,773	110,569				1,557,729,042
1933	529,789	72,455	239,859			1,619,839,195
1934	378,715	50,295,759	180,073	\$371,422,886		2,672,239,195
1935		989,792	1,737	526,222,358		3,281,791,303
1936		429,891	1,687	62,323,329		3,494,330,891
1937		851,822	189			4,634,308,141
1938		503,950	68		\$30,569,130	5,643,834,198
1939		159,632			65,414,058	5,162,254,061
1940		159,049			68,145,358	5,322,768,298
1941		43,515			74,834,722	7,351,531,275
1942		216,035			68,229,803	13,029,912,473

<sup>1</sup> Revised to adjust classification.

<sup>2</sup> For figures for 1863 to 1915, see annual report for 1929, p. 419.

<sup>3</sup> Separate figures on corporation and individual income and excess profits tax collections not available for the years 1918 to 1924.

<sup>4</sup> Includes munitions manufacturers' tax, 1917, \$27,663,940; and 1918, \$13,296,927.

<sup>5</sup> Originally schedule A, act of Oct. 22, 1914; now covers issues and transfers of bonds, issues of capital stock, passage tickets, foreign insurance policies, and deeds of conveyance.

<sup>6</sup> Included under "Stamp taxes—Bonds, etc."

<sup>7</sup> Includes taxes on sales under act of Oct. 22, 1914, manufacturers', consumers', and dealers' excise taxes under the war revenue and subsequent acts, except soft drink taxes; all taxes paid by manufacturers of and dealers in adulterated and process or renovated butter, mixed flour, and filled cheese; and for 1932-42, manufacturers' excise taxes (act of 1932, as amended) except soft drinks.

<sup>8</sup> Includes tax on transportation of persons for 1942.

<sup>9</sup> Includes receipts, in addition to those classed as miscellaneous, as follows: (a) for 1916-33, delinquent taxes collected under repealed laws, except delinquent collections on automobiles for 1929 and 1930, included under "Manufacturers' excise taxes," and on "Capital stock," under which the collections for 1927-30 represent delinquencies; (b) for 1919, 1920, and 1921 receipts which remained unclassified at the time the statistical tables were compiled; (c) internal revenue collected through customs offices for 1921-33; subsequently such receipts are included with "Distilled spirits"; (d) penalties for 1916, \$458,773; 1917, \$871,606; and 1918, \$985,220; after 1918 all penalties are included under the respective taxes to which they relate; (e) for 1933 and subsequent years taxes on jewelry and candy formerly classified as manufacturers' excise taxes, and tax on dividends.

<sup>10</sup> Includes the occupational taxes imposed under the act of Oct. 22, 1914, on various classes of entertainment proprietors, brokers, and bankers, with subsequent repeals and amendments to include hackney automobiles and boats. Collections for 1933 and 1934 were entirely from pleasure boats.

NOTE.—Figures for 1935 and subsequent years have been revised to exclude trust fund receipts. Figures are rounded to nearest dollar and will not necessarily add to totals.

TABLE 9.—*Expenses of the Internal Revenue Service, fiscal year 1942*

[On basis of checks issued, see p. 388]

## A. DISBURSEMENTS FOR COLLECTORS OF INTERNAL REVENUE FROM THE APPROPRIATION "COLLECTING THE INTERNAL REVENUE, 1942," BY COLLECTION DISTRICTS

District	Salaries of collectors, deputies, clerks, etc.	Travel expenses	Rent	Miscellaneous	Total
Alabama.....	\$209,228.84	\$18,927.54	\$1,975.82	\$5,538.40	\$235,670.60
Arizona.....	103,121.17	9,197.62	1,790.25	4,621.45	118,730.49
Arkansas.....	150,885.50	25,904.93	.....	5,257.73	182,048.16
California:					
First district.....	823,461.11	43,299.30	100.00	24,774.92	891,635.33
Sixth district.....	946,903.29	32,301.11	7,724.41	32,838.68	1,019,767.49
Colorado.....	225,482.28	12,026.21	.....	7,434.86	244,943.35
Connecticut.....	459,302.85	11,829.94	1,375.00	14,162.59	486,670.38
Delaware.....	78,454.70	4,256.39	.....	1,460.53	84,171.62
Florida.....	315,976.46	25,167.41	2,696.43	7,824.97	351,665.27
Georgia.....	282,309.57	34,034.45	762.74	5,975.13	323,081.89
Hawaii.....	107,976.04	3,868.86	.....	1,930.95	113,775.85
Idaho.....	98,415.62	9,750.88	.....	2,135.47	110,301.97
Illinois:					
First district.....	1,352,106.84	20,432.12	14,317.14	50,261.33	1,437,117.43
Eighth district.....	437,416.58	30,072.33	4,462.50	9,851.72	481,803.13
Indiana.....	440,003.93	23,384.12	1,413.50	10,925.14	475,726.69
Iowa.....	421,726.90	20,168.28	.....	8,438.31	450,333.49
Kansas.....	280,020.48	28,077.80	126.00	7,629.48	315,833.76
Kentucky.....	296,216.45	27,463.10	.....	7,946.30	331,625.85
Louisiana.....	261,450.58	18,886.47	3,750.00	8,576.65	292,663.70
Maine.....	157,394.29	17,239.21	6.00	3,176.13	177,865.63
Maryland.....	759,889.89	12,131.32	412.50	17,013.53	819,447.24
Massachusetts.....	1,024,505.95	9,949.51	14,845.05	18,536.75	1,067,837.26
Michigan.....	981,456.73	35,517.47	3,113.72	34,345.94	1,054,432.86
Minnesota.....	503,737.70	28,155.48	3,646.04	13,950.57	549,489.79
Mississippi.....	130,020.14	15,987.76	408.76	4,365.78	150,782.44
Missouri:					
First district.....	377,631.49	16,929.84	2,698.32	10,073.18	407,332.83
Sixth district.....	256,742.07	21,233.64	.....	7,682.03	285,657.74
Montana.....	142,273.86	17,661.29	.....	5,901.55	165,836.70
Nebraska.....	231,065.47	23,273.66	.....	4,335.87	258,695.00
Nevada.....	62,440.24	6,309.96	.....	1,555.21	70,305.41
New Hampshire.....	115,807.32	7,422.47	176.00	3,303.95	126,709.74
New Jersey:					
First district.....	231,805.03	7,998.64	1,276.00	6,968.46	248,048.13
Fifth district.....	801,718.20	13,849.22	.....	21,445.51	837,012.93
New Mexico.....	79,084.50	8,631.05	.....	2,622.48	90,338.03
New York:					
First district.....	958,326.37	2,815.15	23,566.46	27,740.40	1,012,448.38
Second district.....	965,539.83	3,170.98	6,780.00	32,250.59	1,007,741.40
Third district.....	937,693.92	316.86	9,163.69	25,380.28	972,554.75
Fourteenth district.....	613,202.18	18,025.85	11,000.00	16,130.94	658,358.97
Twenty-first district.....	281,658.29	10,213.74	75.00	4,247.50	296,194.53
Twenty-eighth district.....	450,617.39	12,315.63	2,887.50	11,084.63	476,905.15
North Carolina.....	271,252.97	31,329.24	.....	10,537.20	313,119.41
North Dakota.....	91,000.09	8,993.66	.....	3,295.18	103,288.93
Ohio:					
First district.....	338,843.91	3,514.69	.....	9,657.54	352,016.14
Tenth district.....	197,442.89	9,991.46	.....	9,030.04	216,464.39
Eleventh district.....	210,240.26	10,386.49	.....	6,436.77	227,063.52
Eighteenth district.....	655,424.75	23,473.84	5,846.28	26,893.72	711,638.60
Oklahoma.....	289,016.62	42,098.71	774.84	9,063.76	340,953.93
Oregon.....	241,926.44	15,991.90	672.50	6,040.78	264,631.62
Pennsylvania:					
First district.....	948,394.60	26,827.02	3,790.31	37,179.60	1,016,191.53
Twelfth district.....	249,393.22	8,423.08	.....	2,402.02	260,218.32
Twenty-third district.....	665,760.98	19,798.31	1,038.90	20,430.18	707,035.46
Rhode Island.....	176,728.64	3,785.99	750.00	6,338.98	187,603.71
South Carolina.....	145,517.90	14,754.98	40.00	4,505.64	164,818.52
South Dakota.....	95,208.82	12,042.75	.....	2,142.85	109,394.42
Tennessee.....	271,951.73	21,862.79	.....	8,527.66	302,342.18

TABLE 9.—*Expenses of the Internal Revenue Service, fiscal year 1942—Continued*

## A. DISBURSEMENTS FOR COLLECTORS OF INTERNAL REVENUE FROM THE APPROPRIATION "COLLECTING THE INTERNAL REVENUE, 1942," BY COLLECTION DISTRICTS—Continued

District	Salaries of collectors, deputies, clerks, etc.	Travel expenses	Rent	Miscellaneous	Total
Texas:					
First district.....	\$466,974.62	\$30,794.54	\$312.00	\$13,962.00	\$512,043.16
Second district.....	436,846.39	33,433.13	1,967.33	13,750.98	485,997.83
Utah.....	99,097.15	6,187.95	-----	3,308.20	108,593.30
Vermont.....	93,649.47	5,687.11	495.00	3,304.69	103,136.27
Virginia.....	336,062.59	35,064.05	2,126.30	11,664.41	385,917.35
Washington.....	435,919.20	21,352.72	8,840.69	18,448.39	484,561.00
West Virginia.....	225,213.41	16,591.71	-----	6,575.14	248,380.26
Wisconsin.....	605,323.75	31,626.56	1,125.00	12,851.10	650,926.41
Wyoming.....	78,829.95	9,044.68	-----	2,306.71	90,781.34
Total.....	25,009,119.40	1,132,502.05	148,328.08	738,349.43	27,028,298.96

## B. DISBURSEMENTS FOR INTERNAL REVENUE AGENTS FROM THE APPROPRIATION "COLLECTING THE INTERNAL REVENUE, 1942," BY DIVISIONS

Division	Salaries of agents, clerks, etc.	Travel expenses	Rent	Miscellaneous	Total
Atlanta.....	\$199,940.77	\$9,601.06	-----	\$1,562.39	\$211,104.22
Baltimore.....	619,183.70	10,181.61	\$31,429.60	4,552.71	665,347.62
Boston.....	758,458.59	16,867.17	28,452.82	9,360.56	813,129.14
Brooklyn.....	526,377.39	2,885.76	15,414.19	4,583.26	549,260.60
Buffalo.....	367,056.50	8,065.05	1,580.00	4,668.04	381,769.59
Chicago.....	1,182,763.63	12,036.23	50,607.20	16,455.52	1,261,862.58
Cincinnati.....	307,491.51	13,699.65	-----	3,139.66	324,330.82
Cleveland.....	582,826.55	16,774.04	29,822.32	7,260.14	636,683.05
Columbia.....	103,905.65	4,448.90	475.00	1,676.53	110,506.08
Dallas.....	710,180.75	41,772.00	1,922.25	6,248.81	760,123.81
Denver.....	201,487.35	9,418.44	-----	1,959.43	212,865.22
Detroit.....	605,042.97	18,419.11	15,451.61	8,002.95	646,916.64
Greensboro.....	220,008.39	19,107.17	7,639.55	4,596.69	251,351.80
Honolulu.....	84,259.83	4,978.30	256.00	958.92	90,453.05
Huntington.....	124,995.78	6,160.89	1,314.50	1,957.78	134,434.95
Indianapolis.....	260,892.98	15,316.29	-----	2,611.44	278,820.71
Jacksonville.....	268,215.82	16,002.44	440.00	3,045.03	287,703.29
Los Angeles.....	677,203.64	18,427.66	605.00	5,817.33	702,053.63
Louisville.....	176,483.40	9,757.98	-----	1,170.08	187,411.46
Milwaukee.....	261,946.22	8,661.08	-----	3,152.34	273,759.64
Nashville.....	247,794.78	10,345.90	825.16	2,811.65	261,777.49
Newark.....	666,754.50	6,883.15	21,149.61	9,069.30	703,856.56
New Haven.....	380,709.83	8,166.19	17,483.95	6,082.76	412,442.73
New Orleans.....	266,113.00	18,180.49	952.48	3,113.66	288,360.53
Second New York.....	1,405,458.61	12,681.41	-----	14,868.17	1,433,008.19
Upper New York.....	1,275,474.40	9,882.14	1,260.00	11,705.00	1,298,321.54
Oklahoma City.....	287,341.81	28,801.54	2,908.58	4,259.56	323,311.49
Omaha.....	285,625.38	11,740.28	9,375.90	2,697.16	309,438.72
Philadelphia.....	772,761.04	22,324.19	21,083.37	8,204.85	824,373.45
Pittsburgh.....	504,849.65	10,815.97	28,450.00	4,016.03	548,131.65
Richmond.....	210,529.19	11,946.76	1,739.94	3,118.84	227,334.73
Salt Lake City.....	145,062.18	11,767.59	-----	1,950.13	158,769.90
San Francisco.....	569,808.95	20,482.75	24,632.76	6,503.10	621,427.56
Seattle.....	309,960.12	8,747.71	1,356.80	3,922.42	323,987.05
Springfield.....	156,281.55	17,427.06	8,170.86	2,583.06	184,462.53
St. Louis.....	456,549.83	10,795.79	462.50	3,510.28	471,318.40
St. Paul.....	271,091.12	17,832.85	247.50	2,389.67	291,560.54
Wichita.....	175,974.67	14,109.49	7,975.00	1,799.01	199,858.17
Total.....	16,626,862.93	515,498.69	333,884.45	185,383.66	17,661,629.73

TABLE 9.—*Expenses of the Internal Revenue Service, fiscal year 1942*—Continued

## C. DISBURSEMENTS FOR DISTRICT SUPERVISORS' OFFICES FROM THE APPROPRIATION "COLLECTING THE INTERNAL REVENUE, 1942," BY DISTRICTS

District	Salaries of supervisors, clerks, etc.	Travel expenses	Rent	Miscellaneous	Total
Boston.....	\$642,603.04	\$40,165.39	\$1,443.00	\$30,435.59	\$714,647.02
New York.....	829,045.14	42,692.42	6,820.00	65,798.45	944,356.01
Philadelphia.....	863,083.70	39,607.82	9,807.68	29,663.36	942,162.56
Newark.....	502,235.37	16,445.14	13,236.35	27,782.68	559,699.54
Baltimore.....	941,440.13	80,337.08		67,486.91	1,089,264.12
Atlanta.....	615,217.37	74,147.39	9,959.12	97,976.77	797,300.65
Louisville.....	962,811.94	48,582.25	1,139.51	45,779.42	1,058,713.12
Detroit.....	643,014.60	67,405.34	4,753.43	43,487.45	758,660.82
Chicago.....	1,238,978.95	78,244.12	4,065.80	55,015.98	1,375,404.85
New Orleans.....	567,971.95	74,954.78	2,378.76	47,830.23	693,135.72
Kansas City.....	521,621.20	81,288.81	4,196.85	45,591.99	652,698.85
St. Paul.....	320,972.63	56,677.74		35,194.22	412,844.59
Denver.....	161,940.05	20,127.31	586.67	9,989.02	192,643.05
San Francisco.....	856,717.36	59,011.21	1,010.17	31,700.73	948,439.47
Seattle.....	223,005.95	27,171.45	42.50	16,320.27	266,540.17
Total.....	9,889,759.38	807,258.25	59,439.84	650,053.07	11,406,510.54

## D. DISBURSEMENTS FOR TECHNICAL STAFF, FIELD FORCE, FROM THE APPROPRIATION "COLLECTING THE INTERNAL REVENUE, 1942," BY DIVISIONS

Division	Salaries of field employees	Travel expenses	Rent	Miscellaneous	Total
Atlantic.....	\$154,583.58	\$1,775.55	\$9,703.93	\$2,719.17	\$168,782.23
Southern.....	118,002.01	2,706.84	16,662.03	4,668.12	142,039.00
New England.....	93,274.26	1,857.99	19,620.76	3,553.02	118,306.03
Chicago.....	215,891.41	3,064.20	29,097.51	7,330.11	255,383.23
Central.....	182,832.02	5,572.51	35,479.63	6,800.04	230,684.20
Southwestern.....	173,659.19	3,922.95	34,578.99	5,694.46	217,855.59
Western.....	120,769.07	1,877.31	14,792.25	4,175.33	141,603.96
New York.....	337,225.07	2,181.45	3,963.52	10,615.02	353,985.06
Eastern.....	239,710.29	2,460.54	52,493.87	6,861.99	301,526.69
Pacific.....	181,286.83	4,853.36	16,924.05	6,720.58	209,784.82
Total.....	1,817,223.73	30,272.70	233,316.54	59,137.84	2,139,950.81

## E. DISBURSEMENTS FOR CHIEF COUNSEL, FIELD FORCE, FROM THE APPROPRIATION "COLLECTING THE INTERNAL REVENUE, 1942," BY DIVISIONS

Division	Salaries of field employees	Travel expenses	Total
Atlantic.....	\$54,689.57	\$1,377.44	\$56,067.01
Southern.....	47,646.68	2,191.04	49,837.72
New England.....	39,791.94	442.80	40,234.74
Chicago.....	115,693.85	1,621.69	117,315.54
Central.....	69,642.46	3,974.30	73,616.76
Southwestern.....	63,499.01	3,105.21	66,604.22
Western.....	45,354.88	1,177.82	46,532.50
New York.....	180,633.65	1,152.47	181,786.12
Eastern.....	104,147.37	1,404.66	105,552.03
Pacific.....	102,171.30	6,272.71	108,444.01
Total.....	823,270.71	22,720.94	845,991.65

TABLE 9.—*Expenses of the Internal Revenue Service, fiscal year 1942—Continued*

## F. DISBURSEMENTS BY THE CHIEF DISBURSING OFFICER, DIVISION OF DISBURSEMENT, TREASURY DEPARTMENT

Appropriation	Salaries	Travel ex- penses	Rent	Miscellane- ous	Total
Collecting the internal revenue, 1942.....	\$11,309,153.72	\$437,089.35	\$8,108.64	\$1,367,527.33	\$13,121,879.04
Salaries and administrative expenses for refunding processing and related taxes and administering Title III, Revenue Act of 1936, 1942.....	743,154.33	65,865.04	4,182.46	5,911.11	819,112.94
Working fund, Treasury, Internal Revenue (office for emergency management, war), 1940-42.....	1,978.66	4,691.67	-----	2,126.26	8,796.59
Total.....	12,054,286.71	507,646.06	12,291.10	1,375,564.70	13,949,788.57

## G. DISBURSEMENTS IN THE FISCAL YEAR 1942 FROM APPROPRIATIONS FOR YEARS PRIOR TO 1942

Appropriation	Salaries	Travel ex- penses	Rent	Miscellane- ous	Total
Collecting the internal revenue, 1941.....	\$65,148.95	\$295,710.61	\$75,809.96	\$661,611.00	\$1,098,280.52
Collecting the internal revenue, 1940.....	-1,385.40	-379.52	-36.00	5,950.83	4,149.91
Salaries and administrative expenses for refunding processing and related taxes and administering Title III, Revenue Act of 1936, 1941.....	-1,488.38	15,211.95	3,298.78	7,512.53	24,534.88
Salaries and administrative expenses for refunding processing and related taxes and administering Title III, Revenue Act of 1936, 1940.....	-----	570.07	-----	146.25	716.32
Salaries and expenses, Basic Permit and Trade Practice Division, Bureau of Internal Revenue, 1941.....	-----	958.22	-----	757.83	1,716.05
Salaries and expenses, Federal Alcohol Administration, 1940.....	-----	-----	-----	4.97	4.97
Total.....	62,275.17	312,071.33	79,072.74	675,983.41	1,129,402.65

TABLE 9.—*Expenses of the Internal Revenue Service, fiscal year 1942*—Continued

## H. RECAPITULATION

Appropriation	Salaries	Travel ex- penses	Rent	Miscellane- ous	Total
Collecting the internal revenue, 1942:					
Collectors.....	\$25,009,119.40	\$1,132,502.05	\$148,328.08	\$738,349.43	\$27,028,298.96
Agents.....	16,626,862.93	515,498.69	333,884.45	185,383.66	17,661,629.73
Supervisors.....	9,889,759.38	807,258.25	59,439.84	650,053.07	11,406,510.54
Technical Staff, field force.....	1,817,223.73	30,272.70	233,316.54	59,137.84	2,139,950.81
Chief Counsel, field force.....	823,270.71	22,720.94	-----	-----	845,991.65
Departmental service and field forces operating from Washington.....	11,309,153.72	437,089.35	8,108.64	1,367,527.33	13,121,879.04
Subtotal.....	65,475,389.87	2,945,341.98	783,077.55	3,000,451.33	72,204,260.73
Salaries and administrative ex- penses for refunding processing and related taxes and adminis- tering Title III, Revenue Act of 1936, 1942: Departmental ser- vice and field forces operating from Washington.....	743,154.33	65,865.04	4,182.46	5,911.11	819,112.94
Working fund, Treasury, Internal Revenue (office for emergency management, war), 1940-42.....	1,978.66	4,691.67	-----	2,126.26	8,796.59
Appropriations prior to 1942.....	62,275.17	312,071.33	79,072.74	675,983.41	1,129,402.65
Total.....	66,282,798.03	3,327,970.02	866,332.75	3,684,472.11	74,161,572.91

## CLAIMS APPROVED FOR PAYMENT FROM THE REFUNDING APPROPRIATIONS

Appropriation	1941 and prior years, obli- gated in 1942	1942 and prior years, obli- gated in 1942	Total
Refunding taxes illegally collected.....	\$5,199,328.19	\$49,259,680.34	\$54,459,008.53
Refunds and payments of processing and related taxes, Bu- reau of Internal Revenue, 1942.....	-----	-----	22,073,066.12

TABLE 10.—Internal revenue receipts, by States and Territories, fiscal year 1942<sup>1</sup>

[On basis of reports of collections, see p. 388]

States, etc.	Income taxes <sup>1</sup>	Excess profits taxes	Unjust enrichment taxes	Total income, excess profits and unjust enrichment taxes <sup>1</sup>	Miscellaneous internal revenue taxes <sup>2,3</sup>	Employment taxes, including carriers taxes	Total <sup>2,4</sup>
Alabama.....	\$39,100,378.43	\$10,994,836.48	\$70,647.67	\$50,165,862.58	\$7,288,888.05	\$9,926,258.34	\$67,381,008.97
Arizona.....	9,300,887.26	576,501.44	1,691.99	9,879,080.19	2,130,339.58	11,529,203.43	13,538,623.20
Arkansas.....	18,588,076.21	1,673,532.64	11,002.86	20,272,661.71	5,738,614.77	3,018,934.35	29,030,210.83
California.....	402,850,353.14	61,914,870.23	31,346.78	464,796,570.15	214,632,925.13	75,401,302.39	754,830,797.72
Colorado.....	34,525,970.27	2,689,315.94	84,751.31	37,300,037.52	23,594,743.33	6,846,741.99	67,741,108.21
Connecticut.....	158,171,237.09	77,854,286.15	4,325.00	236,029,848.24	50,346,743.83	27,075,679.02	313,452,271.09
Delaware.....	120,412,190.71	63,499,507.50	12,409.43	183,924,107.64	14,740,233.17	9,430,458.59	208,100,799.40
District of Columbia.....	38,532,789.84	2,513,515.20	2,351.73	41,048,656.77	11,865,925.38	11,321,391.60	84,235,973.75
Florida.....	62,118,010.56	3,934,010.61	9,674.05	66,051,695.22	24,513,055.50	7,847,152.14	98,281,902.86
Georgia.....	58,719,710.80	8,750,374.92	81,778.87	67,551,864.59	22,597,948.26	12,180,392.05	102,330,204.90
Idaho.....	8,299,589.26	666,047.77	11,175.08	8,976,812.11	2,176,621.75	1,821,743.40	12,975,177.26
Illinois.....	550,423,348.53	134,977,529.25	252,781.89	685,653,659.67	297,293,058.22	112,435,630.54	1,095,382,348.43
Indiana.....	113,353,128.15	33,744,094.83	49,938.12	147,147,161.10	20,492,166.38	327,904,194.10	327,904,194.10
Iowa.....	41,951,879.72	3,806,597.02	105,748.36	45,864,225.10	12,461,101.90	8,765,468.94	67,090,795.94
Kansas.....	35,025,149.49	3,425,741.33	197,359.54	38,645,250.36	14,196,436.23	9,830,948.64	62,695,635.23
Kentucky.....	48,193,145.62	7,716,106.60	83,123.79	55,992,376.01	197,842,416.92	10,991,444.33	264,826,237.26
Louisiana.....	49,104,000.65	6,493,150.82	30,635.38	55,627,786.85	41,520,089.25	8,010,667.67	105,158,543.77
Maine.....	22,922,025.48	3,196,499.96	84.74	26,118,610.18	5,449,635.41	5,103,362.48	36,671,008.07
Maryland.....	98,169,916.11	13,605,866.24	192,720.81	111,968,503.16	97,933,589.25	20,786,842.43	230,688,934.84
Massachusetts.....	256,361,703.55	37,720,077.96	23,680.22	294,105,461.73	98,014,562.33	46,934,855.84	439,054,879.90
Michigan.....	355,260,481.05	175,990,842.12	142,355.11	531,393,678.28	188,552,531.00	68,059,036.48	788,005,245.76
Minnesota.....	77,703,113.00	9,387,960.58	276,554.88	87,367,628.46	39,316,372.50	22,223,576.86	148,900,577.82
Mississippi.....	15,684,548.28	1,597,301.92	5,481.16	17,287,331.36	4,114,846.56	2,988,697.57	24,390,875.49
Missouri.....	150,596,732.03	30,971,311.68	87,657.20	181,655,700.91	82,526,399.88	33,907,149.35	298,089,250.14
Montana.....	11,450,199.79	367,076.22	8,041.83	11,822,317.84	3,923,615.32	1,583,400.28	17,332,333.44
Nebraska.....	22,834,959.81	2,725,114.44	32,743.86	25,592,818.11	12,412,247.50	10,475,785.04	48,480,851.25
Nevada.....	8,610,732.68	402,254.44	100.00	9,013,087.12	1,765,706.09	1,785,663.11	11,564,456.32
New Hampshire.....	13,436,825.98	2,332,034.67	75.00	15,768,935.65	3,095,315.45	2,782,373.58	21,645,524.68
New Jersey.....	250,775,795.48	70,895,182.95	78,951.18	321,749,929.61	130,920,427.94	40,645,181.94	493,315,539.49
New Mexico.....	6,170,459.50	177,862.62	7,669.45	6,355,991.57	1,689,232.52	954,080.94	8,999,305.03
New York.....	1,390,744,041.35	418,575,164.78	328,662.13	1,809,649,868.26	543,805,410.99	228,104,080.59	2,581,559,359.84
North Carolina.....	76,036,168.96	15,666,048.35	218,256.32	91,920,473.63	383,860,573.06	15,032,688.66	490,813,735.35
North Dakota.....	3,940,339.89	141,004.37	7,733.24	4,089,077.50	1,250,894.69	732,804.49	6,072,776.68
Ohio.....	489,628,108.71	131,859,988.49	420,121.40	621,908,218.60	217,726,275.40	81,863,599.04	921,498,093.04
Oklahoma.....	47,056,937.68	2,885,250.58	24,900.94	49,967,089.20	54,303,155.82	7,834,475.00	112,104,720.02
Oregon.....	33,645,866.64	7,541,114.88	5,150.81	41,192,132.33	9,687,573.55	7,983,284.65	58,863,170.53
Pennsylvania.....	536,309,769.45	179,205,307.19	603,269.37	716,118,346.01	319,556,693.65	127,847,708.05	1,163,520,747.71
Rhode Island.....	46,674,267.50	17,267,017.80	7,802.15	63,949,087.45	13,646,738.88	7,996,191.14	85,592,017.47
South Carolina.....	26,474,269.13	11,140,545.62	124,316.03	37,739,130.78	4,925,466.70	5,317,312.26	47,981,909.74
South Dakota.....	4,020,542.16	150,595.68	14,338.01	4,185,475.85	1,686,000.63	834,790.38	6,706,266.86
Tennessee.....	53,859,711.20	7,397,457.71	229,789.70	61,486,958.61	20,101,499.02	10,731,784.36	92,320,241.99
Texas.....	177,924,606.79	10,141,991.42	104,022.16	188,170,620.37	96,027,113.82	28,708,921.77	312,906,655.96
Utah.....	12,346,317.78	1,561,981.62	150,430.13	14,058,729.53	7,168,490.35	2,455,241.44	23,682,461.32
Vermont.....	8,430,333.53	4,175,313.62	601.31	12,606,248.46	2,045,440.16	2,038,914.93	16,710,603.55



Virginia.....	87,283,788.21	16,113,984.35	104,107.89	103,501,880.45	278,723,403.01	17,188,405.62	399,413,689.08
Washington.....	71,369,135.00	20,059,652.80	2,026.81	91,430,814.61	21,030,153.97	13,721,168.54	126,182,137.12
West Virginia.....	34,001,681.68	6,770,906.82	41,551.42	40,814,139.92	10,315,202.95	8,073,317.65	59,202,660.52
Wisconsin.....	103,901,572.27	41,602,278.24	112,032.02	145,615,882.53	69,188,436.38	20,389,751.04	235,194,069.95
Wyoming.....	5,872,189.35	182,755.61	11,799.23	6,066,744.19	2,082,528.50	744,455.35	8,893,728.04
Alaska.....	3,191,760.52	64,757.02		3,256,517.54	3,777,603.69	378,608.50	4,012,729.73
Hawaii.....	20,680,520.34	3,445,468.41		24,125,988.75	5,096,909.15	3,182,760.02	32,405,647.92
Philippine Islands.....					1,154.31		1,154.31
Puerto Rico.....	29,664.12			29,664.12	2,147,916.54		2,177,580.66
Total.....	6,332,070,930.73	1,670,408,039.89	4,401,767.86	8,006,880,738.48	3,837,669,890.37	1,185,361,843.69	13,029,912,472.54
Adjustment for items in transit.....				-46,415,765.49	9,408,347.84	212,832.63	-36,794,585.02
Receipts per daily Treasury statement.....				7,960,464,972.99	3,847,078,238.21	1,185,574,676.32	12,993,117,887.52

<sup>1</sup> Federal tax receipts in the various States do not indicate the tax burden of the respective States, since the taxes may be eventually borne by persons in other States.

<sup>2</sup> Excludes certain trust fund receipts, see note 4.

<sup>3</sup> Includes (on warrant basis) \$35,765,107.45 from the excise tax on imported distilled spirits, \$331,797.64 from the excise tax on imported wines, and \$2,747.24 from the tax on imported rectified spirits; also includes \$71,279,340.59 from the sale of motor vehicle use stamps and \$5,779,570.93 from the sale of documentary stamps deposited by postmasters.

<sup>4</sup> Excludes collections for credit to trust accounts as follows:

Income tax on Alaska railways (act of July 18, 1914).....	\$2,805.20
Tax on Philippine manufactured products (act of August 5, 1909).....	400,500.14
Tax on Philippine coconut oil (sec. 602½, act of 1934).....	17,405,910.32
Tax on Puerto Rico manufactured products (act of March 2, 1917).....	141,253.12
Tax on American Samoa coconut oil (sec. 561, Revenue Act of 1941).....	5,576.40

Total internal revenue collections reported for credit to trust funds..... 17,956,045.18

NOTE.—For additional information see published report of the Commissioner of Internal Revenue for the year ended June 30, 1942.

TABLE 11.—Summary of customs collections and expenditures, fiscal year 1942

	Amount		Amount
Collections: <sup>1</sup>		Appropriations and expenditures:	
Customs receipts:		Appropriation "Collecting the revenue from customs".....	\$21,771,855.00
Duties on imports.....	\$388,800,833.20	Less: Transferred to Coast Guard.....	17,470.00
Miscellaneous receipts (fines, penalties, etc.).....	1,258,275.79		\$21,754,385.00
Total.....	390,059,108.99	Expenditures—obligations incurred by:	
Collections for other departments, bureaus, etc.:		Collectors of customs.....	14,130,661.10
Department of Commerce.....	\$1,063,018.10	Appraisers of merchandise.....	3,037,963.44
Department of Justice.....	804,655.70	Chief chemists.....	348,026.16
Public Health Service.....	361,031.76	Comptrollers of customs.....	756,991.41
Internal revenue taxes.....	36,210,430.90	Agency service (investigation and patrol).....	2,157,604.46
Printing and binding.....	15,674.00	Administrative.....	762,828.84
Sale of publications.....	34,751.95		21,194,075.41
Philippine trust fund (oils).....	13,661.13	Balance of appropriation.....	560,309.59
Navy Department.....	31,745.49		22,000,000.00
War Department.....	1,045.86	Appropriation "Refunds and drawbacks".....	
Federal Communications.....	1,411.66	Expenditures for refunds, drawbacks, and minor payments of a similar nature.....	21,239,616.15
All other.....	124.19	Balance of appropriation.....	760,383.85
	38,537,550.74		
Total collections.....	428,596,659.73		

<sup>1</sup> Excludes duties and sale of insular government property for Puerto Rico, but includes other Puerto Rican collections.

TABLE 12.—Expenditures by States and Territories and by fiscal years from April 8, 1935, to June 30, 1942, under the Emergency Relief Appropriation Acts for the fiscal years 1935 to 1942

[On basis of checks issued, see p. 388]

States, etc.	1935 and 1936 <sup>1</sup>	1937	1938	1939	1940	1941	1942	Total to June 30, 1942
Alabama.....	\$45,413,631	\$39,337,860	\$23,832,167	\$41,171,608	\$37,282,011	\$27,368,056	\$19,725,085	\$234,130,418
Arizona.....	30,218,058	15,793,641	9,819,047	10,788,079	8,942,534	7,567,429	4,476,682	87,605,470
Arkansas.....	45,373,374	32,624,836	21,095,237	36,452,557	30,703,511	21,724,209	17,496,198	205,469,922
California.....	202,439,632	155,332,893	101,002,400	114,716,341	87,186,039	76,080,646	46,450,054	783,208,005
Colorado.....	49,159,388	31,662,017	24,169,326	31,385,518	23,567,492	16,621,613	11,499,042	188,064,396
Connecticut.....	30,957,805	24,565,537	20,397,992	26,728,389	17,331,359	11,945,369	5,098,051	137,024,502
Delaware.....	4,522,800	3,133,291	2,021,816	3,069,142	2,186,063	2,051,001	1,216,866	18,200,979
District of Columbia.....	52,942,887	58,734,903	40,694,337	37,066,724	34,258,532	31,273,647	14,512,507	269,483,537
Florida.....	43,818,313	30,485,951	21,413,670	33,515,101	29,242,586	25,925,838	22,376,274	206,777,733
Georgia.....	51,696,613	32,499,635	26,429,781	44,237,188	36,306,040	27,758,036	18,360,019	237,287,312
Idaho.....	27,051,963	15,401,195	9,373,427	11,460,020	11,614,936	7,452,319	5,006,984	87,308,844
Illinois.....	190,034,656	169,748,382	126,959,759	191,047,158	130,062,189	93,163,892	57,500,017	958,516,053
Indiana.....	72,153,159	72,051,364	52,193,413	73,113,953	47,294,332	32,456,842	20,270,862	369,533,925
Iowa.....	32,837,317	32,906,584	21,262,120	26,930,184	21,618,753	16,960,559	12,096,521	164,612,038
Kansas.....	44,279,766	46,434,756	25,804,265	29,812,740	23,662,200	17,723,248	11,932,294	199,649,269
Kentucky.....	44,471,482	40,968,555	29,731,773	43,538,639	33,207,525	25,738,546	18,494,517	236,151,037
Louisiana.....	44,738,496	30,864,344	24,330,213	34,870,596	27,092,226	20,938,827	17,098,378	199,933,080
Maine.....	22,102,298	13,538,872	8,149,754	9,818,140	8,952,498	7,413,437	6,090,207	76,065,206
Maryland.....	32,111,884	28,921,203	15,253,169	16,909,948	13,726,002	10,573,801	6,215,623	123,713,630
Massachusetts.....	127,525,799	115,953,273	84,523,194	109,077,397	74,673,456	58,883,791	38,671,964	609,308,874
Michigan.....	109,221,045	81,381,924	74,634,690	131,014,257	76,477,822	52,012,388	30,346,356	555,098,482
Minnesota.....	80,230,158	64,452,972	46,170,410	60,043,479	40,785,687	33,062,488	24,728,126	349,473,320
Mississippi.....	37,500,663	34,551,683	25,407,523	31,370,380	28,985,221	22,979,229	15,013,650	195,808,349
Missouri.....	77,734,116	79,601,021	51,767,012	83,870,993	59,856,769	46,390,650	29,383,744	428,604,305
Montana.....	42,778,849	30,579,025	21,509,046	24,980,392	15,860,322	9,896,827	6,419,048	152,023,509
Nebraska.....	33,851,281	33,785,607	26,663,028	28,803,224	23,693,294	18,405,291	12,827,628	178,029,353
Nevada.....	9,635,214	4,521,483	2,207,186	2,377,190	1,706,467	1,579,075	900,627	22,927,242
New Hampshire.....	11,247,455	9,604,538	6,286,980	8,203,248	5,873,557	4,912,381	3,574,648	49,702,807
New Jersey.....	93,969,133	94,908,022	73,769,884	89,026,228	61,101,129	49,036,702	27,333,535	489,144,633
New Mexico.....	31,288,461	16,907,847	9,450,968	10,881,471	11,252,151	9,327,076	7,669,252	96,777,226
New York.....	466,951,753	379,096,260	250,154,875	257,211,986	156,188,597	123,460,713	82,326,628	1,715,390,812
North Carolina.....	46,312,234	29,428,705	20,858,972	31,719,727	31,715,748	26,474,247	19,143,433	205,653,066
North Dakota.....	23,259,822	33,086,698	21,643,987	21,159,877	12,442,741	8,954,604	4,693,958	125,241,687
Ohio.....	178,777,146	154,778,284	131,835,866	214,062,354	111,615,471	81,004,717	43,611,359	915,685,197
Oklahoma.....	59,965,462	56,502,260	32,530,189	46,673,626	36,465,159	25,574,812	19,612,081	277,323,589
Oregon.....	33,410,094	26,000,703	16,690,235	18,233,798	14,661,851	11,444,252	8,605,959	129,046,892
Pennsylvania.....	277,742,508	247,841,396	184,325,130	221,288,712	126,049,711	109,798,818	59,918,132	1,226,964,407
Rhode Island.....	11,533,680	12,895,046	11,009,350	15,304,582	10,120,148	8,093,133	4,025,171	72,981,110
South Carolina.....	35,868,979	27,030,615	19,168,000	33,061,462	27,197,948	23,694,072	18,291,461	184,312,537
South Dakota.....	25,347,154	36,430,024	23,295,989	22,730,755	16,526,333	9,958,345	5,211,311	138,899,911
Tennessee.....	48,574,534	33,037,586	23,848,563	28,171,917	27,828,736	21,843,056	15,824,599	199,728,991
Texas.....	115,174,542	71,635,880	51,348,643	73,530,209	73,602,918	55,311,336	45,522,686	486,126,214

Utah.....	24,018,396	14,517,379	9,914,092	12,355,107	10,206,401	8,415,169	5,598,921	85,025,465
Vermont.....	13,777,570	5,661,001	3,719,526	5,611,586	3,876,350	2,900,852	1,740,204	37,287,089
Virginia.....	46,829,906	27,505,195	17,827,578	20,740,014	19,812,603	16,454,522	9,577,446	158,747,264
Washington.....	64,942,820	50,002,115	35,140,554	44,857,679	27,413,282	22,946,143	11,639,636	256,942,229
West Virginia.....	50,293,361	39,265,943	24,721,879	34,507,576	26,884,794	22,506,995	17,865,905	216,046,453
Wisconsin.....	83,357,570	74,486,358	48,415,739	67,291,625	44,240,995	33,408,007	19,554,805	370,755,099
Wyoming.....	13,148,427	12,561,503	8,266,924	7,767,708	5,921,759	2,841,208	1,394,881	51,902,410
Alaska.....	3,960,994	1,596,208	470,301	412,896	409,776	114,379	13,953	6,978,507
Hawaii.....	5,980,777	6,121,628	4,174,921	2,553,679	1,395,634	1,228,609	676,312	22,131,560
Panama Canal.....	242,824	455,938	1,238	4,217	13,285,884	<sup>a</sup> 7,218	15,461,431	699,999
Puerto Rico.....	22,431,093	24,010,582	14,463,873	15,340,107	553,482	908,395	738,896	120,666,269
Virgin Islands.....	607,380	699,230	457,994	758,158	12,371,474	11,062,808	<sup>a</sup> 10,457,042	4,723,535
Not allocated to specific States.....	50,749,794	54,609,181	20,632,374	26,345,127				165,313,716
Total expenditures.....	<sup>1</sup> 3,424,564,516	2,860,508,932	2,001,240,379	2,617,974,768	1,835,290,498	1,431,293,486	913,376,885	15,084,249,464

<sup>a</sup> Excess of credits (deduct).

<sup>1</sup> Includes \$525,848,046 for fiscal year 1935 (Apr. 8 to June 30, 1935).

NOTE.—Does not reflect items in transit as of June 30, 1942.

TABLE 13.—Expenditures by organizations and by fiscal years from April 8, 1935, to June 30, 1942, under the Emergency Relief Appropriation Acts for the fiscal years 1935 to 1942

(On the basis of checks issued, see p. 388)

Organization	1935 and 1936 <sup>1</sup>	1937	1938	1939	1940	1941	1942	Total to June 30, 1942
<b>LEGISLATIVE ESTABLISHMENT</b>								
Architect of the Capitol.....		\$371	\$325, 634	\$38, 692				\$364, 697
Library of Congress.....	\$189, 304	345, 775	170, 256	135, 000	\$115, 462	\$109, 422	\$60, 514	1, 125, 733
<b>EXECUTIVE OFFICE</b>								
Executive Office of the President:								
Bureau of the Budget.....					3, 894			3, 894
National Resources Planning Board.....	729, 202	937, 362	715, 974	682, 934	813, 306	117, 482	5, 076	4, 001, 336
Office of Government Reports.....	1, 458, 668	1, 182, 110	682, 153	804, 893	775, 304	729, 489	41, 118	5, 673, 735
Total Executive Office of the President.....	2, 187, 870	2, 119, 472	1, 398, 127	1, 487, 827	1, 592, 504	846, 971	46, 194	9, 678, 965
<b>EXECUTIVE DEPARTMENTS</b>								
Agriculture:								
Exclusive of Farm Security Administration.....	62, 872, 808	67, 202, 964	30, 203, 839	28, 040, 118	19, 769, 635	12, 608, 438	3, 573, 325	224, 271, 127
Farm Security Administration.....	134, 518, 438	215, 370, 956	169, 297, 254	180, 557, 282	156, 586, 179	57, 101, 059	6, 470, 578	919, 901, 746
Total Department of Agriculture.....	197, 391, 246	282, 573, 920	199, 501, 093	208, 597, 400	176, 355, 814	69, 709, 497	10, 043, 903	1, 144, 172, 873
Commerce.....	6, 464, 852	4, 861, 169	511, 504	301, 285	316, 095	242, 616	446, 112	13, 143, 633
Interior:								
Exclusive of Puerto Rico Reconstruction Administration.....	18, 107, 892	41, 465, 266	29, 885, 296	26, 775, 439	9, 960, 605	7, 200, 477	1, 199, 523	134, 594, 498
Puerto Rico Reconstruction Administration.....	6, 452, 537	21, 661, 695	12, 186, 620	13, 722, 842	9, 116, 837	4, 688, 329	605, 572	68, 434, 432
Total Department of the Interior.....	24, 560, 429	63, 126, 961	42, 071, 916	40, 498, 281	19, 077, 442	11, 888, 806	1, 805, 095	203, 028, 930
Justice.....	770, 493	1, 033, 098	1, 186, 913	920, 821	84, 364	15, 855	10	4, 011, 554
Labor.....	194, 855	1, 675, 034	604, 632	877, 817	1, 843, 609	1, 730, 367	332, 288	7, 258, 602
Navy.....	15, 100, 116	17, 659, 002	13, 600, 374	15, 199, 564	10, 153, 168	* 10, 361, 749	1, 772, 425	83, 846, 398
State.....			152, 264					152, 264
Treasury.....	28, 620, 554	32, 515, 576	21, 169, 825	19, 546, 893	13, 953, 875	* 10, 757, 598	6, 123, 958	132, 688, 279
War:								
Exclusive of Corps of Engineers.....	11, 298, 429	17, 267, 330	25, 562, 060	26, 409, 136	17, 316, 903	10, 948, 099	1, 026, 758	109, 828, 715
Corps of Engineers (rivers and harbors, etc.).....	79, 518, 778	52, 321, 419	22, 857, 076	7, 840, 665	1, 069, 063	415, 395	6, 290	164, 028, 686
Total War Department.....	90, 817, 207	69, 588, 749	48, 419, 136	34, 249, 801	18, 385, 966	11, 363, 494	1, 033, 048	273, 857, 401

## INDEPENDENT ESTABLISHMENTS

Advisory Committee on Allotments.....	17, 126	1						17, 127
Alley Dwelling Authority.....	6, 471	164, 359	194, 667					365, 497
Census of Partial Employment, Unemployment and Occupations.....			1, 777, 260	85, 058	4, 644			1, 866, 962
Civil Service Commission.....	107, 684	11, 857	* 11					119, 530
Coordinator for Industrial Cooperation.....	32, 838	133, 435	8, 101			65		174, 439
Employees' Compensation Commission.....	1, 712, 777	6, 231, 265	5, 228, 396	8, 359, 349	8, 988, 309	7, 758, 096	5, 398, 479	43, 676, 671
Federal Emergency Relief Administration.....	929, 721, 347	3, 978, 075	451, 270	* 10, 179	* 3, 804	501	* 188	934, 167, 022
Federal Security Agency:								
Civilian Conservation Corps.....	541, 034, 556	50, 464, 244	1, 013, 528	118, 354	* 8, 850	557	1, 205	592, 623, 594
National Youth Administration <sup>2</sup> .....	35, 535, 355	65, 619, 041	51, 156, 505	75, 146, 908	97, 078, 231	4, 069, 185	10, 341	329, 515, 566
Office of Education.....	418, 312	1, 751, 203	377, 283	576, 949	497, 250	221, 060	12, 210	3, 854, 267
Public Health Service.....	3, 696, 742	3, 903, 813	2, 812, 309	1, 369, 278	507, 584	207, 079	60, 253	12, 567, 058
St. Elizabeths Hospital.....	9, 396							9, 396
Social Security Board.....	10, 748, 554	13, 499, 416	6, 456, 767	1, 241, 405	52, 157	24, 303	* 8	32, 022, 594
Total Federal Security Agency.....	591, 442, 915	135, 237, 717	61, 816, 392	78, 452, 894	98, 126, 372	5, 422, 184	84, 001	970, 582, 475
Federal Works Agency:								
Public Buildings Administration.....	224, 884	421, 870	97, 386	14, 051	88			758, 279
Public Roads Administration.....	127, 508, 145	241, 041, 577	79, 692, 964	30, 142, 064	12, 356, 153	6, 585, 629	3, 256, 091	500, 582, 623
Public Works Administration.....	133, 255, 148	160, 318, 022	74, 148, 118	13, 268, 092	5, 932, 137	3, 433, 855	1, 932, 803	392, 288, 175
Work Projects Administration <sup>2</sup> .....	1, 270, 267, 226	1, 833, 450, 125	1, 427, 701, 995	2, 157, 201, 118	1, 461, 791, 706	1, 284, 780, 454	879, 229, 754	10, 314, 422, 378
Total Federal Works Agency.....	1, 531, 255, 403	2, 235, 231, 594	1, 581, 640, 463	2, 200, 625, 325	1, 480, 080, 084	1, 294, 799, 938	884, 418, 648	11, 208, 051, 455
General Accounting Office.....	2, 983, 572	3, 565, 444	4, 361, 836	4, 319, 857	5, 129, 109	5, 539, 219	1, 455, 914	27, 354, 051
National Housing Agency:								
Federal Public Housing Authority <sup>4</sup> .....			16, 255, 077	3, 515, 713	180, 497	6, 875	6	19, 958, 168
Prison Industries Reorganization Administration.....	63, 044	154, 388	122, 487	5, 702	11			346, 232
Veterans' Administration.....	923, 813	301, 670	242, 767	767, 668	906, 977	740, 233	356, 478	4, 239, 606
Total expenditures.....	13, 424, 564, 516	2, 860, 508, 932	2, 001, 240, 379	2, 617, 974, 768	1, 835, 290, 498	1, 431, 293, 486	913, 376, 885	15, 084, 249, 464

\* Excess of credits (deduct).

<sup>2</sup> Revised to reflect adjustment in expenditures on account of the transfer of the Coast Guard from the Treasury Department to the Navy Department.

<sup>1</sup> Includes \$525,848,046 for fiscal year 1935 (Apr. 8 to June 30, 1935).

<sup>2</sup> Administrative expenses for National Youth Administration under the Emergency Relief Appropriation Acts of 1935, 1936, 1937, and 1938 are included in amounts shown for Work Projects Administration.

<sup>3</sup> Does not include transfers to other Federal agencies.

<sup>4</sup> Formerly United States Housing Authority. Pursuant to Executive Order No. 9070, effective Feb. 24, 1942, the functions of the United States Housing Authority were transferred to the Federal Public Housing Authority of the National Housing Agency.

NOTE.—Does not reflect items in transit as of June 30, 1942.

TABLE 14.—Financial status of appropriations provided in the Emergency Relief Appropriation Acts for the fiscal years 1935 to 1942, as of June 30, 1942

Organization unit	Available funds	Obligations	Voucher payments (checks issued)	Unliquidated obligations outstanding	Unobligated balances	
					Available for obligation <sup>1</sup>	Not available for obligation <sup>2</sup>
LEGISLATIVE ESTABLISHMENT						
Architect of the Capitol—Improvements to United States Court of Appeals Building.....	\$365,539.61	\$364,697.41	\$364,697.41			\$842.20
Library of Congress—Construction of talking-book machines for blind.....	1,134,617.48	1,128,081.46	1,125,732.62	\$2,348.84	\$888.03	5,647.99
EXECUTIVE OFFICE						
Executive Office of the President:						
Bureau of the Budget.....	26,175.00	3,894.38	3,894.38			22,280.62
National Resources Planning Board.....	4,136,390.53	4,001,337.35	4,001,336.07	1.28		135,053.18
Office of Government Reports.....	5,874,431.63	5,683,516.92	5,673,734.09	9,782.83		190,914.71
Total Executive Office of the President.....	10,036,997.16	9,688,748.65	9,678,964.54	9,784.11		348,248.51
EXECUTIVE DEPARTMENTS						
Agriculture:						
Administrative expenses <sup>3</sup> .....	16,460,765.11	16,209,982.15	16,184,095.98	25,886.17	73,176.38	177,606.58
Agricultural Conservation and Adjustment Administration:						
Agricultural Adjustment Administration.....	283,627.35	281,843.87	281,843.87		1,783.48	
Soil Conservation Service.....	43,151,756.11	42,923,308.12	42,922,524.86	783.26	55,646.51	172,801.48
Total Agricultural Conservation and Adjustment Administration.....	43,435,383.46	43,205,151.99	43,204,368.73	783.26	57,429.99	172,801.48
Agricultural Economics.....	3,528,536.72	3,321,394.75	3,318,728.01	2,666.74	2,951.24	204,190.73
Agricultural Marketing Service.....	211,755.30	210,235.47	210,235.47		1,519.83	
Agricultural Research Administration:						
Agricultural Chemistry and Engineering.....	11,041.48	11,041.48	11,041.48			
Animal Industry.....	1,651,321.96	1,649,714.25	1,649,714.25			1,607.71
Dairy Industry.....	39,024.11	36,952.81	36,952.81		2,071.30	
Entomology and Plant Quarantine.....	53,745,250.15	52,503,622.63	52,501,022.49	2,600.14	894,237.62	347,389.90
Home Economics.....	3,018,278.13	2,967,144.37	2,964,352.48	2,791.89	8,620.66	42,513.10
National Agricultural Research Center (Beltsville).....	1,196,571.02	1,188,736.08	1,188,728.30	7.78	7,834.94	
Plant Industry.....	39,770.18	39,770.18	39,770.18			
Total Agricultural Research Administration.....	59,701,257.03	58,396,981.80	58,391,581.99	5,399.81	912,764.52	391,510.71

Extension Service.....	2,004,059.46	2,004,059.46	2,004,059.46			
Farm Credit Administration:						
Administrative expenses.....	784,398.80	784,398.80	784,398.80			
Emergency crop loans.....	16,099,801.51	16,098,059.83	16,098,059.83			1,741.68
Total Farm Credit Administration.....	16,884,200.31	16,882,458.63	16,882,458.63			1,741.68
Forest Service.....	69,473,998.85	68,810,666.08	68,806,795.78	3,870.30	486,468.80	176,863.97
Office of the Solicitor.....	2,134.00	2,084.12	2,084.12			49.88
Rural Electrification Administration:						
Administrative expenses.....	963,267.60	963,001.51	963,001.51			266.09
Loans to private corporations, States, etc.....	14,475,128.00	13,932,198.32	13,932,198.32			542,929.68
Construction of electric distribution systems.....	69,596.19	58,861.19	58,861.19			10,735.00
Preparation of strip maps.....	312,657.60	312,657.60	312,657.60			
Total Rural Electrification Administration.....	15,820,649.39	15,266,718.62	15,266,718.62			553,930.77
Farm Security Administration:						
Administration:						
General administrative expenses.....	100,204,115.47	100,158,366.70	100,123,234.52	35,132.18		45,748.77
Expenses for educational project.....	51,700.00	51,699.53	51,687.27	12.26		.47
Expenses for loans and relief.....	64,473,198.83	64,431,745.93	64,344,744.76	87,001.17		41,452.90
Expenses for relief, Indians.....	61,011.48	61,011.48	61,011.48			
Expenses for rural rehabilitation projects.....	544,278.30	544,278.30	544,278.30			
Rural rehabilitation, suburban projects, loans and relief.....	702,208,072.01	701,857,173.41	701,149,661.48	707,511.93		350,898.60
Sanitation and conservation projects.....	53,873,586.99	53,627,128.23	53,627,128.23			246,458.76
Total Farm Security Administration.....	921,415,963.08	920,731,403.58	919,901,746.04	829,657.54		684,559.50
Undistributed to organization units.....	103,089.61					103,089.61
Total Department of Agriculture.....	1,149,041,792.32	1,145,041,136.65	1,144,172,872.83	868,263.82	1,534,310.76	2,466,344.91
Commerce:						
Administrative expenses.....	1,750,254.90	1,650,120.50	1,647,788.13	2,332.37	12,208.87	87,925.83
Census.....	10,780,420.60	10,770,255.45	10,770,255.45			10,165.15
Coast and Geodetic Survey.....	48,670.42	48,669.26	48,567.90	101.36	1.16	
Foreign and Domestic Commerce.....	446,308.00	334,351.23	331,657.08	2,694.15	111,956.77	
Industrial Economics.....	99,967.91	99,948.90	99,948.90			19.01
Standards.....	75,000.00	75,000.00	75,000.00			
Weather Bureau.....	190,689.20	176,105.34	170,415.07	5,690.27	14,583.86	
Total Department of Commerce.....	13,391,311.03	13,154,450.68	13,143,632.53	10,818.15	138,750.66	98,109.69
Interior:						
Administrative expenses.....	5,141,674.32	5,038,463.46	5,035,709.65	2,753.81	66,474.21	36,736.65
Bituminous coal survey.....	70,544.43	70,544.43	70,544.43			
Fish and Wildlife Service.....	7,394,353.67	7,196,698.89	7,193,662.74	3,036.15	130,712.46	66,942.32
General Land Office.....	107,459.04	102,663.50	102,535.45	128.05	4,795.54	
Geological Survey.....	108,693.64	108,693.64	108,693.64			
Indian Affairs.....	5,173,289.10	5,044,370.42	5,041,473.52	2,896.90	744.49	128,174.19
National Park Service.....	48,505,529.82	46,622,944.11	46,617,111.94	5,832.17	225,573.44	1,657,012.27

Footnotes on p. 457.

TABLE 14.—Financial status of appropriations provided in the Emergency Relief Appropriation Acts for the fiscal years 1935 to 1942, as of June 30, 1942—Continued

Organization unit	Available funds	Obligations	Voucher payments (checks issued)	Unliquidated obligations outstanding	Unobligated balances	
					Available for obligation <sup>1</sup>	Not available for obligation <sup>2</sup>
EXECUTIVE DEPARTMENTS—Continued						
Interior—Continued.						
Puerto Rico Reconstruction Administration: <sup>3</sup>						
Administrative expenses	\$4, 741, 498. 05	\$4, 736, 710. 48	\$4, 734, 487. 38	\$2, 223. 10		\$4, 787. 57
Relief for needy persons	163, 849. 40	163, 842. 10	163, 842. 10			7. 30
Work projects	63, 734, 588. 95	63, 646, 934. 11	63, 536, 102. 66	110, 831. 45		87, 654. 84
Undistributed by program <sup>4</sup>	7, 067. 97					7, 067. 97
Total Puerto Rico Reconstruction Administration	68, 647, 004. 37	68, 547, 486. 69	68, 434, 432. 14	113, 054. 55		99, 517. 68
Reclamation	66, 681, 238. 79	66, 561, 901. 10	66, 556, 602. 83	5, 298. 27	\$4. 23	119, 333. 46
Territories and Island Possessions:						
Alaska, various projects	1, 749, 919. 62	1, 747, 579. 66	1, 747, 579. 66		254. 78	2, 085. 18
Virgin Islands, various projects	2, 182, 176. 58	2, 125, 683. 87	2, 120, 584. 52	5, 099. 35	55, 515. 65	977. 06
Total Department of the Interior	205, 761, 883. 38	203, 167, 029. 77	203, 028, 930. 52	138, 099. 25	484, 074. 80	2, 110, 778. 81
Justice:						
Administrative expenses	4, 226, 632. 94	3, 742, 837. 46	3, 742, 837. 46			483, 795. 48
Immigration and Naturalization Service	175, 527. 93	175, 527. 93	175, 527. 93			
Prisons	49, 803. 40	49, 792. 40	49, 792. 40		11. 00	
Surveys	43, 464. 81	43, 396. 46	43, 396. 46			68. 35
Total Department of Justice	4, 495, 429. 08	4, 011, 554. 25	4, 011, 554. 25		11. 00	483, 863. 83
Labor:						
Administrative expenses	714, 075. 09	702, 062. 96	702, 062. 96		3, 632. 93	8, 379. 20
Consumers' goods survey	173, 850. 00	170, 476. 68	170, 476. 68			3, 373. 32
Labor Statistics	6, 491, 146. 63	6, 396, 091. 99	6, 386, 062. 31	10, 029. 68	37, 812. 82	57, 241. 82
Total Department of Labor	7, 379, 071. 72	7, 268, 631. 63	7, 258, 601. 95	10, 029. 68	41, 445. 75	68, 994. 34
Navy:						
Administrative expenses	3, 062, 009. 99	3, 007, 282. 66	3, 001, 562. 20	5, 720. 46	36, 263. 41	18, 463. 92
Coast Guard—Improvements to buildings including lighthouses	5, 346, 120. 95	5, 332, 867. 25	5, 332, 695. 80		60. 49	13, 193. 21
Yards and Docks	81, 950, 292. 73	81, 249, 372. 02	81, 235, 222. 79	14, 149. 23	112, 834. 52	588, 086. 19
Total Navy Department	90, 358, 423. 67	89, 589, 521. 93	89, 569, 480. 79	20, 041. 14	149, 158. 42	619, 743. 32



<b>State:</b>						
Administrative expenses.....	4,919.82	4,919.82	4,919.82			
International Boundary Commission.....	147,344.26	147,344.26	147,344.26			
<b>Total State Department.....</b>	<b>152,264.08</b>	<b>152,264.08</b>	<b>152,264.08</b>			
<b>Treasury:</b>						
Administrative expenses:						
Bureau of Accounts:						
Accounts Offices.....	47,792,347.73	46,392,132.22	46,328,895.54	63,236.68		1,400,215.51
Disbursing Offices.....	22,172,440.02	21,797,402.71	21,717,548.22	79,854.49		375,037.31
<b>Total.....</b>	<b>69,964,787.75</b>	<b>68,189,534.93</b>	<b>68,046,443.76</b>	<b>143,091.17</b>		<b>1,775,252.82</b>
Procurement Division.....	41,085,682.45	40,322,904.38	40,265,462.77	57,441.61		762,778.07
Office of the Treasurer.....	4,669,906.04	4,633,662.11	4,582,058.56	51,603.55		36,243.93
Other <sup>6</sup> .....	2,673,247.24	1,647,674.32	1,632,044.83	15,629.49	287.26	1,025,285.66
<b>Total administrative expenses.....</b>	<b>118,393,623.48</b>	<b>114,793,775.74</b>	<b>114,526,009.92</b>	<b>267,765.82</b>	<b>287.26</b>	<b>3,599,560.48</b>
Emergency relief liquidation fund <sup>7</sup> .....	1,500,000.00	1,214,824.08	172,221.90	1,042,602.18	285,175.92	
Internal revenue tax survey.....	12,778,741.41	12,442,490.46	12,442,292.96	197.50	81.17	336,169.78
Procurement Division, Branch of Supply—Work relief supply funds.....	484,353.13	<sup>8</sup> -175,328.39	<sup>8</sup> -175,328.39		639,534.25	20,147.27
<b>Total Treasury Department.....</b>	<b>133,156,718.02</b>	<b>128,275,761.89</b>	<b>126,965,196.39</b>	<b>1,310,565.50</b>	<b>925,078.60</b>	<b>3,955,877.53</b>
<b>War:</b>						
Administrative expenses:						
Corps of Engineers.....	735,860.06	735,771.79	735,771.79			88.27
Medical care of employees.....	10,997.50	10,997.50	10,997.50			
Quartermaster Corps.....	3,486,080.07	3,352,409.32	3,283,534.60	68,874.72	37,608.05	96,062.70
<b>Total administrative expenses.....</b>	<b>4,232,937.63</b>	<b>4,099,178.61</b>	<b>4,030,303.89</b>	<b>68,874.72</b>	<b>37,608.05</b>	<b>96,150.97</b>
Corps of Engineers.....	165,539,692.60	163,292,913.83	163,292,913.83		105,655.26	2,141,123.51
Office of the Chief of Staff, work relief projects.....	3,193,255.01	3,184,282.90	3,184,282.90			8,972.11
Quartermaster Corps.....	106,357,087.22	103,708,056.36	103,349,900.44	358,155.92	155,157.73	2,493,873.13
<b>Total War Department.....</b>	<b>279,322,972.46</b>	<b>274,284,431.70</b>	<b>273,857,401.06</b>	<b>427,030.64</b>	<b>298,421.04</b>	<b>4,740,119.72</b>
<b>INDEPENDENT ESTABLISHMENTS</b>						
Advisory Committee on Allotments—Administrative expenses.....	17,127.42	17,127.42	17,127.42			
Alley Dwelling Authority—Low-cost housing, alley improvements.....	365,496.80	365,496.80	365,496.80			
Census of Partial Employment, Unemployment, and Occupations—Administrative expenses.....	1,894,261.38	1,866,961.91	1,866,961.91			27,299.47
Civil Service Commission—Administrative expenses.....	119,536.14	119,530.09	119,530.09			6.05
Coordinator for Industrial Cooperation—Administrative expenses.....	175,419.51	174,438.98	174,438.98			980.53
Employees' Compensation Commission—Injury compensation fund, including administrative expenses.....	48,750,000.00	43,850,273.09	43,676,670.95	173,602.14	4,899,726.91	
Federal Emergency Relief Administration—Grants to States, including administrative expenses.....	934,240,594.40	934,167,022.17	934,167,022.17			73,572.23

Footnotes on p. 457.

TABLE 14.—Financial status of appropriations provided in the Emergency Relief Appropriation Acts for the fiscal years 1935 to 1942, as of June 30, 1942—Continued

Organization unit	Available funds	Obligations	Voucher pay- ments (checks issued)	Unliquidated obligations out- standing	Unobligated balances	
					Available for obligation <sup>1</sup>	Not available for obligation <sup>2</sup>
INDEPENDENT ESTABLISHMENTS—Continued						
Federal Security Agency:						
Civilian Conservation Corps:						
Acquisition of land.....	\$982,570.51	\$982,553.56	\$982,553.56	-----	-----	\$16.95
Civilian Conservation Corps camps, including administrative expenses.....	592,634,048.18	591,641,040.23	591,641,040.23	-----	-----	993,007.95
Total Civilian Conservation Corps.....	593,616,618.69	592,623,593.79	592,623,593.79	-----	-----	993,024.90
National Youth Administration:						
Administrative expenses <sup>3</sup> .....	4,947,974.57	4,933,755.05	4,933,191.88	\$563.17	-----	14,219.52
Work projects and student aid.....	324,737,210.25	324,589,675.97	324,582,374.22	7,301.75	-----	147,534.28
Undistributed <sup>4</sup> .....	1,033,544.71	-----	-----	-----	-----	1,033,544.71
Total National Youth Administration.....	330,718,729.53	329,523,431.02	329,515,566.10	7,864.92	-----	1,195,298.51
Office of Education:						
Administrative expenses.....	51,462.48	47,711.66	47,711.66	-----	\$3,067.27	683.55
Educational projects.....	3,900,458.20	3,806,572.33	3,806,555.33	17.00	54,352.61	39,533.26
Total Office of Education.....	3,951,920.68	3,854,283.99	3,854,266.99	17.00	57,419.88	40,216.81
Public Health Service:						
Administrative expenses.....	5,957,889.39	5,928,412.23	5,919,848.61	8,563.62	547.78	28,929.38
Health surveys and other projects.....	6,647,056.37	6,637,209.41	6,337,209.41	-----	-----	9,846.96
Total Public Health Service.....	12,604,945.76	12,565,621.64	12,557,058.02	8,563.62	547.78	38,776.34
Saint Elizabeths Hospital.....	9,396.12	9,396.12	9,396.12	-----	-----	-----
Social Security Board—Employment Security.....	33,948,970.52	32,022,594.33	32,022,594.33	-----	-----	1,926,376.19
Total Federal Security Agency.....	974,850,581.30	970,598,920.89	970,582,475.35	16,445.54	57,967.66	4,193,692.75
Federal Works Agency:						
Public Buildings Administration—Decoration of Federal buildings....	758,279.47	758,279.47	758,279.47	-----	-----	-----
Public Roads Administration—Public roads, including grade-crossing elimination.....	506,762,549.42	503,112,995.44	500,582,623.37	2,530,372.07	2,673,129.34	976,424.64

<b>Public Works Administration:</b>					
Housing.....	82,854,953.48	82,854,953.48	82,854,953.48		
Loans and grants to States, etc.....	313,339,437.74	313,087,070.72	309,433,221.05	3,653,849.67	252,367.02
Total Public Works Administration.....	396,194,391.22	395,942,024.20	392,288,174.53	3,653,849.67	252,367.02
<b>Work Projects Administration:<sup>10</sup></b>					
Administrative expenses <sup>9</sup> .....	403,873,352.81	403,074,475.24	402,079,496.25	994,978.99	509,208.20
Land utilization and rural rehabilitation <sup>11</sup> .....	27,853,647.41	27,786,389.89	27,786,389.89		289,669.37
Work programs <sup>12</sup> .....	9,984,902,474.92	9,934,966,293.77	9,884,556,491.39	50,409,802.38	67,257.52
Undistributed <sup>4</sup> .....	9,846,319.13				1,934,672.37
Total Work Projects Administration.....	10,426,475,794.27	10,365,827,158.90	10,314,422,377.53	51,404,781.37	1,944.08
Total Federal Works Agency.....	11,330,191,014.38	11,265,640,458.01	11,208,051,454.90	57,589,003.11	2,293,543.34
<b>General Accounting Office—Administrative expenses</b> .....	27,555,000.00	27,354,951.31	27,354,951.31		200,048.69
<b>National Housing Agency—U. S. Housing Authority</b> .....	19,958,689.33	19,958,167.48	19,958,167.48		521.85
<b>Prison Industries Reorganization Administration—Administrative expenses</b> .....	353,041.00	346,232.12	346,232.12		6,808.88
<b>Veterans' Administration:</b>					
Administrative expenses.....	135,754.43	129,423.18	129,208.98	214.20	6,331.25
Construction and improvement of buildings, roads, and streets.....	4,812,451.06	4,123,846.22	4,110,397.01	13,449.21	111,482.91
Total Veterans' Administration.....	4,948,205.49	4,253,269.40	4,239,605.99	13,663.41	577,121.93
<b>Unallocated</b> .....	5,076,675.99				5,076,675.99
<b>Grand total</b> .....	15,243,092,663.15	15,144,839,159.77	15,084,249,464.44	60,589,695.33	28,577,634.22
<b>Analysis:</b>					
Unexpired appropriations:					
Allocated.....	4,798,737,823.57	4,726,875,721.93	4,666,350,011.44	60,525,710.49	69,675,869.16
Expired appropriations: <sup>13</sup>					
Allocated.....	10,439,278,163.59	10,417,963,437.84	10,417,899,453.00	63,984.84	21,314,725.75
Unallocated.....	5,076,675.99				5,076,675.99
Total expired appropriations.....	10,444,354,839.58	10,417,963,437.84	10,417,899,453.00	63,984.84	26,391,401.74
<b>Grand total<sup>14</sup></b> .....	15,243,092,663.15	15,144,839,159.77	15,084,249,464.44	60,589,695.33	28,577,634.22

<sup>1</sup> This column includes unobligated balances under E. R. A. acts of 1935, 1937, 1938, 1939, and for fiscal years 1941 and 1942, the availability of which has been extended by Congress beyond June 30, 1942.

<sup>2</sup> Balances shown in this column are no longer available for allocation or obligation, but they are subject to change because of adjustments in obligations incurred prior to the expiration of the appropriation. Such balances are carried to the surplus fund of the Treasury when they have remained on the books 2 full fiscal years after the close of the fiscal year for which the appropriations were established.

<sup>3</sup> Exclusive of Farm Credit Administration, Farm Security Administration, and Rural Electrification Administration.

<sup>4</sup> Appropriated but not as yet distributed to specific programs or organization units by the administrative agency.

<sup>5</sup> Exclusive of Puerto Rico revolving fund receipts and expenditures, of which the unexpended receipts amount to \$2,878,338.62.

<sup>6</sup> Includes administrative expenses for Secret Service Division and Division of Tax Research.

<sup>7</sup> Funds made available for payment of certified claims subsequent to Jan. 1, 1942, as

provided in sec. 501 of the Third Supplemental National Defense Appropriation Act, 1942, approved Dec. 17, 1941.

<sup>8</sup> Repayments in excess of payments.

<sup>9</sup> Administrative expenses for National Youth Administration under E. R. A. acts of 1935, 1936, 1937, and 1938 are included in amounts shown for Work Projects Administration.

<sup>10</sup> Does not include various transfers provided in the E. R. A. acts of 1938, 1939, for fiscal years 1941 and 1942, to other Federal agencies. Includes amounts made available to other Federal agencies as working funds.

<sup>11</sup> Administered by Farm Security Administration.

<sup>12</sup> Includes relief for needy persons and aid to self-help and cooperative associations.

<sup>13</sup> Expired appropriations represent the portions of appropriations made under the E. R. A. acts of 1935, 1936, 1937, 1938, and 1939, which have lapsed by limitation of law. Unexpended balances in the amount of \$25,258,681.59 have been carried to the surplus fund of the Treasury, as provided in Title 31, secs. 712 and 713, U. S. Code, which transfers are not reflected in this statement.

<sup>14</sup> For sources of funds available see "Appropriation Account" on page 458.

TABLE 14.—Financial status of appropriations provided in the Emergency Relief Appropriation Acts for the fiscal years 1935 to 1942, as of June 30, 1942—Continued

## APPROPRIATION ACCOUNT

	Total	Act for fiscal year 1942 (July 1, 1941, and Dec. 17, 1941)¹	Act for fiscal year 1941 (June 26, 1940, and Mar. 1, 1941)	Act of 1939 (June 30, 1939)	Act of 1938 (June 21, 1938, Feb. 4, 1939, and Apr. 13, 1939)	Act of 1937 (June 29, 1937, and Mar. 2, 1938)	Act of 1935² (Apr. 8, 1935) and act of 1936 (June 22, 1936, and Feb. 9, 1937)
<b>FUNDS MADE AVAILABLE</b>							
<b>Credits:</b>							
Specific appropriations.....	\$14,201,121,357.00	\$885,905,000.00	\$1,057,711,357.00	\$1,755,600,000.00	\$2,537,905,000.00	\$1,750,000,000.00	\$6,214,000,000.00
From appropriation for United States Employees' Compensation Commission, fiscal year 1939, Public Resolution No. 7, 76th Cong., Apr. 1, 1939.....	2,000,000.00				2,000,000.00		
From appropriation for the General Accounting Office, fiscal year 1939, Public No. 61, 76th Cong., May 2, 1939.....	150,000.00				150,000.00		
From appropriation for the Puerto Rico Reconstruction Administration, fiscal year 1939, Public No. 61, 76th Cong., May 2, 1939.....	1,000,000.00				1,000,000.00		
From appropriation for Employees' Compensation Commission, Urgent Deficiency Appropriation Act, fiscal year 1941, Mar. 1, 1941.....	800,000.00						800,000.00
From appropriation for Work Projects Administration, Urgent Deficiency Appropriation Act, fiscal year 1941, Mar. 1, 1941.....	375,000,000.00		375,000,000.00				
From appropriation for emergency relief liquidation fund, Third Supplemental National Defense Appropriation Act, 1942, approved Dec. 17, 1941.....	1,500,000.00	1,500,000.00					
Total specific appropriations.....	14,581,571,357.00	887,405,000.00	1,432,711,357.00	1,755,600,000.00	2,541,055,000.00	1,750,000,000.00	6,214,800,000.00
<b>Unexpended balances transferred:</b>							
From Reconstruction Finance Corporation.....	500,000,000.00						500,000,000.00
From funds provided in the Emergency Appropriation Act, fiscal year 1935, approved June 19, 1934:							
From funds to meet the emergency and necessity for relief in stricken agricultural areas.....	40,364,759.65					1,240,000.00	39,124,759.65
From funds for emergency relief and public works.....	50,334,412.27					2,630,000.00	47,704,412.27

From appropriation for national industrial recovery, contained in the Fourth Deficiency Act, fiscal year 1933.....	90,972,316.04					6,202,961.75	84,769,354.29
From appropriation for emergency relief and civil works, contained in the act approved February 15, 1934.....	7,701,542.23					270,060.00	7,431,542.23
From appropriation for salaries and expenses, National Youth Administration, Federal Security Appropriation Act, 1941.....	364,213.72		364,213.72				
From appropriation for salaries and expenses, National Youth Administration, Labor-Federal Security Appropriation Act, 1942.....	400,000.00	400,000.00					
From remainder of the unobligated moneys for public works referred to in sec. 4 of the act approved Mar. 31, 1933.....	21,527,113.76						21,527,113.76
From funds established pursuant to sec. 15 (f) of the Agricultural Adjustment Act of May 12, 1933, amended May 9, 1934.....	12,921,502.64						12,921,502.64
Total amount made available by Congress.....	15,306,157,217.31	887,805,000.00	1,433,075,570.72	1,755,600,000.00	2,541,055,000.00	1,760,342,961.75	6,928,278,684.84
Transfers from the Emergency Relief Appropriation Acts:							
Act of 1935.....	183,777,421.64	5,968,762.03	379,825.20			34,977,660.97	142,451,173.44
Act of 1936.....	120,932,182.18					114,732,182.18	6,200,000.00
Act of 1937.....	72,704,509.22	37,026.70	67,478.82	2,544,559.52	58,517,610.23		11,537,833.95
Act of 1938.....	54,056,156.59	212,153.18	2,738,251.32	50,345,709.36		10,951.63	749,091.10
Act of 1939.....	25,457,434.76	1,404,358.82	24,053,075.94				
Act for fiscal year 1941.....	21,312,626.40	21,097,334.01		208,818.15		6,065.20	409.04
Total.....	15,784,397,548.10	916,524,634.74	1,460,314,202.00	1,808,699,087.03	2,599,572,610.23	1,910,069,821.73	7,089,217,192.37
Charges:							
Transfers to the Emergency Relief Appropriation Acts:							
Act of 1935.....	-21,438,507.53		-409.04		-749,091.10	-11,537,833.95	-9,151,173.44
Act of 1936.....	-139,500,000.00						-139,500,000.00
Act of 1937.....	-149,726,859.98		-6,065.20		-10,951.63		-149,709,843.15
Act of 1938.....	-58,517,610.23					-58,517,610.23	
Act of 1939.....	-53,102,941.62		-208,818.15	-3,854.59	-50,345,709.36	-2,544,559.52	
Act for fiscal year 1941.....	-27,234,776.69			-24,049,221.35	-2,738,251.32	-67,478.82	-379,825.20
Act for fiscal year 1942.....	-28,719,634.74		-21,097,334.01	-1,404,358.82	-212,153.18	-37,026.70	-5,968,762.03
Transfers to regular appropriation of War Department, Corps of Engineers, War Department Civil Appropriation Act, 1938, approved July 19, 1937.....	-7,500,000.00					-7,500,000.00	
Transfers to regular appropriation of War Department, Corps of Engineers, War Department Civil Appropriation Act, 1939, approved June 11, 1938.....	-42,000,000.00				-18,000,000.00	-24,000,000.00	

Footnotes on p. 461.

TABLE 14.—Financial status of appropriations provided in the Emergency Relief Appropriation Acts for the fiscal years 1935 to 1942, as of June 30, 1942—Continued

## APPROPRIATION ACCOUNT—Continued

	Total	Act for fiscal year 1942 (July 1, 1941, and Dec. 17, 1941) <sup>1</sup>	Act for fiscal year 1941 (June 26, 1940, and Mar. 1, 1941)	Act of 1939 (June 30, 1939)	Act of 1938 (June 21, 1938, Feb. 4, 1939, and Apr. 13, 1939)	Act of 1937 (June 29, 1937, and Mar. 2, 1938)	Act of 1935 <sup>2</sup> (Apr. 8, 1935) and act of 1936 (June 22, 1936, and Feb. 9, 1937)
<b>Charges—Continued.</b>							
Transfers to regular appropriation of Interior Department, U. S. Housing Authority, Second Deficiency Appropriation Act, fiscal year 1938.	-\$3,100,000.00						-\$3,100,000.00
Transfers to the Federal Works Agency for administrative expenses, 1940, from the Work Projects Administration appropriation in the Act of 1939, Public Res. No. 20, 76th Cong., June 7, 1939.	-79,000.00			-\$79,000.00			
Transfer to the Federal Security Agency for administrative expenses, 1940, from the National Youth Administration appropriation in the act of 1939, Public Res. No. 20, 76th Cong., June 7, 1939.	-30,760.00			-30,760.00			
Transfer to the Federal Works Agency, U. S. Housing Authority, Second Deficiency Appropriation Act, fiscal year 1938, and Reorganization Act of 1939.	-1,694,148.79						-1,694,148.79
Transfer to U. S. Official Mail and Messenger Service, Post Office Department (General Fund), 1941, Reorganization Act of 1939 and Reorganization Plan No. IV, Public Res. No. 75, 76th Cong., approved June 4, 1940.	-27,482.00		-\$27,482.00				
Transfer to salaries and expenses, U. S. Employees' Compensation Commission, 1940, sec. 7 (c) Emergency Relief Appropriation Act of 1939.	-75,000.00			-75,000.00			
Transfer to salaries and expenses, U. S. Employees' Compensation Commission, 1942, sec. 3 (b) Emergency Relief Appropriation Act, fiscal year 1942.	-75,000.00	-\$75,000.00					
Transfer to salaries and expenses, U. S. Employees' Compensation Commission, 1941, Title III of the Labor-Federal Security Appropriation Act, 1941, approved June 26, 1940.	-75,000.00						-75,000.00
Transfer to salaries and expenses, Office of Administrator, Federal Works Agency, Independent Offices Appropriation Act, 1941, approved Apr. 18, 1940.	-1,250.00		-1,250.00				

Transfer to salaries and expenses, Office of Administrator, Federal Works Agency, Independent Offices Appropriation Act, 1942.....	-45,600.00	-45,600.00					
Transfers to emergency relief liquidation fund, act approved Dec. 17, 1941.....	-1,500,000.00				-281,362.41	-110,392.29	-1,108,245.30
Transfers to loans, grants, and rural rehabilitation, Department of Agriculture, Department of Agriculture Appropriation Act, fiscal year, 1942.....	-6,861,313.37		-6,463,288.12	-200,243.24	-197,782.01		
Transferred to the surplus fund of the Treasury, Title 31, secs. 712 and 713, U. S. Code.....	-25,258,681.59				-3,077,768.00	-11,408,531.23	-10,772,382.36
Subtotal.....	15,217,833,981.56	916,404,034.74	1,432,509,555.48	1,782,856,649.03	2,523,959,541.22	1,794,346,388.99	6,767,757,812.10
Reestablished from surplus fund—(Transfers to surplus retained in appropriation for purposes of complete accounting).....	25,258,681.59				3,077,768.00	11,408,531.23	10,772,382.36
Net amount to be accounted for <sup>1</sup> .....	15,243,092,663.15	916,404,034.74	1,432,509,555.48	1,782,856,649.03	2,527,037,309.22	1,805,754,920.22	6,778,530,194.46
EXPENDITURES.....	15,084,249,464.44	804,734,491.33	1,422,433,429.63	1,780,194,561.76	2,523,502,742.86	1,794,319,622.59	6,759,064,616.27
Total unexpended balances.....	158,843,198.71	111,669,543.41	10,076,125.85	2,662,087.27	3,534,566.36	11,435,297.63	19,465,578.19
ANALYSIS OF UNEXPENDED BALANCES							
Unexpired appropriations:							
Unobligated allocations:							
Available for obligation.....	69,675,869.16	61,535,066.59	4,497,042.14	464,901.11	445,644.35		2,733,214.97
Not available for obligation <sup>2</sup> .....	2,186,232.48	386,289.93	1,316,496.29	111,745.78		44,769.09	326,931.39
Unliquidated obligations.....	60,525,710.49	49,722,132.59	4,277,064.39	328,758.48	8,235.02	1,180.62	6,188,339.39
Unexpended balances of unexpired appropriations.....	132,387,812.13	111,643,489.11	10,090,602.82	905,405.37	453,879.37	45,949.71	9,248,485.75
Expired appropriations:							
Unallocated.....	5,076,675.99					3,178,302.31	1,898,373.68
Unobligated allocations.....	21,314,725.75			1,754,298.69	3,080,677.19	8,211,045.61	8,268,704.26
Unliquidated obligations.....	63,984.84			13,960.54	9.80		50,014.50
Unexpended balances of expired appropriations.....	26,455,386.58			1,768,259.23	3,080,686.99	11,389,347.92	10,217,092.44
Total unexpended balances.....	158,843,198.71	111,643,489.11	10,090,602.82	2,673,664.60	3,534,566.36	11,435,297.63	19,465,578.19

<sup>1</sup> Third Supplemental National Defense Appropriation Act, 1942.

<sup>2</sup> The unexpended balance under the act of 1935 was \$14,301,495.73 as of June 30, 1942.

<sup>3</sup> Includes expired appropriations representing portions of the E. R. A. Acts of 1935, 1936, 1937, 1938, and 1939 which have lapsed by limitation of law. Unexpended balances in the amount of \$25,258,681.59 have been carried to the surplus fund of the Treasury as provided in Title 31, secs. 712 and 713, U. S. Code, which transferred balances are included in this total. Does not include appropriation of \$50,000,000 to be allocated by the President for refugee relief provided in sec. 40 of the E. R. A. Act, fiscal year 1941, nor appropriations aggregating \$75,000,000 to be used by the Secretary of Agriculture as

provided in sec. 41 of the E. R. A. Act, fiscal year 1941, and sec. 34 of the E. R. A. Act, fiscal year 1942.

<sup>4</sup> The June activity affecting available balances of funds allocated to the Employees' Compensation Commission and the Work Projects Administration, in the States of Louisiana and Texas, from the E. R. A. Acts of 1939 and for fiscal year 1941, is reflected under the E. R. A. Act for the fiscal year 1942.

<sup>5</sup> Although not available for future obligation these balances are subject to change because of adjustment in obligations previously reported.

TABLE 15.—*Receipts and expenditures of the social security program under the Social Security, Railroad Retirement, and Railroad Unemployment Insurance Acts, fiscal years 1936 to 1940 combined, fiscal year 1941, and monthly for the fiscal year 1942*

[On basis of daily Treasury statements (unrevised), see p. 387]

	Fiscal years 1936, 1937, 1938, 1939, and 1940	Fiscal year 1941	Fiscal year 1942					
			July	August	September	October	November	December
RECEIPTS								
Social security taxes:								
Federal Insurance Contributions Act <sup>1</sup> .....	\$1,843,803,897.15	\$690,554,674.33	\$44,815,303.29	\$159,524,507.37	\$3,366,230.84	\$45,673,825.13	\$168,458,185.37	\$4,323,042.82
Federal Unemployment Tax Act <sup>2</sup> .....	356,246,806.57	97,676,584.19	2,233,657.87	7,477,315.26	909,577.42	2,169,085.06	6,807,588.07	1,266,553.42
Total social security taxes.....	2,200,050,703.72	788,231,258.52	47,048,961.16	167,001,822.63	4,275,808.26	47,842,910.19	175,265,773.44	5,589,596.24
Railroad Retirement Act:								
Taxes upon carriers and their employees <sup>1</sup> .....	380,700,538.26	136,942,076.40	871,736.97	5,637,530.20	31,110,805.35	1,058,122.70	5,201,791.57	33,866,185.97
Railroad Unemployment Insurance Act:								
Railroad unemployment insurance contribu- tions <sup>3</sup> <sup>4</sup> .....	4,918,040.78	6,814,717.52	4,816.60	56,861.94	1,810,295.92	8,597.90	93,810.41	1,920,683.97
Total receipts.....	2,585,669,282.76	931,988,052.44	47,925,514.73	172,696,214.77	37,196,909.53	48,909,630.79	180,561,375.42	41,376,466.18
Deduct net appropriations and transfers to Federal old-age and survivors insurance trust fund <sup>4</sup> .....	1,692,711,733.00	\$661,300,733.42	42,613,914.96	157,323,119.04	1,164,842.50	43,464,312.63	166,248,672.87	2,113,530.32
Net receipts.....	892,957,549.76	270,687,319.02	5,311,599.77	15,373,095.73	36,032,067.03	5,445,318.16	14,312,702.55	39,262,935.86



487543-43-31

	Fiscal year 1942						Total fiscal year 1942	Grand total to June 30, 1942
	January	February	March	April	May	June		
RECEIPTS								
Social security taxes:								
Federal Insurance Contributions Act <sup>1</sup> .....	\$33,578,698.25	\$181,446,453.24	\$2,772,592.46	\$39,172,978.42	\$203,739,941.76	\$3,747,079.87	\$895,618,838.82	\$3,429,977,410.30
Federal Unemployment Tax Act <sup>2,3</sup> .....	12,710,021.26	71,268,832.36	1,994,543.27	2,853,405.83	9,301,853.04	951,713.18	119,944,146.04	573,867,536.80
Total social security taxes.....	51,288,719.51	252,715,285.60	4,767,135.73	42,026,384.25	213,041,794.80	4,698,793.05	1,015,562,984.86	4,003,844,947.10
Railroad Retirement Act:								
Taxes upon carriers and their employees <sup>1</sup> .....	1,276,591.27	4,160,701.54	41,574,203.01	1,205,598.72	9,023,295.74	35,025,128.42	170,011,691.46	687,654,306.12
Railroad Unemployment Insurance Act:								
Railroad unemployment insurance contributions <sup>3,4</sup> .....	10,637.56	78,539.02	2,234,662.67	450.82	68,432.08	2,184,423.21	8,472,212.10	20,204,970.40
Total receipts.....	52,575,948.34	253,954,526.16	48,576,001.41	43,232,433.79	222,133,522.62	41,908,344.68	1,194,046,888.42	4,711,704,223.62
Deduct net appropriations and transfers to Federal old-age and survivors insurance trust fund <sup>5</sup> .....	36,436,840.25	179,304,595.24	630,735.46	36,803,858.25	201,370,821.59	1,377,959.71	868,853,202.82	3,222,865,669.24
Net receipts.....	16,139,108.09	77,649,930.92	47,945,265.95	6,428,575.54	20,762,701.03	40,530,384.97	325,193,685.60	1,488,838,554.38

<sup>1</sup> Relates to old-age insurance benefits.<sup>2</sup> Second Deficiency Appropriation Act, fiscal year 1938, approved June 25, 1938, carried an appropriation of \$40,561,886.43 pursuant to authorization of Aug. 24, 1937, for making refund to certain States of portions of Federal employers' tax for 1936 collected under the Social Security Act. Also the Railroad Unemployment Insurance Act, approved June 25, 1938, appropriated to the Railroad Unemployment Insurance Administration fund amounts collected or to be collectible with respect to the calendar years 1936, 1937, 1938, and 1939, from carriers subject to the act, under sec. 901 of the Social Security Act.<sup>3</sup> Relates to unemployment insurance benefits.<sup>4</sup> These contributions represent 10 percent of amounts collected under sec. 8 of the Railroad Unemployment Insurance Act, which, in addition to other collections referred to in footnote 2, are appropriated to the Railroad Unemployment Insurance Administration fund for the administrative expenses of the Railroad Retirement Board in administering the act.<sup>5</sup> Includes transactions formerly classified under the caption "Old-age reserve account." Amounts are net of reimbursement for administrative expenses under sec. 201 (f) of the Social Security Act, as amended.<sup>6</sup> Excludes \$2,416,019.56 representing receipts for "Social security taxes—Federal Insurance Contributions Act" collected prior to July 1, 1940, and which are not available for appropriation under the Federal old-age and survivors insurance trust fund, and includes an adjustment of \$2,073.51 covering collections available for appropriation, making a net adjustment of \$2,413,946.05 for the fiscal year 1941.

TABLE 15.—Receipts and expenditures of the social security program under the Social Security, Railroad Retirement, and Railroad Unemployment Insurance Acts, fiscal years 1936 to 1940 combined, fiscal year 1941, and monthly for the fiscal year 1942—Continued

	Fiscal years 1936, 1937, 1938, 1939, and 1940	Fiscal year 1941	Fiscal year 1942					
			July	August	September	October	November	December
<b>EXPENDITURES</b>								
Administrative expenses:								
Social Security Act:								
Federal Security Agency:								
Social Security Board (Title VII) <sup>7</sup> <sup>8</sup>	\$78,671,814.45	\$25,667,884.86	\$2,154,172.19	\$2,037,189.10	\$2,070,811.83	\$1,926,940.19	\$1,976,672.86	\$2,071,681.32
Department of Commerce (Title VII) <sup>8</sup>	330,518.35	113,092.37	11,022.86	6,410.81	7,089.68	6,463.18	7,010.96	7,626.37
Department of Labor (Title V (5)) <sup>8</sup>	1,355,818.31	361,871.56	30,913.79	31,742.30	31,132.49	32,098.33	29,478.76	29,600.88
Treasury Department <sup>8</sup>	2,634,976.00	5,372,588.86	556,821.66	556,821.67	556,821.67	486,885.17	486,885.17	486,885.16
Total, Social Security Act	82,993,127.11	31,515,437.65	2,752,930.50	2,632,163.88	2,665,855.67	2,452,386.87	2,500,047.75	2,595,793.73
Railroad Retirement Act: <sup>8</sup>								
Railroad Retirement Board:								
Acquisition of service and compensation data		887,910.50	212,507.00	526,276.50	309,687.00	446,671.50	460,161.00	554,018.00
Other	9,890,548.16	2,962,069.57	254,756.20	258,742.10	227,365.61	287,832.95	293,311.12	235,863.17
Railroad Unemployment Insurance Act:								
Railroad Retirement Board:								
Railroad unemployment insurance administration fund <sup>8</sup> <sup>9</sup>	5,463,546.32	3,396,877.28	194,850.38	304,989.99	194,953.64	219,212.18	179,790.51	205,373.43
Total administrative expenses	98,347,221.59	38,762,295.00	3,415,044.08	3,722,172.47	3,397,861.92	3,406,103.50	3,433,310.38	3,591,048.33

	Fiscal year 1942						Total fiscal year 1942	Grand total to June 30, 1942
	January	February	March	April	May	June		
<b>EXPENDITURES</b>								
Administrative expenses:								
Social Security Act:								
Federal Security Agency:								
Social Security Board (Title VII) <sup>1</sup> :	\$2,246,961.91	\$2,043,253.00	\$2,228,192.71	\$1,982,454.68	\$2,067,851.82	\$1,945,979.09	\$24,752,160.70	\$129,091,860.01
Department of Commerce (Title VII) <sup>2</sup> :	8,240.80	10,114.63	13,546.33	9,338.43	14,656.78	13,027.50	114,548.33	558,159.05
Department of Labor (Title V (5)) <sup>3</sup> :	30,286.27	30,190.70	30,803.57	29,468.42	28,331.54	29,025.07	363,072.12	2,080,761.99
Treasury Department <sup>4</sup> :	521,711.00	521,711.00	521,711.00	511,564.17	511,564.17	511,564.16	6,230,946.00	14,238,510.86
Total, Social Security Act.....	2,807,199.98	2,605,269.33	2,794,253.61	2,532,825.70	2,622,404.31	2,499,595.82	31,460,727.15	145,969,291.91
Railroad Retirement Act: <sup>5</sup>								
Railroad Retirement Board:								
Acquisition of service and compensation data.....	257,591.50	442,665.00	422,820.00	406,601.50	388,249.50	296,865.50	4,724,114.00	5,612,024.50
Other.....	245,134.54	269,788.04	239,514.13	192,026.89	162,196.95	189,690.94	2,856,222.64	15,708,840.37
Railroad Unemployment Insurance Act:								
Railroad Retirement Board:								
Railroad unemployment insurance administration fund <sup>6</sup> :	182,193.45	255,151.95	192,024.64	167,066.77	152,093.99	258,604.99	2,506,305.92	11,366,729.52
Total administrative expenses.....	3,492,119.47	3,572,874.32	3,648,612.38	3,298,520.86	3,324,944.75	3,244,757.25	41,547,369.71	178,656,886.30

<sup>1</sup> Relates to unemployment insurance benefits.

<sup>2</sup> Includes transactions formerly classified under the caption "Old-age reserve account." Amounts are net of reimbursement for administrative expenses under sec. 201 (f) of the Social Security Act, as amended.

<sup>3</sup> Includes amounts for administrative expenses reimbursed to the General Fund of the Treasury under sec. 201 (f) of the Social Security Act, as amended, and, beginning July 1, 1940, also includes expenses for administration of the Wagner-Peyser Act.

<sup>4</sup> Includes expenditures from appropriations made specifically for administrative expenses relating to the Social Security and Railroad Retirement Acts. Does not include administrative expenses payable from other appropriations. The principal agencies in the latter group are the Bureau of Internal Revenue of the Treasury Department and the Public Health Service and the Office of Education of the Federal Security Agency (see also footnote 5).

<sup>5</sup> See explanation in footnotes 2 and 4, p. 463.

TABLE 15.—Receipts and expenditures of the social security program under the Social Security, Railroad Retirement, and Railroad Unemployment Insurance Acts, fiscal years 1936 to 1940 combined, fiscal year 1941, and monthly for the fiscal year 1942—Continued

	Fiscal years 1936, 1937, 1938, 1939, and 1940	Fiscal year 1941	Fiscal year 1942					
			July	August	September	October	November	December
EXPENDITURES—Continued								
Grants to States:								
Social Security Act:								
Federal Security Agency:								
Social Security Board:								
Old-age assistance (Title I).....	\$763, 146, 253. 74	\$260, 080, 458. 14	\$33, 401, 987. 30	\$25, 955, 235. 82	\$20, 204, 372. 94	\$30, 067, 534. 38	\$27, 141, 152. 35	\$24, 796, 594. 76
Aid to dependent children (Title IV).....	118, 189, 362. 90	63, 221, 844. 43	6, 909, 686. 05	7, 873, 855. 59	4, 441, 809. 99	7, 559, 684. 19	6, 692, 959. 95	3, 405, 431. 23
Aid to the blind (Title X).....	22, 322, 128. 83	7, 068, 723. 76	918, 460. 45	809, 287. 09	416, 769. 23	978, 323. 64	688, 967. 43	418, 893. 88
Unemployment compensation administration (Title III) <sup>2</sup> .....	169, 181, 641. 28	62, 967, 037. 48	13, 128, 730. 48	10 3, 884, 776. 52	4, 060, 867. 00	11, 156, 812. 68	1, 177, 378. 47	1, 315, 185. 32
Total, Social Security Board.....	1, 072, 839, 391. 75	393, 338, 063. 81	54, 358, 864. 28	10 38, 523, 155. 02	29, 123, 819. 16	49, 762, 354. 89	35, 700, 458. 20	29, 936, 105. 19
Public Health Service:								
Public health work (Title VI, sec. 601).....	36, 541, 774. 73	10, 772, 531. 25	2, 557, 492. 56	145, 350. 75	88, 600. 00	2, 097, 293. 12	666, 974. 88	115, 100. 00
Total, Federal Security Agency.....	1, 109, 381, 166. 48	404, 110, 595. 06	56, 916, 356. 84	10 38, 668, 505. 77	29, 212, 419. 16	51, 859, 648. 01	36, 367, 433. 08	30, 051, 205. 19
Department of Labor:								
Maternal and child health services (Title V (1)).....	16, 419, 102. 23	5, 536, 013. 04	809. 70	863, 880. 54	396, 719. 32	579, 264. 33	660, 522. 91	57, 945. 28
Services for crippled children (Title V (2)).....	11, 707, 044. 92	3, 986, 417. 31	12, 577. 30	308, 396. 03	586, 076. 60	323, 358. 55	503, 390. 42	63, 866. 15
Child welfare services (Title V (3)).....	5, 551, 959. 42	1, 533, 714. 46	52, 293. 44	284, 873. 46	59, 692. 62	316, 304. 25	62, 925. 46	84, 470. 51
Total, Department of Labor.....	33, 678, 106. 57	11, 056, 144. 81	65, 680. 44	1, 457, 150. 03	1, 042, 488. 54	1, 218, 927. 13	1, 226, 838. 79	506, 281. 94
Total grants to States.....	1, 143, 059, 273. 05	415, 166, 739. 87	56, 982, 037. 28	10 40, 125, 655. 80	30, 254, 907. 70	53, 078, 575. 14	37, 594, 271. 87	30, 557, 487. 13

	Fiscal year 1942						Total fiscal year 1942	Grand total to June 30, 1942
	January	February	March	April	May	June		
<b>EXPENDITURES—Continued</b>								
Grants to States:								
Social Security Act:								
Federal Security Agency:								
Social Security Board:								
Old-age assistance (Title I).....	\$28,949,477.34	\$23,009,478.52	\$19,863,840.99	\$28,773,269.01	\$32,571,307.18	\$4,320,245.33	\$299,054,495.92	\$1,322,281,212.80
Aid to dependent children (Title IV).....	7,854,814.32	5,610,129.95	4,194,885.84	7,703,649.90	6,304,472.08	854,933.40	69,406,312.49	250,817,519.82
Aid to the blind (Title X).....	823,551.41	593,933.74	630,216.42	887,925.39	695,662.37	92,061.24	7,954,052.29	37,344,904.88
Unemployment compensation administration (Title III) <sup>9</sup> .....	11 10,741,338.78	11 4,137,978.99	11 3,558,340.95	11 4,405,134.60	11 9,490,652.64	11 3,199,479.79	70,256,676.22	302,405,354.98
Total, Social Security Board.....	48,369,181.85	33,351,521.20	28,247,284.20	41,769,978.90	49,062,094.27	8,466,719.76	446,671,536.92	1,912,848,992.48
Public Health Service:								
Public health work (Title VI, sec. 601).....	2,656,187.28	18,510.01	91,800.00	2,910,917.13	27,804.26	14,345.00	11,390,374.99	58,704,680.97
Total, Federal Security Agency.....	51,025,369.13	33,370,031.21	28,339,084.20	44,680,896.03	49,089,898.53	8,481,064.76	458,061,911.91	1,971,553,673.45
Department of Labor:								
Maternal and child health services (Title V (1)).....	940,190.77	373,843.61	93,723.58	774,380.39	840,311.17	45,374.04	5,926,965.64	27,882, (80.91
Services for crippled children (Title V (2)).....	561,668.02	366,213.01	129,571.35	760,388.04	246,415.22	134,716.51	3,996,637.20	19,690,099.43
Child welfare services (Title V (3)).....	272,735.44	12,269.03	30,439.67	350,848.79	31,426.48	15,111.61	1,573,390.76	8,659,064.64
Total, Department of Labor.....	1,774,594.23	752,325.65	253,734.60	1,885,617.22	1,118,152.87	195,202.16	11,496,993.60	56,231,244.98
Total grants to States.....	52,799,963.36	34,122,356.86	28,592,818.80	46,566,513.25	50,208,051.40	8,676,266.92	469,558,905.51	2,027,784,918.43

<sup>9</sup> Relates to unemployment insurance benefits.<sup>10</sup> Classifications adjusted.<sup>11</sup> Includes expenditures made directly by the Federal Government beginning Jan. 1, 1942, for the maintenance of public employment offices.

TABLE 15.—Receipts and expenditures of the social security program under the Social Security, Railroad Retirement, and Railroad Unemployment Insurance Acts, fiscal years 1936 to 1940 combined, fiscal year 1941, and monthly for the fiscal year 1942—Continued

	Fiscal years 1936, 1937, 1938, 1939, and 1940	Fiscal year 1941	Fiscal year 1942					
			July	August	September	October	November	December
<b>EXPENDITURES—Continued</b>								
Refunds of taxes: <sup>11</sup>								
Refunds of social security taxes:								
Federal Insurance Contributions Act <sup>1</sup> .....	\$969,683.77	\$665,703.50	\$111,785.58	\$102,839.48	\$68,116.41	\$126,490.41	\$144,086.09	\$77,097.75
Federal Unemployment Tax Act: <sup>3</sup>								
Refunds to States <sup>2</sup> .....	40,561,886.43							
Refunds to others.....	3,712,788.84	1,954,427.75	188,273.15	207,771.52	111,590.16	103,610.22	158,206.59	156,465.48
Total tax on employers of 8 or more.....	44,274,675.27	1,954,427.75	188,273.15	207,771.52	111,590.16	103,610.22	158,206.59	156,465.48
Total refunds of social security taxes.....	45,244,359.04	2,620,131.25	300,058.73	310,611.00	179,706.57	230,100.63	302,292.68	233,563.23
Refunds of taxes upon carriers and their employees <sup>1</sup> .....	235,437.44	76,689.43	22.97	917.80	73.17	14.89	21.34	32.53
Total refunds of taxes.....	45,479,796.48	2,696,820.68	300,081.70	311,528.80	179,779.74	230,115.52	302,314.02	233,595.76
Transfers to trust accounts:								
Railroad retirement account <sup>1</sup> .....	374,150,000.00	124,350,000.00	46,350,000.00			31,500,000.00		
Railroad unemployment insurance administration fund transfers to unemployment trust fund (act of Oct. 10, 1940).....		7,500,000.00	3,909,000.00	667.00				
Railroad unemployment insurance account: <sup>3</sup>								
Advance (act of June 25, 1938).....	15,000,000.00							
Repayment to advance.....	15,000,000.00							
Total transfers to trust accounts.....	374,150,000.00	131,850,000.00	50,259,000.00	667.00		31,500,000.00		
Total expenditures.....	1,661,036,291.12	588,475,855.55	110,956,163.06	<sup>10</sup> 44,160,024.07	33,832,549.36	88,214,794.16	41,329,896.27	34,382,131.22

	Fiscal year 1942						Total fiscal year 1942	Grand total to June 30, 1942
	January	February	March	April	May	June		
EXPENDITURES—Continued								
Refunds of taxes: <sup>12</sup>								
Refunds of social security taxes:								
Federal Insurance Contributions Act <sup>1</sup> .....	\$43,993.20	\$78,664.74	\$89,221.16	\$120,762.38	\$155,854.17	\$143,499.64	\$1,262,411.01	\$2,897,798.28
Federal Unemployment Tax Act <sup>3</sup>								
Refunds to States <sup>2</sup> .....								40,561,886.43
Refunds to others .....	148,541.12	242,752.22	243,456.02	241,428.23	233,484.50	154,966.93	2,190,546.14	7,857,762.73
Total tax on employers of 8 or more .....	148,541.12	242,752.22	243,456.02	241,428.23	233,484.50	154,966.93	2,190,546.14	48,419,649.16
Total refunds of social security taxes .....	192,534.32	321,416.96	332,677.18	362,190.61	389,338.67	298,466.57	3,452,957.15	51,317,447.44
Refunds of taxes upon carriers and their employees <sup>1</sup> .....	46.72	297.83	21.17	3.26	2.20	20,581.36	22,035.24	334,162.11
Total refunds of taxes .....	192,581.04	321,714.79	332,698.35	362,193.87	389,340.87	319,047.93	3,474,992.39	<sup>13</sup> 51,651,609.55
Transfers to trust accounts:								
Railroad retirement account <sup>1</sup> .....	31,500,000.00			31,500,000.00			140,850,000.00	639,350,000.00
Railroad unemployment insurance administration fund transfers to unemployment trust fund (act of Oct. 10, 1940) .....							3,909,667.00	11,409,667.00
Railroad unemployment insurance account: <sup>3</sup>								15,000,000.00
Advance (act of June 25, 1938) .....								<sup>14</sup> 15,000,000.00
Repayment of advance .....								
Total transfers to trust accounts .....	31,500,000.00			31,500,000.00			144,759,667.00	650,759,667.00
Total expenditures .....	87,984,663.87	38,016,945.97	32,574,129.53	81,727,227.98	53,922,337.02	12,240,072.10	659,340,934.61	2,908,853,081.28

<sup>a</sup> Excess credits (deduct).

<sup>1</sup> Relates to old-age insurance benefits.

<sup>2</sup> Second Deficiency Appropriation Act, fiscal year 1938, approved June 25, 1938, carried an appropriation of \$40,561,886.43 pursuant to authorization of Aug. 24, 1937, for making refund to certain States of portions of Federal employers' tax for 1936 collected under the Social Security Act. Also the Railroad Unemployment Insurance Act, approved June 25, 1938, appropriated to the Railroad Unemployment Insurance Administration fund amounts collected or to be collectible with respect to the calendar years 1936, 1937, 1938, and 1939, from carriers subject to the act, under sec. 901 of the Social Security Act.

<sup>3</sup> Relates to unemployment insurance benefits.

<sup>10</sup> Classifications adjusted.

<sup>11</sup> These classifications were effective with the month of January 1940; figures for periods prior thereto are shown on the basis of checks issued as reported by the Bureau of Internal Revenue.

<sup>13</sup> This figure includes interest refunded as follows: Social security taxes—Federal Insurance Contributions Act, \$192,071.24; and Federal Unemployment Tax Act (refunds to others), \$261,113.50; refunds of taxes upon carriers and their employees, \$10,124.31.

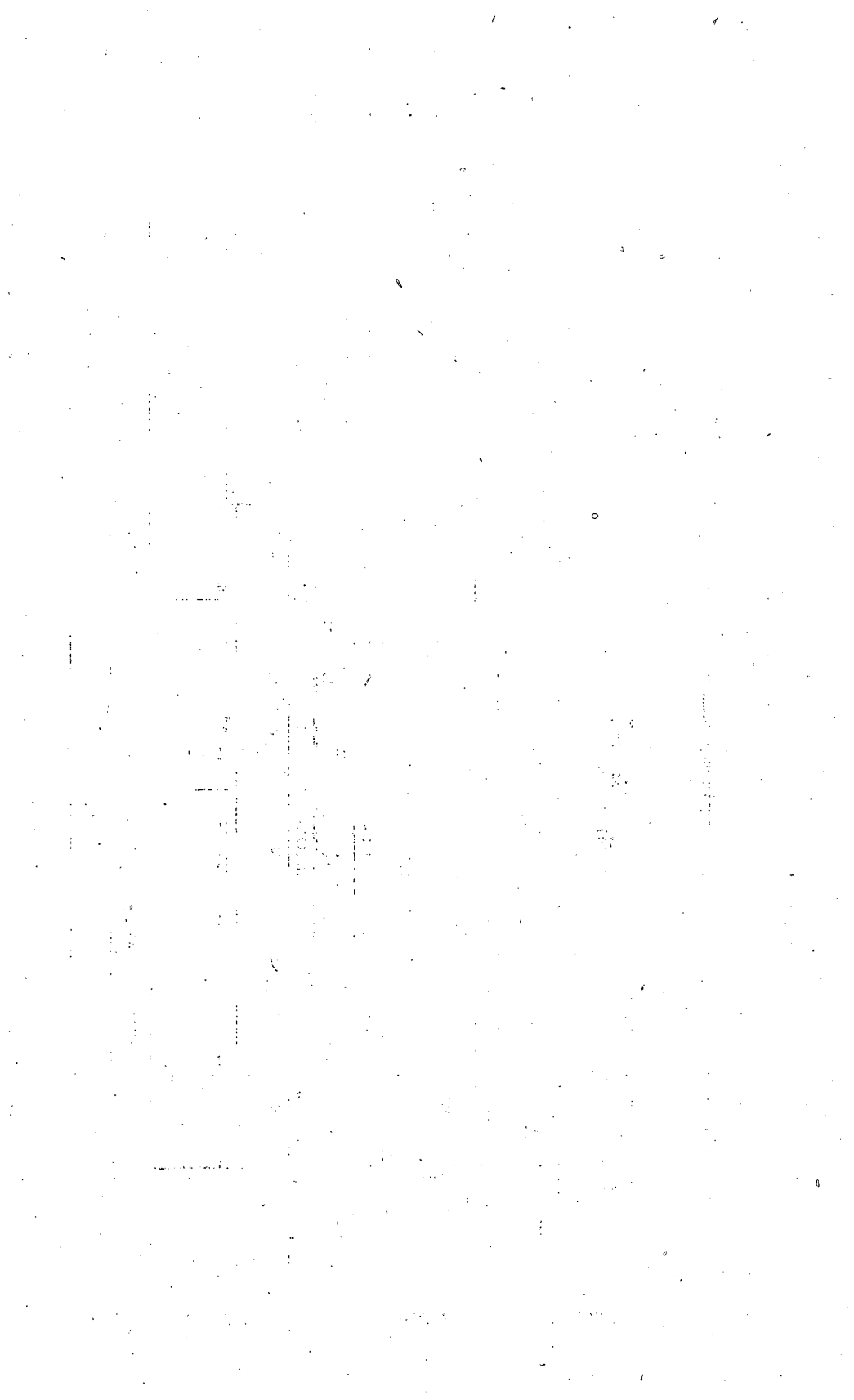




TABLE 16.—Amounts appropriated and expended to June 30, 1942, under authorizations contained in the Social Security Act

Classification	Appropriated during fiscal year 1942 <sup>1</sup>	Appropriated to June 30, 1942	Expenditures during fiscal year 1942 <sup>2</sup>	Total expenditures to June 30, 1942 <sup>3</sup>
For administrative expenses:				
Social Security Board <sup>4</sup> .....	\$26,641,660.00	\$168,866,160.00	\$24,752,160.70	\$129,091,860.01
Department of Commerce <sup>5</sup> .....	554,860.00	1,129,860.00	114,548.33	558,159.06
Department of Labor <sup>6</sup> .....	382,127.00	2,516,627.00	363,072.12	2,080,761.99
Treasury Department <sup>7</sup> .....			6,230,946.00	14,238,510.86
Total, administrative expenses.....	27,578,647.00	172,512,647.00	31,460,727.15	145,969,291.91
For grants to States:				
Federal Security Agency:				
Social Security Board:				
For old-age assistance.....	359,000,000.00	1,572,660,000.00	299,054,495.92	1,322,281,212.80
For unemployment compensation administration.....	79,650,000.00	390,400,000.00	70,256,676.22	302,405,354.98
For aid to dependent children.....	78,000,000.00	411,600,000.00	69,406,312.49	250,817,519.82
For aid to the blind.....	8,710,000.00	63,710,000.00	7,954,052.29	37,344,904.88
Total, Social Security Board.....	525,360,000.00	2,438,370,000.00	446,671,536.92	1,912,348,992.48
Public Health Service:				
For public health work.....	11,000,000.00	69,833,000.00	11,390,374.99	58,704,680.97
Office of Education:				
For vocational rehabilitation of persons disabled in industry <sup>8</sup> .....				
Total, Federal Security Agency.....	536,360,000.00	2,508,203,000.00	458,061,911.91	1,971,553,673.45
Under Department of Labor:				
For maternal and child health services.....	5,820,000.00	35,064,000.00	5,926,965.64	27,882,080.91
For services for crippled children.....	3,870,000.00	24,696,000.00	3,996,637.20	19,690,099.43
For child welfare services.....	1,510,000.00	11,036,000.00	1,573,390.76	8,659,064.64
Total, Department of Labor.....	11,200,000.00	70,796,000.00	11,496,993.60	56,231,244.98
Total, grants to States.....	547,560,000.00	2,578,999,000.00	469,558,905.51	2,027,784,918.43
For other purposes:				
Federal Security Agency:				
Public Health Service:				
For disease and sanitation investigation <sup>9</sup> .....				
Under Treasury Department:				
For Federal old-age and survivors insurance trust fund <sup>10</sup> .....	868,853,202.82	3,222,865,669.24	868,853,202.82	3,222,865,669.24
Grand total.....	1,443,991,849.82	5,974,377,316.24	1,369,872,835.48	5,396,619,879.58

<sup>1</sup> These amounts primarily available for expenditures during fiscal year 1943. The appropriation acts providing funds for the Social Security Board and the Department of Labor were approved July 2, 1942.

<sup>2</sup> On basis of daily Treasury statements (unrevised), see p. 387.

<sup>3</sup> Includes only expenditures from appropriations made specifically for administrative expenses relating to the Social Security Act. Does not include administrative expenses payable from other appropriations. The principal agencies in the latter group are the Bureau of Internal Revenue, Public Health Service, and the Office of Education.

<sup>4</sup> Beginning Jan. 1, 1940, expenditures include estimated amounts for expenses of the Treasury Department (for which reimbursement was made to the General Fund) in connection with the Federal old-age and survivors insurance trust fund and collection of employment taxes under the provisions of sec. 201 (f) of the Social Security Act, as amended. Appropriations for such expenditures are included in the regular annual appropriations of the Treasury Department.

<sup>5</sup> Funds authorized to be appropriated under the Social Security Act augment existing appropriations.

<sup>6</sup> Sec. 201 (a) of the Social Security Act Amendments of 1939 provides that after June 30, 1940, amounts equivalent to 100 per centum of the taxes (including interest, penalties, and additions to the taxes), received under the Federal Insurance Contributions Act and covered into the Treasury, shall be appropriated to the Federal old-age and survivors insurance trust fund for the fiscal year 1941 and for each fiscal year thereafter. These amounts are net of the reimbursement for administrative expenses under sec. 201 (f) of the Social Security Act Amendments of 1939, from March 1940 to June 30, 1942, in the aggregate amount of \$65,893,897.86.

TABLE 17.—Panama Canal receipts and expenditures, fiscal years 1903 to 1942

[On basis of warrants issued, see p. 387]

Year	Receipts covered into the Treasury			Expenditures			
	Tolls	Other <sup>1</sup>	Total	Construction, maintenance, and operation <sup>2</sup>	Fortifications <sup>3</sup>	Total general expenditures	Interest paid on Panama Canal loans
1903				\$9,985.00		\$9,985.00	
1904				4 50,164,500.00		4 50,164,500.00	
1905		\$371,253.06	\$371,253.06	3,918,819.83		3,918,819.83	
1906		380,680.10	380,680.10	19,379,373.71		19,379,373.71	
1907		1,178,949.85	1,178,949.85	27,198,618.71		27,198,618.71	
1908		1,083,761.49	1,083,761.49	38,093,929.04		38,093,929.04	\$785,268.00
1909		705,402.42	705,402.42	31,419,442.41		31,419,442.41	1,319,076.58
1910		3,214,389.48	3,214,389.48	33,911,673.37		33,911,673.37	1,692,166.40
1911		1,757,284.44	1,757,284.44	37,038,994.71	\$30,608.75	37,069,603.46	1,691,107.20
1912		2,982,823.92	2,982,823.92	34,285,276.50	1,036,091.08	35,321,367.58	3,000,669.60
1913		4,070,231.27	4,070,231.27	46,167,866.71	1,823,491.32	41,991,358.03	3,201,055.81
1914		698,647.87	698,647.87	31,702,359.61	3,376,900.85	35,079,260.46	3,194,105.95
1915	\$3,822,085.29	308,155.98	4,130,241.27	24,677,107.29	4,767,605.38	29,444,712.67	3,199,385.05
1916	2,480,547.75	389,447.53	2,869,995.28	14,888,194.78	2,868,341.97	17,756,536.75	3,189,024.79
1917	5,746,606.45	404,062.14	6,150,668.59	16,199,262.47	3,313,532.55	19,512,795.02	3,103,250.67
1918	6,094,562.52	320,007.73	6,414,570.25	13,549,762.56	7,487,862.36	21,037,624.92	2,976,476.55
1919	6,418,705.56	358,340.99	6,777,046.55	10,954,409.74	1,561,364.74	12,515,774.48	2,984,888.33
1920	8,493,459.99	546,210.96	9,039,670.95	6,281,463.72	3,433,592.82	9,715,056.54	3,040,872.89
1921	11,310,598.62	603,762.70	11,914,361.32	16,480,390.79	2,088,007.66	18,568,398.45	2,994,776.66
1922	11,199,761.92	849,898.73	12,049,660.65	3,041,035.40	896,327.45	3,937,362.85	2,995,398.14
1923	17,229,808.14	640,177.11	17,869,985.25	3,870,503.37	950,189.20	4,820,692.57	2,997,904.81
1924	24,513,221.42	2,611,291.91	27,124,513.33	7,391,711.97	393,963.37	7,785,675.34	2,992,461.19
1925	21,399,629.39	1,504,103.05	22,903,732.44	9,300,509.73	872,689.93	10,173,199.66	2,988,918.80
1926	22,920,493.06	1,371,424.81	24,291,917.87	8,669,333.57	1,153,322.38	9,822,655.95	2,989,598.76
1927	24,239,771.10	1,654,930.35	25,894,701.45	7,863,376.03	586,043.94	8,449,419.97	2,991,988.25
1928	26,952,927.37	1,881,418.05	28,834,345.42	10,909,422.27	1,165,632.63	12,075,074.80	2,987,329.95
1929	27,054,600.07	1,776,847.17	28,831,447.24	10,220,913.25	943,985.31	11,164,898.56	3,002,235.80
1930	27,126,563.42	1,845,079.61	28,971,643.03	10,497,935.33	999,413.77	11,497,349.10	2,991,375.23
1931	24,671,943.01	1,862,644.73	26,534,587.74	10,303,755.15	916,979.29	11,220,734.44	2,992,366.42
1932	20,775,097.39	1,673,814.18	22,448,911.57	10,904,319.70	779,868.12	11,684,187.82	2,989,627.15
1933	19,464,173.04	3,719,581.36	23,183,754.40	11,780,139.21	614,916.00	12,395,055.21	2,969,049.75
1934	24,135,261.01	3,032,129.61	27,167,390.62	10,709,294.89	396,310.58	11,105,605.47	2,992,453.55
1935	23,297,587.74	1,518,944.19	24,816,531.93	10,233,789.97	294,413.20	10,528,203.17	2,986,151.55
1936	23,482,083.87	2,514,302.24	25,996,386.11	11,258,334.90	478,946.22	11,737,281.12	1,863,500.40
1937	23,231,115.36	2,170,148.65	25,401,264.01	11,879,521.47	791,939.98	12,671,461.45	1,516,514.50
1938	23,220,589.25	1,721,664.17	24,942,253.42	11,416,004.37	1,311,830.33	12,727,834.70	1,502,876.10
1939	23,690,683.82	1,297,920.25	24,988,604.07	10,737,752.67	1,742,368.04	12,480,120.71	1,491,369.00
1940	21,127,270.18	1,314,750.63	22,442,020.81	28,705,521.08	2,862,576.01	31,568,097.09	1,511,758.20

1941.....	18,273,099.08	2,267,000.87	20,540,099.95	* 44,190,365.22	5,294,885.64	* 49,485,250.86	1,494,333.60
1942.....	9,765,364.76	2,362,548.24	12,127,913.00	67,508,420.54	4,535,557.14	72,043,977.68	1,495,254.00
Total.....	502,137,610.58	58,964,031.84	561,101,642.42	761,713,411.04	59,769,557.91	821,482,968.95	89,114,589.63

\* Revised, see note 2.

<sup>1</sup> Beginning with the fiscal year 1924, the amounts in this column include the sums received as dividends on capital stock of the Panama Railroad owned by the United States.

<sup>2</sup> The amounts shown in this column include the payments to the Government of Panama under the treaty of Nov. 18, 1903, of \$250,000 per annum, the first payment being made during the fiscal year 1913, and similar payments continuing each year since that date until 1940, when the amount was increased to \$430,000 per annum, and also includes for 1940 the amount of \$2,580,000 for payments from 1934 to 1939, inclusive, at the rate of \$430,000 per annum pursuant to the treaty of Mar. 2, 1936; but do not include the payment to the Government of Colombia growing out of the construction of the Panama Canal of \$5,000,000 per annum during the fiscal years 1923 to 1927, inclusive, an aggregate sum of \$25,000,000 as provided for under the treaty of Apr. 6, 1914. Includes expenses of civil government, Panama Canal and Canal Zone.

<sup>3</sup> Includes expenditures made from specific appropriations for fortifications of the canal but no expenditures from general appropriations that may have been for this purpose.

<sup>4</sup> This amount includes the \$40,000,000 paid to the New Panama Canal Company of France for the acquisition of the property, and the \$10,000,000 paid to the Republic of Panama in connection with the Canal Zone as provided for under art. 14 of the treaty of November 18, 1903.

TABLE 18.—*Postal receipts and expenditures, fiscal years 1789 to 1942* <sup>1</sup>

Year	As reported by the Post Office Department				Treasury accounts	
	Postal revenues <sup>2</sup>	Postal expenditures <sup>2</sup>		Surplus or deficit (—)	Surplus revenue covered into Treasury <sup>3</sup>	Grants from Treasury to cover postal deficiencies <sup>4</sup>
		Extraordinary expenditures as reported under act of June 9, 1930 (U. S. C., Title 39, sec. 793)	Other			
1789-91.....	\$91,739	.....	\$76,397	\$15,342	.....	.....
1792.....	67,443	.....	54,530	12,913	.....	.....
1793.....	104,746	.....	72,039	32,707	\$11,021	.....
1794.....	128,947	.....	89,972	38,975	29,478	.....
1795.....	160,620	.....	117,893	42,727	22,400	.....
1796.....	195,066	.....	131,571	63,495	72,910	.....
1797.....	213,998	.....	150,114	63,884	64,500	.....
1798.....	232,977	.....	179,084	53,893	39,500	.....
1799.....	264,846	.....	188,037	76,809	41,000	.....
1800.....	280,804	.....	213,994	66,810	78,000	.....
1801.....	320,442	.....	255,151	65,291	79,500	.....
1802.....	327,044	.....	281,916	45,128	35,000	.....
1803.....	351,822	.....	322,364	29,458	16,427	.....
1804.....	389,449	.....	337,502	51,947	26,500	.....
1805.....	421,373	.....	377,367	44,006	21,343	.....
1806.....	446,105	.....	417,233	28,872	41,118	.....
1807.....	478,762	.....	453,885	24,877	3,615	.....
1808.....	460,564	.....	462,828	-2,264	.....	.....
1809.....	506,633	.....	498,012	8,621	.....	.....
1810.....	551,684	.....	495,969	55,715	.....	.....
1811.....	587,246	.....	499,098	88,148	38	.....
1812.....	649,208	.....	540,165	109,043	85,040	.....
1813.....	703,154	.....	681,011	22,143	35,000	.....
1814.....	730,370	.....	727,126	3,244	45,000	.....
1815.....	1,043,065	.....	748,121	294,944	135,000	.....
1816.....	961,782	.....	804,022	157,760	149,788	.....
1817.....	1,002,973	.....	916,515	86,458	29,372	.....
1818.....	1,130,235	.....	1,035,832	94,403	20,070	.....
1819.....	1,204,737	.....	1,117,861	86,876	71	.....
1820.....	1,111,927	.....	1,160,926	-48,999	6,466	.....
1821.....	1,059,087	.....	1,165,481	-106,394	517	.....
1822.....	1,117,490	.....	1,167,572	-50,082	602	.....
1823.....	1,130,115	.....	1,156,995	-26,880	111	.....
1824.....	1,197,758	.....	1,188,019	9,739	.....	.....
1825.....	1,306,525	.....	1,229,043	77,482	470	.....
1826.....	1,447,703	.....	1,366,712	80,991	300	.....
1827.....	1,524,633	.....	1,469,959	54,674	101	.....
1828.....	1,659,915	.....	1,689,945	-30,030	20	.....
1829.....	1,707,418	.....	1,782,132	-74,714	87	.....
1830.....	1,850,583	.....	1,932,708	-82,125	55	.....
1831.....	1,997,811	.....	1,936,122	61,689	561	.....
1832.....	2,258,570	.....	2,266,171	-7,601	245	.....
1833.....	2,617,011	.....	2,930,414	-313,403	.....	.....
1834.....	2,823,749	.....	2,910,605	-86,856	100	.....
1835.....	2,993,556	.....	2,757,350	236,206	893	.....
1836.....	3,408,323	.....	2,841,766	566,557	11	.....
1837.....	4,101,703	.....	3,288,319	813,385	.....	.....
1838.....	4,238,733	.....	4,430,662	-191,929	.....	.....
1839.....	4,484,957	.....	4,636,536	-151,580	.....	.....
1840.....	4,543,172	.....	4,718,236	-174,714	.....	.....
1841.....	4,407,726	.....	4,499,687	-91,960	.....	\$407,657
1842.....	4,546,850	.....	5,671,063	-1,124,213	.....	53,697
1843.....	4,296,225	.....	4,374,844	-78,619	.....	21,303
1844.....	4,237,288	.....	4,295,628	-61,340	.....	.....
1845.....	4,289,842	.....	4,326,692	-36,850	.....	.....
1846.....	3,487,199	.....	4,120,518	-633,318	.....	810,232
1847.....	3,880,309	.....	4,081,123	-200,819	.....	536,299

Footnotes at end of table.

TABLE 18.—*Postal receipts and expenditures, fiscal years 1789 to 1942*<sup>1</sup>—Continued

Year	As reported by the Post Office Department			Treasury accounts	
	Postal revenues <sup>2</sup>	Postal expenditures <sup>2</sup>		Surplus or deficit (—)	Grants from Treasury to cover postal deficiencies, <sup>4</sup>
		Extraordinary expenditures as reported under act of June 9, 1930 (U. S. C., Title 39, sec. 793)	Other		
1848	\$4,555,211		\$4,380,460	\$174,751	\$22,222
1849	4,705,176		4,477,664	227,513	
1850	5,499,985		5,213,245	286,740	
1851	6,410,604		6,278,710	131,895	
1852	5,184,527		7,107,550	-1,923,023	1,041,444
1853	5,240,725		7,983,089	-2,742,365	2,153,750
1854	6,255,586		8,608,286	-2,352,700	3,207,340
1855	6,642,136		9,968,992	-3,326,856	3,078,814
1856	6,920,822		10,407,868	-3,487,047	3,199,118
1857	7,353,952		11,507,670	-4,153,718	3,616,883
1858	7,486,793		12,721,637	-5,234,844	4,748,923
1859	7,968,484		11,457,512	-3,489,028	4,808,558
1860	8,518,067		19,170,606	-10,652,539	9,889,546
1861	8,349,296		13,601,263	-5,251,967	5,170,895
1862	8,299,821		11,125,965	-2,826,144	3,561,729
1863	11,163,790		11,306,415	-142,625	749,314
1864	12,438,254		12,843,069	-404,815	999,980
1865	14,556,159		13,638,909	917,250	250,000
1866	14,386,986		15,320,837	-933,851	
1867	15,237,027		19,239,379	-3,972,352	3,516,667
1868	16,292,601		22,837,949	-6,545,348	4,053,192
1869	17,314,176		23,677,913	-6,363,737	5,395,510
1870	18,879,537		23,977,391	-5,097,854	4,844,579
1871	20,037,045		24,395,798	-4,358,752	5,131,250
1872	21,915,426		26,664,520	-4,749,094	5,175,000
1873	22,996,742		29,125,893	-6,128,893	5,490,475
1874	26,471,072		32,228,980	-5,757,908	4,714,045
1875	26,791,314		33,611,634	-6,820,321	7,211,646
1876	28,644,198		33,291,451	-4,647,253	5,092,540
1877	27,531,585		33,658,941	-6,127,356	6,170,339
1878	29,277,517		34,182,546	-4,905,029	5,753,394
1879	30,041,983		33,457,916	-3,415,933	4,773,524
1880	33,315,479		36,537,433	-3,221,953	3,071,000
1881	36,785,398		39,607,357	-2,821,959	3,895,639
1882	41,876,410		40,622,487	1,253,924	
1883	45,508,993		43,327,340	2,181,354	74,503
1884	43,325,959		47,233,016	-3,907,057	
1885	42,560,844		50,042,254	-7,481,410	4,541,611
1886	43,948,423		51,016,918	-7,068,495	8,193,652
1887	48,837,609		52,982,628	-4,145,018	6,501,247
1888	52,695,177		56,467,643	-3,772,466	3,056,037
1889	56,175,611		62,344,716	-6,169,104	3,868,920
1890	60,882,098		66,282,862	-5,400,764	6,875,037
1891	65,931,786		73,082,396	-7,150,610	4,741,772
1892	70,930,476		77,041,452	-6,110,976	4,051,490
1893	75,896,933		81,613,722	-5,716,789	5,946,795
1894	75,080,479		85,057,994	-9,977,515	8,250,000
1895	76,983,128		87,213,570	-10,230,442	11,016,542
1896	82,499,208		90,943,410	-8,444,201	9,300,000
1897	82,665,463		94,097,042	-11,431,579	11,149,206
1898	89,012,619		98,067,170	-9,054,552	10,504,040
1899	95,021,384		101,651,520	-6,630,136	8,211,570
1900	102,354,579		107,764,937	-5,410,358	7,230,779
1901	111,631,193		115,612,714	-3,981,521	4,954,762
1902	121,848,447		124,809,217	-2,961,170	2,402,153
1903	134,224,443		138,811,420	-4,586,977	2,768,919
1904	143,582,624		152,395,394	-8,812,769	6,502,531
1905	152,826,585		167,420,972	-14,594,387	15,065,257

Footnotes at end of table.

TABLE 18.—*Postal receipts and expenditures, fiscal years 1789 to 1942*<sup>1</sup>—Continued

Year	As reported by the Post Office Department				Treasury accounts	
	Postal revenues <sup>2</sup>	Postal expenditures <sup>2</sup>		Surplus or deficit (—)	Surplus revenue covered into Treasury <sup>3</sup>	Grants from Treasury to cover postal deficiencies <sup>4</sup>
		Extraordinary expenditures as reported under act of June 9, 1930 (U. S. C., Title 39, sec. 793)	Other			
1906.....	\$167,932,783		\$178,475,725	—\$10,542,942		\$12,673,294
1907.....	183,585,006		190,277,037	—6,692,031		7,629,333
1908.....	191,478,663		208,388,942	—16,910,279		12,888,041
1909.....	203,562,383		221,042,154	—17,479,770		19,501,062
1910.....	224,128,658		230,010,140	—5,881,482		8,495,612
1911.....	237,879,824		237,660,705	219,118		133,784
1912.....	246,744,016		248,529,539	—1,785,523		1,568,195
1913.....	266,619,526		262,108,875	4,510,651		1,027,369
1914.....	287,934,566		283,558,103	4,376,463	\$3,800,000	
1915.....	287,248,165		298,581,474	—11,333,309	3,500,000	6,636,593
1916.....	312,057,689		306,228,453	5,829,236		5,500,000
1917.....	329,726,116		319,889,904	9,836,212	5,200,000	
1918.....	388,975,962		324,849,188	64,126,774	48,630,701	2,221,095
1919.....	436,239,126		362,504,274	73,734,852	89,906,000	343,511
1920.....	437,150,212		418,722,295	18,427,917	5,213,000	114,854
1921.....	463,491,275		619,634,948	—156,143,673		130,128,458
1922.....	484,853,541		545,662,241	—60,808,700	81,494	64,346,235
1923.....	532,827,925		556,893,129	—24,065,204		32,526,915
1924.....	572,948,778		587,412,755	—14,463,976		12,638,850
1925.....	599,591,478		639,336,505	—39,745,027		23,216,784
1926.....	659,819,801		679,792,180	—19,972,379		39,506,490
1927.....	683,121,989		714,628,189	—31,506,201		27,263,191
1928.....	693,633,921		725,755,017	—32,121,096		32,080,202
1929.....	696,947,578		782,408,754	—85,461,176		94,699,744
1930.....	705,484,098	\$39,669,718	764,030,368	—98,215,987		91,714,451
1931.....	656,463,383	48,047,308	754,482,265	—146,066,190		145,643,613
1932.....	588,171,923	53,304,423	740,418,111	—205,550,611		202,876,341
1933.....	587,631,364	61,691,287	638,314,969	—112,374,892		117,380,192
1934.....	586,733,106	66,623,130	564,143,871	—44,033,835		52,003,296
1935.....	630,795,302	69,537,252	627,066,001	—65,807,951		63,970,405
1936.....	665,343,356	68,585,283	685,074,398	—88,316,324		86,038,862
1937.....	726,201,110	51,587,336	721,228,505	—46,614,732		41,896,945
1938.....	728,634,051	42,799,687	729,643,920	—43,811,556		44,258,861
1939.....	745,955,075	18,540,273	736,106,665	—38,691,863		41,237,263
1940.....	766,948,627	53,331,172	754,401,694	—40,784,239		40,870,336
1941.....	812,827,736	58,837,470	778,108,078	—24,117,812		30,064,048
1942.....	859,817,491	73,916,128	800,040,400	—14,139,037		18,308,869

<sup>1</sup> From 1789 to 1842 the fiscal year ended Dec. 31; from 1844 to date, June 30. Figures for 1843 are for a half year, Jan. 1 to June 30.

<sup>2</sup> Postal expenditures include adjusted losses, etc.—postal funds and expenditures from postal balances; but are exclusive of departmental expenditures in Washington, D. C., to the close of fiscal year 1922, and amounts transferred to the civil service retirement and disability fund, fiscal years 1921 to 1926, inclusive. For 1927 and subsequent years the 3½ percent salary deductions are included in "Postal expenditures," the deductions having been paid to and deposited by disbursing clerks for credit of the retirement fund.

<sup>3</sup> On basis of warrants issued from 1793 to 1915, and on basis of daily Treasury statement (unrevised) from 1916 to date.

<sup>4</sup> On basis of warrants issued prior to 1922 and on basis of daily Treasury statements (unrevised) (see p. 387) for 1922 and thereafter. Exclusive of amounts transferred to the civil service retirement and disability fund under act of May 22, 1920 (41 Stat. 614), and amendments thereto on account of salary deductions of 2½ percent, as follows: 1921, \$6,519,683.59; 1922, \$7,899,006.28; 1923, \$8,284,081.00; 1924, \$8,679,658.60; 1925, \$10,266,977.00; and 1926, \$10,472,289.59. See note 2. The item "Grants from Treasury to cover postal deficiencies" represents advances from the General Fund of the Treasury to the Postmaster General to meet deficiencies in the postal revenues. These figures do not include any allowances for offsets on account of extraordinary expenditures or the cost of free mailings contributing to the deficiency of postal revenues certified to the Secretary of the Treasury by the Postmaster General pursuant to the act of Congress approved June 9, 1930. See exhibit 66 on page 353 for statement of account.

<sup>5</sup> Revised to reflect increased revenue resulting from change in rate on first-class mail.

<sup>6</sup> Actual advances from General Fund were reduced by repayment of \$5,800,000 from prior year advances which was carried to surplus.

<sup>7</sup> Exclusive of General Fund payments from the appropriation "Additional compensation Postal Service" under authority of the act approved Nov. 8, 1919, in the amounts of \$35,698,400, \$1,374,015, and \$6,700 for the fiscal years 1920, 1921, and 1922, respectively.

TABLE 19.—*Selected receipts and expenditures of the Government, fiscal years 1789 to 1942*

[On basis of warrants issued from 1789 to 1930, and on basis of checks issued for 1931 and subsequent years, see p. 387]

Fiscal year	Receipts from sales of public lands	Expenditures		Fiscal year	Receipts from sales of public lands	Expenditures	
		Indians	Pensions <sup>1</sup>			Indians	Pensions <sup>1</sup>
1789-91.....		\$27,000	\$175,814	1840.....	\$3,292,683	\$2,331,795	\$2,603,950
1792.....		13,649	109,243	1841.....	1,365,627	2,594,063	2,388,496
1793.....		27,283	80,088	1842.....	1,335,798	1,201,062	1,379,469
1794.....		13,042	81,399	1843.....	897,818	581,680	843,323
1795.....		23,476	68,673	1844.....	2,059,940	1,179,279	2,030,598
1796.....	\$4,836	113,564	100,844	1845.....	2,077,022	1,540,817	2,396,642
1797.....	83,541	62,396	92,257	1846.....	2,694,452	1,021,461	1,810,371
1798.....	11,963	16,470	104,845	1847.....	2,498,355	1,470,306	1,747,917
1799.....		20,302	95,444	1848.....	3,328,643	1,221,792	1,211,270
				1849.....	1,688,960	1,373,119	1,330,010
1800.....	444	31	64,131	1850.....	1,859,894	1,665,802	1,870,292
1801.....	167,726	9,000	73,533	1851.....	2,352,305	2,895,700	2,290,278
1802.....	188,628	94,000	85,440	1852.....	2,043,240	2,980,403	2,403,953
1803.....	165,676	60,000	62,902	1853.....	1,667,085	3,905,745	1,777,871
1804.....	487,527	116,500	80,093	1854.....	8,470,798	1,553,031	1,237,879
1805.....	540,194	196,500	81,855	1855.....	11,497,049	2,792,652	1,450,153
1806.....	765,246	234,200	81,876	1856.....	8,917,645	2,769,430	1,298,209
1807.....	466,163	205,425	70,500	1857.....	3,829,487	4,267,543	1,312,043
1808.....	647,939	213,575	82,576	1858.....	3,513,716	4,926,739	1,217,488
1809.....	442,262	337,504	87,834	1859.....	1,756,687	3,625,027	1,220,378
1810.....	696,549	177,625	83,744	1860.....	1,778,558	2,949,191	1,102,926
1811.....	1,040,238	151,875	75,044	1861.....	870,659	2,841,358	1,036,064
1812.....	710,428	277,845	91,402	1862.....	152,204	2,273,224	853,095
1813.....	835,655	107,358	86,990	1863.....	167,617	3,154,357	1,078,991
1814.....	1,135,971	167,395	90,164	1864.....	588,333	2,629,859	4,983,924
1815.....	1,287,959	530,750	69,656	1865.....	996,553	5,116,837	16,338,811
1816.....	1,717,985	274,512	188,804	1866.....	665,031	3,247,065	15,605,352
1817.....	1,991,226	319,464	297,374	1867.....	1,163,576	4,642,532	20,936,552
1818.....	2,606,565	505,704	890,720	1868.....	1,348,715	4,100,682	23,782,387
1819.....	3,274,423	463,181	2,415,940	1869.....	4,020,344	7,042,923	28,476,622
1820.....	1,635,872	315,750	3,208,376	1870.....	3,350,482	3,407,938	28,340,202
1821.....	1,212,966	477,005	242,817	1871.....	2,388,647	7,426,997	34,443,895
1822.....	1,803,582	575,007	1,948,199	1872.....	2,575,714	7,061,729	28,533,403
1823.....	916,523	380,782	1,780,589	1873.....	2,882,312	7,951,705	29,359,427
1824.....	984,418	429,988	1,499,327	1874.....	1,852,429	6,692,462	29,038,415
1825.....	1,216,091	724,106	1,308,811	1875.....	1,413,640	8,384,657	29,456,216
1826.....	1,393,785	743,448	1,556,594	1876.....	1,129,467	5,966,558	28,257,396
1827.....	1,495,845	760,625	976,139	1877.....	976,254	5,277,007	27,963,752
1828.....	1,018,309	705,084	850,574	1878.....	1,079,743	4,629,280	27,137,019
1829.....	1,517,175	576,345	949,594	1879.....	924,781	5,206,109	35,121,482
1830.....	2,329,356	622,262	1,363,297	1880.....	1,016,507	5,945,457	56,777,175
1831.....	3,210,815	930,738	1,170,665	1881.....	2,201,863	6,514,161	50,059,280
1832.....	2,623,381	1,352,420	1,184,422	1882.....	4,753,140	9,736,748	61,345,194
1833.....	3,967,683	1,802,981	4,589,152	1883.....	7,955,864	7,362,591	66,012,574
1834.....	4,857,601	1,003,953	3,364,285	1884.....	9,810,705	6,475,999	55,429,228
1835.....	14,757,601	1,706,444	1,954,711	1885.....	5,705,986	6,552,495	56,102,268
1836.....	24,877,180	4,615,141	2,882,798	1886.....	5,630,999	6,099,158	63,404,864
1837.....	6,776,237	4,348,076	2,672,162	1887.....	9,254,286	6,194,523	75,029,102
1838.....	3,081,940	5,504,191	2,156,086	1888.....	11,202,017	6,249,308	80,288,509
1839.....	7,076,447	2,528,917	3,142,884	1889.....	8,038,652	6,892,208	87,624,779

Footnotes at end of table.

TABLE 19.—*Selected receipts and expenditures of the Government, fiscal years 1789 to 1942—Continued*

Fiscal year	Receipts from sales of public lands	Expenditures		Fiscal year	Receipts from sales of public lands	Expenditures	
		Indians	Pensions <sup>1</sup>			Indians	Pensions <sup>1</sup>
1890.....	\$6,358,273	\$6,708,047	\$106,936,855	1920.....	\$1,910,140	\$40,516,832	\$213,344,204
1891.....	4,029,535	8,527,469	124,415,951	1921.....	1,530,439	41,470,808	260,611,416
1892.....	3,261,876	11,150,578	134,583,053	1922.....	895,391	38,500,413	252,576,848
1893.....	3,182,090	13,345,347	159,357,558	1923.....	656,508	45,142,763	264,147,869
1894.....	1,673,637	10,293,482	141,177,285	1924.....	522,223	46,754,026	228,261,555
1895.....	1,103,347	9,939,754	141,395,229	1925.....	623,634	38,755,457	218,321,424
1896.....	1,005,523	12,165,528	139,434,001	1926.....	754,253	48,442,120	207,189,622
1897.....	864,581	13,016,802	141,053,165	1927.....	621,187	36,791,649	230,556,065
1898.....	1,243,129	10,994,668	147,452,369	1928.....	384,651	36,990,808	229,401,462
1899.....	1,678,247	12,805,711	139,394,929	1929.....	314,568	34,086,586	229,781,079
1900.....	2,836,883	10,175,107	140,877,316	1930.....	395,744	32,066,628	220,608,931
1901.....	2,965,120	10,896,073	139,323,622	1931.....	230,302	26,778,585	234,402,722
1902.....	4,144,123	10,049,585	138,488,560	1932.....	170,339	26,125,092	232,621,292
1903.....	8,926,311	12,935,168	138,425,646	1933.....	102,561	22,722,347	234,990,427
1904.....	7,453,480	10,438,350	142,559,266	1934.....	99,336	23,372,905	319,322,034
1905.....	4,859,250	14,236,074	141,773,965	1935.....	86,757	27,918,899	373,804,501
1906.....	4,879,834	12,746,859	141,034,562	1936.....	74,855	28,875,773	399,065,694
1907.....	7,878,811	15,163,608	139,309,514	1937.....	71,218	36,933,148	396,047,400
1908.....	9,731,560	14,570,756	153,892,467	1938.....	95,649	33,378,389	402,779,083
1909.....	7,700,568	15,694,618	161,710,367	1939.....	248,461	46,964,171	416,720,951
1910.....	6,355,797	18,504,132	160,696,416	1940.....	117,020	*37,821,090	429,178,230
1911.....	5,731,637	20,933,869	157,980,575	1941.....	178,246	*33,687,984	433,147,890
1912.....	5,392,797	20,134,840	153,590,456	1942.....	89,605	*31,838,510	431,295,419
1913.....	2,910,205	20,306,159	175,085,450				
1914.....	2,571,775	20,215,076	173,440,231				
1915.....	2,167,136	22,130,351	164,387,942				
1916.....	1,887,662	17,570,284	159,302,351				
1917.....	1,892,893	30,598,093	160,318,406				
1918.....	1,969,455	30,888,400	181,137,754				
1919.....	1,404,705	34,593,257	221,614,781				

<sup>1</sup> Includes only Army and Navy pensions for service prior to the first World War, and fees of examining surgeons in Pension Bureau, and is exclusive of payments made by the War Risk Insurance Bureau and Veterans' Bureau to veterans of the World War, and salaries under Bureau of Pensions, which are included in civil and miscellaneous expenditures.

<sup>2</sup> From 1789 to 1842 the fiscal year ended Dec. 31; from 1844 to date, on June 30. Figures for 1843 are for a half year, Jan. 1 to June 30.

<sup>3</sup> Excludes interest accounts which are included in trust fund expenditures.



# WAR ACTIVITIES PROGRAM

TABLE 20.—Appropriations and net contract authorizations for the war activities program, as of June 30, 1942<sup>1</sup>

Date approved	Public Law No.	Title of act or program	Appropriations	Net contract authorizations <sup>2</sup>
76th Congress, third session				
Mar. 25, 1940	442	Treasury Department Appropriation Act, 1941	\$53,965,035.00	
Apr. 18, 1940	459	Independent Offices Appropriation Act, 1941	149,500,000.00	
May 14, 1940	508	Department of Justice Appropriation Act, 1941 (Title III)	2,488,000.00	
June 11, 1940	588	Navy Department Appropriation Act, 1941	1,308,171,138.00	
June 13, 1940	611	Military Appropriation Act, 1941	1,499,323,322.00	\$14,000,000.00
June 18, 1940	640	Interior Department Appropriation Act, 1941	495,000.00	
June 24, 1940	653	War Department, Civil Appropriation Act, 1941	15,000,000.00	19,122,089.90
June 26, 1940	667	Civil activities, National Defense Appropriation Act, 1941	1,474,901,057.00	
June 26, 1940	688	Emergency Relief Appropriation Act, 1941 (refugee relief)	50,000,000.00	
June 27, 1940	668	Second Deficiency Appropriation Act, 1940	17,656,900.00	
July 18, 1940	694	War risk insurance fund	40,000,000.00	
July 19, 1940	757	Naval expansion program		\$9,234,196,053.00
Sept. 9, 1940	781	Second Supplemental National Defense Appropriation Act, 1941	2,497,016,392.00	\$197,000,000.00
Sept. 24, 1940	799	War Department—military posts and acquisition of land	338,263,902.00	
Oct. 8, 1940	800	Third Supplemental National Defense Appropriation Act, 1941	1,323,414,082.00	60,000,000.00
Oct. 9, 1940	812	First Supplemental Civil Functions Appropriation Act, 1941	148,821,000.00	
Oct. 14, 1940	816	National defense housing	75,000,000.00	
Total, 76th Congress, third session			8,994,015,828.00	9,524,228,142.90
77th Congress, first session				
Jan. 31, 1941	4	Naval expansion program		\$400,000,000.00
Feb. 6, 1941	5	Emergency ship construction	\$313,500,000.00	
Feb. 13, 1941	6	War Department—Clothing and equipage	175,000,000.00	
Mar. 1, 1941	9	Urgent Deficiency Appropriation Act, 1941	6,047,775.00	
Mar. 11, 1941	11	Defense aid special fund	(5)	
Mar. 17, 1941	13	Fourth Supplemental National Defense Appropriation Act, 1941	1,376,464,602.00	\$88,000,000.00
Mar. 27, 1941	23	Defense Aid Supplemental Appropriation Act, 1941	7,000,000,000.00	
Apr. 1, 1941	25	First Deficiency Appropriation Act, 1941	114,458,468.00	
Apr. 5, 1941	28	Independent Offices Appropriation Act, 1942	399,360,000.00	157,523,032.00
Apr. 5, 1941	29	Fifth Supplemental National Defense Appropriation Act, 1941	2,293,227,920.00	530,220,000.00
May 6, 1941	48	Navy Department Appropriation Act, 1942	3,415,521,750.00	
May 23, 1941	71	War Department, Civil, Appropriation Act, 1942	37,920,370.00	79,000,000.00
May 24, 1941	73	Additional Urgent Deficiency Appropriation Act, 1941	168,556,000.00	
May 31, 1941	88	Treasury Department Appropriation Act, 1942	62,193,150.00	
June 6, 1941	101	Compensation for foreign merchant vessels	(6)	

Footnotes at end of table.

TABLE 20.—Appropriations and net contract authorizations for the war activities program, as of June 30, 1942<sup>1</sup>—Continued

Date approved	Public Law No.	Title of act or program	Appropriations	Net contract authorizations <sup>2</sup>
77th Congress, first session—Continued				
June 28, 1941	135	Department of Justice, Judicial, State and Commerce Appropriation Act, 1942.	\$129,227,750.00	
June 28, 1941	136	Interior Department Appropriation Act, 1942.	2,035,000.00	
June 30, 1941	139	Military Appropriation Act, 1942.	10,384,821,624.00	\$126,145,695.00
July 1, 1941	146	Labor—Federal Security Appropriation Act, 1942.	173,168,500.00	
July 3, 1941	150	Second Deficiency Appropriation Act, 1941.	998,894,561.00	13,000,000.00
Aug. 25, 1941	247	First Supplemental National Defense Appropriation Act, 1942.	6,580,012,448.00	1,000,000,000.00
Oct. 28, 1941	282	Second Supplemental National Defense Appropriation Act, 1942:		
		Title I.....	5,985,000,000.00	
		Title II.....	159,005,585.00	
Dec. 17, 1941	353	Third Supplemental National Defense Appropriation Act, 1942.	9,112,021,947.00	794,000,000.00
Dec. 23, 1941	371	War, Philippine relief, and defense housing.....	510,000,000.00	
		Total, 77th Congress, first session.....	49,396,437,450.00	3,187,888,727.00
77th Congress, second session				
Jan. 30, 1942	422	Fourth Supplemental National Defense Appropriation Act, 1942.	\$12,525,872,474.00	
Feb. 7, 1942	441	Naval Appropriation Act, 1943 <sup>7</sup> .	23,738,865,474.00	\$4,670,000,000.00
Feb. 12, 1942	432	Financial aid to China.....	500,000,000.00	
Feb. 21, 1942	463	First Deficiency Appropriation Act, 1942.	134,704,661.40	
Mar. 5, 1942	474	Fifth Supplemental National Defense Appropriation Act, 1942.	30,412,737,900.00	2,350,600,000.00
Mar. 27, 1942	507	Second War Powers Act, 1942.	(8)	
Apr. 28, 1942	527	War Department, Civil, Appropriation Act, 1943.	57,886,985.00	
Apr. 28, 1942	528	Sixth Supplemental National Defense Appropriation Act, 1942.	18,932,124,093.00	\$150,400,000.00
June 5, 1942	572	War risk insurance fund.....	210,000,000.00	
June 19, 1942	616	Education and training.....	9,500,000.00	
June 23, 1942	626	Seventh Supplemental National Defense Appropriation Act, 1942 <sup>8</sup> .	655,074,740.00	\$3,112,500,000.00
June 27, 1942	630	Independent Offices Appropriation Act, 1943.	1,052,812,004.00	90,000,000.00
		Total, 77th Congress, second session.....	88,229,578,331.40	10,372,900,000.00
In appropriation bills pending on June 30, 1942				
July 2, 1942	644	Department of Justice, Judicial, State and Commerce Appropriation Act, 1943 <sup>11</sup> .	\$261,961,180.00	
July 2, 1942	645	Department of the Interior Appropriation Act, 1943 <sup>11</sup> .	8,977,370.00	
July 2, 1942	646	Federal Works Agency—Public Roads <sup>11</sup> .		\$110,000,000.00
July 2, 1942	647	Labor—Federal Security Appropriation Act, 1943 <sup>11</sup> .	219,261,363.00	
July 2, 1942	648	Second Deficiency Appropriation Act, 1942 <sup>11</sup> .	10,415,077.72	

July 2, 1942	649	Military Appropriation Act, 1943 <sup>11</sup>	42,820,003,067.00	
July 2, 1942	650	War Housing and Public Works <sup>11</sup>	32,500,000.00	
July 25, 1942	678	First Supplemental National Defense Appropriation Act, 1943 (estimated)	<sup>12</sup> 1,796,659,990.47	
Total pending			45,149,778,048.19	<sup>13</sup> 110,000,000.00

## Summary

Total, 76th Congress, Third Session	\$8,994,015,828.00	\$9,524,228,142.90
Total, 77th Congress, First Session	49,396,437,450.00	3,187,888,727.00
Total, 77th Congress, Second Session	88,229,578,331.40	10,372,900,000.00
Permanent appropriations <sup>14</sup>	39,103,364.99	
Net transfers from other than war activities appropriations	<sup>15</sup> 28,658,882.36	
Total approved	146,687,793,856.75	23,085,016,869.90
Total pending	45,149,778,048.19	110,000,000.00
Liquidations (estimated) of contract authorizations in pending appropriations		-8,805,975,869.00
Liquidations of 1940 and prior contract authorizations	-467,872,846.00	
Total approved and pending	191,369,699,058.94	<sup>16</sup> 14,389,041,000.90

<sup>1</sup> Consists of appropriations and net contract authorizations available on and after July 1, 1940. Does not include authorizations of the Reconstruction Finance Corporation and its subsidiaries for war purposes, which are shown in table 22.

<sup>2</sup> Contract authorizations have been reduced by later appropriations which were earmarked in authorizing acts for this purpose.

<sup>3</sup> Public Resolution number.

<sup>4</sup> Unappropriated contract authorizations for the naval expansion program are as follows:

Public Law No.	Amount
781	\$47,000,000
4	400,000,000
757	(estimated) 9,234,106,053
13	58,000,000
441	4,170,000,000
528	100,000,000
626	(estimated) 2,962,500,000
	16,971,606,053

<sup>5</sup> Established to account for advance payments made by foreign governments for the procurement of defense articles. (See note 15.)

<sup>6</sup> Represents appropriated receipts for compensation for foreign merchant vessel. (See note 15.)

<sup>7</sup> Includes \$9,693,525,500 appropriated and \$4,170,000,000 contract authorizations for the fiscal year 1942.

<sup>8</sup> Represents appropriations of donations received from individuals for war contributions. (See note 15.)

<sup>9</sup> Includes \$650,000 for the fiscal year 1941 and \$209,000,000 for the fiscal year 1943.

<sup>10</sup> Includes estimates of \$2,075,000,000 provided for in this act, dependent upon passage of H. R. 7159 on which congressional action was completed on July 1, 1942.

<sup>11</sup> Approved July 2, 1942.

<sup>12</sup> Approved July 25, 1942, in the amount of \$1,845,234,990.47 (Public Law 678).

<sup>13</sup> In addition, Public Law 700 (approved Aug. 6, 1942) includes contract authorizations amounting to \$974,634,000.

<sup>14</sup> Consists of actual appropriations for the fiscal years 1941 and 1942 and budget estimates for the fiscal year 1943. This item represents appropriations of receipts, the exact amount of which is not known until the end of each fiscal year.

<sup>15</sup> Includes amounts applicable to notes 5, 6, and 8, in the amounts of \$22,738,336.38, \$3,600,000.00, and \$985,127.19, respectively, and also includes actual transfer of balances of the Bureau of Marine Inspection and Navigation from the Department of Commerce to Coast Guard, Navy, in the amount of \$1,153,801.79 as per Executive Order No. 9083, dated Feb. 23, 1942.

TABLE 21.—Appropriations, contract authorizations, and expenditures under the war activities program, July 1, 1940, to June 30, 1942<sup>1</sup>

[In millions of dollars]

Organization	Total appropriations and contract authorizations (approved and pending)	Appropriations <sup>1</sup>				Contract authorizations (net) <sup>2</sup>				Pending appropriations <sup>4</sup>			Liquidation of contract authorizations from 1943 funds (estimated)	Expenditures (daily Treasury statement basis, unrevised)		
		Total	Fiscal year 1943	Fiscal year 1942	Fiscal year 1941	Total	Fiscal year 1943	Fiscal year 1942	Fiscal year 1941	Appropriations	Contract authorizations	Liquidation of contract authorizations		Total	Fiscal year 1942	Fiscal year 1941
War Department <sup>5</sup>	133,262.6	90,442.1	<sup>6</sup> 1.1	<sup>7</sup> 78,390.7	12,050.4	730.4	126.1	604.2	42,820.5		730.4		17,747.6	14,070.0	3,677.7	
Navy Department <sup>5</sup>	50,929.3	39,568.3	<sup>8</sup> 14,257.7	<sup>9</sup> 20,822.8	4,487.8	<sup>10</sup> 18,476.6	500.0	<sup>11</sup> 17,871.6	105.0	3.7		7,119.3	10,892.6	8,579.6	2,313.1	
Agriculture Department <sup>5</sup>	1,883.3	1,874.6		1,770.2	104.4					8.7			699.0	696.3	2.7	
Federal Security Agency:																
National Youth Administration	168.3	115.0		60.0	55.0					53.3			88.2	41.7	46.5	
Office of Education	352.5	206.1		130.6	75.5					146.3			166.4	106.1	60.3	
Other <sup>11</sup>	34.0	17.3		14.3	3.0					16.7			5.9	4.6	1.3	
Unclassified													(*)	(*)		
Federal Works Agency: <sup>5</sup>																
Public Roads Administration	270.0	79.6		79.6		75.4		75.4		5.0	110.0		15.5	15.5		
Public works (community facilities)	317.5	300.0		300.0						17.5			34.1	34.1		
Other <sup>11</sup>	30.7	30.7		30.7									12.0	12.0		
Unclassified													(*)	(*)		
National Housing Agency <sup>5</sup>	873.8	558.8		558.8	300.0					15.0			342.4	297.0	45.3	
Selective Service (administrative expenses)	96.8	96.8	34.7	37.3	24.8								50.5	32.9	17.5	
Treasury Department	1,950.9	1,800.9		1,479.8	321.1					150.0			543.4	519.5	24.0	
United States Maritime Commission	7,487.4	4,819.8	980.1	<sup>12</sup> 2,762.9	1,076.8	3,597.5	90.0	3,507.5		2		930.0	980.7	929.5	51.3	
War Shipping Administration	1,778.3	678.3		<sup>13</sup> 678.3						1,100.0			132.2	132.2		
Aid to China	500.0	500.0		500.0									200.0	200.0		
All other:																
Alley Dwelling Authority	18.9	18.9		18.9									2	2		
Civil Service Commission	22.6	18.5	7.4	7.2	3.8					4.1			0.6	6.4	3.1	
Commerce Department	560.8	288.2		199.1	89.2					272.6			152.3	121.9	30.4	
Defense aid—special fund <sup>14</sup>	22.7	22.7		22.7									5.5	5.5		
Employees Compensation Commission	.3	.2		.2						.1			(*)	(*)		
Executive Office:																
Office for Emergency Management <sup>15</sup>	662.7	317.0	21.1	270.2	16.7	3.0		3.0		345.7		3.0	140.3	139.4	.9	
Other <sup>16</sup>	<sup>17</sup> 4,567.2	<sup>17</sup> 4,428.7	5.7	2,561.6	1,861.5					138.5			25.5	19.1	6.4	

Federal Communications Commission	9.9	7.7	2.7	3.3	1.7				2.1				4.2	2.9	1.3
Federal Deposit Insurance Corporation	(*)	(*)		(*)											
Federal Power Commission	.9	.9	.5	.3	.1								.3	.2	.1
General Accounting Office	2.7	2.7		2.7									.2		
Interior Department	60.8	47.0		44.9	2.1				13.8				7.0	6.0	1.0
Interstate Commerce Commission	.3	.3	.2	.1									.1	.1	
Justice Department	61.2	28.8		20.5	8.3				32.3				23.7	17.8	5.9
Labor Department	3.2	1.1		1.1	(*)				2.1				1.1	1.1	(*)
Maritime Labor Board	(*)	(*)		(*)									(*)	(*)	
National Labor Relations Board	1.1	.4		.4					.7				.1	.1	
Panama Canal	285.5	106.8	56.8	34.9	15.0	202.1		183.0	19.1				23.3	37.5	27.5
Railroad Retirement Board	.1	.1		.1										(*)	10.0
Securities and Exchange Commission	(*)	(*)		(*)									(*)	(*)	
State Department	10.0	9.2		4.2	5.1				.8				5.5	3.2	2.3
Veterans' Administration	(*)	(*)		(*)									(*)	(*)	
Unclassified													18 11.7	18 11.7	
Total, war activities program, including appropriations for liquidation of 1940 and prior contract authorizations	206,226.6	146,687.8	15,368.0	110,817.5	20,502.2	23,085.0	590.0	21,766.7	728.3	45,149.8	110.0	730.4	8,075.6	32,312.1	6,301.0
Liquidations of 1940 and prior contract authorizations	-467.9	-467.9		-108.4	-359.5										
Total, war activities program, exclusive of Reconstruction Finance Corporation and its subsidiaries	205,758.7	146,219.9	15,368.0	110,709.2	20,142.7	23,085.0	590.0	21,766.7	728.3	45,149.8	110.0	730.4	8,075.6	32,312.1	6,301.0

Footnotes on p. 484.

## (FOOTNOTES TO TABLE 21)

\* Less than \$50,000.

<sup>1</sup> Authorizations of the Reconstruction Finance Corporation and its subsidiaries are shown in table 22, p. 485.

<sup>2</sup> In many instances funds appropriated during any fiscal year are also available for obligation for succeeding fiscal years. In this statement immediately available funds are shown in the fiscal year for which the appropriation was made, and certain funds appropriated prior to July 1, 1940, and available subsequently thereto are shown in the fiscal year 1941.

<sup>3</sup> Contract authorizations have been reduced by later appropriations which were earmarked in authorizing acts for this purpose. Net contract authorizations in the fiscal year 1941 include also those provided prior to July 1, 1940, and made available subsequently thereto.

<sup>4</sup> Includes the following acts which were pending June 30, 1942:

Public Law No.	Appropriations <sup>18</sup>	Contract authorizations <sup>19 20</sup>
644-----	\$261,961,180	-----
645-----	8,977,370	-----
646-----	-----	\$110,000,000
647-----	219,261,363	-----
648-----	10,415,078	-----
649-----	42,820,003,067	-----
650-----	32,500,000	-----
678 (estimated)-----	1,796,653,990	-----
Total-----	45,149,778,048	110,000,000

<sup>5</sup> Allocations from defense housing funds (emergency funds for the President) made to Farm Security Administration, Federal Works Agency, Navy Department, and War Department (exclusive of military or naval reservations) are available to the National Housing Agency under provisions of Executive Order No. 9070, dated Feb. 24, 1942.

<sup>6</sup> Appropriations for the fiscal years 1942 and 1943 include a total of \$708,062.08 received as war contributions under the Second War Powers Act.

<sup>7</sup> Includes \$35,000,000 made available for relief of the Philippines.

<sup>8</sup> Includes \$2,551,700 in permanent appropriations.

<sup>9</sup> Includes \$20,641.68 received as war contributions under the Second War Powers Act.

<sup>10</sup> Includes \$9,234,106,053 in estimated requirements for the naval expansion program as provided in Public Law 757, approved July 19, 1940, and \$2,962,500,000 as provided in Public Law 626, approved June 23, 1942. In addition, the Second Supplemental National Defense Appropriation Act of 1943, approved Oct. 26, 1942, includes additional authorization for the naval program estimated at \$9,510,000,000.

<sup>11</sup> Includes transactions relating to emergency funds for the President and lend-lease funds.

<sup>12</sup> Excludes \$180,708,143 transferred to the War Shipping Administration in accordance with Executive Order No. 9054, approved Feb. 7, 1942, and \$28,190,000 transferred to the Navy Department in accordance with Executive Order No. 9083, approved Feb. 28, 1942. Includes \$3,600,000 made available from receipts and appropriated for compensation for foreign merchant vessels.

<sup>13</sup> See footnote 12.

<sup>14</sup> Established to account for advance payments made by foreign governments for the procurement of defense articles.

<sup>15</sup> Includes transactions of the Office for Emergency Management proper, Coordinator of Inter-American Affairs, Council of National Defense, Liaison Office for Personnel Management, Office of Price Administration, Office of War Information, including the Coordinator of Information and Office of Government Reports, War Production Board, and War Relocation Authority.

<sup>16</sup> Includes transactions of the Board of Economic Warfare, Bureau of the Budget, Executive Office, National Resources Planning Board, and Office of Censorship.

<sup>17</sup> Includes unallocated balances of the President's emergency funds amounting to \$67,222,597.23 and unallocated balances of lend-lease funds amounting to \$4,324,704,451.82.

<sup>18</sup> Excess credits (deduct).

<sup>19</sup> Approved July 2, 1942, except Public Law 678, which was approved July 25, 1942, in the amount of \$1,845,234,990.47.

<sup>20</sup> In addition, Public Law 700, approved Aug. 6, 1942, includes contract obligations amounting to \$974,634,000.

NOTE.—Figures are rounded to nearest tenth of a million and will not necessarily add to totals.

TABLE 22.—Commitments, receipts, and disbursements of the Reconstruction Finance Corporation and its subsidiaries under the war activities program, July 1, 1940, to June 30, 1942

[In millions of dollars. Compiled from latest reports received by the Treasury]

	Commitments						Receipts <sup>1</sup>			Disbursements		
	Authorized			Withdrawn and canceled			Total July 1, 1940, to June 30, 1942	Fiscal year 1942	Fiscal year 1941	Total July 1, 1940, to June 30, 1942	Fiscal year 1942	Fiscal year 1941
	Total July 1, 1940, to June 30, 1942	Fiscal year 1942	Fiscal year 1941	Total July 1, 1940, to June 30, 1942	Fiscal year 1942	Fiscal year 1941						
Defense Plant Corporation.....	7,581	5,959	1,622	451	445	6	146	145	1	1,358	1,211	147
Defense Supplies Corporation.....	2,916	2,788	128	232	179	53	43	43	(*)	365	360	5
Metals Reserve Company.....	2,506	1,687	819	62	50	12	193	156	37	496	371	125
Rubber Reserve Company.....	1,591	1,300	201	14	14	—	83	83	—	309	258	51
U. S. Commercial Company.....	26	26	—	2	2	—	(*)	(*)	—	(*)	(*)	—
Reconstruction Finance Corporation direct:												
Loans to Great Britain and Northern Ireland.....	425	425	—	—	—	—	14	14	—	390	390	—
Defense Homes Corporation.....	64	64	—	—	—	—	—	—	—	11	11	—
War Damage Corporation—stock.....	100	100	—	—	—	—	—	—	—	—	—	—
Automobile financing.....	132	132	—	2	2	—	—	—	—	—	—	—
All other loans.....	1,008	806	201	160	151	8	70	64	7	230	158	72
Total.....	16,349	13,378	2,971	922	843	79	550	506	45	3,159	2,790	398

\*Less than \$500,000.

<sup>1</sup> Comprises rents repayments and sales. Does not include profits on sales.<sup>2</sup> Includes \$623,233,209 representing estimated cost of construction of synthetic rubber plants by Defense Plant Corporation, repeated in commitments of Rubber Reserve Company by reason of its agreement to reimburse the former for its investment.

NOTE.—Figures are rounded to nearest million and will not necessarily add to totals.

## PUBLIC DEBT

### Public debt outstanding

TABLE 23.—Description of the public debt issues outstanding June 30, 1942

[On basis of daily Treasury statements (revised), see p. 387]

[illegible]



TREASURY BONDS <sup>10</sup>							
Act of Sept. 24, 1917 (40 Stat. 288), as amended:							
4¼% bonds of 1947-52.	Oct. 16, 1922	{ On and after Oct. 15, 1947; on Oct. 15, 1952.	Apr. and Oct. 15.	{ Par ..... Exchange at par.	Bonds, certificates of indebtedness, Treasury bills and notes not to exceed in the aggregate \$125,000,000,000 outstanding at any one time.	511,864,000.00 252,098,300.00	
						763,962,300.00	5,016,500.00
						224,513,500.00 532,420,300.00 290,154,700.00	
4% bonds of 1944-54.	Dec. 15, 1924	{ On and after Dec. 15, 1944; on Dec. 15, 1954.	June and Dec. 15.	{ Par ..... Exchange at par. \$100.50.		1,047,088,500.00	10,396,100.00
						494,898,100.00	5,818,000.00
3¾% bonds of 1946-56.	Mar. 15, 1926	On and after Mar. 15, 1946; on Mar. 15, 1956.	Mar. and Sept. 15.	\$100.50		249,598,300.00 245,256,450.00	
3¾% bonds of 1943-47.	June 15, 1927	{ On and after June 15, 1943; on June 15, 1947.	June and Dec. 15.	{ \$100.50 ..... Exchange at par.		494,854,750.00	40,719,550.00
3¾% bonds of 1946-49.	June 15, 1931	On and after June 15, 1946; on June 15, 1949.	do	Par		821,406,000.00	2,779,000.00
3% bonds of 1951-55.	Sept. 15, 1931	On and after Sept. 15, 1951; on Sept. 15, 1955.	Mar. and Sept. 15.	do		800,424,000.00	44,993,000.00
3¼% bonds of 1943-45.	Oct. 15, 1933	{ On and after Oct. 15, 1943; on Oct. 15, 1945.	Apr. and Oct. 15.	{ \$101.50 ..... Exchange at par.		500,421,950.00 900,716,550.00	
						1,401,138,500.00	610,250.00
3¼% bonds of 1944-46.	Apr. 16, 1934	On and after Apr. 15, 1944; on Apr. 15, 1946.	do	Exchange at par.		1,518,858,800.00	121,150.00
						507,477,950.00 317,030,100.00 98,708,000.00 112,669,000.00	
3% bonds of 1946-48.	June 15, 1934	{ On and after June 15, 1946; on June 15, 1948.	June and Dec. 15.	{ Par ..... Exchange at par. \$103.125 ..... \$103.5625		1,035,885,050.00	11,650.00
						491,377,100.00	2,000.00
3¾% bonds of 1949-52.	Dec. 15, 1934	On and after Dec. 15, 1949; on Dec. 15, 1952.	do	Par			491,375,100.00

Footnotes on p. 506.

TABLE 23.—Description of the public debt issues outstanding June 30, 1942—Continued

Title and authorizing act	Date of loan	When redeemable or payable	Interest payment date	Average price received	Amount			
					Authorized	Issued	Retired	Outstanding
<b>INTEREST-BEARING DEBT—Con.</b>								
<b>Public Issues—Con.</b>								
<b>TREASURY BONDS <sup>9 10</sup>—Con.</b>								
Act of Sept. 24, 1917, etc.—Continued.								
2 $\frac{7}{8}$ % bonds of 1955-60.	Mar. 15, 1935	On and after Mar. 15, 1955; on Mar. 15, 1960.	Mar. and Sept. 15	Exchange at par and \$100.50. \$101.59375 101.56250 \$100.78125		\$2,304,429,200.00 101,971,000.00 106,541,000.00 98,215,000.00 2,611,156,200.00	\$64,050.00	\$2,611,092,150.00
2 $\frac{3}{4}$ % bonds of 1945-47.	Sept. 16, 1935	On and after Sept. 15, 1945; on Sept. 15, 1947.	Mar. and Sept. 15	Exchange at par. Par		568,717,800.00 645,736,100.00 1,214,453,900.00	24,950.00	1,214,428,950.00
2 $\frac{3}{4}$ % bonds of 1948-51.	Mar. 16, 1936	On and after Mar. 15, 1948; on Mar. 15, 1951.	-----do-----	Par Exchange at par.		727,033,950.00 496,462,900.00 1,223,496,850.00	1,000.00	1,223,495,850.00
2 $\frac{3}{4}$ % bonds of 1951-54.	June 15, 1936	On and after June 15, 1951; on June 15, 1954.	June and Dec. 15	Par Exchange at par.		1,290,756,650.00 335,931,500.00 1,626,688,150.00	1,000.00	1,626,687,150.00
2 $\frac{3}{4}$ % bonds of 1956-59.	Sept. 15, 1936	On and after Sept. 15, 1956; on Sept. 15, 1959.	Mar. and Sept. 15	Par	Bonds, certificates of indebtedness, Treasury bills, and notes not to exceed in the aggregate \$125,000,000, 000 outstanding at any one time.	981,848,050.00 1,006,641,950.00 779,862,100.00 1,786,504,050.00	21,500.00	981,826,550.00
2 $\frac{1}{2}$ % bonds of 1940-53.	Dec. 15, 1936	On and after Dec. 15, 1949; on Dec. 15, 1953.	June and Dec. 15	Par Exchange at par.			375,400.00	1,786,128,650.00

2½% bonds of 1945....	Dec. 15, 1937....	On Dec. 15, 1945....	do.....	{ Par..... Exchange at par.	293, 513, 250.00		
					247, 330, 300.00		
2½% bonds of 1948....	Mar. 15, 1938....	On Sept. 15, 1948....	Mar. and Sept. 15.	Par.....	540, 843, 550.00		540, 843, 550.00
					450, 978, 400.00		450, 978, 400.00
2¾% bonds of 1958-63.	June 15, 1938....	{ On and after June 15, 1958; on June 15, 1963.	{ June and Dec. 15.	{ Par..... Exchange at par.	571, 736, 200.00		
					347, 044, 400.00		
					918, 780, 600.00		918, 780, 600.00
2½% bonds of 1950-52.	Sept. 15, 1938....	{ On and after Sept. 15, 1950; on Sept. 15, 1952.	{ Mar. and Sept. 15.	{ Par..... Exchange at par. Exchange at \$102.50.	461, 690, 100.00		
					404, 707, 100.00		
					319, 444, 500.00		
					1, 185, 841, 700.00	500.00	1, 185, 841, 200.00
2¾% bonds of 1960-65.	Dec. 15, 1938....	{ On and after Dec. 15, 1960; on Dec. 15, 1965.	{ June and Dec. 15.	{ Par..... Exchange at par. Exchange at \$102.375.	402, 892, 800.00		
					188, 196, 700.00		
					894, 295, 600.00		
					1, 485, 385, 100.00	500.00	1, 485, 384, 600.00
2% bonds of 1947.....	Dec. 15, 1938....	On Dec. 15, 1947.....	do.....	Exchange at par.	701, 074, 900.00	2, 000.00	701, 072, 900.00
2% bonds of 1948-50 (dated Dec. 8, 1939).	Dec. 8, 1939....	On and after Dec. 15, 1948; on Dec. 15, 1950.	do.....	Par.....	571, 431, 150.00		571, 431, 150.00
2¼% bonds of 1951-53.	Dec. 22, 1939....	{ On and after Dec. 15, 1951; on Dec. 15, 1953.	{ do.....	{ Exchange at par. Par.....	1, 018, 051, 100.00		
					100, 000, 000.00		
					1, 118, 051, 100.00		1, 118, 051, 100.00
2¼% bonds of 1954-56.	July 22, 1940....	On and after June 15, 1954; on June 15, 1956.	do.....	Par.....	680, 692, 350.00		680, 692, 350.00
2% bonds of 1953-55....	Oct. 7, 1940....	On and after June 15, 1953; on June 15, 1955.	do.....	Exchange at par.	724, 677, 900.00		724, 677, 900.00
2% bonds of 1948-50 (dated Mar. 15, 1941).	Mar. 15, 1941....	On and after Mar. 15, 1948; on Mar. 15, 1950.	Mar. and Sept. 15.	Exchange at par.	1, 115, 368, 400.00		1, 115, 368, 400.00

Footnotes on p. 506.

TABLE 23.—Description of the public debt issues outstanding June 30, 1942—Continued

Title and authorizing act	Date of loan	When redeemable or payable	Interest payment date	Average price received	Amount			
					Authorized	Issued	Retired	Outstanding
<b>INTEREST-BEARING DEBT—Con.</b>								
<b>Public Issues—Con.</b>								
<b>TREASURY BONDS,* 10—Con.</b>								
Act of Sept. 24, 1917, etc.—Continued.								
2½% bonds of 1952-54	Mar. 31, 1941	{ On and after Mar. 15, 1952; on Mar. 15, 1954.	{ Mar. and Sept. 15.	{ Par { Exchange at par		\$ 576, 145. 150.00 447, 423. 200.00		
						1, 023, 568. 350.00		\$1, 023, 568, 350.00
2½% bonds of 1956-58	June 2, 1941	{ On and after Mar. 15, 1956; on Mar. 15, 1958.	{ do	{ Par { Exchange at par		651, 750, 800.00 786, 996, 850.00		
						1, 448, 747, 650.00		1, 448, 747, 650.00
2½% bonds of 1967-72	Oct. 20, 1941	{ On and after Sept. 15, 1967; on Sept. 15, 1972.	{ do	{ Par { Exchange at par		2, 527, 073, 950.00 188, 971, 200.00		
						2, 716, 045. 150.00 532, 637, 950.00	\$22, 274, 000.00	2, 716, 045, 150.00 510, 413, 950.00
2% bonds of 1951-55	Dec. 15, 1941	On and after Dec. 15, 1951; on Dec. 15, 1955.	June and Dec. 15.	Par				
2% bonds of 1949-51 (dated Jan. 15, 1942).	Jan. 15, 1942	{ On and after June 15, 1949; on June 15, 1951.	{ do	{ Par { Exchange at par		607, 631, 200.00 406, 387, 700.00		
						1, 014, 018, 900.00 1, 510, 795, 300.00	10, 014, 000.00	1, 014, 018, 900.00 1, 500, 781, 300.00
2½% bonds of 1952-55	Feb. 25, 1942	On and after June 15, 1952; on June 15, 1955.	do	Par				
2½% bonds of 1962-67	May 5, 1942	On and after June 15, 1962; on June 15, 1967.	do	Par		882, 306, 500.00		882, 306, 500.00
2% bonds of 1949-51 (dated May 15, 1942).	May 15, 1942	On and after Sept. 15, 1949; on Sept. 15, 1951.	Mar. and Sept. 15.	Par		1, 292, 444, 100.00		1, 292, 444, 100.00
Total Treasury bonds.					Bonds, certificates of indebtedness, Treasury bills and notes not to exceed in the aggregate \$125,000,000.-000 outstanding at any one time.			38, 084, 533, 250.00

UNITED STATES  
SAVINGS BONDS 291Act of Sept. 24, 1917 (40  
Stat. 283), as  
amended:Series and approxi-  
mate yield to ma-  
turity (%):

A-1935.....	2.90	Various dates from Mar. 1, 1935.	After 60 days from issue date, on de- mand at option of owner; 10 years from issue date.	Sold at a dis- count; payable at par on ma- turity.	\$75.00.....	231,639,326.75	60,684,944.50	170,954,382.25
B-1936.....	2.90	Various dates from Jan. 1, 1936.	do.....	do.....	\$75.00.....	412,473,383.84	101,774,567.34	310,698,816.50
C-1937.....	2.90	Various dates from Jan. 1, 1937.	do.....	do.....	\$75.00.....	515,143,265.50	111,983,753.25	403,159,512.25
C-1938.....	2.90	Various dates from Jan. 1, 1938.	do.....	do.....	\$75.00.....	582,437,616.00	97,818,448.00	484,619,168.00
D-1939.....	2.90	Various dates from Jan. 1, 1939.	do.....	do.....	\$75.00.....	909,271,115.50	110,098,639.50	799,172,476.00
D-1940.....	2.90	Various dates from Jan. 1, 1940.	do.....	do.....	\$75.00.....	1,080,196,842.00	88,827,225.25	991,369,616.75
D-1941.....	2.90	Various dates from Jan. 1, to Feb. 28, 1941.	do.....	do.....	\$75.00.....	344,072,281.00	13,761,154.50	330,311,126.50
D-1941.....	2.90	Various dates from Mar. 1 to Apr. 30, 1941.	do.....	do.....	\$75.00.....	119,918,608.50	6,476,001.25	113,442,607.25
E-1941.....	2.90	Various dates from May 1, 1941.	do.....	do.....	\$75.00.....	1,338,697,141.50	40,695,707.64	1,298,001,433.86
F-1941.....	2.53	do.....	After 6 months from issue date, on de- mand at option of owner; 12 years from issue date.	do.....	\$74.00.....	231,123,751.40	2,751,843.00	228,371,908.40
G-1941.....	2.50	do.....	do.....	Semiannually.....	Par.....	1,276,889,000.00	11,879,600.00	1,265,009,400.00
E-1942.....	2.90	Various dates from Jan. 1, 1942.	After 60 days from issue date, on de- mand at option of owner; 10 years from issue date.	Sold at a dis- count; payable at par on ma- turity.	\$75.00.....	2,018,913,153.25	20,297,493.75	1,998,615,659.50
F-1942.....	2.53	do.....	After 6 months from issue date, on de- mand at option of owner; 12 years from issue date.	do.....	\$74.00.....	274,673,185.00	157,453.50	274,515,731.50
G-1942.....	2.50	do.....	do.....	Semiannually.....	Par.....	1,164,925,100.00	474,800.00	1,164,450,300.00

Footnotes on p. 506.

TABLE 23.—Description of the public debt issues outstanding June 30, 1942—Continued

Title and authorizing act	Date of loan	When redeemable or payable	Interest payment date	Average price received	Amount			
					Authorized	Issued	Retired	Outstanding
<b>INTEREST-BEARING DEBT—Con.</b>								
<b>Public Issues—Con.</b>								
<b>UNITED STATES SAVINGS BONDS <sup>29 10</sup>—Con.</b>								
Act of Sept. 24, 1917 (40 Stat. 288), as amended—Con.								
Unclassified sales. 2.90	Various.....	After 60 days from issue date, on demand at option of owner; 10 years from issue date.	Sold at a discount; payable at par on maturity.	\$75.00.....		\$406,152,657.50		\$406,152,657.50
Total United States savings bonds.								10,238,844,796.26
<b>DEPOSITARY BONDS <sup>10</sup></b>								
Acts of Sept. 24, 1917 (40 Stat. 288), as amended: May 7, 1928 (45 Stat. 492), June 19, 1922 (42 Stat. 662): 2% bonds.....	Various dates from June 28, 1941.	Any time upon 30 to 60 days' notice, on demand at option of owner; 12 years from issue date.	June and Dec. 1..	Par.....		78,963,000.00	\$5,000.00	78,958,000.00

ADJUSTED SERVICE BONDS <sup>11</sup>					Bonds, certificates of indebtedness, Treasury bills and notes not to exceed in the aggregate \$125,000,000,000 outstanding at any one time.		
Act of Sept. 24, 1917 (40 Stat. 288), as amended: Adjusted Compensation Payment Act, 1936: 3% bonds of 1945....	June 15, 1936....	On demand at option of owner; on June 15, 1945.	With principal (1) to date of maturity, or (2) to date of prior redemption on and after June 15, 1937.	Par.....		1,840,564,000.00	1,612,155,200.00
							228,408,800.00
Total bonds.....							48,826,735,026.26
TREASURY NOTES <sup>10 11 12</sup>							
Act of Sept. 24, 1917 (40 Stat. 288), as amended: Regular series: 2% B-1942.....	Sept. 15, 1937....	On Sept. 15, 1942....	Mar. and Sept. 15.....	Exchange at par.		342,143,300.00	342,143,300.00
1 3/4% C-1942.....	Dec. 15, 1937....	On Dec. 15, 1942....	June and Dec. 15.....	{ Par..... Exchange at par.		219,035,700.00 13,339,500.00	
						232,375,200.00	232,375,200.00
1 1/8% A-1943.....	June 15, 1938....	On June 15, 1943.....	do.....	{ Par..... Exchange at par.		378,233,900.00 250,883,000.00	
						629,116,900.00	3,500.00
							629,113,400.00
1 1/8% B-1943.....	Dec. 15, 1938....	On Dec. 15, 1943.....	do.....	{ Par..... Exchange at par. Exchange at \$101.		328,577,200.00 39,282,600.00 53,113,200.00	
						420,973,000.00	1,500.00
							420,971,500.00
1% C-1943.....	June 15, 1940....	On Sept. 15, 1943.....	Mar. and Sept. 15.....	Exchange at par.		279,473,800.00	279,473,800.00
3/4% D-1943.....	Mar. 15, 1941....	On Mar. 15, 1943.....	do.....	do.....		65,963,700.00	65,963,700.00
3/4% A-1944.....	June 15, 1939....	On June 15, 1944.....	June and Dec. 15.....	do.....		415,519,500.00	500.00
1% B-1944.....	Nov. 1, 1939....	On Mar. 15, 1944.....	Mar. and Sept. 15.....	do.....		515,210,900.00	500.00
1% C-1944.....	Dec. 22, 1939....	On Sept. 15, 1944.....	do.....	do.....		283,006,000.00	
3/4% A-1945.....	Mar. 15, 1940....	On Mar. 15, 1945.....	do.....	do.....		718,024,200.00	12,000.00
1% A-1946.....	Nov. 1, 1941....	On Mar. 15, 1946.....	do.....	Par.....		502,866,000.00	
1 1/2% B-1946.....	June 5, 1942....	On Dec. 15, 1946.....	June and Dec. 15.....	do.....		1,118,386,400.00	
							1,118,386,400.00
Total regular series notes.....							5,523,040,900.00

Footnotes on p. 506.

TABLE 23.—Description of the public debt issues outstanding June 30, 1942—Continued

[illegible]



**CERTIFICATES OF INDEBTEDNESS <sup>10</sup>**

Act of Sept. 24, 1917 (40 Stat. 288), as amended:

1½% Series A-1942  
¾% Series A-1943

Apr. 15, 1942  
June 25, 1942

On Nov. 1, 1942  
On Feb. 1, 1943

Nov. 1, 1942  
Feb. 1, 1943

Par  
Par

1,507,083,000.00  
1,588,495,000.00

1,507,083,000.00  
1,588,495,000.00

3,095,578,000.00

Total certificates of indebtedness.

**TREASURY BILLS <sup>11</sup>**

Act of Sept. 24, 1917 (40 Stat. 288), as amended:

Series maturing and approximate yield to maturity (%):<sup>3</sup>

July 15, 1942... 0.281  
July 22, 1942... .317  
July 29, 1942... .335  
Aug. 5, 1942... .358  
Aug. 12, 1942... .368  
Aug. 19, 1942... .365  
Aug. 26, 1942... .365  
Sept. 2, 1942... .365  
Sept. 9, 1942... .366  
Sept. 16, 1942... .365  
Sept. 17, 1942... .362

Apr. 15, 1942  
Apr. 22, 1942  
Apr. 29, 1942  
May 6, 1942  
May 13, 1942  
May 20, 1942  
May 27, 1942  
June 3, 1942  
June 10, 1942  
June 17, 1942  
June 24, 1942

On July 15, 1942  
On July 22, 1942  
On July 29, 1942  
On Aug. 5, 1942  
On Aug. 12, 1942  
On Aug. 19, 1942  
On Aug. 26, 1942  
On Sept. 2, 1942  
On Sept. 9, 1942  
On Sept. 16, 1942  
On Sept. 17, 1942

Sold at a discount; payable at par on maturity.

\$99.929  
\$99.920  
\$99.915  
\$99.910  
\$99.907  
\$99.908  
\$99.908  
\$99.908  
\$99.907  
\$99.908  
\$99.914

150,073,000.00  
150,058,000.00  
150,126,000.00  
150,400,000.00  
250,692,000.00  
251,735,000.00  
250,986,000.00  
251,301,000.00  
300,772,000.00  
301,046,000.00  
301,109,000.00

150,073,000.00  
150,058,000.00  
150,126,000.00  
150,400,000.00  
250,692,000.00  
251,735,000.00  
250,986,000.00  
251,301,000.00  
300,772,000.00  
301,046,000.00  
301,109,000.00

2,508,298,000.00

Total Treasury bills.

**Special Issues**

**ADJUSTED SERVICE BONDS <sup>14</sup>**

Act of Sept. 24, 1917 (40 Stat. 288), as amended:

Adjusted Compensation Payment Act, 1936:

4½% bonds (Government life insurance fund Series 1946).

June 15, 1936

On demand; on and after June 15, 1946.

June 15

Par

500,157,956.40

500,157,956.40

Footnotes on p. 506.

TABLE 23.—Description of the public debt issues outstanding June 30, 1942—Continued

Title and authorizing act	Date of loan	When redeemable or payable	Interest payment date	Average price received	Amount			
					Authorized	Issued	Retired	Outstanding
<b>INTEREST-BEARING DEBT—Con.</b>								
<b>Special Issues—Con.</b>								
<b>TREASURY NOTES<sup>14</sup></b>								
Act of Sept. 24, 1917 (40 Stat. 288), as amended: Federal old-age and survivors insurance trust fund: Old-age reserve account:								
3% Series 1943.....	Various dates from June 30, 1938.	After 1 year from date of issue; on June 30, 1943.	June 30.....	Par.....		\$497,400,000.00		\$497,400,000.00
3% Series 1944.....	Various dates from June 30, 1939.	After 1 year from date of issue; on June 30, 1944.	do.....	do.....		290,900,000.00	\$264,500,000.00	26,400,000.00
Federal old-age and survivors insurance trust fund:								
2½% Series 1944.....	Various dates from Mar. 15, 1940.	do.....	do.....	do.....		283,000,000.00		283,000,000.00
2½% Series 1945.....	Various dates from June 30, 1940.	After 1 year from date of issue; on June 30, 1945.	do.....	do.....		725,900,000.00		725,900,000.00
2½% Series 1946.....	Various dates from June 30, 1941.	After 1 year from date of issue; on June 30, 1946.	do.....	do.....		319,200,000.00		319,200,000.00
2¾% Series 1946.....	Various dates from Sept. 15, 1941.	do.....	do.....	do.....	Bonds, certificates of indebtedness, Treasury bills and notes not to exceed in the aggregate \$125,000,000,000 outstanding at any one time.	603,000,000.00		603,000,000.00
2¾% Series 1946.....	Various dates from June 15, 1942.	do.....	do.....	do.....		228,000,000.00		228,000,000.00
2¾% Series 1947.....	June 30, 1942.....	After 1 year from date of issue; on June 30, 1947.	do.....	do.....		450,400,000.00		450,400,000.00

Railroad retirement account:								
3% Series 1946.....	Various dates from July 24, 1941.	After 1 year from date of issue; on June 30, 1946.	do	do	128,350,000.00	36,850,000.00	91,500,000.00	
Civil service retirement fund:								
4% Series 1943.....	Various dates from June 30, 1938.	After 1 year from date of issue; on June 30, 1943.	do	do	145,400,000.00	4,500,000.00	140,900,000.00	
4% Series 1944.....	Various dates from June 30, 1939.	After 1 year from date of issue; on June 30, 1944.	do	do	125,400,000.00		125,400,000.00	
4% Series 1945.....	Various dates from June 30, 1940.	After 1 year from date of issue; on June 30, 1945.	do	do	151,400,000.00		151,400,000.00	
4% Series 1946.....	Various dates from June 30, 1941.	After 1 year from date of issue; on June 30, 1946.	do	do	210,700,000.00		210,700,000.00	
4% Series 1947.....	June 30, 1942	After 1 year from date of issue; on June 30, 1947.	do	do	153,000,000.00		153,000,000.00	
3% Series 1944.....	June 15, 1940	After 1 year from date of issue; on June 30, 1944.	do	do	200,000.00		200,000.00	
3% Series 1945.....	Various dates from Aug. 9, 1940.	After 1 year from date of issue; on June 30, 1945.	do	do	569,000.00		569,000.00	
3% Series 1946.....	Various dates from June 30, 1941.	After 1 year from date of issue; on June 30, 1946.	do	do	415,000.00		415,000.00	
3% Series 1947.....	June 30, 1942	After 1 year from date of issue; on June 30, 1947.	do	do	66,000.00		66,000.00	
Foreign service retirement fund:								
4% Series 1943.....	Various dates from June 30, 1938.	After 1 year from date of issue; on June 30, 1943.	do	do	738,000.00		738,000.00	
4% Series 1944.....	Various dates from June 30, 1939.	After 1 year from date of issue; on June 30, 1944.	do	do	872,000.00		872,000.00	
4% Series 1945.....	Various dates from June 30, 1940.	After 1 year from date of issue; on June 30, 1945.	do	do	1,602,000.00		1,602,000.00	
4% Series 1946.....	Various dates from June 30, 1941.	After 1 year from date of issue; on June 30, 1946.	do	do	1,437,000.00		1,437,000.00	
4% Series 1947.....	June 30, 1942	After 1 year from date of issue; on June 30, 1947.	do	do	793,000.00		793,000.00	

Footnotes on p. 506.

TABLE 23.—Description of the public debt issues outstanding June 30, 1942—Continued

Title and authorizing act	Date of loan	When redeemable or payable	Interest payment date	Average price received	Amount			
					Authorized	Issued	Retired	Outstanding
<b>INTEREST-BEARING DEBT—Con.</b>								
<b>Special Issues—Con.</b>								
<b>TREASURY NOTES<sup>14</sup>—Con.</b>								
Act of Sept. 24, 1917 (40 Stat. 238), as amended—Con. Canal Zone retirement fund:								
4% Series 1943.....	Various dates from June 30, 1938.	After 1 year from date of issue; on June 30, 1943.	June 30.....	Par.....		\$599,000.00		\$599,000.00
4% Series 1944.....	Various dates from June 30, 1939.	After 1 year from date of issue; on June 30, 1944.	do.....	do.....		624,000.00		624,000.00
4% Series 1945.....	Various dates from June 30, 1940.	After 1 year from date of issue; on June 30, 1945.	do.....	do.....		1,328,000.00		1,328,000.00
4% Series 1946.....	Various dates from June 30, 1941.	After 1 year from date of issue; on June 30, 1946.	do.....	do.....		3,481,000.00		3,481,000.00
4% Series 1947.....	June 30, 1942....	After 1 year from date of issue; on June 30, 1947.	do.....	do.....		646,000.00		646,000.00
Alaska railroad retirement fund:								
4% Series 1943.....	Various dates from June 30, 1938.	After 1 year from date of issue; on June 30, 1943.	do.....	do.....		225,000.00		225,000.00
4% Series 1944.....	Various dates from June 30, 1939.	After 1 year from date of issue; on June 30, 1944.	do.....	do.....		196,000.00		196,000.00
4% Series 1945.....	Various dates from June 30, 1940.	After 1 year from date of issue; on June 30, 1945.	do.....	do.....	Bonds, certificates of indebtedness, Treasury bills and notes not to exceed in the aggregate \$125,000,000, 000 outstanding at any one time.	229,000.00		229,000.00
4% Series 1946.....	Various dates from June 30, 1941.	After 1 year from date of issue; on June 30, 1946.	do.....	do.....		328,000.00		328,000.00
4% Series 1947.....	June 30, 1942....	After 1 year from date of issue; on June 30, 1947.	do.....	do.....		322,000.00		322,000.00

Postal Savings System: 2% Series 1943.....	Various dates from Aug. 6, 1938.	After 1 year from date of issue; on June 30, 1943.	June 30, Dec. 31..	do.....	96,000,000.00	\$71,000,000.00	25,000,000.00
2% Series 1944.....	Various dates from July 11, 1939.	After 1 year from date of issue; on June 30, 1944.	do.....	do.....	40,000,000.00	10,000,000.00	30,000,000.00
Canal Zone Postal Sav- ings System: 2% Series 1946.....	May 26, 1942....	After 1 year from date of issue; on June 30, 1946.	do.....	do.....	1,000,000.00		1,000,000.00
Government life insur- ance fund: 2% Series 1946.....	Various dates from July 10, 1941.	do.....	June 30.....	do.....	36,650,000.00	500,000.00	36,150,000.00
2% Series 1947.....	June 30, 1942....	After 1 year from date of issue; on June 30, 1947.	do.....	do.....	500,000.00		500,000.00
National service life insurance fund: 3% Series 1945.....	Various dates from Feb. 19, 1941.	After 1 year from date of issue; on June 30, 1945.	do.....	do.....	2,800,000.00		2,800,000.00
3% Series 1946.....	Various dates from July 1, 1941.	After 1 year from date of issue; on June 30, 1946.	do.....	do.....	35,440,000.00		35,440,000.00
3% Series 1947.....	June 30, 1942....	After 1 year from date of issue; on June 30, 1947.	do.....	do.....	535,000.00		535,000.00
Federal Deposit In- surance Corpora- tion: 2% Series 1944.....	Various dates from Dec. 1, 1939.	After 1 year from date of issue; on Dec. 1, 1944.	June and Dec. 1..	do.....	60,000,000.00	45,000,000.00	15,000,000.00
2% Series 1945.....	Various dates from Jan. 18, 1941.	After 1 year from date of issue; on Dec. 1, 1945.	do.....	do.....	50,000,000.00		50,000,000.00
2% Series 1946.....	Various dates from Jan. 26, 1942.	After 1 year from date of issue; on Dec. 1, 1946.	do.....	do.....	30,000,000.00		30,000,000.00
Federal Savings and Loan Insurance Corporation: 2% Series 1945.....	Various dates from Nov. 22, 1940.	After 1 year from date of issue; on June 30, 1945.	June 30, Dec. 31..	do.....	5,050,000.00		5,050,000.00
Total special Treas- ury notes.							4,252,345,000.00

Footnotes on p. 506.

TABLE 23.—Description of the public debt issues outstanding June 30, 1942—Continued

Title and authorizing act	Date of loan	When redeemable or payable	Interest payment date	Average price received	Amount			
					Authorized	Issued	Retired	Outstanding
<b>INTEREST-BEARING DEBT—Con.</b>								
<b>Special Issues—Con.</b>								
<b>CERTIFICATES OF INDEBTEDNESS</b>								
Act of Sept. 24, 1917 (40 Stat. 288), as amended:								
Adjusted service certificate fund 4½% Series 1943.	Jan. 1, 1942.....	On demand; on Jan. 1, 1943.	Jan. 1.....	Par.....	Bonds, certificates of indebtedness, Treasury bills and notes not to exceed in the aggregate \$125,000,000,000 outstanding at any one time.	\$19,100,000.00	\$665,000.00	\$18,435,000.00
Unemployment trust fund 2¼% Series 1943.	Various dates from June 30, 1942.	On demand; on June 30, 1943.	June 30, Dec. 31.....	do.....		3,114,000,000.00		3,114,000,000.00
Total special issues.								7,884,937,956.40
Total interest-bearing debt.								72,041,190,332.66
<b>MATURED DEBT ON WHICH INTEREST HAS CEASED</b>								
<b>OLD DEBT</b>								
Matured prior to April 6, 1917.								1,260,310.26
3% LOAN OF 1908-18								
Act of June 13, 1893 (30 Stat. 467).	1898.....	On Aug. 1, 1918.....				198,792,660.00	198,690,440.00	102,220.00
4% LOAN OF 1925								
Acts of July 14, 1870 (16 Stat. 272), as amended; Jan. 14, 1875 (18 Stat. 296).	Feb. 1, 1895.....	Called for redemption Feb. 2, 1925.				162,315,400.00	162,299,250.00	16,150.00

2% CONSOLS. OF 1930								
Act of Mar. 14, 1900 (31 Stat. 48).	Apr. 1, 1900----	Called for redemption July 1, 1935.				646,250,150.00	644,070,850.00	2,179,300.00
2% PANAMA CANAL LOAN								
Act of June 28, 1902 (32 Stat. 484); Dec. 21, 1905 (34 Stat. 5).	Aug. 1, 1906----	Called for redemption Aug. 1, 1935.				54,631,980.00	54,631,840.00	140.00
	Nov. 1, 1908----	do.				30,000,000.00	29,999,960.00	40.00
2½% POSTAL SAVINGS BONDS								
Act of June 25, 1910 (36 Stat. 817).	Jan. 1, July 1, 1911-21.	20 years from date of issue.				11,830,440.00	11,795,220.00	35,220.00
FIRST LIBERTY LOAN								
First 3½'s, act of Apr. 24, 1917 (40 Stat. 35).	June 15, 1917----	Called for redemption June 15, 1935.				1,989,455,550.00	1,984,034,950.00	5,420,600.00
First 4's, acts of Apr. 24, 1917 (40 Stat. 35); Sept. 24, 1917 (40 Stat. 292), as amended.	Nov. 15, 1917----	do.				568,318,450.00	568,183,800.00	134,650.00
First 4½'s, acts of Apr. 24, 1917 (40 Stat. 35); Sept. 24, 1917 (40 Stat. 292), as amended.	May 9, 1918----	do.				555,212,300.00	553,333,300.00	1,679,000.00
First-second 4½'s, acts of Apr. 24, 1917 (40 Stat. 35); Sept. 24, 1917 (40 Stat. 292), as amended.	Oct. 24, 1918----	do.				3,492,150.00	3,486,750.00	5,400.00
SECOND LIBERTY LOAN								
Second 4's, act of Sept. 24, 1917 (40 Stat. 288).	Nov. 15, 1917----	Called for redemption Nov. 15, 1927.				3,807,865,000.00	3,807,418,050.00	446,950.00
Second 4½'s, act of Sept. 24, 1917 (40 Stat. 288), as amended.	May 9, 1918----	do.				3,707,936,200.00	3,707,316,900.00	619,300.00

Footnotes on p. 506.

TABLE 23.—Description of the public debt issues outstanding June 30, 1942—Continued

Title and authorizing act	Date of loan	When redeemable or payable	Interest payment date	Average price received	Amount			
					Authorized	Issued	Retired	Outstanding
<b>MATURED DEBT ON WHICH INTEREST HAS CEASED—Con.</b>								
<b>4¼% THIRD LIBERTY LOAN</b>								
Act of Sept. 24, 1917 (40 Stat. 288), as amended.	May 9, 1918.....	On Sept. 15, 1928.....				\$4,175,650,050.00	\$4,173,952,100.00	\$1,697,950.00
<b>4¼% FOURTH LIBERTY LOAN</b>								
Act of Sept. 24, 1917 (40 Stat. 288), as amended.	Oct. 24, 1918.....	Bonds with final digits 1, 9, and 0 called for redemption Apr. 15, 1934; bonds with final digits 2 and 8 called for redemption Oct. 15, 1934; bonds with final digits 5, 6, and 7 called for redemption Apr. 15, 1935; and bonds with final digits 3 and 4 called for redemption Oct. 15, 1935.				6,964,581,100.00	6,954,470,300.00	10,110,800.00
<b>VICTORY NOTES</b>								
Act of Sept. 24, 1917 (40 Stat. 288), as amended: 3¾% Victory notes..	May 20, 1919.....	Called for redemption June 15, 1922.						800.00



4½% Victory notes.....	do.....	Symbols A to F called for redemption Dec. 15, 1922; balance of loan matured May 20, 1923.						532,500.00
TREASURY BONDS								
Act of Sept. 24, 1917 (40 Stat. 288), as amended:								
3½% bonds of 1940-43.....	July 16, 1928.....	Called for redemption June 15, 1940.				359,042,950.00	356,342,800.00	2,700,150.00
3½% bonds of 1941-43.....	Mar. 16, 1931.....	Called for redemption Mar. 15, 1941.				594,230,050.00	591,241,950.00	2,988,100.00
3¼% bonds of 1941.....	Aug. 15, 1933.....	Matured Aug. 1, 1941.				835,043,100.00	833,185,950.00	1,857,150.00
TREASURY NOTES								
Act of Sept. 24, 1917 (40 Stat. 288), as amended:								
5½% Series A-1924.....	June 15, 1921.....	On June 15, 1924.....				311,191,600.00	311,175,400.00	16,200.00
4½% Series A-1925.....	Feb. 1, 1922.....	On Mar. 15, 1925.....				601,599,500.00	601,594,500.00	5,000.00
4½% Series A-1926.....	Mar. 15, 1922.....	On Mar. 15, 1926.....				617,769,700.00	617,766,900.00	2,800.00
4½% Series B-1925.....	June 15, 1922.....	On Dec. 15, 1925.....				335,141,300.00	335,113,900.00	27,400.00
4½% Series B-1926.....	Aug. 1, 1922.....	On Sept. 15, 1926.....				486,940,100.00	486,932,800.00	7,300.00
4½% Series C-1925.....	Dec. 15, 1922.....	On June 15, 1925.....				469,213,200.00	469,202,700.00	10,500.00
4½% Series A-1927.....	Jan. 15, 1923.....	On Dec. 15, 1927.....				368,981,500.00	366,967,400.00	14,100.00
4½% Series B-1927.....	May 15, 1923.....	On Mar. 15, 1927.....				668,201,400.00	668,186,200.00	15,200.00
3½% Series A-1930-32.....	Mar. 15, 1927.....	Called Mar. 15, 1931.				1,360,456,450.00	1,360,347,650.00	108,800.00
3½% Series B-1930-32.....	Sept. 15, 1927.....	do.....				619,495,700.00	619,429,400.00	66,300.00
3½% Series C-1930-32.....	Jan. 16, 1928.....	Called Dec. 15, 1931.				607,399,650.00	607,348,550.00	51,100.00
3½% Series 1932.....	Dec. 15, 1931.....	On Dec. 15, 1932.....				600,446,200.00	600,392,000.00	54,200.00
3½% Series A-1934.....	May 2, 1932.....	On May 2, 1934.....				244,234,600.00	244,184,100.00	50,500.00
3½% Series A-1935.....	June 15, 1932.....	On June 15, 1935.....				416,502,800.00	416,522,800.00	80,000.00
2½% Series B-1934.....	Aug. 1, 1932.....	On Aug. 1, 1934.....				345,292,600.00	345,237,600.00	55,000.00
3½% Series A-1936.....	do.....	On Aug. 1, 1936.....				365,138,000.00	364,978,900.00	159,100.00
3½% Series A-1937.....	Sept. 15, 1932.....	On Sept. 15, 1937.....				834,401,500.00	834,104,900.00	296,600.00
3½% Series B-1937.....	Oct. 15, 1932.....	On Apr. 15, 1937.....				508,328,900.00	508,239,400.00	89,500.00
2½% Series A-1936.....	Dec. 15, 1932.....	On Dec. 15, 1936.....				360,533,200.00	360,477,800.00	55,300.00
2½% Series B-1938.....	Feb. 1, 1933.....	On Feb. 1, 1938.....				277,516,600.00	277,447,600.00	69,000.00
2½% Series C-1936.....	May 2, 1933.....	On Apr. 15, 1936.....				572,419,200.00	572,268,000.00	151,200.00
2½% Series B-1938.....	June 15, 1933.....	On June 15, 1938.....				623,911,800.00	623,728,300.00	183,500.00
1½% Series C-1935.....	Aug. 15, 1933.....	On Aug. 1, 1935.....				353,865,000.00	342,655,800.00	11,209,200.00
2½% Series D-1935.....	Jan. 29, 1934.....	On Mar. 15, 1935.....				528,101,600.00	528,040,600.00	61,000.00
2½% Series C-1937.....	Feb. 19, 1934.....	On Dec. 15, 1935.....				418,291,900.00	418,133,900.00	158,000.00
3½% Series C-1937.....	do.....	On Feb. 15, 1937.....				428,730,700.00	428,677,400.00	53,300.00
3½% Series C-1938.....	Mar. 15, 1934.....	On Mar. 15, 1938.....				455,175,600.00	454,920,000.00	255,500.00
2½% Series A-1939.....	June 15, 1934.....	On June 15, 1939.....				1,293,714,200.00	1,293,305,500.00	408,700.00

TABLE 23.—Description of the public debt issues outstanding June 30, 1942—Continued

Title and authorizing act	Date of loan	When redeemable or payable	Interest payment date	Average price received	Amount			
					Authorized	Issued	Retired	Outstanding
MATURED DEBT ON WHICH INTEREST HAS CEASED—Con.								
TREASURY NOTES—Continued								
Act of Sept. 24, 1917 (40 Stat. 288), as amended—Con.								
1½% Series D—1936	Sept. 15, 1934	On Sept. 15, 1936				\$514,066,000.00	\$514,065,200.00	\$800.00
2½% Series D—1938	do	On Sept. 15, 1938				596,416,100.00	596,228,200.00	187,900.00
1½% Series E—1936	Dec. 15, 1934	On June 15, 1936				686,616,400.00	686,599,000.00	17,400.00
1½% Series A—1940	Mar. 15, 1935	On Mar. 15, 1940				1,378,364,200.00	1,376,036,150.00	2,328,050.00
1½% Series B—1940	June 15, 1935	On June 15, 1940				738,428,400.00	737,627,500.00	800,900.00
1½% Series B—1939	July 15, 1935	On Dec. 15, 1939				526,233,000.00	526,143,600.00	89,400.00
1½% Series C—1939	Sept. 16, 1935	On Mar. 15, 1939				941,613,750.00	941,248,850.00	364,900.00
1½% Series C—1940	Dec. 16, 1935	On Dec. 15, 1940				737,161,600.00	736,779,100.00	382,500.00
1½% Series A—1941	Mar. 16, 1936	On Mar. 15, 1941				676,707,600.00	675,472,600.00	1,235,000.00
1½% Series B—1941	June 15, 1936	On June 15, 1941				503,877,500.00	498,985,600.00	4,891,900.00
1½% Series C—1941	Dec. 15, 1936	On Dec. 15, 1941				204,425,400.00	202,814,600.00	1,610,800.00
1½% Series A—1942	June 15, 1937	On Mar. 15, 1942				426,349,500.00	423,390,000.00	2,959,500.00
1½% Series D—1939	do	On Sept. 15, 1939				426,554,600.00	426,512,100.00	42,500.00
1½% Series E—1938	Sept. 15, 1937	On Dec. 15, 1938				433,460,900.00	433,449,900.00	11,000.00
CERTIFICATES OF INDEBTEDNESS								
Act of Sept. 24, 1917 (40 Stat. 288), as amended: Certificates of indebtedness (various rates).	Various	Various						2,265,700.00
TREASURY BILLS								
Act of Sept. 24, 1917 (40 Stat. 288), as amended: Treasury bills (various rates).	do	do						35,419,000.00

TREASURY SAVINGS CERTIFICATES								
3½-4½% issue of Dec. 15, 1921.	Dec. 15, 1921.	5 years from date of issue.				138,288,376.20	138,262,351.20	26,025.00
3-4% issue of Sept. 30, 1922.	Sept. 30, 1922.	do.				205,662,045.20	205,569,820.20	92,225.00
3½-4½% issue of Dec. 1, 1923.	Dec. 1, 1923.	do.				159,511,791.25	159,473,041.25	38,750.00
Total matured debt on which interest has ceased.								98,265,280.26
<b>NONINTEREST-BEARING DEBT</b>								
<b>OLD DEMAND NOTES</b>								
Acts of July 17, 1861 (12 Stat. 259); Aug. 5, 1861 (12 Stat. 313); Feb. 12, 1862 (12 Stat. 338) (Greatest amount ever authorized to be outstanding, \$60,000,000).						\$ 60,030,000.00		53,012.50
<b>FRACTIONAL CURRENCY</b>								
Acts of July 17, 1862 (12 Stat. 592); Mar. 3, 1863 (12 Stat. 711); June 30, 1864 (13 Stat. 220) (Greatest amount ever authorized to be outstanding, \$50,000,000).						\$ 368,724,080.00		\$ 1,969,954.83
<b>LEGAL TENDER NOTES</b>								
Acts of Feb. 25, 1862 (12 Stat. 345); July 11, 1862 (12 Stat. 532); Mar. 3, 1863 (12 Stat. 710); May 31, 1878 (20 Stat. 87); Mar. 14, 1900 (31 Stat. 45); Mar. 4, 1907 (34 Stat. 1290) (Greatest amount ever authorized to be outstanding, \$450,000,000).						346,681,016.00		346,681,016.00
<b>NATIONAL BANK NOTES (REDEMPTION ACCOUNT)</b>								
The act of July 14, 1890 (26 Stat. 289), provides that balances standing with the Treasurer of the United States to the respective credits of national banks for deposits made to redeem the circulating notes of such banks and all deposits thereafter received for like purpose shall be covered into the Treasury as a miscellaneous receipt, and the Treasurer of the United States shall redeem from the general cash in the Treasury the circulating notes of said banks which may come into his possession subject to redemption. * * * and the balance remaining of the deposits so covered shall, at the close of each month, be reported on the monthly public debt statement as debts of United States bearing no interest. (Authorized to be outstanding at one time. Indefinite.)								159,313,006.50
<b>THRIFT STAMPS, ETC.</b>								
Thrift and Treasury savings stamps, unclassified sales, etc.								3,749,712.25
Total noninterest-bearing debt.								511,766,702.08
Total debt.								72,651,222,315.00
Less gold reserve.								156,039,430.93
Gross debt (including \$4,078,690,945.91 advanced to Government agencies for which their obligations are owned by the Treasury) as shown on statement of the public debt June 30, 1942.								72,495,182,884.07
Guaranteed obligations not owned by the Treasury.								4,568,191,930.28
Total gross public debt and guaranteed obligations.								77,063,374,814.35

Footnotes on p. 506.

## (FOOTNOTES TO TABLE 23)

- <sup>1</sup> This issue bore interest at the rate of  $4\frac{1}{4}$  percent from Oct. 15, 1933, to Oct. 15, 1934, and thereafter at the rate of  $3\frac{1}{4}$  percent.
- <sup>2</sup> Amounts issued and retired for Series A to F inclusive include accrued discount; amounts outstanding are stated at current redemption values. Amounts issued, retired, and outstanding for Series G are stated at par value.
- <sup>3</sup> Treasury bills are sold on a discount basis on competitive bidding. The average sale price of these series gives an approximate yield on a bank discount basis.
- <sup>4</sup> For detailed information and amounts outstanding June 30, 1929, see table 24 in annual report for 1929, p. 456. For amounts retired subsequent to 1929, see table 32, p. 530 of this report and corresponding tables in reports for 1930 to 1941.
- <sup>5</sup> Includes amounts authorized to be outstanding at present time and amounts issued on deposits including reissues.
- <sup>6</sup> After deducting amounts officially estimated to have been lost or irrevocably destroyed.
- <sup>7</sup> The total gross public debt and guaranteed obligations on June 30, 1942, on the basis of transactions cleared through U. S. Treasurer's accounts in Washington (daily Treasury statement basis) was \$76,990,704,746.50 and the net amount of receipts and redemptions of public debt and guaranteed obligations in transit were \$72,737,767.85 and \$67,700 respectively.
- Tax Exemptions:**
- <sup>8</sup> Exempt from the payment of all taxes or duties of the United States, as well as from all taxation in any form by or under State, municipal, or local authority. (The Supreme Court has held that this exemption does not extend to estate or inheritance taxes imposed by Federal or State authority.)
- <sup>9</sup> *Securities issued prior to Mar. 1, 1941.*—Exempt, both as to principal and interest, from all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority, except (a) estate or inheritance taxes, and (b) graduated additional income taxes, commonly known as surtaxes, and excess profits and war profits taxes, now or hereafter imposed by the United States, upon the income or profits of individuals, partnerships, associations, or corporations. The interest on an amount of bonds authorized by the act approved Sept. 24, 1917, as amended, the principal of which does not exceed in the aggregate \$5,000 owned by any individual, partnership, association, or corporation, shall be exempt from the taxes provided for in clause (b) above. The following is applicable to savings bonds only: For the purposes of determining taxes and tax exemptions the increment in value of savings bonds represented by the difference between the price paid and the redemption value received (whether at or before maturity) shall be considered as interest.
- <sup>10</sup> *Securities issued on and after Mar. 1, 1941.*—Income derived from these securities is subject to all Federal taxes now or hereafter imposed. The securities are subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but are 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. The following is applicable to savings bonds only: For the purposes of taxation any increment in value of savings bonds represented by the difference between the price paid and the redemption value received (whether at or before maturity) shall be considered as interest.
- Attention is invited to Treasury Decision 4550 ruling that bonds, notes, bills, and certificates of indebtedness of the Federal Government or its agencies, and the interest thereon, are not exempt from the gift tax.
- <sup>11</sup> *Securities other than National Defense Series issued prior to Mar. 1, 1941.*—Exempt, both as to principal and interest, from all taxation (except estate or inheritance taxes) now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority.
- <sup>12</sup> *National Defense Series issued prior to Mar. 1, 1941.*—Exempt, both as to principal and interest, from all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority, except (a) estate or inheritance taxes, or gift taxes, and (b) all income, excess profits and war profits taxes, now or hereafter imposed by the United States, upon the income or profits of individuals, partnerships, associations, or corporations.
- <sup>13</sup> Any income derived from Treasury bills, whether interest or gain from their sale or other disposition does not have any exemption, as such, and loss from the sale or other disposition of any such bills does not have any special treatment, as such, under Federal tax acts now or hereafter enacted. The bills are subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but are 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 the bills are originally sold by the United States is to be considered to be interest.
- <sup>14</sup> These issues being investments of various Government funds and payable only for the account of such funds have no present tax liability.
- In hands of foreign holders.*—Applicable only to securities issued prior to Mar. 1, 1941: Bonds, notes, and certificates of indebtedness of the United States, shall, while beneficially owned by a nonresident alien individual, or a foreign corporation, partnership, or association, not engaged in business in the United States, be exempt both as to principal and interest from any and all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority.

## MEMORANDUM RELATING TO OTHER OBLIGATIONS

Obligations of the United States payable on presentation:

	Amount
Matured interest obligations outstanding.....	\$36,947,898.15
Interest accrued on adjusted service bonds and Treasury tax savings notes.....	49,955,870.92
Discount accrued on Treasury (war) savings certificates, matured series.....	3,269,415.00
Settlement warrant checks outstanding.....	1,232,174.99
Disbursing officers' checks outstanding.....	2,314,853,870.34
Total.....	2,406,264,229.40

TABLE 24.—Principal of the public debt outstanding at the end of each fiscal year from 1853 to 1942<sup>1</sup>

[On basis of daily Treasury statements (revised), see p. 387]

June 30—	Interest-bearing <sup>2</sup>	Matured	Noninterest-bearing <sup>3</sup>	Total gross debt	Gross debt per capita
1853.....	\$59,642,412	\$162,249	.....	\$59,804,661	\$2.36
1854.....	42,044,517	199,248	.....	42,243,765	1.62
1855.....	35,418,001	170,498	.....	35,588,499	1.32
1856.....	31,805,180	168,901	.....	31,974,081	1.15
1857.....	28,503,377	197,998	.....	28,701,375	1.01
1858.....	44,743,256	170,163	.....	44,913,424	1.53
1859.....	58,333,156	165,225	.....	58,498,381	1.93
1860.....	64,683,256	160,575	.....	64,843,831	2.06
1861.....	90,423,292	159,125	.....	90,582,417	2.83
1862.....	365,356,045	230,520	\$158,591,390	524,177,955	16.03
1863.....	707,834,255	171,970	411,767,456	1,119,773,681	33.56
1864.....	1,360,026,914	366,629	455,437,271	1,815,830,814	53.33
1865.....	2,217,709,407	2,129,425	458,090,180	2,677,929,012	77.07
1866.....	2,322,116,330	4,435,865	429,211,734	2,755,763,929	77.69
1867.....	2,238,954,794	1,739,108	409,474,321	2,650,168,223	73.19
1868.....	2,191,326,130	1,246,334	390,873,992	2,583,446,456	69.87
1869.....	2,151,495,065	5,112,034	388,503,491	2,545,110,590	67.41
1870.....	2,035,881,095	3,569,664	397,002,510	2,436,453,269	63.19
1871.....	1,920,696,750	1,948,902	399,406,489	2,322,052,141	58.70
1872.....	1,800,794,100	7,926,547	401,270,191	2,209,990,838	54.44
1873.....	1,686,483,950	51,929,460	402,796,935	2,151,210,345	51.62
1874.....	1,724,930,750	3,216,340	431,785,640	2,159,932,730	50.47
1875.....	1,708,676,300	11,425,570	436,174,779	2,156,276,649	49.06
1876.....	1,606,685,450	3,902,170	430,258,158	2,130,845,778	47.21
1877.....	1,697,888,500	16,648,610	593,222,793	2,107,759,903	45.47
1878.....	1,780,735,650	5,594,070	373,088,595	2,159,418,315	45.37
1879.....	1,887,716,110	37,015,880	374,181,153	2,298,912,643	47.05
1880.....	1,709,993,100	7,621,205	373,294,567	2,090,908,872	41.69
1881.....	1,625,567,750	6,720,615	380,994,363	2,019,285,728	39.35
1882.....	1,449,810,400	16,260,555	390,844,689	1,856,915,644	35.37
1883.....	1,324,229,150	7,831,165	389,838,603	1,721,958,918	32.07
1884.....	1,212,563,850	19,655,955	393,037,639	1,625,307,444	29.60
1885.....	1,182,150,950	4,100,745	392,299,474	1,578,551,169	28.11
1886.....	1,132,014,100	9,704,195	413,941,255	1,555,659,550	27.10
1887.....	1,007,692,350	6,114,915	451,678,029	1,465,485,294	24.97
1888.....	936,522,500	2,495,845	445,613,311	1,384,631,656	23.09
1889.....	815,853,990	1,911,235	431,705,286	1,249,470,511	20.39
1890.....	711,313,110	1,815,555	409,267,919	1,122,396,584	17.92
1891.....	610,529,120	1,614,705	393,662,736	1,005,806,561	15.75
1892.....	585,029,330	2,785,875	380,403,636	968,218,841	14.88
1893.....	585,037,100	2,094,060	374,300,606	961,431,766	14.49
1894.....	635,041,890	1,851,240	380,004,687	1,016,897,817	15.04
1895.....	716,202,060	1,721,590	378,989,470	1,096,913,120	15.91
1896.....	847,363,890	1,636,890	373,728,570	1,222,729,350	17.40
1897.....	847,365,130	1,346,880	378,081,703	1,226,793,713	17.14
1898.....	847,367,470	1,262,680	384,112,913	1,232,743,063	16.90
1899.....	1,046,048,750	1,218,300	389,433,654	1,436,700,704	19.33
1900.....	1,023,478,860	1,176,320	238,761,733	1,263,416,913	16.56
1901.....	987,141,040	1,415,620	233,015,585	1,221,572,245	15.71
1902.....	931,070,340	1,280,860	245,680,157	1,178,031,357	14.89
1903.....	914,541,410	1,205,090	243,659,413	1,159,405,913	14.40
1904.....	895,157,440	1,970,920	239,130,656	1,136,259,016	13.88
1905.....	895,158,340	1,370,245	235,828,510	1,132,357,095	13.60
1906.....	895,159,140	1,128,135	246,235,695	1,142,522,970	13.50
1907.....	894,834,280	1,086,815	251,257,098	1,147,178,193	13.33
1908.....	897,503,990	4,130,015	276,056,398	1,177,690,403	13.46
1909.....	913,317,490	2,883,855	232,114,027	1,148,315,372	12.91
1910.....	913,317,490	2,124,895	231,497,584	1,146,939,969	12.69
1911.....	915,353,190	1,879,830	236,751,917	1,153,984,937	12.28
1912.....	963,776,770	1,760,450	228,301,285	1,193,838,505	12.48
1913.....	965,706,610	1,659,550	225,681,585	1,193,047,745	12.26
1914.....	967,953,310	1,552,560	218,729,530	1,188,235,400	12.00
1915.....	969,759,090	1,507,260	219,997,718	1,191,264,068	11.83
1916.....	971,562,590	1,473,100	252,109,878	1,225,145,568	11.96
1917.....	2,712,549,477	14,232,230	248,836,878	2,975,618,585	28.57
1918.....	11,985,882,436	20,242,550	237,503,733	12,243,628,719	115.65
1919.....	25,234,496,274	11,109,370	236,428,775	25,482,034,419	240.09
1920.....	24,061,095,362	6,747,700	230,075,350	24,297,918,412	228.32
1921.....	23,737,352,080	10,939,620	227,958,908	23,976,250,608	221.09
1922.....	22,711,035,587	25,250,880	227,792,723	22,964,079,190	208.97
1923.....	22,007,590,754	98,172,160	243,924,844	22,349,687,758	200.10
1924.....	20,981,588,430	30,241,250	239,292,747	21,251,120,427	186.86
1925.....	20,210,906,251	30,242,930	275,122,993	20,516,272,174	177.82
1926.....	19,333,770,860	13,327,800	246,084,419	19,643,183,079	167.70
1927.....	18,250,943,966	14,707,235	244,523,065	18,510,174,266	156.04
1928.....	17,317,695,097	45,331,660	241,263,806	17,604,290,563	146.69

Footnotes at end of table.

TABLE 24.—*Principal of the public debt outstanding at the end of each fiscal year from 1853 to 1942*<sup>1</sup>—Continued

June 30—	Interest-bearing <sup>2</sup>	Matured	Noninterest-bearing <sup>3</sup>	Total gross debt	Gross debt per capita
1929.....	\$16,638,941,380	\$50,751,399	\$241,504,969	\$16,931,197,748	\$139.40
1930.....	15,921,892,350	31,715,370	231,700,579	16,185,308,299	131.49
1931.....	16,519,588,640	51,822,845	230,073,658	16,801,485,143	135.37
1932.....	19,161,273,540	60,086,685	265,649,541	19,487,009,766	155.93
1933.....	22,157,643,120	65,910,825	315,118,219	22,538,672,164	179.21
1934.....	26,430,437,920	54,266,380	518,331,688	27,003,035,988	213.65
1935.....	27,645,229,826	230,682,905	825,274,361	28,701,167,092	225.07
1936.....	32,755,631,770	169,362,895	620,389,957	33,545,384,622	261.20
1937.....	35,802,586,915	118,529,615	505,974,491	36,427,091,021	281.82
1938.....	36,578,634,982	141,550,510	447,451,959	37,167,487,451	285.43
1939.....	39,891,844,494	142,293,290	411,279,534	40,445,417,318	308.34
1940.....	42,380,009,306	204,590,740	386,443,910	42,971,043,956	325.66
1941.....	48,404,879,489	204,995,810	369,044,111	48,978,919,410	368.08
1942.....	72,041,190,333	98,265,280	355,727,271	72,495,182,884	540.68

<sup>1</sup> Figures for 1853 to 1885, inclusive, are taken from "Statement of receipts and expenditures of the Government from 1855 to 1885 and principal of public debt from 1791 to 1885," compiled from the official records of the Register's office. Later figures are taken from the monthly debt statements and revised figures published in the annual reports of the Secretary of the Treasury.

<sup>2</sup> Exclusive of the bonds issued to the Pacific railways (provision having been made by law to secure the Treasury against both principal and interest) and the Navy pension fund (which was in no sense a debt, the principal being the property of the United States).

<sup>3</sup> Includes old demand notes; United States notes (gold reserve deducted since 1900); postal currency and fractional currency less the amounts officially estimated to have been destroyed; and also the deposits held by the Treasury for the retirement of Federal Reserve Bank notes, and for national bank notes of national banks failed, in liquidation, and reducing circulation, which prior to 1890 was not included in the published debt statements. Does not include gold, silver, or currency certificates, or Treasury notes of 1890 for redemption of which an exact equivalent of the respective kinds of money or bullion was held in the Treasury.

<sup>4</sup> Revised.

TABLE 25.—Comparative statement of the public debt outstanding June 30, 1935 to 1942

[On basis of daily Treasury statements (revised), see p. 387]

Class	June 30, 1935	June 30, 1936	June 30, 1937	June 30, 1938	June 30, 1939	June 30, 1940	June 30, 1941	June 30, 1942
Interest-bearing:								
Public issues:								
Marketable issues:								
Consols of 1930.....	\$599,724,050.00							
Panama Canal loan bonds.....	124,701,580.00	\$49,800,000.00	\$49,800,000.00	\$49,800,000.00	\$49,800,000.00	\$49,800,000.00	\$49,800,000.00	\$49,800,000.00
Conversion bonds of 1946-47.....	28,894,500.00	28,894,500.00	28,894,500.00	28,894,500.00	28,894,500.00	28,894,500.00	28,894,500.00	28,894,500.00
Postal savings bonds.....	101,943,340.00	120,881,020.00	119,086,360.00	118,065,420.00	117,776,160.00	117,586,760.00	117,407,880.00	117,295,680.00
Liberty loan bonds.....	1,334,968,000.00							
Treasury bonds.....	12,683,570,300.00	17,167,930,100.00	19,935,749,800.00	21,846,029,950.00	25,218,322,650.00	26,554,797,450.00	30,215,059,200.00	38,084,533,250.00
Treasury notes.....	10,023,251,900.00	11,380,985,050.00	10,617,241,250.00	9,146,922,950.00	7,242,709,700.00	6,382,600,100.00	5,698,468,500.00	6,688,944,000.00
Certificates of indebtedness.....								3,095,578,000.00
Treasury bills.....	2,052,898,000.00	2,353,516,000.00	2,303,094,000.00	1,154,164,000.00	1,307,569,000.00	1,302,194,000.00	1,603,196,000.00	2,508,298,000.00
Total marketable issues.....	26,949,951,670.00	31,102,006,670.00	33,053,865,910.00	32,343,876,820.00	33,965,072,010.00	34,435,872,810.00	37,712,826,080.00	50,573,343,430.00
Nonmarketable issues:								
United States savings bonds.....	62,036,156.25	316,222,800.00	802,126,199.05	1,240,432,055.15	1,874,023,877.10	2,908,212,720.86	4,330,818,002.01	10,238,844,796.26
Depository bonds.....							615,000.00	78,958,000.00
Adjusted service bonds of 1945.....		711,260,300.00	388,574,850.00	318,701,150.00	282,894,650.00	261,029,818.50	240,562,450.00	228,408,800.00
Treasury tax savings notes.....								3,036,697,350.00
Total nonmarketable issues.....	62,036,156.25	1,027,483,100.00	1,190,701,049.05	1,559,133,205.15	2,156,918,527.10	3,169,242,539.36	4,571,995,452.01	13,582,908,946.26
Total public issues.....	27,011,987,826.25	32,129,489,770.00	34,244,566,959.05	33,903,010,025.15	36,121,990,537.10	37,605,115,349.36	42,284,821,532.01	64,156,252,376.26
Special issues:								
Old-age reserve account (notes).....			267,100,000.00	662,300,000.00	1,177,200,000.00	1,413,200,000.00	1,052,500,000.00	523,800,000.00
Federal old-age and survivors insurance trust fund (notes).....						324,900,000.00	1,328,100,000.00	2,609,500,000.00
Railroad retirement account (notes).....				66,200,000.00	67,200,000.00	79,400,000.00	74,000,000.00	91,500,000.00
Civil service retirement fund (notes).....	247,700,000.00	274,700,000.00	309,400,000.00	388,900,000.00	465,400,000.00	550,200,000.00	645,285,000.00	782,650,000.00
Foreign service retirement fund (notes).....	2,693,000.00	2,884,000.00	3,111,000.00	3,328,000.00	3,528,000.00	3,926,000.00	4,713,000.00	5,442,000.00
Canal Zone retirement fund (notes).....	2,349,000.00	2,849,000.00	3,304,000.00	3,662,000.00	3,946,000.00	4,284,000.00	5,388,000.00	6,678,000.00
Alaska Railroad retirement fund (notes).....			52,000.00	327,000.00	563,000.00	767,000.00	1,005,000.00	1,300,000.00
Postal Savings System (notes).....	125,000,000.00	100,000,000.00	30,000,000.00	45,000,000.00	128,000,000.00	96,500,000.00	88,000,000.00	55,000,000.00

TABLE 25.—Comparative statement of the public debt outstanding June 30, 1935 to 1942—Continued

Class	June 30, 1935	June 30, 1936	June 30, 1937	June 30, 1938	June 30, 1939	June 30, 1940	June 30, 1941	June 30, 1942
Interest-bearing—Continued.								
Special issues—Continued.								
Canal Zone Postal Savings System (notes)								\$1,000,000.00
Federal Deposit Insurance Corporation (notes)	\$100,000,000.00	\$100,000,000.00	\$95,000,000.00	\$85,000,000.00	\$101,000,000.00	\$56,000,000.00	\$90,000,000.00	95,000,000.00
Federal Savings and Loan Insurance Corporation (notes)							5,050,000.00	5,050,000.00
National service life insurance fund (notes)							2,800,000.00	38,775,000.00
Government life insurance fund (adjusted service bonds)			500,157,956.40	500,157,956.40	500,157,956.40	500,157,956.40	500,157,956.40	500,157,956.40
Government life insurance fund (notes)				23,000,000.00	36,359,000.00	24,259,000.00	30,759,000.00	36,650,000.00
Adjusted service certificate fund (certificates)	155,500,000.00	126,800,000.00	37,600,000.00	25,800,000.00	19,500,000.00	11,300,000.00	19,300,000.00	18,435,000.00
Unemployment trust fund (certificates)		18,909,000.00	312,295,000.00	872,000,000.00	1,267,000,000.00	1,710,000,000.00	2,273,000,000.00	3,114,000,000.00
Total special issues	633,242,000.00	626,142,000.00	1,558,019,956.40	2,675,674,956.40	3,769,853,956.40	4,774,893,956.40	6,120,057,956.40	7,884,937,956.40
Total interest-bearing debt	27,645,229,826.25	32,755,631,770.00	35,802,586,915.45	36,578,684,981.55	39,891,844,493.50	42,380,009,305.76	48,404,879,488.41	72,041,190,332.66
Noninterest-bearing:								
Matured debt on which interest has ceased	230,662,905.26	169,362,895.26	118,529,615.26	141,350,510.26	142,293,290.26	204,590,740.26	204,995,810.26	98,265,280.26
United States notes (less gold reserve)	190,641,585.07	190,641,585.07	190,641,585.07	190,641,585.07	190,641,585.07	190,641,585.07	190,641,585.07	190,641,585.07
Deposits for retirement of national bank and Federal Reserve Bank notes	629,307,198.00	424,440,470.50	310,038,301.50	251,527,461.50	215,365,126.50	189,999,123.50	172,612,804.50	159,313,006.50
Other debt bearing no interest	5,325,577.20	5,307,901.40	5,294,604.04	5,282,912.92	5,272,822.77	5,803,201.33	5,789,721.41	5,772,679.58
Total noninterest-bearing	1,055,937,265.53	789,752,852.23	624,504,105.87	588,802,469.75	553,572,824.60	591,034,650.16	574,039,921.24	453,992,551.41
Total gross debt	28,701,167,091.78	33,545,384,622.23	36,427,091,021.32	37,167,487,451.30	40,445,417,318.10	42,971,043,955.92	48,978,919,409.65	72,495,182,884.07
Gross debt per capita	225.07	261.20	281.82	285.43	308.34	325.66	368.08	540.68
Computed rate of interest per annum on interest-bearing debt outstanding (percent)	2.716	2.559	2.582	2.589	2.600	2.583	2.518	2.285

r Revised.



TABLE 26.—Composition of the public debt at the end of the fiscal years 1916 to 1942, and by months from July 1941 to June 1942<sup>1</sup>

(In millions of dollars. On basis of daily Treasury statements (revised), see p. 337)

Year and month	Bonds	Notes <sup>2</sup>	Certificates of indebtedness and Treasury bills	Special issues to Government agencies and trust funds	Total interest-bearing debt	Matured debt on which interest has ceased	Debt bearing no interest	Total gross debt
June 30—								
1916	\$967	\$4			\$972	\$1	\$252	\$1,225
1917	2,412	27	\$273		2,713	14	249	2,976
1918	9,911	369	1,706		11,986	20	238	12,244
1919	17,188	4,422	3,625		25,234	11	236	25,482
1920	16,218	5,074	2,769		24,061	7	230	24,298
1921	16,119	4,919	2,699		23,737	11	228	23,976
1922	15,965	4,917	1,829		22,711	25	228	22,964
1923	16,535	4,441	1,031		22,008	98	244	22,350
1924	16,025	4,149	808		20,982	30	239	21,251
1925	16,842	2,740	533	\$95	20,211	30	275	20,516
1926	16,928	1,799	453	204	19,384	13	246	19,643
1927	15,220	1,986	686	359	18,261	15	245	18,510
1928	13,021	2,582	1,252	462	17,318	45	241	17,604
1929	12,125	2,267	1,640	607	16,639	51	242	16,931
1930	12,111	1,626	1,420	764	15,922	32	232	16,185
1931	13,531	452	2,246	291	16,520	52	230	16,801
1932	14,250	1,261	3,341	309	19,161	60	266	19,487
1933	14,223	4,548	3,063	323	22,158	66	315	22,539
1934	16,510	6,653	2,921	396	26,480	54	518	27,053
1935	14,936	10,023	2,053	633	27,645	231	825	28,701
1936	18,395	11,351	2,354	626	32,756	169	820	33,545
1937	21,324	10,617	2,903	1,558	35,803	119	506	36,427
1938	23,602	9,147	1,154	2,676	36,579	141	447	37,167
1939	27,572	7,243	1,308	3,770	39,892	142	411	40,445
1940	29,920	6,383	1,302	4,775	42,380	205	386	42,971
1941	34,983	5,698	1,603	6,120	48,405	205	369	48,979
1942	48,827	9,726	5,604	7,885	72,041	98	356	72,495
Month ended—								
1941—July	35,367	5,698	1,603	6,324	48,993	180	368	49,540
August	35,576	6,736	1,604	6,470	50,385	183	367	50,936
September	35,808	7,045	1,305	6,658	50,815	190	365	51,371
October	37,666	7,330	1,404	6,664	53,064	179	364	53,608
November	37,896	8,156	1,703	6,806	54,562	141	363	55,066
December	40,072	8,478	2,001	6,982	57,533	125	362	58,020
1942—January	42,165	8,289	2,101	7,063	59,618	120	360	60,099
February	44,356	8,401	2,002	7,190	61,949	126	360	62,434
March	44,889	8,111	1,652	7,333	61,985	121	359	62,464
April	45,409	8,327	3,460	7,358	64,554	106	357	65,018
May	48,195	8,679	3,764	7,518	68,155	105	357	68,617
June	48,827	9,726	5,604	7,885	72,041	98	356	72,495

<sup>1</sup> For an analysis of the items included in each category in this table, see the Statement of the Public Debt of the United States issued after the close of each month. Details for June 30, 1942, are shown in table 23, on p. 436 of this report, and details for the close of prior fiscal years are shown in similar tables appearing in reports for those years.

<sup>2</sup> Includes Treasury (war) savings securities.

NOTE.—Figures are rounded to nearest million and will not necessarily add to totals. For monthly figures back to June 1916, see annual report for 1936, p. 413, and corresponding tables in subsequent reports.

## Public debt operations

TABLE 27.—Public debt receipts and expenditures, monthly July 1941 to June 1942, with totals for the fiscal years 1941 and 1942<sup>1</sup>

[On basis of daily Treasury statements (unrevised), see p. 387]

	1941						1942
	July	August	September	October	November	December	January
<b>RECEIPTS</b>							
Market operations:							
Cash:							
Treasury bills.....	\$501,407,000.00	\$401,376,000.00	\$402,111,000.00	\$600,880,000.00	\$700,309,000.00	\$800,361,000.00	\$600,781,000.00
Certificates of indebtedness.....							
Certificates of indebtedness, special series.....							
Treasury notes.....					502,866,000.00		
Treasury tax savings notes.....		1,037,124,525.00	305,927,000.00	474,682,625.00	319,776,475.00	341,865,275.00	237,750,525.00
Treasury bonds.....				1,401,822,600.00	5,680,600.00	1,602,394,450.00	609,690,000.00
United States savings bonds.....	353,510,582.09	271,277,566.45	238,389,482.58	275,876,223.79	238,468,536.40	536,285,664.46	1,074,029,308.33
Depository bonds.....	40,214,000.00	11,435,550.00	2,145,450.00	7,056,000.00	1,320,000.00	1,575,000.00	4,865,000.00
Subtotal.....	895,131,582.09	1,721,213,641.45	948,572,932.58	2,760,317,448.79	1,768,420,611.40	3,282,481,389.46	2,527,115,833.33
Adjusted service bonds.....	124,100.00	144,650.00	122,200.00	124,050.00	77,450.00	107,200.00	127,150.00
Exchanges:							
Treasury notes.....							
Treasury bonds.....	570,900.00	35,000.00		188,971,200.00			406,187,200.00
Subtotal.....	570,900.00	35,000.00		188,971,200.00			406,187,200.00

	1942					Total fiscal year	
	February	March	April	May	June	1942	1941
<b>RECEIPTS</b>							
Market operations:							
Cash:							
Treasury bills.....	\$600,601,000.00	\$601,207,000.00	\$751,556,000.00	\$903,813,000.00	\$1,154,228,000.00	\$3,018,630,000.00	\$5,820,266,000.00
Certificates of indebtedness.....			1,507,035,000.00	48,000.00	1,588,495,000.00	3,095,578,000.00	
Certificates of indebtedness, special series.....					303,000,000.00	303,000,000.00	
Treasury notes.....					<sup>2</sup> 1,118,353,400.00	<sup>2</sup> 1,621,219,400.00	1,165,903,100.00
Treasury tax savings notes.....	126,119,475.00	234,788,400.00	254,682,200.00	309,250,525.00	406,947,450.00	4,138,914,475.00	
Treasury bonds.....	1,558,389,000.00	228,300.00	<sup>a</sup> 15,000.00	2,174,782,100.00	<sup>a</sup> 89,050.00	7,352,939,000.00	1,918,588,300.00
United States savings bonds.....	710,837,192.16	504,503,281.85	536,395,455.46	640,117,975.71	641,929,039.28	6,081,623,308.56	1,557,379,747.45
Depository bonds.....	3,825,000.00	2,230,000.00	1,695,000.00	1,130,000.00	1,467,000.00	78,958,000.00	
Subtotal.....	2,999,771,667.16	1,402,959,981.85	3,051,348,655.46	4,119,141,600.71	5,214,386,839.28	30,690,862,183.56	10,462,137,147.45
Adjusted service bonds.....	103,700.00	128,100.00	95,640.00	106,310.00	55,150.00	1,315,700.00	2,237,800.00
Exchanges:							
Treasury notes.....							67,723,500.00
Treasury bonds.....	200,500.00					595,964,800.00	3,073,860,450.00
Subtotal.....	200,500.00					595,964,800.00	3,141,586,950.00

<sup>a</sup> Counter entry (deduct).

<sup>1</sup> For figures for fiscal years 1933 to 1936, see annual report for 1937, p. 336, and for fiscal years 1937 to 1940, see annual report for 1941, p. 556.

<sup>2</sup> Includes \$1,118,353,400 of 1½ percent Treasury notes, Series B-1946, issued in exchange for 2½ percent Home Owners' Loan Corporation bonds, Series G-1942-44, called for redemption July 1, 1942, and 1 percent Reconstruction Finance Corporation notes, Series S, maturing July 1, 1942.

TABLE 27.—Public debt receipts and expenditures, monthly July 1941 to June 1942, with totals for the fiscal years 1941 and 1942 <sup>1</sup>—Continued

	1941						1942
	July	August	September	October	November	December	January
<b>RECEIPTS—Continued</b>							
Special issues:							
Adjusted service certificate fund (certificates)							\$19,100,000.00
Unemployment trust fund (certificates)							59,000,000.00
Federal old-age and survivors insurance trust fund (notes) <sup>2</sup>	\$70,000,000.00	\$146,000,000.00	\$10,000,000.00	\$64,000,000.00	\$168,000,000.00	\$46,000,000.00	
Railroad retirement account (notes)			207,000,000.00			217,000,000.00	
Civil service retirement fund (notes)	33,850,000.00			31,500,000.00			31,500,000.00
Foreign service retirement fund (notes)	101,700,000.00	100,000.00	19,000.00	29,000.00	22,000.00	34,000.00	47,000.00
Canal Zone retirement fund (notes)	821,000.00						
Alaska Railroad retirement fund (notes)	1,177,000.00						
Postal Savings System (notes)	175,000.00			35,000.00			
Canal Zone, Postal Savings System (notes)							
Government life insurance fund (notes)	1,500,000.00	1,000,000.00	4,000,000.00		500,000.00		
National service life insurance fund (notes)	1,125,000.00	950,000.00	1,200,000.00	1,425,000.00	1,300,000.00	1,450,000.00	1,650,000.00
Federal Deposit Insurance Corporation (notes)	15,000,000.00	15,000,000.00					30,000,000.00
Federal Savings and Loan Insurance Corporation (notes)							
Subtotal.....	225,348,000.00	163,050,000.00	222,219,000.00	96,989,000.00	169,822,000.00	264,484,000.00	141,297,000.00
Total public debt receipts.....	1,121,174,582.09	1,884,443,291.45	1,170,914,132.58	3,046,401,698.79	1,938,320,061.40	3,547,072,589.46	3,074,727,183.33

	1942					Total fiscal year	
	February	March	April	May	June	1942	1941
<b>RECEIPTS—Continued</b>							
Special issues:							
Adjusted service certificate fund (certificates).....						\$19,100,000.00	\$19,800,000.00
Unemployment trust fund (certificates).....	\$157,000,000.00	\$7,000,000.00	\$24,000,000.00	\$167,000,000.00	\$3,127,000,000.00	4,045,000,000.00	2,930,300,000.00
Federal old-age and survivors insurance trust fund (notes) <sup>2</sup> .....		179,000,000.00			678,400,000.00	1,281,400,000.00	1,003,200,000.00
Railroad retirement account (notes).....			31,500,000.00			128,350,000.00	6,000,000.00
Civil service retirement fund (notes).....	37,000.00	27,000.00	36,000.00	5,000,000.00	157,114,000.00	264,165,000.00	192,985,000.00
Foreign service retirement fund (notes).....					793,000.00	1,614,000.00	1,446,000.00
Canal Zone retirement fund (notes).....				70,000.00	646,000.00	1,893,000.00	3,398,000.00
Alaska Railroad retirement fund (notes).....				28,000.00	322,000.00	560,000.00	290,000.00
Postal Savings System (notes).....							15,000,000.00
Canal Zone Postal Savings System (notes).....				1,000,000.00		1,000,000.00	
Government life insurance fund (notes).....		500,000.00	2,650,000.00	1,300,000.00	25,700,000.00	37,150,000.00	26,500,000.00
National service life insurance fund (notes).....	3,500,000.00	3,825,000.00	6,750,000.00	6,340,000.00	6,460,000.00	35,975,000.00	2,800,000.00
Federal Deposit Insurance Corporation (notes).....						60,000,000.00	34,000,000.00
Federal Savings and Loan Insurance Corporation (notes).....							5,050,000.00
Subtotal.....	160,537,000.00	190,352,000.00	64,936,000.00	180,738,000.00	3,996,435,000.00	5,876,207,000.00	4,240,769,000.00
Total public debt receipts.....	3,160,612,867.16	1,593,440,081.85	3,116,380,295.46	4,299,985,910.71	9,210,876,989.28	37,164,349,683.56	17,846,730,897.45

<sup>1</sup> For figures for fiscal years 1933 to 1936, see annual report for 1937, p. 336, and for fiscal years 1937 to 1940, see annual report for 1941, p. 556.

<sup>2</sup> Includes transactions formerly classified under the caption "Old-age reserve account."

TABLE 27.—Public debt receipts and expenditures, monthly July 1941 to June 1942, with totals for the fiscal years 1941 and 1942<sup>1</sup>—Continued

	1941						1942
	July	August	September	October	November	December	January
<b>EXPENDITURES</b>							
Market operations:							
Cash:							
Treasury bills.....	\$522,535,000.00	\$407,481,000.00	\$684,650,000.00	\$501,747,000.00	\$435,459,000.00	\$513,243,000.00	\$501,589,000.00
Certificates of indebtedness.....	15,200.00		12,000.00	50,000.00	3,350.00	11,500.00	10,700.00
Certificates of indebtedness, special series.....							
Treasury notes.....	2,009,950.00	1,176,500.00	1,010,350.00	3,422,400.00	861,900.00	16,861,800.00	1,364,750.00
Treasury tax savings notes, cash redemptions.....		5,300.00	93,300.00	27,375.00	1,019,625.00	7,273,475.00	987,550.00
Treasury tax savings notes, received for taxes.....							10,545,825.00
Treasury bonds.....	1,739,550.00	34,676,600.00	8,236,950.00	6,803,400.00	2,695,450.00	3,182,600.00	2,396,000.00
United States savings bonds.....	18,013,908.25	12,938,152.00	14,380,458.50	13,708,880.25	12,757,639.00	16,264,976.75	15,408,349.25
Depository bonds.....							
Adjusted service bonds.....	1,825,750.00	1,567,700.00	1,438,400.00	1,213,700.00	927,500.00	1,249,150.00	1,059,850.00
First-Liberty bonds.....	54,900.00	52,750.00	97,100.00	206,500.00	245,100.00	312,250.00	228,800.00
Fourth Liberty bonds.....	166,500.00	133,000.00	150,500.00	138,100.00	119,400.00	214,900.00	203,650.00
Postal Savings bonds.....	55,280.00	4,100.00	100.00		20.00	100.00	50,500.00
Other debt items.....	17,705.85	12,854.50	30,952.75	13,922.44	12,136.50	14,287.75	15,133.75
National bank notes and Federal Reserve Bank notes.....	1,246,345.00	897,230.00	1,632,145.00	1,130,460.00	1,379,885.00	825,380.00	1,531,621.00
Subtotal.....	547,680,089.10	458,945,186.50	711,732,256.25	528,461,737.69	455,481,005.50	559,453,419.50	535,391,729.00
Exchanges:							
Treasury notes.....				188,971,200.00			406,187,200.00
Treasury bonds.....	570,900.00	35,000.00					
Subtotal.....	570,900.00	35,000.00		188,971,200.00			406,187,200.00

	1942 °					Total fiscal year	
	February	March	April	May	June	1942	1941
<b>EXPENDITURES</b>							
Market operations:							
Cash:							
Treasury bills.....	\$692,510,000.00	\$958,944,000.00	\$460,008,000.00	\$600,532,000.00	\$905,203,000.00	\$7,183,901,000.00	\$5,496,438,000.00
Certificates of indebtedness.....	140,000.00	4,500.00	427,500.00	274,500.00	16,800.00	966,050.00	678,850.00
Certificates of indebtedness, special series.....					303,000,000.00	303,000,000.00	
Treasury notes.....	488,150.00	14,845,350.00	2,526,900.00	1,216,050.00	3,142,700.00	48,926,800.00	48,527,000.00
Treasury tax savings notes, cash redemption.....	342,800.00	931,025.00	1,252,000.00	1,801,350.00	6,948,775.00	20,682,575.00	
Treasury tax savings notes, received for taxes.....	15,848,875.00	504,663,175.00	45,363,550.00	42,093,600.00	485,196,525.00	1,103,711,550.00	
Treasury bonds.....	30,910,300.00	3,976,350.00	842,400.00	723,200.00	583,450.00	96,766,250.00	76,238,000.00
United States savings bonds.....	15,774,985.50	22,002,949.25	21,265,928.75	22,095,779.94	22,775,892.03	207,387,899.47	148,126,038.50
Depository bonds.....					5,000.00	5,000.00	
Adjusted service bonds.....	734,150.00	812,900.00	708,850.00	575,200.00	1,257,100.00	13,370,250.00	22,705,168.50
First Liberty bonds.....	38,250.00	158,950.00	30,750.00	73,050.00	83,550.00	1,581,950.00	2,260,650.00
Fourth Liberty bonds.....	193,600.00	193,350.00	165,050.00	165,100.00	109,550.00	1,952,700.00	2,737,050.00
Postal Savings bonds.....	600.00	40.00			1,500.00	112,240.00	177,760.00
Other debt items.....	35,036.50	17,793.75	33,076.20	19,445.50	169,895.09	392,240.58	351,613.42
National bank notes and Federal Reserve Bank notes.....	739,805.00	1,081,445.00	1,098,885.00	423,880.00	1,312,717.00	13,299,798.00	17,386,319.00
Subtotal.....	757,756,552.00	1,507,631,828.00	533,722,889.95	669,993,155.44	1,729,806,454.12	8,996,056,303.05	5,815,626,449.42
Exchanges:							
Treasury notes.....	200,500.00					595,358,900.00	1,865,966,600.00
Treasury bonds.....						605,900.00	1,275,620,350.00
Subtotal.....	200,500.00					595,964,800.00	3,141,586,950.00

° For figures for fiscal years 1933 to 1936, see annual report for 1937, p. 336, and for fiscal years 1937 to 1940, see annual report for 1941, p. 556.

TABLE 27.—Public debt receipts and expenditures, monthly July 1941 to June 1942, with totals for the fiscal years 1941 and 1942<sup>1</sup>—Continued

	1941						1942
	July	August	September	October	November	December	January
<b>EXPENDITURES—Continued</b>							
Special issues:							
Adjusted service certificate fund (certificates).....	\$300,000.00	-----	\$150,000.00	\$300,000.00	-----	-----	\$18,850,000.00
Unemployment trust fund (certificates).....	10,000,000.00	-----	10,000,000.00	5,000,000.00	-----	\$20,000,000.00	20,000,000.00
Federal old-age and survivors insurance trust fund (notes) <sup>2</sup> .....	10,000,000.00	\$10,000,000.00	11,600,000.00	10,000,000.00	\$10,000,000.00	16,600,000.00	10,000,000.00
Railroad retirement account (notes).....	-----	6,000,000.00	10,850,000.00	10,500,000.00	10,500,000.00	11,000,000.00	10,500,000.00
Civil service retirement fund (notes).....	1,500,000.00	1,000,000.00	1,100,000.00	500,000.00	1,200,000.00	700,000.00	300,000.00
Foreign service retirement fund (notes).....	8,000.00	27,000.00	35,000.00	22,000.00	28,000.00	30,000.00	22,000.00
Canal Zone retirement fund (notes).....	19,000.00	16,000.00	-----	6,000.00	43,000.00	23,000.00	20,000.00
Alaska Railroad retirement fund (notes).....	-----	-----	-----	-----	-----	-----	-----
Postal Savings System (notes).....	-----	-----	-----	25,000,000.00	-----	-----	-----
Government life insurance fund (notes).....	-----	-----	-----	20,000,000.00	5,296,000.00	5,963,000.00	-----
Federal Deposit Insurance Corporation (notes).....	-----	-----	-----	20,000,000.00	-----	35,000,000.00	-----
Subtotal.....	21,827,000.00	17,043,000.00	33,735,000.00	91,328,000.00	27,067,000.00	89,316,000.00	59,692,000.00
Total public debt expenditures.....	570,077,989.10	476,023,186.50	745,467,256.25	808,760,937.69	482,548,005.50	648,769,419.50	1,001,270,929.00
Excess of receipts.....	551,096,592.99	1,408,420,104.95	425,446,876.33	2,237,640,761.10	1,455,772,055.90	2,898,303,169.96	2,073,456,254.33



	1942					Total fiscal year	
	February	March	April	May	June	1942	1941
<b>EXPENDITURES—Continued</b>							
Special issues:							
Adjusted service certificate fund (certificates).....		\$100,000.00	\$100,000.00	\$100,000.00	\$65,000.00	\$19,965,000.00	\$11,800,000.00
Unemployment trust fund (certificates).....	\$5,000,000.00	20,000,000.00	20,000,000.00		3,094,000,000.00	3,204,000,000.00	2,367,300,000.00
Federal old-age and survivors insurance trust fund (notes) <sup>2</sup> .....	10,000,000.00	16,400,000.00	10,000,000.00	10,000,000.00	404,100,000.00	528,700,000.00	360,700,000.00
Railroad retirement account (notes).....	10,000,000.00	10,500,000.00	10,500,000.00	10,500,000.00	10,000,000.00	110,850,000.00	11,400,000.00
Civil service retirement fund (notes).....	600,000.00				119,900,000.00	126,800,000.00	97,900,000.00
Foreign service retirement fund (notes).....	30,000.00	25,000.00	28,000.00	26,000.00	604,000.00	885,000.00	659,000.00
Canal Zone retirement fund (notes).....	100,000.00			77,000.00	299,000.00	603,000.00	2,294,000.00
Alaska Railroad retirement fund (notes).....					265,000.00	265,000.00	52,000.00
Postal Savings System (notes).....	8,000,000.00					33,000,000.00	23,500,000.00
Government life insurance fund (notes).....						31,259,000.00	20,000,000.00
Federal Deposit Insurance Corporation (notes).....						55,000,000.00	
Subtotal.....	33,730,000.00	47,025,000.00	40,628,000.00	20,703,000.00	3,629,233,000.00	4,111,327,000.00	2,895,605,000.00
Total public debt expenditures.....	791,687,052.00	1,554,656,828.00	574,350,889.95	690,696,155.44	5,359,039,454.12	13,703,348,103.05	11,852,818,399.42
Excess of receipts.....	2,368,925,815.16	38,783,253.85	2,542,029,405.51	3,609,289,755.27	3,851,837,535.16	23,461,001,580.51	5,993,912,498.03

<sup>1</sup> For figures for fiscal years 1933 to 1936, see annual report for 1937, p. 336, and for fiscal years 1937 to 1940, see annual report for 1941 p. 556.

<sup>2</sup> Includes transactions formerly classified under the caption "Old-age reserve account."

TABLE 28.—*Public debt retirements chargeable against ordinary receipts during the fiscal year 1942, and cumulative totals from July 1, 1917, to June 30, 1941 and 1942, by sources and issues*

[On basis of daily Treasury statements (revised), see p. 387]

Detail	Face amount retired	Principal amount paid
Purchases and/or redemptions for cumulative sinking fund:		
Cumulative total to June 30, 1941.....	\$6, 135, 907, 600.00	\$6, 128, 222, 843. 87
Fiscal year 1942:		
Redemptions:		
3¼% Treasury bonds of 1941.....	29, 064, 450.00	29, 064, 450.00
3½% Treasury bonds of 1941-43.....	14, 938, 800.00	14, 938, 800.00
1½% Treasury notes, Series B-1941.....	1, 466, 500.00	1, 466, 500.00
1¼% Treasury notes, Series C-1941.....	13, 843, 400.00	13, 843, 400.00
1¾% Treasury notes, Series A-1942.....	16, 019, 400.00	16, 019, 400.00
Total.....	75, 332, 550.00	75, 332, 550.00
Cumulative total to June 30, 1942.....	6, 211, 240, 150.00	6, 203, 555, 393. 87
Purchases and/or redemptions of bonds, etc., from cash repayments of principal by foreign governments, being repayments of loans under Liberty bond acts (received under ratified or unratified debt agreements):		
Cumulative total to June 30, 1942 (no retirements during fiscal year 1942).....	1 464, 169, 257. 31	1 454, 212, 199. 22
Purchases and/or redemptions from franchise tax receipts derived from Federal Reserve Banks:		
Cumulative total to June 30, 1942 (no retirements during fiscal year 1942).....	2 149, 809, 170. 07	2 149, 138, 300. 29
Purchases and/or redemptions from net earnings derived from Federal intermediate credit banks (franchise tax receipts):		
Cumulative total to June 30, 1941.....	3 5, 239, 419. 71	3 5, 231, 178. 70
Fiscal year 1942: 1¾% Treasury notes, Series A-1942.....	315, 100.00	315, 100.00
Cumulative total to June 30, 1942.....	5, 554, 519. 71	5, 546, 278. 70
Redemption of bonds, etc., received as repayments of principal by foreign governments, under ratified debt agreements:		
Cumulative total to June 30, 1942 (no retirements during fiscal year 1942).....	207, 271, 500.00	207, 271, 500.00
Redemption of bonds, etc., received as interest payments on obligations of foreign governments, under ratified debt agreements:		
Cumulative total to June 30, 1942 (no retirements during fiscal year 1942).....	908, 163, 950.00	908, 163, 950.00
Redemption of bonds, etc., from repayments of principal of loans to State, municipalities, etc., Public Works Administration:		
Cumulative total to June 30, 1941.....	9, 551, 150.00	9, 551, 150.00
Fiscal year 1942: 1¾% Treasury notes, Series A-1942.....	667, 800.00	667, 800.00
Cumulative total to June 30, 1942.....	10, 218, 950.00	10, 218, 950.00

Redemption of bonds, etc., from deposits of excess capital by Commodity Credit Corporation:		
Cumulative total to June 30, 1941.....	25,659,500.00	25,659,500.00
Fiscal year 1942:		
3½% Treasury bonds of 1941.....	15,610,750.00	15,610,750.00
3½% Treasury bonds of 1941-43.....	1,124,150.00	1,124,150.00
1½% Treasury notes, Series B-1941.....	1,362,300.00	1,362,300.00
Total.....	18,097,200.00	18,097,200.00
Cumulative total to June 30, 1942.....	43,756,700.00	43,756,700.00
Redemption of Liberty bonds issued in the year 1918 from bequest of James Reuel Smith:		
Cumulative total to June 30, 1942 (no retirements during fiscal year 1942).....	\$ 112,842.69	\$ 112,842.69
Redemption of bonds, etc., received for estate taxes:		
Cumulative total to June 30, 1942 (no retirements during fiscal year 1942).....	66,277,900.00	66,277,900.00
Redemption of bonds, etc., received as gifts and forfeitures or from miscellaneous sources:		
Cumulative total to June 30, 1941.....	\$ 11,197,865.30	\$ 11,197,865.30
Fiscal year 1942, forfeitures:		
Treasury bonds:		
2½% of 1949-53.....	1,500.00	1,500.00
3% of 1951-55.....	1,000.00	1,000.00
2½% of 1950-52.....	500.00	500.00
Treasury notes:		
1½% Series A-1943.....	500.00	500.00
1% Series B-1944.....	500.00	500.00
¾% Series A-1945.....	1,000.00	1,000.00
Total.....	5,000.00	5,000.00
Cumulative total to June 30, 1942.....	11,202,865.30	11,202,865.30
Total purchases and redemptions:		
Cumulative total to June 30, 1941.....	\$ 7,983,360,155.08	\$ 7,965,039,230.07
Fiscal year 1942.....	94,417,650.00	94,417,650.00
Cumulative total to June 30, 1942.....	8,077,777,805.08	8,059,456,880.07

<sup>1</sup> Includes \$7.31 transferred to Fourth Liberty loan principal account in fiscal year 1940 and applied as partial reimbursement for the redemption of a \$50 bond from that account.  
See note 4.

<sup>2</sup> Includes \$1,240,735.59 applied to the gold reserve.

<sup>3</sup> Includes \$1,819,669.71 applied to the gold reserve.

<sup>4</sup> Includes \$42.69 transferred to Fourth Liberty loan principal account in fiscal year 1940 and applied as partial reimbursement for the redemption of a \$50 bond from that account.  
See note 1.

<sup>5</sup> Amounts exclude \$4,842,066.45 written off the debt Dec. 31, 1920, on account of fractional currency estimated to have been lost or destroyed in circulation.

TABLE 29.—*Summary of transactions in interest-bearing and noninterest-bearing securities, fiscal year 1942*

[On basis of daily Treasury statements (revised), see p. 387]

Class of transactions	Amount
<b>I. Transactions in interest-bearing securities (as affecting the outstanding public debt):</b>	
A. Interest-bearing securities outstanding June 30, 1941.....	\$48,404,879,488.41
B. Interest-bearing securities issued during the fiscal year 1942:	
1. Upon original subscription against cash received.....	137,220,909,061.64
2. Upon exchange, etc., for securities of equal par value retired.....	8,142,843,790.00
3. Upon adjudicated claims for replacement.....	530,925.00
4. Total securities issued.....	45,364,283,776.64
C. Total interest-bearing securities to account for (items A and B-4).....	93,769,163,265.05
D: Interest-bearing securities retired during the fiscal year 1942:	
1. Account of redemption.....	13,548,908,647.39
2. Account of exchange, etc., for securities of equal par value issued.....	8,142,843,790.00
3. Account of loss or destruction (covered by insurance or bonds of indemnity).....	530,925.00
4. Total securities retired.....	21,692,283,362.39
E. Securities outstanding June 30, 1942, which matured during the fiscal year.....	35,689,570.00
F. Total interest-bearing securities outstanding June 30, 1942.....	72,041,190,332.66
G. Total interest-bearing securities accounted for (items D-4, E, and F).....	93,769,163,265.05
<b>II. Transactions in interest-bearing securities and securities which matured prior to July 1, 1941 (as affecting the accountability of the Treasury Department and its agents):</b>	
A. Securities on hand June 30, 1941:	
1. Retired:	
(a) Adjusted service bonds retired account of redemption—in office of Treasurer of the United States.....	100.00
(b) Securities retired account of denominational exchange (Treasury bond and note)—in Federal Reserve Bank.....	10,000.00
2. Unissued:	
(a) Securities in Division of Loans and Currency.....	35,114,344,425.00
(b) Securities in Federal Reserve Banks and other Treasury agencies (exclusive of the Division of Loans and Currency).....	9,774,000,450.00
3. Total securities on hand June 30, 1941.....	44,888,354,975.00
B. Interest-bearing securities received from Bureau of Engraving and Printing during the fiscal year 1942.....	65,409,649,540.00
C. Securities received for retirement during the fiscal year 1942:	
1. Account of redemption:	
(a) Interest-bearing securities (see item I, D-1, above).....	213,605,779,655.00
(b) Securities matured prior to July 1, 1941.....	142,485,040.00
(c) Securities bearing no interest.....	16,046.00

2. Account of exchange, etc., for securities of equal par value issued:	
(a) Interest-bearing securities (see item I, D-2, above).....	8, 142, 843, 790. 00
(b) Securities matured prior to July 1, 1941.....	63, 850. 00
3. Account of loss or destruction (covered by insurance or bonds of indemnity):	
(a) Interest-bearing securities (see item I, D-3, above).....	530, 925. 00
(b) Securities matured prior to July 1, 1941.....	34, 350. 00
4. Total securities received for retirement.....	21, 891, 753, 656. 00
D. Total securities to account for (items II, A-3, B, and C-4).....	132, 189, 758, 171. 00
E. Securities issued during the fiscal year 1942:	
1. Upon original subscription against cash received:	
(a) Interest-bearing securities (see item I, B-1, above).....	4 38, 108, 710, 700. 00
2. Upon exchange, etc., for securities of equal par value retired:	
(a) Interest-bearing securities (see item I, B-2, above).....	8, 142, 843, 790. 00
(b) Securities matured prior to July 1, 1941.....	63, 850. 00
3. Upon adjudicated claims for replacement:	
(a) Interest-bearing securities (see item I, B-3, above).....	530, 925. 00
(b) Securities matured prior to July 1, 1941.....	34, 350. 00
4. Total securities issued.....	46, 252, 183, 615. 00
F. Securities delivered to the Register of the Treasury during the fiscal year 1942:	
1. Account of redemption:	
(a) Interest-bearing securities (see item II, C-1 (a), above).....	13, 605, 779, 605. 00
(b) Securities matured prior to July 1, 1941 (see item II, C-1 (b), above).....	142, 485, 040. 00
(c) Securities bearing no interest (see item II, C-1 (c), above).....	18, 046. 00
2. Account of exchange, etc., for securities of equal par value issued:	
(a) Interest-bearing securities (see item II, 3-2 (a), above).....	8, 142, 843, 790. 00
(b) Securities matured prior to July 1, 1941 (see item II, C-2 (b), above).....	68, 850. 00
3. Account of loss or destruction (covered by insurance or bonds of indemnity):	
(a) Interest-bearing securities (see item II, C-3 (a), above).....	530, 925. 00
(b) Securities matured prior to July 1, 1941 (see item II, C-3 (b), above).....	34, 350. 00
4. Unissued securities (excess stock):	
(a) By Division of Loans and Currency.....	2, 151, 599, 450. 00
(b) By Federal Reserve Banks and other Treasury agencies (exclusive of the Division of Loans and Currency).....	1, 530, 195, 475. 00
5. Total securities delivered to the Register of the Treasury.....	25, 573, 553, 531. 00
G. Securities on hand June 30, 1942:	
1. Retired:	
(a) Adjusted service bonds retired account of redemption—in office of Treasurer of the United States.....	100. 00
(b) Adjusted service bond retired account of redemption—in Division of Loans and Currency.....	50. 00
(c) Treasury bond retired account of denominational exchange—in Federal Reserve Bank.....	5, 000. 00
2. Unissued:	
(a) Securities in Division of Loans and Currency.....	42, 640, 079, 900. 00
(b) Securities in Federal Reserve Banks and other Treasury agencies (exclusive of the Division of Loans and Currency).....	17, 723, 935, 975. 00
3. Total securities on hand June 30, 1942.....	60, 364, 021, 025. 00
H. Total securities accounted for (items E-4, F-5, and G-3).....	132, 189, 758, 171. 00

<sup>1</sup> Includes discount accrued on United States savings bonds in amount of \$87,535,400.15 and receipts in amount of \$272,296,898.99, representing unclassified sales of United States savings bonds in amount of \$272,295,436.49 by Post Office Department and Federal Reserve Banks, and payments in the amount of \$1,462.50 credited in the Treasurer's account in the fiscal year 1942, for which original registration stubs were received by the Treasury Department in prior fiscal years.

<sup>2</sup> Includes United States savings bonds in the face amount of \$264,987,900, redemption value of which is \$208,116,892.39.

<sup>3</sup> Includes matured Treasury (war) savings securities of which \$64,940 was charged to interest and \$15,850 charged to principal.

<sup>4</sup> Includes United States savings bonds in the face amount of \$7,003,945,325, sale price of which is \$5,756,313,762.50; also includes United States savings bonds issued by Post Office Department in amount of \$2,943.75, for which original registration stubs have been received by the Treasury Department, but for which payments have not been received and credited in the Treasurer's account.

TABLE 30.—Summary of transactions in interest-bearing securities, by form of issue, fiscal year 1942

(On basis of daily Treasury statements (revised), see p. 387)

Account	Postal savings bonds, etc.	Treasury bonds	United States savings bonds	Depository bonds	Adjusted service bonds	Treasury notes	Treasury tax savings notes	Treasury bills	Certificates of indebtedness	Total
I. Outstanding June 30, 1941.....	\$196, 102, 380	\$30, 215, 059, 200	\$4, 330, 818, 002	\$615, 000	<sup>1</sup> \$740, 720, 406	\$9, 026, 068, 500	-----	\$1, 603, 196, 000	\$2, 292, 300, 000	\$48, 404, 879, 488
II. Issued during 1942:										
A. Upon original subscription against cash received.....		7, 948, 903, 800	<sup>2</sup> 6, 116, 143, 687	78, 348, 000	1, 315, 700	3, 433, 359, 400	\$4, 161, 530, 475	8, 018, 630, 000	7, 462, 678, 000	37, 220, 909, 062
B. Upon exchanges, etc., for securities of equal par value retired.....	5, 145, 840	4, 976, 095, 950	46, 461, 825	20, 000	1, 150	1, 646, 886, 300	150, 068, 725	1, 106, 857, 000	211, 307, 000	8, 142, 843, 790
C. Upon adjudicated claims for replacement.....	3, 500	51, 900	417, 875	-----	32, 350	-----	25, 300	-----	-----	530, 925
D. Total issued during 1942.....	5, 149, 340	12, 925, 051, 650	6, 163, 023, 387	78, 368, 000	1, 349, 200	5, 080, 245, 700	4, 311, 624, 500	9, 125, 487, 000	7, 673, 985, 000	\$5, 364, 283, 777
III. Retired during 1942:										
A. Account of redemption.....	108, 080	77, 572, 600	208, 116, 892	5, 000	13, 469, 350	1, 513, 568, 600	1, 124, 833, 125	7, 084, 270, 000	3, 526, 965, 000	13, 548, 908, 647
B. Account of exchanges, etc., for securities of equal par value issued.....	5, 145, 840	4, 976, 095, 950	46, 461, 825	20, 000	1, 150	1, 646, 886, 300	150, 068, 725	1, 106, 857, 000	211, 307, 000	8, 142, 843, 790
C. Account of loss or destruction (covered by insurance or bonds of indemnity).....	3, 500	51, 900	417, 875	-----	32, 350	-----	25, 300	-----	-----	530, 925
D. Total retired during 1942.....	5, 257, 420	5, 053, 720, 450	254, 996, 592	25, 000	13, 502, 850	3, 160, 454, 900	1, 274, 927, 150	8, 191, 127, 000	3, 738, 272, 000	21, 692, 283, 362
IV. Outstanding June 30, 1942.....	195, 994, 300	38, 086, 390, 400	10, 238, 844, 796	78, 958, 000	<sup>1</sup> 728, 566, 756	10, 945, 859, 300	3, 036, 697, 350	2, 537, 556, 000	6, 228, 013, 000	72, 076, 879, 903
Deduct interest-bearing debt which matured during the year.....	4, 120	1, 857, 150	-----	-----	-----	4, 570, 300	-----	29, 258, 000	-----	35, 689, 570
V. Outstanding June 30, 1942.....	195, 990, 180	38, 084, 533, 250	<sup>2</sup> 10, 238, 844, 796	78, 958, 000	<sup>1</sup> 728, 566, 756	10, 941, 289, 000	3, 036, 697, 350	2, 508, 298, 000	6, 228, 013, 000	72, 041, 190, 333

<sup>1</sup> Includes \$500,157,956.40 of 4½% adjusted service bonds—Government life insurance fund Series 1946.<sup>2</sup> Includes discount accrued on United States savings bonds in the amount of \$87,535,400.15.

NOTE.—Figures are rounded to nearest dollar and will not necessarily add to totals.

TABLE 31.—Changes in interest-bearing debt, by issues, fiscal year 1942

[On basis of daily Treasury statements (revised), see p. 387]

Detail	Outstanding July 1, 1941	Issues during year	Redemptions during year	Transfers to matured debt	Outstanding June 30, 1942
Public issues:					
Bonds:					
3% Panama Canal loan of 1961.....	\$49,800,000.00	-----	-----	-----	\$49,800,000.00
3% conversion bonds of 1946.....	15,761,000.00	-----	-----	-----	15,761,000.00
3% conversion bonds of 1947.....	13,133,500.00	-----	-----	-----	13,133,500.00
2½% postal savings bonds (twenty-third to forty-ninth series).....	117,407,880.00	-----	\$108,080.00	\$4,120.00	117,295,680.00
Total postal savings bonds, etc.....	196,102,380.00	-----	108,080.00	4,120.00	195,990,180.00
Treasury bonds:					
4½% of 1947-52.....	758,945,800.00	-----	-----	-----	758,945,800.00
4% of 1944-54.....	1,036,692,400.00	-----	-----	-----	1,036,692,400.00
3½% of 1946-56.....	489,080,100.00	-----	-----	-----	489,080,100.00
3½% of 1943-47.....	454,135,200.00	-----	-----	-----	454,135,200.00
3½% of 1946-49.....	818,627,000.00	-----	-----	-----	818,627,000.00
3% of 1951-55.....	755,432,000.00	-----	1,000.00	-----	755,431,000.00
3½% of 1941.....	47,138,250.00	-----	45,281,100.00	1,857,150.00	1,400,528,250.00
3½% of 1943-45.....	1,400,528,250.00	-----	-----	-----	1,518,737,650.00
3½% of 1944-46.....	1,518,737,650.00	-----	-----	-----	1,035,873,400.00
3% of 1946-48.....	1,035,873,400.00	-----	-----	-----	491,375,100.00
3½% of 1949-52.....	491,375,100.00	-----	-----	-----	2,611,092,150.00
2½% of 1955-60.....	2,611,092,150.00	-----	500.00	-----	1,214,428,950.00
2½% of 1945-47.....	1,214,428,950.00	-----	-----	-----	1,223,495,850.00
2½% of 1948-51.....	1,223,495,850.00	-----	-----	-----	1,626,687,150.00
2½% of 1951-54.....	1,626,687,150.00	-----	-----	-----	981,826,550.00
2½% of 1956-59.....	981,826,550.00	-----	-----	-----	1,786,128,650.00
2½% of 1949-53.....	1,786,128,650.00	-----	1,500.00	-----	540,843,550.00
2½% of 1945.....	540,843,550.00	-----	-----	-----	450,978,400.00
2½% of 1948.....	450,978,400.00	-----	-----	-----	918,780,600.00
2½% of 1958-63.....	918,780,600.00	-----	-----	-----	1,185,841,200.00
2½% of 1950-52.....	1,185,841,200.00	-----	500.00	-----	1,485,384,600.00
2½% of 1960-65.....	1,485,384,600.00	-----	-----	-----	701,072,900.00
2% of 1947.....	701,072,900.00	-----	-----	-----	571,431,150.00
2% of 1948-50 (dated Dec. 8, 1939).....	571,431,150.00	-----	-----	-----	1,118,051,100.00
2½% of 1951-53.....	1,118,051,100.00	-----	-----	-----	680,692,350.00
2½% of 1954-56.....	680,692,350.00	-----	-----	-----	724,677,900.00
2% of 1953-55.....	724,677,900.00	-----	-----	-----	1,115,368,400.00
2% of 1948-50 (dated Mar. 15, 1941).....	1,115,368,400.00	-----	-----	-----	1,023,568,350.00
2½% of 1952-54.....	1,023,568,350.00	-----	-----	-----	1,448,747,650.00
2½% of 1956-58.....	1,448,747,650.00	\$605,900.00	-----	-----	2,716,045,150.00
2½% of 1967-72.....	2,716,045,150.00	532,687,950.00	-----	-----	510,413,950.00
2% of 1951-55.....	510,413,950.00	-----	22,274,000.00	-----	1,014,018,900.00
2% of 1949-51 (dated Jan. 15, 1942).....	1,014,018,900.00	-----	-----	-----	

TABLE 31.—Changes in interest-bearing debt, by issues, fiscal year 1942—Continued

Detail	Outstanding July 1, 1941	Issues during year	Redemptions during year	Transfers to matured debt	Outstanding June 30, 1942
Public issues—Continued.					
Bonds—Continued.					
Treasury bonds—Continued.					
2½% of 1952-55		\$1,510,795,300.00	\$10,014,000.00		\$1,500,781,300.00
2½% of 1962-67		882,306,500.00			882,306,500.00
2% of 1949-51 (dated May 15, 1942)		1,292,444,100.00			1,292,444,100.00
Total Treasury bonds	\$30,215,059,200.00	7,948,903,800.00	77,572,600.00	\$1,857,150.00	38,084,533,250.00
United States savings bonds: 1					
Series A-1935	171,749,419.25	3,961,960.50	4,756,997.50		170,954,382.25
Series B-1936	312,573,447.00	7,386,220.50	9,260,851.00		310,698,816.50
Series C-1937	406,220,434.75	9,819,276.50	12,880,199.00		403,159,512.25
Series C-1938	489,620,861.25	12,122,235.50	17,123,928.75		484,619,168.00
Series D-1939	808,773,873.00	20,523,682.25	30,125,079.25		799,172,476.00
Series D-1940	1,008,145,767.00	26,164,014.75	42,940,165.00		991,369,616.75
Series D-1941	403,820,050.00	55,326,402.00	15,392,718.25		443,753,733.75
Series E-1941	122,715,018.75	1,215,953,266.50	40,666,851.39		1,298,001,433.86
Series F-1941	68,129,210.00	162,945,553.40	2,702,855.00		228,371,908.40
Series G-1941	404,212,700.00	872,134,200.00	11,337,500.00		1,265,009,400.00
Series E-1942		2,018,913,153.25	20,297,493.75		1,998,615,659.50
Series F-1942		274,673,185.00	157,453.50		274,515,731.50
Series G-1942		1,164,925,100.00	474,800.00		1,164,450,300.00
Unclassified sales	134,857,221.01	271,295,436.49			406,152,657.50
Total United States savings bonds	4,330,818,002.01	6,116,143,686.64	208,116,892.39		10,238,844,796.26
2% depositary bonds	615,000.00	78,348,000.00	5,000.00		78,958,000.00
3% adjusted service bonds of 1945	240,562,450.00	1,315,700.00	13,469,350.00		228,408,800.00
Treasury notes:					
Regular series:					
1½% Series C-1941	204,425,400.00		202,814,600.00	1,610,800.00	
1½% Series A-1942	426,349,500.00		423,390,000.00	2,959,500.00	
2½% Series B-1942	342,143,300.00				342,143,300.00
1½% Series C-1942	232,375,200.00				232,375,200.00
1½% Series A-1943	629,113,900.00		500.00		629,113,400.00
1½% Series B-1943	420,971,500.00				420,971,500.00
1½% Series C-1943	279,473,800.00				279,473,800.00
¾% Series D-1943	65,963,700.00				65,963,700.00
¾% Series A-1944	415,519,000.00				415,519,000.00
1% Series B-1944	515,210,900.00		500.00		515,210,400.00



1% Series C-1944.....	283,006,000.00				283,006,000.00
3/4% Series A-1945.....	718,013,200.00		1,000.00		718,012,200.00
1% Series A-1946.....		502,866,000.00			502,866,000.00
1 1/2% Series B-1946.....		1,118,386,400.00			1,118,386,400.00
National defense series:					
3/4% Series D-1944.....	635,064,400.00				635,064,400.00
3/4% Series B-1945.....	530,838,700.00				530,838,700.00
Tax series:					
A-1943.....		42,657,275.00	15,874,275.00		26,783,000.00
B-1943.....		2,448,222,900.00	1,049,248,300.00		1,398,974,600.00
A-1944.....		29,691,200.00	1,632,850.00		28,058,350.00
B-1944.....		1,640,959,100.00	58,077,700.00		1,582,881,400.00
Total Treasury notes.....	5,698,468,500.00	5,782,782,875.00	1,751,039,725.00	4,570,300.00	9,725,641,350.00
Certificates of indebtedness:					
1/2% Series A-1942.....		1,507,083,000.00			1,507,083,000.00
3/4% Series A-1943.....		1,588,495,000.00			1,588,495,000.00
Total certificates of indebtedness.....		3,095,578,000.00			3,095,578,000.00
Treasury bills (maturity value):					
Regular series maturing:					
July 2, 1941.....	100,571,000.00		100,371,000.00	200,000.00	
July 9, 1941.....	100,091,000.00		100,091,000.00		
July 16, 1941.....	100,439,000.00		100,409,000.00	30,000.00	
July 23, 1941.....	100,101,000.00		100,101,000.00		
July 30, 1941.....	100,069,000.00		100,025,000.00	44,000.00	
Aug. 6, 1941.....	100,031,000.00		99,981,000.00	50,000.00	
Aug. 13, 1941.....	100,004,000.00		99,962,000.00	42,000.00	
Aug. 20, 1941.....	100,519,000.00		100,119,000.00	400,000.00	
Aug. 27, 1941.....	100,257,000.00		100,257,000.00		
Sept. 3, 1941.....	200,139,000.00		199,642,000.00	497,000.00	
Sept. 10, 1941.....	200,299,000.00		200,299,000.00		
Sept. 17, 1941.....	200,608,000.00		200,608,000.00		
Sept. 24, 1941.....	100,068,000.00		100,008,000.00	60,000.00	
Oct. 1, 1941.....		100,880,000.00	100,805,000.00	75,000.00	
Oct. 8, 1941.....		100,048,000.00	100,043,000.00	5,000.00	
Oct. 15, 1941.....		100,337,000.00	100,247,000.00	90,000.00	
Oct. 22, 1941.....		100,127,000.00	100,127,000.00		
Oct. 29, 1941.....		100,015,000.00	99,040,000.00	975,000.00	
Nov. 5, 1941.....		100,232,000.00	100,232,000.00		
Nov. 12, 1941.....		100,118,000.00	100,118,000.00		
Nov. 19, 1941.....		100,227,000.00	100,227,000.00		
Nov. 26, 1941.....		100,799,000.00	100,799,000.00		
Dec. 3, 1941.....		100,369,000.00	100,334,000.00	35,000.00	
Dec. 10, 1941.....		100,957,000.00	100,235,000.00	722,000.00	
Dec. 17, 1941.....		100,043,000.00	100,043,000.00		
Dec. 24, 1941.....		100,742,000.00	100,612,000.00	130,000.00	
Dec. 31, 1941.....		100,045,000.00	99,976,000.00	69,000.00	

<sup>1</sup> Amounts issued and redeemed for Series A to F bonds include issue price plus accrued discount; amounts outstanding are stated at current redemption values. Amount issued, retired, and outstanding for Series G bonds are stated at par value.

TABLE 31.—Changes in interest-bearing debt, by issues, fiscal year 1942—Continued

Detail	Outstanding July 1, 1941	Issues during year	Redemptions during year	Transfers to matured debt	Outstanding June 30, 1942
Public issues—Continued.					
Treasury bills (maturity value)—Continued.					
Regular series maturing—Continued.					
Jan. 7, 1942		\$100,433,000.00	\$99,940,000.00	\$493,000.00	
Jan. 14, 1942		100,207,000.00	96,252,000.00	3,955,000.00	
Jan. 21, 1942		150,185,000.00	149,537,000.00	648,000.00	
Jan. 28, 1942		150,010,000.00	149,802,000.00	208,000.00	
Feb. 4, 1942		150,098,000.00	150,071,000.00	27,000.00	
Feb. 11, 1942		150,018,000.00	150,018,000.00		
Feb. 18, 1942		200,167,000.00	199,864,000.00	303,000.00	
Feb. 25, 1942		200,026,000.00	199,652,000.00	374,000.00	
Mar. 4, 1942		200,156,000.00	199,666,000.00	490,000.00	
Mar. 11, 1942		149,987,000.00	149,707,000.00	280,000.00	
Mar. 18, 1942		150,040,000.00	149,940,000.00	100,000.00	
Mar. 16, 1942		150,174,000.00	148,804,000.00	1,370,000.00	
Mar. 17, 1942		150,004,000.00	149,378,000.00	626,000.00	
Mar. 19, 1942		150,230,000.00	149,930,000.00	300,000.00	
Apr. 15, 1942		150,047,000.00	149,688,000.00	359,000.00	
Apr. 22, 1942		150,330,000.00	148,789,000.00	1,541,000.00	
Apr. 29, 1942		150,174,000.00	149,897,000.00	277,000.00	
May 6, 1942		150,094,000.00	148,967,000.00	1,127,000.00	
May 13, 1942		150,049,000.00	149,519,000.00	530,000.00	
May 20, 1942		150,012,000.00	149,324,000.00	688,000.00	
May 27, 1942		150,446,000.00	150,137,000.00	309,000.00	
June 3, 1942		150,477,000.00	149,809,000.00	668,000.00	
June 10, 1942		150,194,000.00	148,121,000.00	2,073,000.00	
June 16, 1942		150,263,000.00	148,678,000.00	1,585,000.00	
June 17, 1942		150,273,000.00	143,833,000.00	6,440,000.00	
June 18, 1942		150,435,000.00	149,923,000.00	512,000.00	
June 19, 1942		150,864,000.00	150,313,000.00	551,000.00	
July 15, 1942		150,073,000.00			\$150,073,000.00
July 22, 1942		150,058,000.00			150,058,000.00
July 29, 1942		150,126,000.00			150,126,000.00
Aug. 5, 1942		150,400,000.00			150,400,000.00
Aug. 12, 1942		250,692,000.00			250,692,000.00
Aug. 19, 1942		251,735,000.00			251,735,000.00
Aug. 26, 1942		250,986,000.00			250,986,000.00
Sept. 2, 1942		251,301,000.00			251,301,000.00
Sept. 9, 1942		300,772,000.00			300,772,000.00
Sept. 16, 1942		301,046,000.00			301,046,000.00
Sept. 17, 1942		301,109,000.00			301,109,000.00
Total Treasury bills	\$1,603,196,000.00	8,018,630,000.00	7,084,270,000.00	29,258,000.00	2,508,298,000.00

<b>Special issues:</b>					
<b>Bonds:</b>					
Adjusted service bonds (Government life insurance fund series).....	500,157,956.40				500,157,956.40
<b>Treasury notes:</b>					
Federal old-age and survivors insurance trust fund series:					
Old-age reserve account series.....	1,052,500,000.00		528,700,000.00		523,800,000.00
Federal old-age and survivors insurance trust fund series.....	1,328,100,000.00	1,281,400,000.00			2,609,500,000.00
Railroad retirement fund series.....	74,000,000.00	128,350,000.00	110,550,000.00		91,500,000.00
Civil service retirement fund series:					
4% series.....	644,500,000.00	263,700,000.00	126,800,000.00		781,400,000.00
3% series.....	785,000.00	465,000.00			1,250,000.00
Foreign service retirement fund series.....	4,713,000.00	1,614,000.00	885,000.00		5,442,000.00
Canal Zone retirement fund series.....	5,388,000.00	1,893,000.00	603,000.00		6,678,000.00
Alaska Railroad retirement fund series.....	1,005,000.00	560,000.00	265,000.00		1,300,000.00
Postal Savings System series.....	88,000,000.00		33,000,000.00		55,000,000.00
Canal Zone Postal Savings System series.....		1,000,000.00			1,000,000.00
Government life insurance fund series.....	30,759,000.00	37,150,000.00	31,259,000.00		36,650,000.00
National service life insurance fund series.....	2,800,000.00	35,975,000.00			38,775,000.00
Federal Deposit Insurance Corporation series.....	90,000,000.00	60,000,000.00	55,000,000.00		95,000,000.00
Federal Savings and Loan Insurance Corporation series.....	5,050,000.00				5,050,000.00
<b>Certificates of indebtedness:</b>					
Adjusted service certificate fund series.....	19,300,000.00	19,100,000.00	19,965,000.00		18,435,000.00
Unemployment trust fund series.....	2,273,000,000.00	4,045,000,000.00	3,204,000,000.00		3,114,000,000.00
¼% special short term.....		303,000,000.00	303,000,000.00		
<b>Total special issues.....</b>	<b>6,120,057,956.40</b>	<b>6,179,207,000.00</b>	<b>4,414,327,000.00</b>		<b>7,884,937,956.40</b>
<b>Total all securities.....</b>	<b>48,404,879,488.41</b>	<b>37,220,909,061.64</b>	<b>13,548,908,647.39</b>	<b>35,689,570.00</b>	<b>72,041,190,332.66</b>

TABLE 32.—Transactions in noninterest-bearing securities, by issues, fiscal year 1942

[On basis of daily Treasury statements (revised), see p. 387]

Title of issue	Rate of interest <sup>1</sup>	Outstanding July 1, 1941	Issued account of original subscription	Retired account of redemption	Issued and retired account of exchange, etc.	Transfers from interest-bearing debt	Outstanding June 30, 1942
MATURED DEBT ON WHICH INTEREST HAS CEASED							
I. Postal savings bonds, etc.:	Percent						
Oregon war debt.....	6	\$2,100.00					\$2,100.00
Compound interest notes (1864-66).....	6	156,220.00		\$10.00			156,210.00
Funded loan of 1907 (refunding).....	4	343,400.00					343,400.00
Refunding certificates (1879).....	4	8,250.00					8,250.00
1-year notes of 1863.....	5	29,960.00		20.00			29,940.00
Consols of 1867.....	6	83,650.00					83,650.00
Funded loan of 1891 (refunding).....	4½	18,700.00					18,700.00
Loan of 1908-18.....	3	124,820.00		22,600.00			102,220.00
Loan of 1925.....	4	18,200.00		2,050.00			16,150.00
Postal savings bonds.....	2½	35,260.00		4,160.00		\$4,120.00	35,220.00
Consols of 1930.....	2	2,260,500.00		81,200.00			2,179,300.00
Panama Canal loan of 1916-36.....	2	65,200.00		65,060.00			140.00
Panama Canal loan of 1918-38.....	2	10,040.00		10,000.00			40.00
All other issues (2).....	Various	618,060.26					618,060.26
Total postal savings bonds, etc.....		3,774,360.26		185,100.00		4,120.00	3,593,380.26
II. Liberty loan bonds:							
First Liberty loan:							
First 3½'s.....	3½	6,428,500.00		1,007,900.00	\$1,000.00		5,420,600.00
First 4's.....	4	147,250.00		12,600.00	4,050.00		134,650.00
First 4½'s.....	4½	2,239,700.00		560,700.00	650.00		1,679,000.00
First-second 4½'s.....	4½	6,800.00		1,400.00			5,400.00
Total.....		8,822,250.00		1,582,600.00	5,700.00		7,239,650.00
Second Liberty loan:							
Second 4's.....	4	463,000.00		16,050.00	14,000.00		446,950.00
Second 4½'s.....	4½	652,550.00		33,250.00	6,000.00		619,300.00
Total.....		1,115,550.00		49,300.00	20,000.00		1,066,250.00
Third Liberty loan.....	4½	1,799,900.00		101,950.00	23,150.00		1,697,950.00
Fourth Liberty loan.....	4½	12,067,300.00		1,956,500.00	44,350.00		10,110,800.00
Total Liberty loan bonds.....		23,805,000.00		3,690,350.00	98,200.00		20,114,650.00

III. Treasury bonds:						
3½'s bonds of 1940-43.....	3½	6,457,950.00		3,757,800.00		2,700,150.00
3½'s bonds of 1941-43.....	3½	19,051,050.00		16,062,950.00		2,988,100.00
3¼'s bonds of 1941.....	3¼				1,857,150.00	1,857,150.00
Total Treasury bonds.....		25,509,000.00		19,820,750.00	1,857,150.00	7,545,400.00
IV. Victory notes:						
Victory 3½'s.....	3½	800.00				800.00
Victory 4½'s.....	4½	561,150.00		28,650.00		532,500.00
Total Victory notes.....		561,950.00		28,650.00		533,300.00
V. Treasury notes, series:						
A-1924.....	5½	16,200.00				16,200.00
A-1925.....	4½	5,000.00				5,000.00
B-1925.....	4½	28,400.00		1,000.00		27,400.00
C-1925.....	4½	12,500.00		2,000.00		10,500.00
A-1926.....	4½	2,800.00				2,800.00
B-1926.....	4½	7,300.00				7,300.00
A-1927.....	4½	14,600.00		500.00		14,100.00
B-1927.....	4½	15,600.00		400.00		15,200.00
A-1930-32.....	3½	114,900.00		6,100.00		108,800.00
B-1930-32.....	3½	69,350.00		3,050.00		66,300.00
C-1930-32.....	3½	53,550.00		2,450.00		51,100.00
1932.....	3¼	79,600.00		25,400.00		54,200.00
A-1934.....	3	65,500.00		15,000.00		50,500.00
B-1934.....	2½	57,000.00		2,000.00		55,000.00
A-1935.....	3	88,000.00		8,000.00		80,000.00
B-1935.....	1½	11,209,200.00				11,209,200.00
C-1935.....	2½	71,000.00		10,000.00		61,000.00
D-1935.....	2½	158,900.00		900.00		158,000.00
A-1936.....	3¼	187,700.00		28,600.00		159,100.00
B-1936.....	2¾	72,600.00		17,300.00		55,300.00
C-1936.....	2½	166,200.00		15,000.00		151,200.00
D-1936.....	1½	1,500.00		700.00		800.00
E-1936.....	1½	17,400.00				17,400.00
A-1937.....	3¼	344,400.00		47,800.00		296,600.00
B-1937.....	3	223,500.00		134,000.00		89,500.00
C-1937.....	3	66,400.00		13,100.00		53,300.00
A-1938.....	2½	116,400.00		47,400.00		69,000.00
B-1938.....	2½	448,000.00		264,500.00		183,500.00
C-1938.....	3	299,500.00		44,000.00		255,500.00
D-1938.....	2½	296,200.00		108,300.00		187,900.00
E-1938.....	1½	81,000.00		70,000.00		11,000.00
A-1939.....	2½	1,185,100.00		776,400.00		408,700.00
B-1939.....	1½	265,400.00		176,000.00		89,400.00
C-1939.....	1½	730,500.00		365,600.00		364,900.00
D-1939.....	1½	151,000.00		108,500.00		42,500.00
A-1940.....	1½	11,901,300.00		9,573,250.00		2,328,050.00
B-1940.....	1½	1,292,200.00		491,300.00		800,900.00

Footnotes at end of table.

TABLE 32.—Transactions in noninterest-bearing securities, by issues, fiscal year 1942—Continued

Title of issue	Rate of interest <sup>1</sup>	Outstanding July 1, 1941	Issued account of original subscription	Retired account of redemption	Issued and retired account of exchange, etc.	Transfers from interest-bearing debt	Outstanding June 30, 1942
MATURED DEBT ON WHICH INTEREST HAS CEASED—Con.							
V. Treasury notes, series—Continued.	Percent						
C-1940	1½	\$1,640,900.00		\$1,258,400.00			\$382,500.00
A-1941	1½	2,876,600.00		1,641,600.00			1,235,000.00
B-1941	1½	7,720,700.00		2,828,800.00			4,891,900.00
C-1941	1½					1,610,800.00	1,610,800.00
A-1942	1½					2,959,500.00	2,959,500.00
Total Treasury notes		42,153,900.00		18,087,350.00		4,570,300.00	28,636,850.00
VI. Certificates of indebtedness:							
Tax issues, series:							
TJ-1921	6	1,500.00					1,500.00
TD-1921	6	2,000.00					2,000.00
TS-1921	6	1,500.00					1,500.00
TD-1922	4½	1,000.00					1,000.00
TM-1922	5½	1,000.00					1,000.00
TM-1924	4½	1,000.00					1,000.00
TJ-1929	4½	1,700.00					1,700.00
TS-1929	4½	11,500.00					11,500.00
TD-1929	4½	57,000.00		4,000.00			53,000.00
TD-2-1929	4½	2,500.00					2,500.00
TM-1930	5½	68,500.00					68,500.00
TJ-1930	4½	11,500.00					11,500.00
TS-1930	3½	2,000.00					2,000.00
TD-1930	3½	6,000.00		2,000.00			4,000.00
TS-1931	2½	5,500.00		5,500.00			
TS-2-1931	1½	5,000.00		5,000.00			
TD-2-1931	1½	1,000.00		1,000.00			
TM-1932	2	2,000.00		1,000.00			1,000.00
TJ-1932	2½	416,000.00		10,000.00			406,000.00
TS-1932	1½	3,500.00					3,500.00
TS-2-1932	3	150,000.00		15,000.00			135,000.00
TO-1932	3½	22,000.00					22,000.00
TM-1933	3½	129,000.00		20,000.00			109,000.00
TJ-1933	1½	509,000.00		259,000.00			250,000.00
First-maturing Mar. 15, 1933	2	43,550.00		4,550.00			39,000.00
TS-1933	1½	271,000.00		230,000.00			41,000.00
TD-1933	4	519,000.00					519,000.00
TAG-1933	4	65,500.00					65,500.00
TD-2-1933	4½	472,500.00		44,000.00			428,500.00
TM-1934	¾	21,000.00		352,500.00			333,500.00

TI-1934.....	1 1/4	359,000.00				359,000.00
TD-1934.....	2 1/4	16,000.00		5,500.00		10,500.00
All other issues 4	Various.	9,000.00				9,000.00
Loan issues, series:						
B-1922.....	5 1/2	1,000.00		1,000.00		
A-1932.....	3 1/8	20,000.00				20,000.00
A-1933.....	3 3/4	4,500.00		1,000.00		3,500.00
B-1933.....	2	10,000.00				10,000.00
All other issues 4	Various	3,000.00				3,000.00
Total certificates of indebtedness.....		3,226,750.00		961,050.00		2,265,700.00
VII. Treasury bills, series matured: 1						
Apr. 27, 1932.....	2.483	1,000.00		1,000.00		
May 18, 1932.....	2.761	21,000.00				21,000.00
Aug. 17, 1932.....	.425	10,000.00		10,000.00		
May 17, 1933.....	.228	16,000.00				16,000.00
Aug. 9, 1933.....	.481	7,000.00		5,000.00		2,000.00
Sept. 5, 1934.....	.434	4,000.00				4,000.00
May 22, 1935.....	.208	30,000.00		30,000.00		
June 5, 1935.....	.219	12,000.00				12,000.00
Aug. 28, 1935.....	.108	30,000.00				30,000.00
Sept. 18, 1935.....	.094	25,000.00				25,000.00
Dec. 31, 1935.....	.157	10,000.00				10,000.00
June 3, 1936.....	.151	19,000.00				19,000.00
June 10, 1936.....	.176	8,000.00				8,000.00
July 22, 1936.....	.177	10,000.00		10,000.00		
Dec. 23, 1936.....	.118	40,000.00		40,000.00		
Jan. 27, 1937.....	.089	40,000.00		40,000.00		
May 12, 1937.....	.213	15,000.00				15,000.00
June 9, 1937.....	.130	11,000.00				11,000.00
Sept. 15, 1937.....	.117	45,000.00		10,000.00		35,000.00
Sept. 16, 1937.....	.545	1,000.00		1,000.00		
Sept. 16, 1937.....	.543	644,000.00		644,000.00		
Sept. 17, 1937.....	.507	5,000.00		5,000.00		
Oct. 6, 1937.....	.316	100,000.00		100,000.00		
Oct. 13, 1937.....	.333	50,000.00		50,000.00		
Nov. 24, 1937.....	.386	68,000.00		23,000.00		45,000.00
Dec. 16, 1937.....	.419	50,000.00				50,000.00
Jan. 12, 1938.....	.667	85,000.00		85,000.00		
Jan. 26, 1938.....	.715	170,000.00		170,000.00		
Feb. 23, 1938.....	.617	20,000.00				20,000.00
Mar. 9, 1938.....	.545	30,000.00		10,000.00		20,000.00
Mar. 18, 1938.....	.117	25,000.00		25,000.00		
Mar. 19, 1938.....	.129	20,000.00		10,000.00		10,000.00
Mar. 19, 1938.....	.124	5,000.00		5,000.00		
Mar. 30, 1938.....	.619	15,000.00				15,000.00
Apr. 13, 1938.....	.514	50,000.00		50,000.00		
Apr. 27, 1938.....	.103	222,000.00				222,000.00
May 11, 1938.....	.478	40,000.00		40,000.00		
June 1, 1938.....	.086	80,000.00		30,000.00		50,000.00

Footnotes at end of table.

TABLE 32.—Transactions in noninterest-bearing securities, by issues, fiscal year 1942—Continued

Title of issue	Rate of interest <sup>1</sup>	Outstanding July 1, 1941	Issued account of original subscription	Retired account of redemption	Issued and retired account of exchange, etc.	Transfers from interest-bearing debt	Outstanding June 30, 1942
MATURED DEBT ON WHICH INTEREST HAS CEASED—Con.							
VII. Treasury bills, series matured 1—Continued.							
June 8, 1938.....	0.711	\$51,000.00		\$11,000.00			\$40,000.00
June 8, 1938.....	.073	141,000.00		140,000.00			1,000.00
June 16, 1938.....	.059	21,000.00		10,000.00			11,000.00
June 29, 1938.....	.384	50,000.00					50,000.00
July 6, 1938.....	.139	1,000,000.00		1,000,000.00			
Aug. 3, 1938.....	.033	100,000.00		100,000.00			
Aug. 24, 1938.....	.025	18,000.00					18,000.00
Sept. 14, 1938.....	.027	200,000.00		200,000.00			
Sept. 28, 1938.....	.011	86,000.00		65,000.00			21,000.00
Nov. 9, 1938.....	.044	20,000.00		20,000.00			
Nov. 16, 1938.....	.047	100,000.00		100,000.00			
Nov. 23, 1938.....	.048	100,000.00		100,000.00			
Nov. 30, 1938.....	.047	73,000.00		73,000.00			
Dec. 7, 1938.....	.049	50,000.00		49,000.00			1,000.00
Dec. 14, 1938.....	.103	250,000.00		250,000.00			
Dec. 21, 1938.....	.106	50,000.00		50,000.00			
Dec. 28, 1938.....	.142	350,000.00					350,000.00
Jan. 18, 1939.....	.018	427,000.00		427,000.00			
Feb. 8, 1939.....	.022	82,000.00		77,000.00			5,000.00
Feb. 15, 1939.....	.027	20,000.00		20,000.00			
Feb. 23, 1939.....	.026	500,000.00		500,000.00			
Mar. 8, 1939.....	.017	170,000.00		170,000.00			
Mar. 15, 1939.....	.013	635,000.00		617,000.00			18,000.00
Mar. 22, 1939.....	.006	40,000.00		10,000.00			30,000.00
Mar. 29, 1939.....	.000	56,000.00		56,000.00			
Apr. 12, 1939.....	.000	5,000.00					5,000.00
Apr. 19, 1939.....	.001	30,000.00		30,000.00			
Apr. 26, 1939.....	.007	100,000.00		100,000.00			
May 10, 1939.....	.004	60,000.00		60,000.00			
May 17, 1939.....	.005	10,000.00		10,000.00			
May 31, 1939.....	.004	400,000.00		100,000.00			300,000.00
June 7, 1939.....	.0003	7,000.00		7,000.00			
June 14, 1939.....	.002	403,000.00		352,000.00			51,000.00
June 21, 1939.....	.003	28,000.00		28,000.00			
June 28, 1939.....	.003	255,000.00					255,000.00
July 12, 1939.....	.025	91,000.00		40,000.00			51,000.00
July 19, 1939.....	.023	38,000.00		10,000.00			28,000.00
Aug. 2, 1939.....	.012	25,000.00		25,000.00			
Aug. 23, 1939.....	.005	555,000.00		355,000.00			200,000.00
Aug. 30, 1939.....	.004	10,000.00					10,000.00
Sept. 13, 1939.....	.004	30,000.00		30,000.00			



Sept. 20, 1939	.003	280,000.00	100,000.00	180,000.00
Oct. 18, 1939	.015	247,000.00	125,000.00	122,000.00
Dec. 6, 1939	.108	25,000.00	25,000.00	
Dec. 13, 1939	.159	23,000.00	12,000.00	16,000.00
Dec. 20, 1939	.125	210,000.00	200,000.00	10,000.00
Jan. 3, 1940	.036	54,000.00	54,000.00	
Jan. 17, 1940	.033	90,000.00	80,000.00	10,000.00
Jan. 24, 1940	.027	21,000.00	20,000.00	1,000.00
Jan. 31, 1940	.028	260,000.00	260,000.00	
Feb. 14, 1940	.020	449,000.00	430,000.00	19,000.00
Feb. 21, 1940	.018	572,000.00	572,000.00	
Feb. 28, 1940	.015	761,000.00	761,000.00	
Mar. 6, 1940	.016	187,000.00	177,000.00	10,000.00
Mar. 13, 1940	.019	55,000.00	55,000.00	
Mar. 20, 1940	.018	264,000.00	175,000.00	89,000.00
Mar. 27, 1940	.007	10,000.00		10,000.00
Apr. 3, 1940		125,000.00	125,000.00	
Apr. 10, 1940		4,000.00		4,000.00
Apr. 17, 1940		913,000.00	370,000.00	543,000.00
Apr. 24, 1940	.001	421,000.00	408,000.00	13,000.00
May 1, 1940	.004	360,000.00	360,000.00	
May 8, 1940	.001	398,000.00	262,000.00	136,000.00
May 15, 1940	.005	210,000.00	150,000.00	60,000.00
May 22, 1940	.006	935,000.00	893,000.00	42,000.00
May 29, 1940	.005	300,000.00	300,000.00	
June 5, 1940		346,000.00	125,000.00	221,000.00
June 12, 1940		34,000.00	34,000.00	
June 19, 1940		47,000.00	37,000.00	10,000.00
June 26, 1940		161,000.00	148,000.00	13,000.00
July 3, 1940	.000	628,000.00	627,000.00	1,000.00
July 10, 1940	.000	3,310,000.00	3,299,000.00	11,000.00
July 24, 1940	.004	3,060,000.00	3,050,000.00	10,000.00
July 31, 1940	.007	1,055,000.00	1,055,000.00	
Aug. 7, 1940	.008	4,138,000.00	4,138,000.00	
Aug. 14, 1940	.016	472,000.00	472,000.00	
Aug. 21, 1940	.032	871,000.00	840,000.00	31,000.00
Aug. 28, 1940	.067	855,000.00	855,000.00	
Sept. 4, 1940	.089	889,000.00	834,000.00	55,000.00
Sept. 11, 1940	.118	1,252,000.00	1,185,000.00	67,000.00
Sept. 18, 1940	.095	177,000.00	177,000.00	
Sept. 25, 1940	.046	213,000.00	210,000.00	3,000.00
Oct. 9, 1940	.017	165,000.00	165,000.00	
Oct. 16, 1940	.008	1,580,000.00	1,580,000.00	
Oct. 23, 1940	.006	360,000.00	340,000.00	20,000.00
Oct. 30, 1940	.004	164,000.00	150,000.00	14,000.00
Nov. 6, 1940	.004	100,000.00	100,000.00	
Nov. 13, 1940	.007	35,000.00	10,000.00	25,000.00
Nov. 20, 1940	.021	1,686,000.00	1,666,000.00	20,000.00
Nov. 27, 1940	.028	750,000.00	750,000.00	
Dec. 4, 1940	.036	1,890,000.00	1,700,000.00	190,000.00
Dec. 11, 1940	.038	153,000.00	100,000.00	53,000.00

Footnotes at end of table.

TABLE 32.—Transactions in noninterest-bearing securities, by issues, fiscal year 1942—Continued

Title of issue	Rate of interest <sup>1</sup>	Outstanding July 1, 1941	Issued account of original subscription	Retired account of redemption	Issued and retired account of exchange, etc.	Transfers from interest-bearing debt	Outstanding June 30, 1942
MATURED DEBT ON WHICH INTEREST HAS CEASED—Con.							
VII. Treasury bills, series matured <sup>1</sup> —Continued.	Various						
Dec. 18, 1940.....	0.032	\$2,000.00		\$2,000.00			
Jan. 2, 1941.....	.000	701,000.00		646,000.00			\$55,000.00
Jan. 8, 1941.....	Negative	986,000.00		861,000.00			125,000.00
Jan. 15, 1941.....	Negative	757,000.00		623,000.00			134,000.00
Jan. 22, 1941.....	Negative	415,000.00		300,000.00			115,000.00
Jan. 29, 1941.....	Negative	404,000.00		286,000.00			118,000.00
Feb. 5, 1941.....	.002	4,088,000.00		3,805,000.00			283,000.00
Feb. 13, 1941.....	.003	289,000.00		287,000.00			2,000.00
Feb. 19, 1941.....	.003	7,412,000.00		7,261,000.00			151,000.00
Feb. 26, 1941.....	.004	922,000.00		819,000.00			103,000.00
Mar. 5, 1941.....	.002	692,000.00		692,000.00			
Mar. 12, 1941.....	.001	1,333,000.00		1,233,000.00			100,000.00
Mar. 19, 1941.....	Negative	4,743,000.00		4,723,000.00			20,000.00
Mar. 26, 1941.....	Negative	930,000.00		870,000.00			60,000.00
Apr. 2, 1941.....	Negative	40,000.00		40,000.00			
Apr. 9, 1941.....	Negative	220,000.00		220,000.00			
Apr. 16, 1941.....	Negative	1,129,000.00		1,129,000.00			
Apr. 23, 1941.....	Negative	261,000.00		261,000.00			
Apr. 30, 1941.....	Negative	353,000.00		353,000.00			
May 7, 1941.....	Negative	758,000.00		741,000.00			17,000.00
May 14, 1941.....	.000	2,585,000.00		2,520,000.00			45,000.00
May 21, 1941.....	.007	6,870,000.00		6,790,000.00			80,000.00
May 28, 1941.....	.043	8,462,000.00		8,317,000.00			145,000.00
June 4, 1941.....	.056	6,939,000.00		6,507,000.00			432,000.00
June 11, 1941.....	.120	3,955,000.00		3,924,000.00			31,000.00
June 18, 1941.....	.117	6,969,000.00		6,921,000.00			48,000.00
June 25, 1941.....	.065	3,356,000.00		3,353,000.00			3,000.00
Various issues from July 2, 1941, to June 19, 1942, matured during fiscal year <sup>2</sup> .....	Various					\$29,258,000.00	29,258,000.00
Total Treasury bills.....		105,792,000.00		99,631,000.00		29,258,000.00	35,419,000.00

## VIII. Treasury (war) savings securities:

Treasury savings certificates:						
Issued Dec. 15, 1921.....	28,875.00		2,850.00			26,025.00
Issued Sept. 30, 1922.....	99,900.00		7,675.00			92,225.00
Issued Dec. 1, 1923.....	44,075.00		5,325.00			38,750.00
Total Treasury savings certificates.....	172,850.00		15,850.00			157,000.00
IX. Total matured debt on which interest has ceased.....	204,995,810.26		142,420,100.00	\$98,200.00	35,689,570.00	98,265,280.26
DEBT BEARING NO INTEREST						
I. United States notes (less gold reserve).....	190,641,585.07					190,641,585.07
II. Old demand notes.....	53,012.50					53,012.50
III. National and Federal Reserve Bank notes.....	172,612,804.50		13,299,798.00			159,313,006.50
IV. Fractional currency.....	1,970,950.66		995.83			1,969,954.83
V. Thrift and Treasury savings stamps (unclassified sales, etc.).....	3,765,758.25		16,046.00			3,749,712.25
Total debt bearing no interest.....	369,044,110.98		13,316,839.83			355,727,271.15

<sup>1</sup> Treasury bills are sold on a discount basis on competitive bidding. The average sale price of these series gives approximate yield on a bank discount basis.

<sup>2</sup> Interest compounded.

<sup>3</sup> Represents issues in which there were no transactions during the fiscal years 1930 to 1942; for amount of each issue outstanding (unchanged since June 30, 1929), see annual report for 1929, p. 478.

<sup>4</sup> Represents issues in which there were no transactions during the fiscal years 1933 to 1942; for amount of each issue outstanding (unchanged since June 30, 1932), see annual report for 1932, p. 418.

<sup>5</sup> For detail see p. 527.

TABLE 33.—Issues, maturities, and redemptions of interest-bearing securities, exclusive of trust account and other special issues, July 1941 through June 1942 <sup>1</sup>

Date	Issue	Rate of interest <sup>2</sup>	Amount issued <sup>3</sup>	Amount matured (or redeemed) <sup>4</sup>
1941		Percent		
July 1	Postal savings bonds, Series 21.....	2½		\$55,780.00
2	Treasury bills, issued Apr. 2, 1941.....	.055		100,571,000.00
2	Treasury bills, maturing Oct. 1, 1941.....	.086	\$100,880,000.00	
9	Treasury bills, issued Apr. 9, 1941.....	.079		100,091,000.00
9	Treasury bills, maturing Oct. 8, 1941.....	.097	100,048,000.00	
16	Treasury bills, issued Apr. 16, 1941.....	.093		100,439,000.00
16	Treasury bills, maturing Oct. 15, 1941.....	.097	100,337,000.00	
23	Treasury bills, issued Apr. 23, 1941.....	.097		100,101,000.00
23	Treasury bills, maturing Oct. 22, 1941.....	.098	100,127,000.00	
30	Treasury bills, issued Apr. 30, 1941.....	.097		100,069,000.00
30	Treasury bills, maturing Oct. 29, 1941.....	.094	100,015,000.00	
31	United States savings bonds, Series A-1935.....	2.90	210,211.25	461,319.50
31	United States savings bonds, Series B-1936.....	2.90	832,834.00	1,009,132.00
31	United States savings bonds, Series C-1937.....	2.90	1,484,845.00	1,318,174.50
31	United States savings bonds, Series C-1938.....	2.90	1,616,134.00	1,692,015.75
31	United States savings bonds, Series D-1939.....	2.90	2,753,039.50	3,142,686.00
31	United States savings bonds, Series D-1940.....	2.90	4,434,733.75	8,264,164.25
31	United States savings bonds, Series D-1941.....	2.90	48,702,781.25	1,468,743.75
31	United States savings bonds, Series E-1941.....	2.90	95,716,525.00	498,562.50
31	United States savings bonds, Series F-1941.....	2.53	27,358,682.00	52,910.00
31	United States savings bonds, Series G-1941.....	2.50	169,498,500.00	106,200.00
31	United States savings bonds, unclassified sales.....	2.90	902,296.34	
31	Depository bonds.....	2	40,214,000.00	
31	Adjusted service bonds.....	3	124,100.00	1,825,750.00
31	Miscellaneous.....			500.00
	Total, July.....		895,255,682.09	521,166,938.25
Aug. 1	Treasury bonds of 1941.....	3¼		46,532,350.00
6	Treasury bills, issued May 7, 1941.....	.096		100,031,000.00
6	Treasury bills, maturing Nov. 5, 1941.....	.106	100,232,000.00	
13	Treasury bills, issued May 14, 1941.....	.069		100,004,000.00
13	Treasury bills, maturing Nov. 12, 1941.....	.114	100,118,000.00	
20	Treasury bills, issued May 21, 1941.....	.070		100,519,000.00
20	Treasury bills, maturing Nov. 19, 1941.....	.116	100,227,000.00	
27	Treasury bills, issued May 28, 1941.....	.069		100,257,000.00
27	Treasury bills, maturing Nov. 26, 1941.....	.114	100,799,000.00	
31	United States savings bonds, Series A-1935.....	2.90	116,867.75	397,988.50
31	United States savings bonds, Series B-1936.....	2.90	481,950.50	851,805.00
31	United States savings bonds, Series C-1937.....	2.90	797,844.25	1,228,183.50
31	United States savings bonds, Series C-1938.....	2.90	898,062.75	1,568,888.00
31	United States savings bonds, Series D-1939.....	2.90	1,462,986.25	2,824,930.50
31	United States savings bonds, Series D-1940.....	2.90	1,825,908.00	3,580,544.00
31	United States savings bonds, Series D-1941.....	2.90	71,868.75	1,402,818.75
31	United States savings bonds, Series E-1941.....	2.90	128,026,087.50	986,793.75
31	United States savings bonds, Series F-1941.....	2.53	20,317,816.00	
31	United States savings bonds, Series G-1941.....	2.50	127,684,900.00	96,200.00
31	United States savings bonds, unclassified sales.....	2.90	<sup>5</sup> 10,406,725.30	
31	Depository bonds.....	2	11,435,550.00	
31	Adjusted service bonds.....	3	144,650.00	1,567,700.00
31	Treasury notes, Tax Series A-1943.....	1.92	18,225,725.00	5,300.00
31	Treasury notes, Tax Series B-1943.....	.48	1,018,898,800.00	
	Total, August.....		1,721,358,291.45	461,854,502.00
Sept. 3	Treasury bills, issued June 4, 1941.....	.107		200,139,000.00
3	Treasury bills, maturing Dec. 3, 1941.....	.090	100,369,000.00	
10	Treasury bills, issued June 11, 1941.....	.100		200,299,000.00
10	Treasury bills, maturing Dec. 10, 1941.....	.071	100,957,000.00	
17	Treasury bills, issued June 18, 1941.....	.103		200,608,000.00
17	Treasury bills, maturing Dec. 17, 1941.....	.050	100,043,000.00	
24	Treasury bills, issued June 25, 1941.....	.066		100,068,000.00
24	Treasury bills, maturing Dec. 24, 1941.....	.037	100,742,000.00	
30	United States savings bonds, Series A-1935.....	2.90	474,172.00	442,546.50
30	United States savings bonds, Series B-1936.....	2.90	517,059.50	968,854.50
30	United States savings bonds, Series C-1937.....	2.90	703,311.50	1,467,541.75
30	United States savings bonds, Series C-1938.....	2.90	851,334.00	1,749,091.75
30	United States savings bonds, Series D-1939.....	2.90	1,243,065.75	2,694,783.50
30	United States savings bonds, Series D-1940.....	2.90	2,244,003.25	3,857,592.50
30	United States savings bonds, Series D-1941.....	2.90	53,437.50	1,433,700.00
30	United States savings bonds, Series E-1941.....	2.90	107,458,068.75	1,678,050.00
30	United States savings bonds, Series F-1941.....	2.53	18,099,364.00	20,498.00
30	United States savings bonds, Series G-1941.....	2.50	108,987,300.00	67,800.00
30	United States savings bonds, unclassified sales.....	2.90	<sup>5</sup> 2,241,633.67	
30	Depository bonds.....	2	2,145,450.00	
30	Adjusted service bonds.....	3	122,200.00	1,438,400.00
30	Treasury notes, Tax Series A-1943.....	1.92	7,803,700.00	14,600.00
30	Treasury notes, Tax Series B-1943.....	.48	298,123,300.00	78,700.00

Footnotes at end of table.

TABLE 33.—Issues, maturities, and redemptions of interest-bearing securities, exclusive of trust account and other special issues, July 1941 through June 1942<sup>1</sup>—Continued

Date	Issue	Rate of interest <sup>2</sup>	Amount issued <sup>3</sup>	Amount matured (or redeemed) <sup>4</sup>
		Percent		
	Miscellaneous.....			\$1,500.00
	Total, September.....		\$948,695,132.58	717,027,658.50
1941				
Oct. 1	Treasury bills, issued July 2, 1941.....	0.086		100,880,000.00
1	Treasury bills, maturing Dec. 31, 1941.....	.062	100,045,000.00	
8	Treasury bills, issued July 9, 1941.....	.097		100,048,000.00
8	Treasury bills, maturing Jan. 7, 1942.....	.002	100,433,000.00	
15	Treasury bills, issued July 16, 1941.....	.097		100,337,000.00
15	Treasury bills, maturing Jan. 14, 1942.....	.001	100,207,000.00	
20	Treasury notes, Series C-1941, redeemed in exchange for Treasury bonds of 1967-72.....	1 1/4		188,971,200.00
20	Treasury bonds of 1967-72.....	2 1/2	1,596,474,400.00	
22	Treasury bills, issued July 23, 1941.....	.098		100,127,000.00
22	Treasury bills, maturing Jan. 21, 1942.....	.024	150,185,000.00	
29	Treasury bills, issued July 30, 1941.....	.094		100,015,000.00
29	Treasury bills, maturing Jan. 28, 1942.....	.067	150,010,000.00	
31	United States savings bonds, Series A-1935.....	2.90	426,651.00	481,398.25
31	United States savings bonds, Series B-1936.....	2.90	521,133.25	821,006.50
31	United States savings bonds, Series C-1937.....	2.90	615,461.75	1,112,107.75
31	United States savings bonds, Series C-1938.....	2.90	862,324.50	1,502,092.00
31	United States savings bonds, Series D-1939.....	2.90	1,210,137.00	2,592,665.00
31	United States savings bonds, Series D-1940.....	2.90	1,509,926.50	3,525,379.50
31	United States savings bonds, Series D-1941.....	2.90	17,512.50	1,296,112.50
31	United States savings bonds, Series E-1941.....	2.90	132,649,312.50	2,283,018.75
31	United States savings bonds, Series F-1941.....	2.53	22,963,162.00	
31	United States savings bonds, Series G-1941.....	2.50	124,865,600.00	95,106.00
31	United States savings bonds, unclassified sales.....	2.90	\$ 9,764,987.21	
31	Depository bonds.....	2	7,056,000.00	
31	Adjusted service bonds.....	3	124,050.00	1,213,700.00
31	Treasury notes, Tax Series A-1943.....	1.92	6,512,625.00	13,275.00
31	Treasury notes, Tax Series B-1943.....	.48	468,170,000.00	14,100.00
	Miscellaneous.....			1,500.00
	Total, October.....		2,955,093,298.79	705,329,655.25
Nov. 1	Treasury notes, Series A-1946.....	.1	502,866,000.00	
5	Treasury bills, issued Aug. 6, 1941.....	.106		100,232,000.00
5	Treasury bills, maturing Feb. 4, 1942.....	.151	150,098,000.00	
12	Treasury bills, issued Aug. 13, 1941.....	.114		100,118,000.00
12	Treasury bills, maturing Feb. 11, 1942.....	.200	150,018,000.00	
19	Treasury bills, issued Aug. 20, 1941.....	.116		100,227,000.00
19	Treasury bills, maturing Feb. 18, 1942.....	.258	200,167,000.00	
26	Treasury bills, issued Aug. 27, 1941.....	.114		100,799,000.00
26	Treasury bills, maturing Feb. 25, 1942.....	.267	200,026,000.00	
30	United States savings bonds, Series A-1935.....	2.90	353,827.00	391,818.50
30	United States savings bonds, Series B-1936.....	2.90	476,396.50	787,258.25
30	United States savings bonds, Series C-1937.....	2.90	552,038.00	995,558.25
30	United States savings bonds, Series C-1938.....	2.90	769,478.75	1,325,714.50
30	United States savings bonds, Series D-1939.....	2.90	1,435,406.25	2,155,320.25
30	United States savings bonds, Series D-1940.....	2.90	1,308,728.75	2,977,185.25
30	United States savings bonds, Series D-1941.....	2.90	85,537.50	1,001,962.50
30	United States savings bonds, Series E-1941.....	2.90	111,322,368.75	2,549,887.50
30	United States savings bonds, Series F-1941.....	2.53	18,977,596.00	106,634.00
30	United States savings bonds, Series G-1941.....	2.50	105,034,700.00	466,300.00
30	United States savings bonds, unclassified sales.....	2.90	\$ 1,847,541.10	
30	Depository bonds.....	2	1,320,000.00	
30	Adjusted service bonds.....	3	77,450.00	927,500.00
30	Treasury notes, Tax Series A-1943.....	1.92	4,221,875.00	15,825.00
30	Treasury notes, Tax Series B-1943.....	.48	315,554,600.00	1,003,800.00
	Miscellaneous.....			500.00
	Total, November.....		1,762,817,461.40	416,081,264.00
Dec. 3	Treasury bills, issued Sept. 3, 1941.....	0.090		100,369,000.00
3	Treasury bills, maturing Mar. 4, 1942.....	.242	200,156,000.00	
10	Treasury bills, issued Sept. 10, 1941.....	.071		100,957,000.00
10	Treasury bills, maturing Mar. 11, 1942.....	.293	149,987,000.00	
15	Treasury notes, Series C-1941.....	1 1/4		15,454,200.00
15	Treasury bonds of 1951-55.....	2	532,687,950.00	
15	Treasury bonds of 1967-72 (additional issue).....	2 1/4	1,119,570,750.00	
17	Treasury bills, issued Sept. 17, 1941.....	.050		100,043,000.00
17	Treasury bills, maturing Mar. 18, 1942.....	.295	150,040,000.00	
24	Treasury bills, issued Sept. 24, 1941.....	.037		100,742,000.00
24	Treasury bills, maturing Mar. 16, 1942.....	.295	150,174,000.00	
31	Treasury bills, issued Oct. 1, 1941.....	.062		100,045,000.00
31	Treasury bills, maturing Mar. 17, 1942.....	.310	150,004,000.00	

Footnotes at end of table.

TABLE 33.—*Issues, maturities, and redemptions of interest-bearing securities, exclusive of trust account and other special issues, July 1941 through June 1942*—Continued

Date	Issue	Rate of interest <sup>2</sup>	Amount issued <sup>3</sup>	Amount matured (or redeemed) <sup>4</sup>
<b>1941</b>				
Dec. 31	United States savings bonds, Series A-1935.....	2.90	\$414,270.75	\$481,753.00
31	United States savings bonds, Series B-1936.....	2.90	893,001.25	875,407.00
31	United States savings bonds, Series C-1937.....	2.90	797,658.00	1,217,032.50
31	United States savings bonds, Series C-1938.....	2.90	1,122,642.75	1,709,971.25
31	United States savings bonds, Series D-1939.....	2.90	2,254,109.50	2,977,826.25
31	United States savings bonds, Series D-1940.....	2.90	1,931,500.50	3,796,511.75
31	United States savings bonds, Series D-1941.....	2.90	273,675.00	1,226,512.50
31	United States savings bonds, Series E-1941.....	2.90	276,859,181.25	3,080,212.50
31	United States savings bonds, Series F-1941.....	2.53	33,272,156.00	157,250.00
31	United States savings bonds, Series G-1941.....	2.50	154,242,000.00	742,500.00
31	United States savings bonds, unclassified sales.....	2.90	64,225,469.46	-----
31	Depository bonds.....	2	1,575,000.00	-----
31	Adjusted service bonds.....	3	107,200.00	1,249,150.00
31	Treasury notes, Tax Series A-1943.....	1.92	7,324,075.00	35,775.00
31	Treasury notes, Tax Series B-1943.....	.48	334,541,200.00	7,237,700.00
31	Miscellaneous.....	-----	-----	500.00
<b>Total, December.....</b>			<b>3,332,452,839.46</b>	<b>542,398,301.75</b>
<b>1942</b>				
Jan. 1	Postal savings bonds, Series 22.....	2½	-----	56,420.00
7	Treasury bills, issued Oct. 8, 1941.....	.00?	-----	100,433,000.00
7	Treasury bills, maturing Mar. 19, 1942.....	.304	150,230,000.00	-----
14	Treasury bills, issued Oct. 15, 1941.....	.001	-----	100,207,000.00
14	Treasury bills, maturing Apr. 15, 1942.....	.119	150,047,000.00	-----
15	Treasury notes, Series A-1942 redeemed in exchange for Treasury bonds of 1949-51.....	1¾	-----	406,387,700.00
15	Treasury bonds of 1949-51.....	2	1,014,018,900.00	-----
21	Treasury bills, issued Oct. 22, 1941.....	.024	-----	150,185,000.00
21	Treasury bills, maturing Apr. 22, 1942.....	.196	150,330,000.00	-----
28	Treasury bills, issued Oct. 29, 1941.....	.067	-----	150,010,000.00
28	Treasury bills, maturing Apr. 29, 1942.....	.231	150,174,000.00	-----
31	United States savings bonds, Series A-1935.....	2.90	206,875.50	401,499.50
31	United States savings bonds, Series B-1936.....	2.90	818,426.50	738,806.50
31	United States savings bonds, Series C-1937.....	2.90	1,460,174.00	1,067,904.25
31	United States savings bonds, Series C-1938.....	2.90	1,592,075.25	1,526,100.75
31	United States savings bonds, Series D-1939.....	2.90	2,712,625.25	2,628,713.25
31	United States savings bonds, Series D-1940.....	2.90	4,307,929.50	3,401,564.50
31	United States savings bonds, Series D-1941.....	2.90	2,384,849.50	1,297,428.75
31	United States savings bonds, Series E-1941.....	2.90	193,889,531.25	2,895,393.75
31	United States savings bonds, Series F-1941.....	2.53	22,231,673.50	289,488.00
31	United States savings bonds, Series G-1941.....	2.50	89,142,100.00	1,161,300.00
31	United States savings bonds, Series E-1942.....	2.90	354,810,806.25	150.00
31	United States savings bonds, Series F-1942.....	2.53	55,327,136.00	-----
31	United States savings bonds, Series G-1942.....	2.50	226,434,080.00	-----
31	United States savings bonds, unclassified sales.....	2.90	118,711,025.83	-----
31	Depository bonds.....	2	4,865,000.00	-----
31	Adjusted service bonds.....	3	127,150.00	1,059,850.00
31	Treasury notes, Tax Series A-1943.....	1.92	* 1,432,325.00	290,725.00
31	Treasury notes, Tax Series B-1943.....	.48	12,935,000.00	11,239,700.00
31	Treasury notes, Tax Series A-1944.....	1.92	6,124,950.00	2,950.00
31	Treasury notes, Tax Series B-1944.....	.48	220,122,900.00	-----
<b>Total, January.....</b>			<b>2,931,571,883.33</b>	<b>935,280,694.25</b>
<b>Feb.</b>				
4	Treasury bills, issued Nov. 5, 1941.....	0.151	-----	150,098,000.00
4	Treasury bills, maturing May 6, 1942.....	.220	150,094,000.00	-----
11	Treasury bills, issued Nov. 12, 1941.....	.200	-----	150,018,000.00
11	Treasury bills, maturing May 13, 1942.....	.250	150,049,000.00	-----
18	Treasury bills, issued Nov. 19, 1941.....	.258	-----	200,167,000.00
18	Treasury bills, maturing May 20, 1942.....	.263	150,012,000.00	-----
25	Treasury bills, issued Nov. 26, 1941.....	.267	-----	200,026,000.00
25	Treasury bills, maturing May 27, 1942.....	.266	150,446,000.00	-----
25	Treasury bonds of 1952-55.....	2¼	1,510,795,300.00	-----
28	United States savings bonds, Series A-1935.....	2.90	114,694.75	329,704.00
28	United States savings bonds, Series B-1936.....	2.90	472,398.75	696,433.75
28	United States savings bonds, Series C-1937.....	2.90	783,839.00	926,067.50
28	United States savings bonds, Series C-1938.....	2.90	877,900.50	1,323,779.50
28	United States savings bonds, Series D-1939.....	2.90	1,432,048.50	2,192,010.75
28	United States savings bonds, Series D-1940.....	2.90	1,778,458.00	2,747,449.50
28	United States savings bonds, Series D-1941.....	2.90	2,177,619.00	1,409,203.75
28	United States savings bonds, Series E-1941.....	2.90	42,458,850.00	4,533,562.50
28	United States savings bonds, Series F-1941.....	2.53	417,767.00	388,870.00
28	United States savings bonds, Series G-1941.....	2.50	2,446,300.00	1,150,800.00
28	United States savings bonds, Series E-1942.....	2.90	303,545,006.25	11,456.25
28	United States savings bonds, Series F-1942.....	2.53	51,402,675.50	8,658.00
28	United States savings bonds, Series G-1942.....	2.50	250,944,500.00	57,000.00
28	United States savings bonds, unclassified sales.....	2.90	51,985,133.91	-----

Footnotes at end of table.

TABLE 33.—Issues, maturities, and redemptions of interest-bearing securities, exclusive of trust account and other special issues, July 1941 through June 1942<sup>1</sup>—Continued

Date	Issue	Rate of interest <sup>2</sup>	Amount issued <sup>3</sup>	Amount matured (or redeemed) <sup>4</sup>
1942		Percent		
Feb. 28	Depository bonds.....	2	\$3,825,000.00	
28	Adjusted service bonds.....	3	103,700.00	\$734,350.00
28	Treasury notes, Tax Series A-1943.....	1.92		1,003,200.00
28	Treasury notes, Tax Series B-1943.....	.48		15,154,100.00
28	Treasury notes, Tax Series A-1944.....	1.92	3,226,875.00	34,375.00
28	Treasury notes, Tax Series B-1944.....	.48	122,892,600.00	
	Miscellaneous.....			29,830,500.00
	Total, February.....		2,952,281,667.16	762,840,310.50
Mar. 4	Treasury bills, issued Dec. 3, 1941.....	0.242		200,156,000.00
4	Treasury bills, maturing June 3, 1942.....	.222	150,477,000.00	
10	Treasury bills, issued Dec. 10, 1941.....	.293		149,987,000.00
11	Treasury bills, maturing June 10, 1942.....	.229	150,194,000.00	
15	Treasury notes, Series A-1942.....	134		19,961,800.00
16	Treasury bills, issued Dec. 24, 1941.....	.295		150,174,000.00
17	Treasury bills, issued Dec. 31, 1941.....	.310		150,004,000.00
18	Treasury bills, issued Dec. 17, 1941.....	.295		150,040,000.00
18	Treasury bills, maturing June 17, 1942.....	.195	150,273,000.00	
19	Treasury bills, issued Jan. 7, 1942.....	.304		150,230,000.00
25	Treasury bills, maturing June 16, 1942.....	.303	150,263,000.00	
31	United States savings bonds, Series A-1935.....	2.90	466,681.50	376,772.25
31	United States savings bonds, Series B-1936.....	2.90	508,344.00	674,392.75
31	United States savings bonds, Series C-1937.....	2.90	690,914.00	1,040,813.50
31	United States savings bonds, Series C-1938.....	2.90	835,596.50	1,359,268.00
31	United States savings bonds, Series D-1939.....	2.90	1,216,656.50	2,322,323.50
31	United States savings bonds, Series D-1940.....	2.90	2,196,044.75	3,369,994.50
31	United States savings bonds, Series D-1941.....	2.90	700,121.00	1,563,140.50
31	United States savings bonds, Series E-1941.....	2.90	161,475.00	7,092,656.25
31	United States savings bonds, Series F-1941.....	2.53	208,717.00	389,832.00
31	United States savings bonds, Series G-1941.....	2.50	175,000.00	1,585,800.00
31	United States savings bonds, Series E-1942.....	2.90	247,337,143.75	2,144,137.50
31	United States savings bonds, Series F-1942.....	2.53	40,860,876.00	18.50
31	United States savings bonds, Series G-1942.....	2.50	179,048,420.00	83,800.00
31	United States savings bonds, unclassified sales.....	2.90	90,100,291.85	
31	Depository bonds.....	2	2,230,000.00	
31	Adjusted service bonds of 1945.....	3	128,100.00	812,900.00
31	Treasury notes, Tax Series A-1943.....	1.92		10,249,825.00
31	Treasury notes, Tax Series B-1943.....	.48		483,778,700.00
31	Treasury notes, Tax Series A-1944.....	1.92	5,266,600.00	524,875.00
31	Treasury notes, Tax Series B-1944.....	.48	229,521,800.00	11,040,800.00
	Miscellaneous.....			2,458,000.00
	Total, March.....		1,402,859,781.85	1,501,420,849.25
Apr. 1	Treasury bills, maturing June 18, 1942.....	0.221	150,435,000.00	
8	Treasury bills, maturing June 19, 1942.....	.264	150,864,000.00	
15	Treasury bills, issued Jan. 14, 1942.....	.119		150,047,000.00
15	Treasury bills, maturing July 15, 1942.....	.281	150,073,000.00	
15	Certificates of indebtedness, Series A-1942.....	1/2	1,507,083,000.00	
22	Treasury bills, issued Jan. 21, 1942.....	.196		150,330,000.00
22	Treasury bills, maturing July 22, 1942.....	.317	150,058,000.00	
29	Treasury bills, issued Jan. 28, 1942.....	.231		150,174,000.00
29	Treasury bills, maturing July 29, 1942.....	.335	150,126,000.00	
30	United States savings bonds, Series A-1935.....	2.90	420,577.50	366,921.00
30	United States savings bonds, Series B-1936.....	2.90	513,564.50	619,874.00
30	United States savings bonds, Series C-1937.....	2.90	605,301.50	873,534.25
30	United States savings bonds, Series C-1938.....	2.90	845,510.00	1,272,913.25
30	United States savings bonds, Series D-1939.....	2.90	1,184,076.75	2,078,921.75
30	United States savings bonds, Series D-1940.....	2.90	1,476,262.00	2,723,759.25
30	United States savings bonds, Series D-1941.....	2.90	848,237.50	1,439,551.25
30	United States savings bonds, Series E-1941.....	2.90	127,610,881.25	5,556,693.75
30	United States savings bonds, Series F-1941.....	2.53	292,244.50	270,766.00
30	United States savings bonds, Series G-1941.....	2.50	187,900.00	1,479,500.00
30	United States savings bonds, Series E-1942.....	2.90	240,301,337.50	4,354,406.25
30	United States savings bonds, Series F-1942.....	2.53	39,710,971.50	119,288.00
30	United States savings bonds, Series G-1942.....	2.50	163,651,000.00	109,800.00
30	United States savings bonds, unclassified sales.....	2.90	41,252,409.04	
30	Depository bonds.....	2	1,695,000.00	
30	Adjusted service bonds of 1945.....	3	95,640.00	708,850.00
30	Treasury notes, Tax Series A-1943.....	1.92	1,600.00	1,076,425.00
30	Treasury notes, Tax Series B-1943.....	.48		38,070,500.00
30	Treasury notes, Tax Series A-1944.....	1.92	4,605,600.00	93,125.00
30	Treasury notes, Tax Series B-1944.....	.48	250,075,000.00	7,375,500.00
	Total, April.....		3,051,507,295.46	519,141,328.75

Footnotes at end of table.

TABLE 33.—*Issues, maturities, and redemptions of interest-bearing securities, exclusive of trust account and other special issues, July 1941 through June 1942*<sup>1</sup>—  
Continued

Date	Issue	Rate of interest <sup>2</sup>	Amount issued <sup>3</sup>	Amount matured (or redeemed) <sup>4</sup>
		Percent		
1942				
May 5	Treasury bonds of 1962-67.....	2½	\$882,198,000.00	
6	Treasury bills, issued Feb. 4, 1942.....	.220		\$150,094,000.00
6	Treasury bills, maturing Aug. 5, 1942.....	.358	150,400,000.00	
13	Treasury bills, issued Feb. 11, 1942.....	.250		150,049,000.00
13	Treasury bills, maturing Aug. 12, 1942.....	.368	250,692,000.00	
15	Treasury bonds of 1940-51.....	2	1,292,444,100.00	
20	Treasury bills, issued Feb. 18, 1942.....	.263		150,012,000.00
20	Treasury bills, maturing Aug. 19, 1942.....	.365	251,735,000.00	
27	Treasury bills, issued Feb. 25, 1942.....	.266		150,446,000.00
27	Treasury bills, maturing Aug. 26, 1942.....	.365	250,986,000.00	
31	United States savings bonds, Series A-1935.....	2.90	348,139.00	366,995.00
31	United States savings bonds, Series B-1936.....	2.90	468,951.00	701,091.75
31	United States savings bonds, Series C-1937.....	2.90	541,419.00	919,299.75
31	United States savings bonds, Series C-1938.....	2.90	753,753.50	1,114,450.25
31	United States savings bonds, Series D-1939.....	2.90	1,408,491.75	2,102,176.75
31	United States savings bonds, Series D-1940.....	2.90	1,275,702.25	2,650,531.75
31	United States savings bonds, Series D-1941.....	2.90	7,500.00	1,082,322.75
31	United States savings bonds, Series E-1941.....	2.90	983,232.25	4,821,047.79
31	United States savings bonds, Series F-1941.....	2.53	207,446.40	456,061.40
31	United States savings bonds, Series G-1941.....	2.50	42,900.00	2,165,060.00
31	United States savings bonds, Series E-1942.....	2.90	305,916,531.25	5,570,010.75
31	United States savings bonds, Series F-1942.....	2.53	42,398,766.00	8,732.00
31	United States savings bonds, Series G-1942.....	2.50	170,017,300.00	138,000.00
31	United States savings bonds, unclassified sales.....	2.90	115,747,843.31	
31	Depository bonds.....	2	1,130,000.00	
31	Adjusted service bonds of 1945.....	3	106,310.00	875,200.00
31	Treasury notes, Tax Series A-1943.....	1.92		229,125.00
31	Treasury notes, Tax Series B-1943.....	.48		40,125,900.00
31	Treasury notes, Tax Series A-1944.....	1.92	5,158,125.00	80,825.00
31	Treasury notes, Tax Series B-1944.....	.48	394,092,400.00	3,459,100.00
	Miscellaneous.....			500.00
	Total, May.....		4,119,059,910.71	667,167,429.94
June 3	Treasury bills, issued Mar. 4, 1942.....	0.222		150,477,000.00
3	Treasury bills, maturing Sept. 2, 1942.....	.365	251,301,000.00	
5	Treasury notes, Series B-1946.....	1½	1,118,386,400.00	
10	Treasury bills, issued Mar. 11, 1942.....	.229		150,194,000.00
10	Treasury bills, maturing Sept. 9, 1942.....	.366	300,772,000.00	
16	Treasury bills, issued March 25, 1942.....	.203		150,263,000.00
17	Treasury bills, issued March 18, 1942.....	.195		150,273,000.00
17	Treasury bills, maturing Sept. 16, 1942.....	.365	301,046,000.00	
18	Treasury bills, issued Apr. 1, 1942.....	.221		150,435,000.00
19	Treasury bills, issued Apr. 8, 1942.....	.264		150,864,000.00
24	Treasury bills, maturing Sept. 17, 1942.....	.362	301,109,000.00	
25	Certificates of indebtedness, Series A-1943.....	5½	1,588,495,000.00	
30	United States savings bonds, Series A-1935.....	2.90	408,991.50	274,445.00
30	United States savings bonds, Series B-1936.....	2.90	882,160.75	537,306.50
30	United States savings bonds, Series C-1937.....	2.90	786,470.50	720,400.50
30	United States savings bonds, Series C-1938.....	2.90	1,097,423.00	968,929.50
30	United States savings bonds, Series D-1939.....	2.90	2,211,039.25	2,536,744.00
30	United States savings bonds, Series D-1940.....	2.90	1,874,817.50	2,107,853.00
30	United States savings bonds, Series D-1941.....	2.90	3,262.50	777,973.75
30	United States savings bonds, Series E-1941.....	2.90	2,400,859.25	4,352,420.68
30	United States savings bonds, Series F-1941.....	2.53	84,035.00	570,545.60
30	United States savings bonds, Series G-1941.....	2.50	27,600.00	2,220,940.00
30	United States savings bonds, Series E-1942.....	2.90	546,163,372.00	7,601,376.50
30	United States savings bonds, Series F-1942.....	2.53	41,016,276.00	20,757.00
30	United States savings bonds, Series G-1942.....	2.50	159,653,600.00	86,200.00
30	United States savings bonds, unclassified sales.....	2.90	114,680,867.97	
30	Depository bonds.....	2	1,467,000.00	5,000.00
30	Adjusted service bonds of 1945.....	3	55,150.00	1,257,100.00
30	Treasury notes, Tax Series A-1943.....	1.92		2,859,125.00
30	Treasury notes, Tax Series B-1943.....	.48		452,355,600.00
30	Treasury notes, Tax Series A-1944.....	1.92	5,137,450.00	873,575.00
30	Treasury notes, Tax Series B-1944.....	.48	401,810,000.00	36,057,000.00
	Total, June.....		4,911,508,039.28	1,418,689,292.03
	Total for fiscal year 1942.....		30,984,461,283.56	9,168,398,224.47

<sup>1</sup> On basis of daily Treasury statements (unrevised), supplemented by special statements on public debt issues, redemptions, and exchanges by the Bureau of the Public Debt.

<sup>2</sup> For Treasury bills, average rates on a bank discount basis are shown; for United States savings bonds, the approximate yield to maturity is shown.

<sup>3</sup> For United States savings bonds of Series A to F not currently on sale amounts represent accrued discount plus issue price of bonds in adjustment cases; for Series E and F currently on sale amounts represent issue price plus accrued discount; and for Series G amounts represent issue price at par.

<sup>4</sup> For United States savings bonds of Series A to F amounts represent current redemption value (issue price plus accrued discount); and for Series G amounts represent redemption value at par.

<sup>5</sup> Deduct. Represents excess of amounts transferred from unclassified sales to sales of a designated series over amounts received as unclassified sales.

<sup>6</sup> Deduct.



TABLE 34.—*Sources of public debt increase or decrease, fiscal years 1915 to 1942*

[In thousands of dollars. On basis of daily Treasury statements (unrevised), see p. 387]

Year	Public debt retirements chargeable against ordinary receipts								
	Sinking fund	Foreign payments			Bonds and notes received for estate taxes	Bonds received for loans from Public Works Administration	Franchise tax receipts, Federal Reserve Banks	Net earnings, Federal intermediate credit banks <sup>1</sup>	Commodity Credit Corporation capital repayments
		Cash repayments of principal	Bonds, etc., received as repayments of principal	Bonds, etc., received as interest payments					
1915									
1916									
1917									
1918							1,134		
1919		7,922			93				
1920		72,670			3,141		2,922		
1921	261,100	73,939			26,349		60,724		
1922	276,046	64,838			21,085		60,333		
1923	284,019	32,140		68,753	6,569		10,815		
1924	295,987	38,509	22,965	87,914	8,897		3,635		
1925	306,309	386	22,823	135,970	47		114	680	
1926	317,092	4,394	29,000	136,260			59	509	
1927	333,528	19,254	25,000	134,962			818	414	
1928	354,741	19,068	27,429	135,307	2		250	369	
1929	370,277	571	37,895	137,747	20		2,667	266	
1930	388,369	51,135	40,335	69,456	73		4,283	172	
1931	391,660	48,246					18	74	
1932	412,555				1			21	
1933	425,660	30,977	1,546	1,364			2,037		
1934	359,492		210	147					
1935	573,001				1				
1936	403,238								
1937	103,815			142					
1938	65,116		68	142					
1939	48,518	120				8,095		1,501	
1940	128,349					134		685	
1941	37,011					1,321		548	25,364
1942	75,342					668		315	18,393
Total	6,211,225	464,109	207,271	908,164	66,278	10,218	149,809	5,554	43,757

Footnote at end of table.

TABLE 34.—Sources of public debt increase or decrease, fiscal years 1915 to 1942—Con.

[In thousands of dollars]

Year	Public debt retirements chargeable against ordinary receipts—Contd.		Surplus or deficit <sup>2</sup> of receipts (general, special, and trust accounts combined) <sup>3</sup>	Increase or decrease <sup>2</sup> in General Fund balance	Increase or decrease <sup>2</sup> in gross debt	Total gross debt	General Fund balance
	Miscellaneous gifts, forfeitures, etc.	Total					
1915						1,191,362	158,142
1916			48,478	82,262	33,783	1,225,146	240,404
1917			853,367	897,116	1,750,473	2,975,619	1,137,520
1918		1,134	9,083,254	447,487	9,479,607	12,455,225	1,585,007
1919		8,015	13,370,687	333,342	13,029,281	25,484,506	1,251,665
1920	13	78,746	212,475	893,963	1,185,185	24,299,321	357,702
1921	45,010	427,123	86,724	191,977	321,871	23,977,451	549,678
1922	393	422,695	313,802	277,573	1,014,069	22,963,382	272,106
1923	555	402,850	309,657	98,834	613,674	22,349,707	370,939
1924	93	458,000	505,367	135,588	1,098,894	21,250,813	235,411
1925	208	466,538	250,505	17,576	734,619	20,516,194	217,836
1926	63	487,376	377,768	7,834	878,978	19,643,216	210,002
1927	5,578	519,555	635,810	24,055	1,131,309	18,511,997	234,057
1928	3,090	540,255	398,828	31,470	907,614	17,604,293	265,527
1929	160	549,604	184,787	61,186	673,205	16,931,088	326,713
1930	61	553,884	183,789	8,106	745,779	16,185,310	318,607
1931	85	440,082	902,717	153,337	615,972	16,801,281	471,944
1932	53	412,630	3,153,097	54,747	2,685,721	19,487,002	417,197
1933	21	461,605	3,068,267	445,008	3,051,670	22,538,672	862,205
1934	15	359,864	3,154,616	1,719,717	4,514,469	27,053,141	2,581,922
1935	556	573,558	2,961,886	740,576	1,647,752	28,700,893	1,841,346
1936	1	403,240	4,640,786	840,164	5,077,650	33,778,543	2,681,510
1937	14	103,971	2,378,078	128,037	2,646,070	36,424,613	2,553,473
1938	139	65,465	1,143,147	337,555	740,127	37,164,740	2,215,918
1939	12	58,246	2,710,731	622,307	3,274,792	40,439,532	2,338,225
1940	16	129,184	3,604,665	947,482	2,527,999	42,967,531	1,890,743
1941	16	64,260	5,315,742	742,431	5,993,913	48,961,444	2,633,174
1942	5	94,722	23,197,751	357,973	23,461,002	72,422,445	2,991,147
Total	16,157	3,082,602	76,480,681	2,833,005	71,231,084		

<sup>1</sup> Act of Mar. 4, 1923 (42 Stat. 1456, sec. 206 (b)), requiring division of net earnings was amended by act of May 19, 1932 (47 Stat. 159, sec. 3). Act of Aug. 19, 1937 (50 Stat. 715, sec. 30), provides for franchise tax.

<sup>2</sup> Deficit and decrease in italics.

<sup>3</sup> For explanation of accounts, see p. 388.

<sup>4</sup> Includes \$1,842,066.45 written off the debt Dec. 31, 1920, on account of fractional currency estimated to have been lost or destroyed in circulation.

<sup>5</sup> Effective with the fiscal year 1932 includes all expenditures of the Reconstruction Finance Corporation including payments against credits established for the Reconstruction Finance Corporation through the purchase of its notes under sec. 9 of the Reconstruction Finance Corporation Act.

NOTE.—Does not include securities guaranteed by the United States. Figures are rounded to nearest thousand and will not necessarily add to totals.

## RECAPITULATION

[In thousands of dollars]

Increase in debt on account of—		
Deficit in ordinary receipts		79,988,671
Increase in General Fund balance		2,833,005
Total		82,821,676
Retirements from—		
Charges against ordinary receipts		8,082,602
Surplus of receipts		3,507,990
Total		11,590,592
Net increase		71,231,084
Gross debt:		
June 30, 1915		1,191,362
June 30, 1942		72,422,445
Net increase		71,231,084

TABLE 35.—*Transactions on account of the cumulative sinking fund, fiscal year 1942*

[On basis of daily Treasury statements (revised), see p. 387]

Unexpended balance July 1, 1941:.....	\$2,666,217,970.83	
Appropriation for 1942:		
Initial credit:		
(a) Under the Victory Liberty Loan Act (2½% of the aggregate amount of Liberty bonds and Victory notes outstanding on July 1, 1920, less an amount equal to the par amount of any obligation of foreign governments held by the United States on July 1, 1920).....	\$253,404,864.87	
(b) Under the Emergency Relief and Construction Act of 1932 (2½% of the aggregate amount of expenditures from appropriations made or authorized under this act)...	7,860,606.83	
(c) Under the National Industrial Recovery Act (2½% of the aggregate amount of expenditures from appropriations made or authorized under this act).....	80,387,009.34	
	\$341,652,481.04	
Secondary credit (the interest which would have been payable during the fiscal year for which the appropriation is made on the bonds and notes purchased, redeemed, or paid out of the sinking fund during such year or in previous years).....	245,254,221.44	
		586,906,702.48
Total available, 1942.....		3,253,124,673.31
Securities retired in 1942 (par amount and principal cost):		
3¼% Treasury bonds of 1941.....	29,064,450.00	
3½% Treasury bonds of 1941-43.....	14,938,800.00	
1½% Treasury notes, Series B-1941.....	1,466,500.00	
1½% Treasury notes, Series C-1941.....	13,843,400.00	
1½% Treasury notes, Series A-1942.....	16,019,400.00	
Total.....	75,332,550.00	
		75,332,550.00
Unexpended balance June 30, 1942.....		3,177,792,123.31

TABLE 36.—*Transactions on account of the cumulative sinking fund, fiscal years 1921 to 1942*

[On basis of daily Treasury statements (revised), see p. 387]

Year	Appropriation available <sup>1</sup>	Debt retired (par amount)	Expended (principal cost)
1921.....	\$256,230,010.66	\$261,250,250.00	\$254,844,576.50
1922.....	274,516,965.89	275,896,000.00	274,431,902.16
1923.....	284,156,439.19	284,018,800.00	284,149,754.16
1924.....	294,927,023.26	295,987,350.00	294,927,019.57
1925.....	306,666,759.52	306,308,400.00	306,666,736.01
1926.....	321,184,577.22	317,091,750.00	321,184,468.20
1927.....	336,890,916.27	333,528,400.00	336,890,832.47
1928.....	355,081,401.18	354,741,300.00	355,080,563.11
1929.....	370,241,327.02	370,277,100.00	370,241,297.84
1930.....	382,925,568.19	388,368,950.00	382,925,400.49
1931.....	392,152,206.17	391,660,000.00	392,152,187.50
1932.....	410,850,121.31	412,554,750.00	410,850,073.60
1933.....	425,575,012.75	425,660,300.00	425,569,628.44
1934.....	438,540,888.81	359,491,900.00	359,186,053.82
1935.....	573,183,651.62	573,000,000.00	573,000,000.00
1936.....	553,224,372.89	403,340,750.00	403,340,750.00
1937.....	722,650,458.96	103,733,650.00	103,733,650.00
1938.....	1,196,526,189.72	65,232,400.00	65,232,400.00
1939.....	1,712,184,276.95	48,514,500.00	48,514,500.00
1940.....	2,245,640,231.87	128,291,450.00	128,291,450.00
1941.....	2,703,177,570.83	36,959,600.00	36,959,600.00
1942.....	3,253,124,673.51	75,332,550.00	75,332,550.00
Total.....	9,381,347,517.18	6,211,240,150.00	6,203,553,393.87

<sup>1</sup> Unexpended balance each year included in appropriation available for next year, but excluded from total. Unexpended balance \$3,177,792,123.31 at end of 1942.

TABLE 37.—*Securities retired through the cumulative sinking fund, par amount and principal cost, to June 30, 1942*

[On basis of daily Treasury statements (revised), see p. 387]

Issue	Par amount	Principal cost
<b>Liberty bonds:</b>		
First 3½'s.....	\$142,090,650	\$142,060,650.00
First 4's.....	1,831,600	1,824,103.09
First 4½'s.....	123,491,600	123,493,498.13
First-second 4½'s.....	428,800	428,800.00
Second 4's.....	670,900	671,196.27
Second 4½'s.....	374,735,400	374,988,667.88
Third 4½'s.....	1,261,876,000	1,268,640,946.97
Fourth 4½'s.....	1,043,670,550	1,043,484,085.28
<b>Victory notes:</b>		
3½'s.....	106,186,900	104,542,256.28
4½'s.....	610,584,150	604,769,347.07
<b>Treasury bonds:</b>		
4½% of 1947-52.....	10,000	10,000.00
4% of 1944-54.....	69,100	69,100.00
3½% of 1946-56.....	7,000	7,000.00
3½% of 1943-47.....	38,901,550	38,169,957.24
3½% of 1940-43.....	72,972,250	72,862,346.05
3½% of 1941-43.....	64,291,800	63,426,727.18
3½% of 1946-49.....	2,321,500	2,310,379.60
3% of 1951-55.....	8,678,300	8,517,873.61
3½% of 1941.....	29,654,350	29,645,828.40
3½% of 1943-45.....	609,750	602,614.64
3½% of 1944-46.....	121,150	121,150.00
3% of 1946-48.....	10,000	10,000.00
3½% of 1949-52.....	2,000	2,000.00
2½% of 1955-60.....	55,050	55,050.00
2½% of 1945-47.....	24,950	24,950.00
<b>Treasury notes:</b>		
5½% Series B-1924.....	103,000,000	103,028,635.62
4½% Series A-1925.....	101,000,000	101,004,123.53
4½% Series B-1925.....	11,315,900	11,279,715.38
4½% Series C-1925.....	113,199,900	113,196,011.61
4½% Series A-1926.....	1,018,300	1,018,300.00
4½% Series B-1926.....	9,564,200	9,485,492.59
4½% Series A-1927.....	26,798,000	26,880,711.16
4½% Series B-1927.....	60,217,900	60,217,900.00
3½% Series A-1930-32.....	691,284,850	687,390,338.29
3½% Series B-1930-32.....	41,989,300	41,682,696.99
3½% Series C-1930-32.....	359,556,100	358,811,853.00
3½% Series 1932.....	418,764,000	418,764,000.00
3% Series A-1934.....	7,513,700	7,513,700.00
2½% Series D-1935.....	6,940,000	6,940,000.00
3½% Series A-1936.....	18,573,600	18,581,100.00
2½% Series B-1936.....	10,555,100	10,542,080.01
2½% Series C-1936.....	25,951,900	25,913,939.07
1½% Series D-1936.....	1,875,900	1,875,900.00
1½% Series E-1936.....	7,862,800	7,862,800.00
3½% Series A-1937.....	57,215,300	57,209,592.52
3% Series B-1937.....	22,473,500	22,438,520.95
3% Series C-1937.....	21,562,900	21,562,900.00
2½% Series A-1938.....	15,560,000	15,541,747.20
2½% Series B-1938.....	12,500,000	12,393,106.26
3% Series C-1938.....	3,484,100	3,484,100.00
2½% Series D-1938.....	17,001,750	17,001,750.00
1½% Series E-1938.....	8,919,000	8,919,000.00
2½% Series A-1939.....	11,240,000	11,240,000.00
1½% Series B-1939.....	10,366,200	10,366,200.00
1½% Series C-1939.....	11,353,750	11,353,750.00
1½% Series D-1939.....	10,744,400	10,744,400.00
1½% Series A-1940.....	61,543,600	61,543,600.00
1½% Series B-1940.....	15,669,600	15,669,600.00
1½% Series B-1941.....	1,466,500	1,466,500.00
1½% Series C-1941.....	13,843,400	13,843,400.00
1½% Series A-1942.....	16,019,400	16,019,400.00
<b>Total.....</b>	<b>6,211,240,150</b>	<b>6,203,555,393.87</b>

# United States savings bonds

TABLE 38.—Sales and redemptions of United States savings bonds, by months fiscal year 1942 and cumulative total from March 1, 1935, to June 30, 1942

[In millions of dollars. On basis of daily Treasury statements (unrevised), see p. 387]

Month	Sales, including accrued discount <sup>1</sup>					Redemptions <sup>1</sup>					Excess of sales, including accrued discount, or redemptions (—) <sup>1</sup>				
	Total	Series A to D <sup>2</sup>	Series E <sup>3</sup>	Series F	Series G <sup>1</sup>	Total	Series A to D	Series E	Series F	Series G <sup>1</sup>	Total	Series A to D	Series E <sup>3</sup>	Series F	Series G <sup>1</sup>
Mar. 1, 1935, to June 30, 1941....	4,772.9	4,059.9	251.7	66.7	394.6	458.9	458.3	(*)	(*)	0.5	4,314.0	3,601.6	251.7	66.6	394.0
1941—July.....	353.5	60.0	96.6	27.4	169.5	18.0	17.4	0.5	0.1	.1	335.5	42.7	96.1	27.3	169.4
August.....	271.3	5.7	117.6	20.3	127.7	12.9	11.9	1.0		.1	258.3	—6.2	116.6	20.3	127.6
September.....	238.4	6.1	105.2	18.1	109.0	14.4	12.6	1.7	(*)	.1	224.0	—6.5	103.6	18.1	108.9
October.....	275.9	5.2	122.9	23.0	124.8	13.7	11.3	2.3		.1	262.2	—6.2	120.6	23.0	124.8
November.....	238.5	5.0	109.5	19.0	105.0	12.8	9.6	2.5		.5	225.7	—4.7	106.9	18.9	104.6
December.....	536.3	7.7	341.1	33.3	154.2	16.3	12.3	3.1		.7	520.0	—4.6	338.0	33.1	153.5
1942—January.....	1,074.0	13.5	667.4	77.6	315.6	15.4	11.1	2.9		1.2	1,058.6	2.4	664.5	77.3	314.4
February.....	710.8	7.6	398.0	51.8	253.4	15.8	9.6	4.5		1.2	695.1	—2.0	393.4	51.4	252.2
March.....	564.5	6.6	337.6	41.1	179.2	22.0	10.7	9.2		1.7	542.5	—4.1	328.4	40.7	177.6
April.....	536.4	5.9	326.7	40.0	163.8	21.3	9.4	9.9		1.6	515.1	—3.5	316.7	39.6	162.2
May.....	640.1	4.8	422.6	42.6	170.1	22.1	8.9	10.4		2.3	618.0	—4.1	412.3	42.1	167.8
June.....	641.9	7.3	433.9	41.1	159.7	22.8	7.9	12.0		2.3	619.2	—7	421.9	40.5	157.4
Total, fiscal year 1942..	6,081.6	135.3	3,479.1	435.2	2,032.1	207.4	132.7	60.0	2.9	11.8	5,874.2	2.6	3,419.1	432.3	2,020.3
Cumulative total, Mar. 1, 1935, to June 30, 1942.....	10,854.5	4,195.2	3,730.9	501.8	2,426.6	666.3	591.0	60.0	2.9	12.4	10,188.2	3,604.2	3,670.8	498.9	2,414.3

\* Less than \$50,000.

<sup>1</sup> Series G is stated at par, other series at current redemption value.

<sup>2</sup> Not issued after Apr. 30, 1941. Current figures represent accrued interest on these issues.

<sup>3</sup> Includes unclassified sales.

<sup>4</sup> Outstanding June 30, 1942.

NOTE.—Figures are rounded to nearest tenth of a million and will not necessarily add to totals.

TABLE 39.—Sales of United States savings bonds, by months and denominations, fiscal year 1942

Month and series	\$25	\$50	\$100	\$500	\$1,000	\$5,000	\$10,000	Total
	Maturity value							
Series E:								
1941—July.....	\$13,759,500	\$12,524,050	\$40,280,100	\$42,043,000	\$93,931,000	-----	-----	\$202,537,650
August.....	13,590,525	11,546,550	33,982,800	29,586,000	60,472,000	-----	-----	149,177,875
September.....	15,392,125	12,000,200	34,034,800	28,291,500	55,759,000	-----	-----	145,477,625
October.....	18,027,975	13,334,550	38,011,800	32,144,000	62,089,000	-----	-----	163,607,325
November.....	19,020,400	13,610,450	37,094,700	28,753,000	53,023,000	-----	-----	151,501,550
December.....	78,539,950	63,837,950	154,651,100	134,507,000	232,993,000	-----	-----	664,529,000
1942—January.....	94,956,450	70,127,350	178,574,200	182,382,500	353,346,000	-----	-----	879,386,500
February.....	77,698,300	43,642,200	104,950,100	79,108,000	135,965,000	-----	-----	441,363,600
March.....	92,436,650	44,532,650	103,027,600	71,669,500	115,267,000	-----	-----	426,933,400
April.....	115,624,975	50,619,050	111,872,400	74,394,500	118,641,000	-----	-----	471,151,925
May.....	161,346,700	67,277,350	137,509,300	83,120,000	122,413,000	-----	-----	571,666,350
June.....	187,662,925	71,437,200	135,578,200	74,947,000	106,653,000	-----	-----	576,278,325
Total, Series E.....	888,056,475	474,489,550	1,109,567,100	860,946,000	1,510,552,000	-----	-----	4,843,611,125
Series F:								
1941—July.....	-----	-----	838,600	1,809,500	10,048,000	\$7,715,000	\$16,320,000	36,731,100
August.....	-----	-----	724,600	1,455,500	6,951,000	5,565,000	10,000,000	24,696,100
September.....	-----	-----	802,900	1,418,000	7,565,000	5,740,000	10,930,000	26,455,900
October.....	-----	-----	993,600	1,733,000	9,083,000	7,145,000	11,240,000	30,194,600
November.....	100	-----	907,900	1,536,500	7,672,000	5,240,000	9,450,000	24,806,500
December.....	450	-----	2,591,600	3,782,500	18,632,000	14,210,000	28,200,000	67,416,550
1942—January.....	240,900	5,305,200	7,020,500	28,482,000	20,800,000	53,260,000	53,260,000	115,108,600
February.....	265,175	3,647,200	4,003,500	15,543,000	11,140,000	19,190,000	53,788,875	99,647,600
March.....	286,800	3,034,300	3,740,500	14,679,000	10,190,000	17,720,000	49,647,600	51,601,175
April.....	280,675	2,528,000	3,355,500	15,112,000	11,465,000	18,860,000	58,430,875	57,510,125
May.....	330,175	2,634,700	3,776,000	17,710,000	13,160,000	20,820,000	57,510,125	57,510,125
June.....	323,325	-----	2,478,300	3,658,500	18,140,000	12,810,000	20,100,000	57,510,125
Total, Series F.....	1,727,600	-----	26,483,900	37,289,500	169,617,000	125,190,000	236,090,000	596,388,000
Series G:								
1941—July.....	-----	-----	2,521,700	6,749,500	43,927,000	34,215,000	75,470,000	162,883,200
August.....	-----	-----	2,017,100	4,857,000	31,221,000	24,915,000	54,980,000	117,990,100
September.....	-----	-----	1,944,400	4,214,500	29,595,000	23,110,000	52,810,000	111,673,900
October.....	-----	-----	2,335,800	5,386,000	34,319,000	25,940,000	57,980,000	125,960,800
November.....	-----	-----	2,082,500	4,655,500	29,375,000	21,855,000	46,880,000	104,848,000
December.....	-----	-----	5,554,200	12,272,000	61,202,000	40,980,000	80,890,000	200,898,200

1942—January.....			8,467,400	20,619,500	95,703,000	63,870,000	191,650,000	380,309,900
February.....			4,789,500	10,323,500	49,763,000	35,180,000	79,840,000	179,896,000
March.....			4,749,200	10,286,000	47,053,000	31,230,000	63,110,000	156,428,200
April.....			4,999,900	10,738,500	50,129,000	34,140,000	62,430,000	162,437,400
May.....			5,890,600	11,751,000	54,183,000	35,090,000	58,350,000	165,269,600
June.....			5,566,400	11,105,000	52,254,000	36,130,000	64,070,000	169,125,400
Total, Series G.....			50,918,700	112,958,000	578,729,000	406,655,000	888,460,000	2,037,720,700
Series E, F, and G:								
1941—July.....	13,759,500	12,524,050	43,640,400	50,602,000	147,906,000	41,930,000	91,790,000	402,151,950
August.....	13,590,525	11,546,550	36,724,500	35,898,500	98,644,000	30,480,000	64,980,000	291,864,075
September.....	15,392,125	12,000,200	36,782,100	33,924,000	92,919,000	28,850,000	63,740,000	283,607,425
October.....	18,027,975	13,334,550	41,341,200	39,263,000	105,491,000	33,085,000	69,220,000	319,762,725
November.....	19,020,500	13,610,450	40,085,100	34,945,000	90,070,000	27,095,000	56,330,000	281,156,050
December.....	78,540,400	63,837,950	162,796,900	150,561,500	312,827,000	55,190,000	109,090,000	932,843,750
1942—January.....	95,197,350	70,127,350	192,346,800	210,022,500	477,531,000	84,670,000	244,910,000	1,374,805,000
February.....	77,963,475	43,642,200	113,356,800	93,435,000	201,271,000	46,320,000	99,030,000	675,048,475
March.....	92,723,450	44,532,650	110,808,100	85,696,000	176,999,000	41,420,000	80,830,000	633,009,200
April.....	115,905,650	50,619,050	119,400,300	88,488,500	183,882,000	45,605,000	81,290,000	685,190,500
May.....	161,676,875	67,277,350	146,034,600	98,647,000	194,311,000	48,250,000	79,170,000	795,366,825
June.....	187,986,250	71,437,200	143,622,900	89,710,500	177,047,000	48,940,000	84,170,000	802,913,850
Total, Series E, F, and G.....	889,784,075	474,489,550	1,186,969,700	1,011,193,500	2,258,898,000	531,835,000	1,124,550,000	7,477,719,825
Sale price								
Series E.....	\$666,042,356.25	\$355,867,162.50	\$832,175,325.00	\$645,709,500.00	\$1,132,914,000.00	\$92,633,200.00	\$174,706,600.00	\$3,632,708,343.75
Series F.....	1,278,424.00		19,598,086.00	27,594,230.00	125,516,580.00			441,327,120.00
Series G.....			50,918,700.00	112,958,000.00	578,729,000.00	406,655,000.00	888,460,000.00	2,037,720,700.00
Total.....	667,320,780.25	355,867,162.50	902,692,111.00	786,261,730.00	1,837,159,580.00	499,288,200.00	1,063,166,600.00	6,111,756,163.75

NOTE.—The figures in this table are subject to change due to the inclusion of partly unaudited amounts. The table was compiled from the standpoint of the effective issue dates of the bonds on the basis of the Treasury audit of original registration stubs and reports of sales of the various sales agencies designated by the Secretary of the Treasury. The figures include all bonds bearing issue dates between July 1, 1941, and June 30, 1942, irrespective of the fact that the proceeds from the sale in part were not credited in the Treasurer's account until the subsequent fiscal year. Accordingly, such figures do not agree with those set forth in the table on page 26 which was compiled from the standpoint of actual cash transactions within the fiscal year.

TABLE 40.—Summary of sales and redemptions of United States savings bonds, by series, for the fiscal years 1935 to 1942 and monthly for the fiscal year 1942

[In millions of dollars]

Fiscal year or month	Amount out- standing end of fiscal year or month <sup>1</sup>	Net change during fiscal year or month	Analysis of net change				
			Gross sales			Accrual of re- demption values	Redemptions <sup>3</sup>
			Total funds received	Adjustment of sales reported to funds re- ceived <sup>2</sup>	Sales reported <sup>2</sup>		
All series <sup>4</sup>							
1935.....	62.0	+62.0	62.6	-----	62.6	-----	.5
1936.....	316.1	+254.1	264.0	-----	264.0	1.2	11.2
1937.....	799.6	+483.5	512.6	-----	512.6	7.2	36.2
1938.....	1,237.7	+438.0	487.5	-----	487.5	17.1	66.6
1939.....	1,868.1	+630.5	684.5	-----	684.5	28.0	82.0
1940.....	2,904.7	+1,036.6	1,108.7	-----	1,108.7	42.1	114.3
1941.....	4,314.0	+1,409.3	1,492.4	-65.1	1,557.5	65.0	148.1
1942.....	10,188.2	+5,874.2	5,994.1	-13.0	6,007.1	87.5	207.4
1941—July.....	4,049.4	+335.5	342.2	+8.1	334.1	11.3	18.0
August.....	4,907.8	+258.3	265.7	+10.6	255.1	5.6	12.9
September.....	5,131.8	+224.0	232.4	-11.4	243.8	6.0	14.4
October.....	5,394.0	+262.2	270.7	+8	269.9	5.1	13.7
November.....	5,619.7	+225.7	233.6	-6	234.2	4.9	12.8
December.....	6,139.7	+520.0	528.9	-125.5	654.3	7.4	16.3
1942—January.....	7,198.3	+1,058.6	1,060.7	-68.6	1,129.2	13.4	15.4
February.....	7,893.4	+695.1	703.3	+117.6	585.7	7.6	15.8
March.....	8,435.9	+542.5	557.9	+37.7	520.3	6.6	22.0
April.....	8,951.0	+515.1	530.5	-3.5	534.0	5.9	21.3
May.....	9,569.0	+618.0	634.4	+16.0	618.4	5.8	22.1
June.....	10,188.2	+619.2	633.9	+5.8	623.2	8.0	22.8
Series A to D							
1935.....	62.0	+62.0	62.6	-----	62.6	-----	.5
1936.....	316.1	+254.1	264.0	-----	264.0	1.2	11.2
1937.....	799.6	+483.5	512.6	-----	512.6	7.2	36.2
1938.....	1,237.7	+438.0	487.5	-----	487.5	17.1	66.6
1939.....	1,868.1	+630.5	684.5	-----	684.5	28.0	82.0
1940.....	2,904.7	+1,036.6	1,108.7	-----	1,108.7	42.1	114.3
1941.....	3,650.2	+745.5	828.0	-----	828.0	65.0	147.5



1942.....	3,604.2	-46.1	.8	.8	85.9	132.7
1941—July.....	3,644.2	-6.0	.1	.1	17.4	11.3
August.....	3,638.1	-6.2	.1	.1	5.6	11.9
September.....	3,631.5	-6.6	(*)	(*)	6.0	12.6
October.....	3,625.3	-6.2	(*)	(*)	5.1	11.3
November.....	3,620.7	-4.7	.1	.1	4.9	9.6
December.....	3,616.1	-4.6	.3	.3	7.4	12.3
1942—January.....	3,618.5	+2.4	.1	.1	13.4	11.1
February.....	3,616.5	-2.0	.1	.1	7.6	9.6
March.....	3,612.4	-4.1	(*)	(*)	6.6	10.7
April.....	3,608.9	-3.5	(*)	(*)	5.9	9.4
May.....	3,604.8	-4.1	(*)	(*)	4.8	8.9
June.....	3,604.2	-7	(*)	(*)	7.3	7.9

## Series E

1941.....	203.1	+203.1	203.1	203.1	(*)	60.0
1942.....	3,670.8	+3,467.7	3,526.3	-15.3	1.5	.5
1941—July.....	347.9	+144.8	145.3	+1.2		1.0
August.....	464.5	+116.6	117.6	-1.2		1.7
September.....	568.0	+103.6	105.2	-7.5		2.3
October.....	688.6	+120.6	122.9	+9		2.5
November.....	795.6	+106.9	109.5	-1.9		3.1
December.....	1,133.6	+338.0	341.1	-61.5		2.9
1942—January.....	1,708.1	+664.5	667.4	(*)		4.5
February.....	2,191.5	+393.4	398.0	+31.9		9.2
March.....	2,519.9	+328.4	337.6	+10.1		9.9
April.....	2,836.6	+316.7	326.7	-6.8		10.4
May.....	3,248.9	+412.3	421.8	+5.4	.8	12.0
June.....	3,670.8	+421.9	433.2	+14.2	.7	

## Series F

1941.....	66.6	+66.6	66.7	-8.3	75.0	(*)	2.9
1942.....	498.9	+432.3	434.9	-2.0	437.0	0.2	.1
1941—July.....	93.9	+27.3	27.4	+3	27.1		
August.....	114.3	+20.3	20.3	+2.1	18.2		
September.....	132.3	+18.1	18.1	-1.4	19.5	(*)	
October.....	155.3	+23.0	23.0	+7	22.2		
November.....	174.2	+18.9	19.0	+7	18.2		
December.....	207.3	+33.1	33.3	-16.8	50.0		
1942—January.....	284.6	+77.3	77.6	-6.0	83.5		
February.....	336.0	+51.4	51.8	+12.0	39.8		
March.....	376.7	+40.7	41.1	+4.4	36.6		
April.....	416.3	+39.6	40.0	+1.8	38.2		
May.....	458.4	+42.1	42.5	+8	41.7	.1	
June.....	498.9	+40.5	41.0	-8	41.9	.1	

Footnotes at end of table.

TABLE 40.—Summary of sales and redemptions of United States savings bonds, by series, for the fiscal years 1935 to 1942 and monthly for the fiscal year 1942—Continued

[In millions of dollars]

Fiscal year or month	Amount out- standing end of fiscal year or month <sup>1</sup>	Net change during fiscal year or month	Analysis of net change				
			Gross sales			Accrual of re- demption values	Redemptions <sup>2</sup>
			Total funds received	Adjustment of sales reported to funds re- ceived <sup>3</sup>	Sales reported <sup>4</sup>		
Series G							
1941.....	394.0	+394.0	394.6	-56.8	451.4	.....	.5
1942.....	2,414.3	+2,020.3	2,032.1	+4.3	2,027.8	.....	11.8
1941—July.....	563.4	+169.4	169.5	+6.6	162.9	.....	.1
August.....	691.0	+127.6	127.7	+9.7	118.0	.....	.1
September.....	799.9	+108.9	109.0	-2.5	111.5	.....	.1
October.....	924.7	+124.8	124.9	-.8	125.7	.....	.1
November.....	1,029.3	+104.6	105.0	+6	104.5	.....	.6
December.....	1,182.8	+153.5	154.2	-47.2	201.4	.....	.7
1942—January.....	1,497.2	+314.4	315.6	-62.6	378.2	.....	1.2
February.....	1,749.3	+252.2	253.4	+73.6	179.8	.....	1.2
March.....	1,926.9	+177.6	179.2	+23.1	156.1	.....	1.7
April.....	2,089.2	+162.2	163.8	+1.5	162.4	.....	1.6
May.....	2,256.9	+167.8	170.1	+9.8	160.3	.....	2.3
June.....	2,414.3	+157.4	159.7	-7.5	167.2	.....	2.3

<sup>1</sup> Less than \$50,000.<sup>2</sup> At current redemption values except Series G, which is stated at par. Unclassified sales shown in the daily Treasury statement have been classified by series.<sup>3</sup> Series A to D data are shown only on a funds received basis. Series E data are not available on a sales reported basis prior to July 1941; consequently, fiscal year 1941 data are on a funds received basis.<sup>4</sup> Includes accrued interest.

<sup>5</sup> Series A to D, the sale of which commenced in March 1935 and continued through April 1941, are 10-year discount bonds which were sold at 75% of maturity value, yielding 2.90% per annum if held to maturity; purchases were limited to \$7,500 issue price in any one calendar year and from April 1, 1940, could be made only by individuals. Series E, F, and G have been on sale since May 1, 1941. Series E is a 10-year discount bond sold at 75% of maturity value, yielding 2.90% per annum if held to maturity; purchases are limited to \$3,750 issue price in any one calendar year and may be made only by individuals. Series F is a 12-year discount bond sold at 74% of maturity value, yielding 2.53% per annum if held to maturity. Series G is a 12-year current income bond, sold at par, bearing interest at the rate of 2½% per annum, redeemable at par on maturity, or at stated prices less than par before maturity. Purchases of Series F and G in any one calendar year are limited to \$100,000 issue price for the two series combined (\$50,000 prior to July 1, 1942) and may be made by any investors other than commercial banks.

SOURCE: Daily Treasury statements (unrevised) and reports of gross sales.

TABLE 41.—Sales of United States savings bonds reported by series, classified by denomination, for the fiscal years 1941 and 1942 and monthly for the fiscal year 1942

Fiscal year or month	Sales in millions of dollars at issue price								Percentage distribution of sales							
	Total all denomi- nations	Denomination							Total all denomi- nations	Denomination						
		\$25 <sup>1</sup>	\$50 <sup>2</sup>	\$100	\$500	\$1,000	\$5,000 <sup>3</sup>	\$10,000 <sup>3</sup>		\$25 <sup>1</sup>	\$50 <sup>2</sup>	\$100	\$500	\$1,000	\$5,000 <sup>3</sup>	\$10,000 <sup>3</sup>
Series E																
1941 <sup>4</sup> .....	203.1	14.4	13.3	41.4	40.7	93.4	-----	-----	100.0	7.1	6.5	20.4	20.0	46.0	-----	-----
1942.....	3,541.6	607.7	341.8	817.7	643.4	1,131.0	-----	-----	100.0	17.2	9.6	23.1	18.2	31.9	-----	-----
1941—July.....	144.1	9.9	9.0	29.1	30.3	65.8	-----	-----	100.0	6.9	6.2	20.2	21.0	45.7	-----	-----
August.....	118.8	10.4	8.9	26.6	24.0	48.9	-----	-----	100.0	8.7	7.5	22.4	20.2	41.2	-----	-----
September.....	112.8	11.2	9.2	26.3	22.0	44.0	-----	-----	100.0	9.9	8.2	23.4	19.5	39.0	-----	-----
October.....	122.0	13.1	10.0	28.5	24.1	46.3	-----	-----	100.0	10.8	8.2	23.3	19.7	38.0	-----	-----
November.....	111.4	13.6	9.8	27.0	21.4	39.6	-----	-----	100.0	12.2	8.8	24.2	19.2	35.6	-----	-----
December.....	402.6	49.9	39.8	96.3	81.0	135.6	-----	-----	100.0	12.4	9.9	23.9	20.1	33.7	-----	-----
1942—January.....	667.4	72.1	55.1	135.2	138.9	266.1	-----	-----	100.0	10.8	8.2	20.3	20.8	39.9	-----	-----
February.....	366.1	52.6	33.0	86.4	68.8	125.2	-----	-----	100.0	14.4	9.0	23.6	18.8	34.2	-----	-----
March.....	327.5	66.2	33.8	79.2	56.5	91.8	-----	-----	100.0	20.2	10.3	24.2	17.3	28.0	-----	-----
April.....	333.4	76.0	35.5	80.6	54.4	87.0	-----	-----	100.0	22.8	10.6	24.2	16.3	26.1	-----	-----
May.....	416.5	105.4	47.2	101.8	64.7	97.4	-----	-----	100.0	25.3	11.3	24.5	15.5	23.4	-----	-----
June.....	419.1	127.3	50.5	100.7	57.4	83.1	-----	-----	100.0	30.4	12.1	24.0	13.7	19.8	-----	-----
Series F																
1941 <sup>4</sup> .....	75.0	-----	-----	0.9	2.1	14.2	13.6	44.2	100.0	-----	-----	1.2	2.8	18.9	18.2	58.9
1942.....	437.0	1.3	-----	19.3	27.4	123.7	92.0	173.4	100.0	0.3	-----	4.4	6.3	28.3	21.0	39.7
1941—July.....	27.1	-----	-----	.6	1.3	7.4	5.7	12.0	100.0	-----	-----	2.3	4.9	27.3	21.0	44.5
August.....	18.2	-----	-----	.5	1.1	5.1	4.1	7.4	100.0	-----	-----	2.9	5.9	28.1	22.6	40.5
September.....	19.5	-----	-----	.6	1.0	5.6	4.2	8.1	100.0	-----	-----	3.0	5.4	28.6	21.7	41.3
October.....	22.2	-----	-----	.7	1.3	6.7	5.3	8.3	100.0	-----	-----	3.3	5.7	30.0	23.7	37.3
November.....	18.2	-----	-----	.7	1.1	5.6	3.9	6.9	100.0	-----	-----	3.6	6.2	31.0	21.2	38.0
December.....	50.0	-----	-----	1.9	2.8	13.8	10.6	20.9	100.0	-----	-----	3.9	5.6	27.6	21.1	41.8
1942—January.....	83.5	.2	-----	3.7	5.2	20.3	15.3	38.9	100.0	.2	-----	4.4	6.2	24.3	18.3	46.6
February.....	39.8	.2	-----	2.7	3.0	11.5	8.2	14.3	100.0	.5	-----	6.8	7.4	28.8	20.7	35.8
March.....	36.6	.2	-----	2.2	2.8	10.8	7.5	13.1	100.0	.6	-----	6.1	7.5	29.5	20.6	35.7
April.....	38.2	.2	-----	1.9	2.5	11.2	8.5	14.0	100.0	.5	-----	4.9	6.5	29.3	22.2	36.6
May.....	41.7	.2	-----	1.9	2.7	12.6	9.4	14.9	100.0	.6	-----	4.5	6.4	30.2	22.5	35.8
June.....	41.9	.2	-----	1.8	2.7	13.1	9.4	14.7	100.0	.6	-----	4.3	6.4	31.4	22.3	35.0

TABLE 41.—Sales of United States savings bonds reported by series, classified by denomination, for the fiscal years 1941 and 1942 and monthly for the fiscal year 1942—Continued

Fiscal year or month	Sales in millions of dollars at issue price							Percentage distribution of sales								
	Total all denomi- nations	Denomination						Total all denomi- nations	Denomination							
		\$25 <sup>1</sup>	\$50 <sup>2</sup>	\$100	\$500	\$1,000	\$5,000 <sup>3</sup>		\$10,000 <sup>3</sup>	\$25 <sup>1</sup>	\$50 <sup>2</sup>	\$100	\$500	\$1,000	\$5,000 <sup>3</sup>	\$10,000 <sup>3</sup>
Series G																
1941 <sup>4</sup> .....	451.4			5.2	12.2	90.7	80.9	262.4	100.0			1.2	2.7	20.1	17.9	58.1
1942.....	2,027.8			50.6	112.7	576.0	403.5	884.9	100.0			2.5	5.6	28.4	19.9	43.6
1941—July.....	162.9			2.5	6.7	43.9	34.2	75.5	100.0			1.6	4.1	27.0	21.0	46.3
August.....	118.0			2.0	4.9	31.2	24.9	55.0	100.0			1.7	4.1	26.5	21.1	46.6
September.....	111.5			1.9	4.2	29.5	23.1	52.7	100.0			1.7	3.8	26.5	20.7	47.3
October.....	125.7			2.3	5.4	34.2	25.9	57.9	100.0			1.9	4.3	27.2	20.6	46.0
November.....	104.5			2.1	4.6	29.2	21.8	46.8	100.0			2.0	4.4	28.0	20.8	44.8
December.....	201.4			5.9	12.6	61.2	41.0	80.8	100.0			2.9	6.3	30.4	20.3	40.1
1942—January.....	378.2			8.1	20.6	95.8	62.4	191.2	100.0			2.1	5.5	25.3	16.5	50.6
February.....	179.8			4.8	10.3	49.7	35.2	79.8	100.0			2.7	5.7	27.6	19.6	44.4
March.....	156.1			4.7	10.3	47.0	31.2	62.9	100.0			3.0	6.6	30.1	20.0	40.3
April.....	162.4			5.0	10.7	50.1	34.1	62.4	100.0			3.1	6.6	30.9	21.0	38.4
May.....	160.3			5.7	11.4	52.5	34.1	56.6	100.0			3.5	7.1	32.8	21.3	35.3
June.....	167.2			5.5	11.0	51.6	35.8	63.3	100.0			3.3	6.5	30.9	21.4	37.9

<sup>1</sup> Not sold in Series G; nor in Series F prior to January 1942.<sup>2</sup> Not sold in Series F and G.<sup>3</sup> Not sold in Series E.<sup>4</sup> Sales of Series E, F, and G bonds commenced May 1, 1941.<sup>5</sup> Data are not available on a sales reported basis prior to July 1941; consequently, fiscal year 1941 data are on a funds received basis with the breakdown estimated on the basis of available sales data.

SOURCE.—Reports of gross sales.

TABLE 42.—Sales of United States savings bonds reported by series, classified by type of purchaser, for the fiscal years 1941 and 1942 and monthly for the fiscal year 1942

Fiscal year or month	Sales in millions of dollars at issue price						Percentage distribution of sales							
	Total all purchasers	Type of purchaser					Total all purchasers	Type of purchaser						
		Individuals	Fiduciaries	Corporations <sup>1</sup>	Insurance companies	Savings banks		All other	Individuals	Fiduciaries	Corporations <sup>1</sup>	Insurance companies	Savings banks	All other
Series E														
1941 <sup>2</sup> .....	203.1	203.1					100.0	100.0						
1942.....	3,541.6	3,541.6					100.0	100.0						
1941—July.....	144.1	144.1					100.0	100.0						
August.....	118.8	118.8					100.0	100.0						
September.....	112.8	112.8					100.0	100.0						
October.....	122.0	122.0					100.0	100.0						
November.....	111.4	111.4					100.0	100.0						
December.....	402.6	402.6					100.0	100.0						
1942—January.....	667.4	667.4					100.0	100.0						
February.....	366.1	366.1					100.0	100.0						
March.....	327.5	327.5					100.0	100.0						
April.....	333.4	333.4					100.0	100.0						
May.....	416.5	416.5					100.0	100.0						
June.....	419.1	419.1					100.0	100.0						
Series F <sup>4</sup>														
1941 <sup>2</sup> .....	75.0	22.2	15.8	19.3	2.8	1.1	13.8	100.0	29.6	21.1	25.7	3.8	1.5	18.3
1941—July.....	27.1	10.8	4.6	5.7	.4		5.6	100.0	40.0	16.9	20.9	1.3		20.9
August.....	18.2	6.3	3.0	4.5	.3	.1	4.0	100.0	34.7	16.5	24.8	1.7	.4	21.9
September.....	19.5	6.3	2.8	6.1	.2	(*)	4.1	100.0	32.5	14.6	31.2	.8	(*)	20.9
October.....	22.2	7.8	4.0	6.1	.1	(*)	4.1	100.0	35.2	17.8	27.5	.7	.2	18.6
November.....	18.2	6.2	2.3	5.6	.2	.1	3.9	100.0	33.9	12.8	30.8	.9	.3	21.3
December.....	50.0	20.1	6.6	13.3	.2	(*)	9.9	100.0	40.1	13.1	26.6	.4	.1	19.7
Series G <sup>4</sup>														
1941 <sup>2</sup> .....	451.4	129.0	204.1	57.6	12.9	14.2	33.5	100.0	28.6	45.2	12.8	2.9	3.1	7.4
1941—July.....	162.9	59.6	75.6	15.1	1.3	1.9	9.3	100.0	36.6	46.4	9.3	.8	1.2	5.7
August.....	118.0	37.8	62.0	10.5	1.2	.9	5.6	100.0	32.0	52.6	8.9	1.0	.8	4.7
September.....	111.5	34.3	57.2	12.8	.9	.8	5.4	100.0	30.8	51.3	11.5	.8	.7	4.9
October.....	125.7	41.8	63.7	13.0	.9	.5	5.9	100.0	33.2	50.6	10.4	.7	.4	4.7
November.....	104.5	33.8	52.4	12.0	.8	.3	5.2	100.0	32.3	50.2	11.5	.7	.3	5.0
December.....	201.4	102.9	62.6	24.5	.8	.2	10.5	100.0	51.1	31.1	12.1	.4	.1	5.2

<sup>2</sup> Less than \$50,000 or 0.05%.<sup>1</sup> Comprises corporations other than banks and insurance companies.<sup>3</sup> Sales of Series E, F, and G bonds commenced May 1, 1941.<sup>4</sup> Data are not available on a sales reported basis prior to July 1941; consequently, fiscal year 1941 data are on a funds received basis.<sup>5</sup> December 1941 figures are the latest available.

Source.—Reports of gross sales.

TABLE 43.—Sales of United States savings bonds reported by series, classified by States, for the fiscal years 1941 and 1942 and monthly for the fiscal year 1942

## PART A. SERIES E

[In thousands of dollars at issue prices]

State	Fiscal year		1941						1942					
	1941 1 2	1942	July	August	September	October	November	December	January	February	March	April	May	June
Alabama.....	1,381	28,996	1,041	697	771	996	710	3,234	5,324	2,702	2,460	2,713	3,924	4,513
Arizona.....	711	10,313	565	272	342	316	288	1,154	1,840	958	970	1,040	1,418	1,149
Arkansas.....	940	21,404	645	534	667	662	753	2,393	3,715	2,246	2,107	2,118	2,992	2,573
California.....	9,920	260,522	11,279	8,041	6,275	7,613	7,181	30,210	51,634	31,921	24,688	21,739	28,900	31,139
Colorado.....	1,793	24,845	835	810	888	1,185	1,025	3,213	4,373	2,105	2,189	2,584	2,795	2,844
Connecticut.....	3,943	77,543	2,649	2,353	2,299	2,668	2,428	8,685	13,613	8,691	7,232	7,296	9,199	10,430
Delaware.....	469	7,629	257	232	244	232	239	892	1,217	863	753	756	909	1,037
District of Columbia.....	2,592	34,847	1,354	1,175	1,076	1,561	1,439	4,113	5,531	3,608	3,330	3,470	3,767	4,423
Florida.....	2,487	39,555	1,628	964	915	1,281	994	4,420	7,043	4,407	4,206	4,443	4,979	4,269
Georgia.....	1,642	35,642	1,423	1,607	1,344	1,418	1,082	3,822	6,540	3,450	2,995	2,958	4,721	4,282
Idaho.....	485	9,840	248	198	346	417	329	1,335	1,531	949	908	1,047	1,399	1,132
Illinois.....	14,737	282,019	11,435	10,583	9,524	10,162	8,940	29,828	52,726	27,933	26,688	25,554	35,794	32,854
Indiana.....	3,644	76,661	2,507	2,063	2,284	2,302	2,452	8,302	12,860	7,710	7,866	7,560	9,961	10,794
Iowa.....	2,743	69,558	1,868	1,605	1,493	1,653	1,695	6,077	9,460	5,880	9,947	9,283	9,846	10,752
Kansas.....	1,879	35,310	1,256	1,086	1,409	1,372	1,167	3,608	5,868	4,628	3,847	2,999	3,912	4,158
Kentucky.....	1,835	34,293	1,167	1,004	1,048	1,043	1,071	3,841	6,494	3,622	3,467	3,051	4,086	4,399
Louisiana.....	1,824	36,799	1,622	1,058	966	1,028	825	4,343	6,876	3,776	3,728	3,190	4,627	4,757
Maine.....	1,083	17,746	623	563	657	705	711	1,855	3,145	1,930	1,558	1,688	2,179	2,131
Maryland.....	2,745	48,944	1,691	1,556	1,458	1,783	1,614	6,747	9,735	5,512	4,095	4,103	5,052	5,596
Massachusetts.....	9,110	141,196	6,357	4,870	4,116	4,990	4,690	14,596	27,196	16,634	12,525	12,956	15,863	16,402
Michigan.....	8,108	160,150	5,149	4,376	4,715	5,990	4,992	16,376	25,794	16,154	15,781	16,202	20,965	23,656
Minnesota.....	3,624	71,181	2,345	2,359	2,050	2,701	2,561	6,603	12,547	7,122	6,893	7,659	8,898	9,444
Mississippi.....	901	22,973	930	623	671	764	747	2,453	4,606	2,678	2,284	2,130	2,632	2,454
Missouri.....	7,483	94,800	4,791	4,141	3,264	3,719	3,226	12,387	15,687	8,856	8,244	8,235	11,287	10,961
Montana.....	771	17,710	555	484	616	829	883	2,616	2,950	1,787	1,823	1,633	1,827	1,706
Nebraska.....	1,384	26,045	850	740	830	896	868	2,387	4,161	2,738	3,058	3,213	3,266	3,037
Nevada.....	149	4,340	154	100	91	158	125	605	821	475	419	379	513	501
New Hampshire.....	595	11,742	444	367	335	412	374	1,046	2,300	1,410	1,128	1,015	1,403	1,509
New Jersey.....	9,904	160,538	5,879	5,209	6,642	6,311	5,807	21,447	31,895	16,092	14,076	13,816	16,066	17,298
New Mexico.....	243	6,978	168	210	236	307	236	902	1,246	672	609	826	802	763
New York.....	44,582	587,179	30,724	20,937	20,696	21,582	17,927	68,179	130,656	61,589	46,954	52,935	57,239	57,763
North Carolina.....	1,492	42,297	1,360	1,124	1,311	1,637	1,362	4,962	7,461	4,332	3,824	3,669	6,163	5,090
North Dakota.....	475	11,394	307	270	316	393	472	1,361	1,946	1,298	1,130	1,113	1,476	1,311
Ohio.....	10,886	190,262	7,218	6,554	6,684	6,655	6,173	21,311	37,244	17,680	17,556	17,537	23,850	22,799
Oklahoma.....	2,302	34,482	1,249	927	1,129	1,170	1,249	4,863	6,783	3,197	3,025	2,892	4,210	3,789
Oregon.....	3,154	37,394	1,530	1,382	1,611	1,504	1,425	3,713	6,714	4,383	3,318	3,079	4,165	4,571

Pennsylvania.....	14,443	283,679	8,636	11,896	10,239	8,616	8,798	35,451	54,409	27,042	25,856	28,823	31,763	32,149
Rhode Island.....	1,478	24,268	819	748	688	724	785	2,461	4,158	3,304	2,467	2,366	2,741	3,005
South Carolina.....	874	18,757	712	568	655	538	591	1,919	2,741	1,738	1,897	2,209	2,523	2,668
South Dakota.....	449	11,783	322	282	317	377	361	1,293	1,851	1,212	1,270	1,392	1,647	1,458
Tennessee.....	1,707	36,734	1,482	1,031	1,094	1,337	1,116	3,888	6,990	3,640	3,502	3,138	4,841	4,676
Texas.....	8,717	126,054	8,947	5,690	3,414	3,371	3,337	14,690	21,952	12,362	12,161	11,089	15,266	13,775
Utah.....	474	9,919	375	272	371	315	301	1,042	1,905	1,017	917	953	1,339	1,114
Vermont.....	486	7,550	370	280	270	286	262	636	1,533	1,059	613	688	788	766
Virginia.....	2,319	56,199	1,775	1,860	1,442	1,630	1,584	7,627	10,260	5,544	4,865	5,381	7,136	7,095
Washington.....	3,778	57,921	2,296	1,737	2,193	2,043	2,027	5,124	9,070	6,883	5,579	5,192	8,208	7,569
West Virginia.....	1,187	27,642	859	641	759	945	832	3,913	5,518	2,882	2,522	2,470	3,089	3,211
Wisconsin.....	4,607	77,668	2,769	2,258	2,359	2,710	2,521	9,005	14,029	7,575	7,511	7,124	9,280	10,527
Wyoming.....	339	7,066	228	187	231	245	280	1,007	1,275	701	684	712	737	779
Alaska.....	5	2,959	98	38	28	74	70	128	356	306	433	353	485	591
Canal Zone.....		315									106		165	44
Hawaii.....	220	16,609	251	235	373	489	387	210	1,464	626	1,167	4,236	4,605	2,566
Puerto Rico.....		1,726	58	22	26	34	53	309	333	166	211	163	189	160
Virgin Islands.....		91	(*)	6	(*)	1	5	2	23	11	15	14	4	10
Other possessions.....		14	2		5	1	2						4	(*)
Unallocated.....		1,472									35	263	553	621
Total.....	203,098	3,541,554	144,105	118,825	112,782	121,961	111,370	402,585	667,407	366,055	327,495	333,444	416,450	419,072

Footnotes at end of table.

TABLE 43.—Sales of United States savings bonds reported by series, classified by States, for the fiscal years 1941 and 1942 and monthly for the fiscal year 1942—Continued

PART B. SERIES F AND G COMBINED  
[In thousands of dollars at issue prices]

State	Fiscal year		1941						1942					
	1941	1942	July	August	September	October	November	December	January	February	March	April	May	June
Alabama.....	2,393	13,099	599	607	679	563	496	1,232	2,207	1,486	1,270	1,281	1,402	1,276
Arizona.....	950	4,232	319	241	134	146	107	478	706	663	280	420	344	394
Arkansas.....	1,024	13,738	437	358	300	394	386	617	5,364	999	2,741	675	812	653
California.....	20,402	140,602	11,699	8,193	7,827	7,310	6,586	15,550	28,663	14,132	8,416	10,276	11,198	10,751
Colorado.....	3,908	18,302	1,442	803	659	889	822	1,372	4,954	1,492	1,392	1,631	1,388	1,453
Connecticut.....	14,937	59,894	4,792	4,113	2,945	3,642	3,305	5,636	9,909	4,291	3,693	5,364	6,804	5,399
Delaware.....	2,524	11,910	769	785	893	550	623	993	2,037	1,488	949	717	656	1,449
District of Columbia.....	5,166	23,247	1,800	1,325	962	1,481	800	3,552	4,023	2,112	2,511	1,673	1,476	1,533
Florida.....	3,379	22,219	1,509	1,124	950	1,131	953	2,479	4,198	2,452	1,916	1,955	1,800	1,752
Georgia.....	2,878	17,982	946	1,303	816	730	663	1,896	2,903	1,551	1,940	1,357	1,759	2,118
Idaho.....	291	7,339	447	172	149	158	125	553	2,171	653	1,838	451	443	179
Illinois.....	59,605	202,041	15,350	12,642	12,126	11,440	10,460	21,377	40,682	13,244	15,939	13,494	15,881	19,404
Indiana.....	6,285	45,123	3,283	1,840	1,954	2,116	2,151	4,084	8,312	3,241	4,484	4,142	4,226	5,289
Iowa.....	4,498	30,676	1,312	1,371	1,090	1,355	1,189	3,131	4,725	2,535	2,956	3,791	3,260	3,964
Kansas.....	2,459	14,486	798	847	811	947	592	1,378	2,198	2,065	1,499	1,062	1,163	1,127
Kentucky.....	4,356	24,516	1,928	1,553	1,356	1,337	1,392	1,938	3,979	3,674	1,779	2,170	1,893	1,519
Louisiana.....	2,477	21,651	872	466	492	555	814	1,798	3,523	6,922	1,569	1,460	1,754	1,426
Maine.....	3,974	16,570	1,164	1,123	891	949	776	1,477	2,734	1,270	1,920	1,241	1,826	1,197
Maryland.....	6,800	40,093	1,910	1,587	2,290	2,504	2,537	4,050	7,503	4,259	3,550	3,472	2,923	3,507
Massachusetts.....	35,087	144,199	13,609	10,326	7,680	10,213	8,335	12,480	25,680	9,434	10,389	12,757	11,485	11,809
Michigan.....	13,928	65,040	5,331	3,942	3,655	3,523	2,900	8,381	11,060	5,938	3,583	5,012	4,596	7,120
Minnesota.....	9,770	49,069	3,676	3,214	3,343	4,283	2,312	4,396	9,655	4,229	3,492	4,040	3,627	2,902
Mississippi.....	973	10,061	562	246	298	298	239	741	1,975	1,279	1,148	1,290	956	847
Missouri.....	23,952	68,651	6,165	4,158	3,223	4,477	4,403	7,399	9,986	5,432	4,841	5,575	6,850	6,142
Montana.....	612	6,322	215	405	305	670	344	582	1,057	619	895	369	371	490
Nebraska.....	3,523	14,132	775	507	612	516	565	1,078	3,662	1,528	1,517	982	1,107	1,282
Nevada.....	354	2,349	157	104	66	26	17	207	380	529	496	139	159	70
New Hampshire.....	1,896	11,090	518	500	493	520	363	850	2,717	900	1,738	1,080	864	548
New Jersey.....	20,400	93,399	6,392	3,982	4,795	5,644	4,274	10,871	14,494	8,104	11,166	8,469	6,502	8,704
New Mexico.....	415	9,034	92	71	144	203	53	371	3,226	3,206	933	248	333	154
New York.....	141,842	580,433	52,366	33,781	34,229	39,567	30,943	56,658	107,721	49,543	36,113	46,779	46,275	46,456
North Carolina.....	2,338	26,074	1,065	991	866	1,308	1,097	1,908	8,572	3,296	1,774	1,683	1,855	1,658
North Dakota.....	962	7,515	459	100	153	145	140	324	1,131	1,504	2,239	490	410	419
Ohio.....	22,466	119,098	8,206	5,763	6,009	7,640	6,332	13,640	22,461	9,594	7,680	10,472	11,414	9,887
Oklahoma.....	2,325	16,587	1,215	724	888	573	617	2,151	3,131	1,753	1,006	1,478	1,777	1,273
Oregon.....	2,522	22,095	1,447	1,831	1,190	1,180	709	1,811	3,873	1,249	4,735	1,315	1,272	1,484



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Pennsylvania.....	49,547	243,285	19,739	13,580	14,977	16,854	14,319	24,227	41,707	21,532	14,607	20,949	20,685	20,058
Rhode Island.....	5,924	28,064	1,715	1,724	1,274	2,256	1,386	3,554	4,622	3,194	2,861	1,755	1,497	2,225
South Carolina.....	1,621	9,459	870	483	251	251	335	954	1,576	942	1,208	992	605	902
South Dakota.....	1,194	3,077	94	110	135	143	126	302	495	258	487	350	300	276
Tennessee.....	3,128	18,481	1,414	790	726	868	678	1,550	4,010	1,233	2,399	1,714	1,679	1,420
Texas.....	10,323	54,196	3,386	2,261	2,002	2,207	1,814	7,445	10,611	4,378	3,157	4,988	6,268	5,679
Utah.....	1,000	5,019	296	177	75	161	270	144	846	842	772	279	638	519
Vermont.....	1,011	5,842	639	256	198	348	141	429	1,502	498	540	445	565	380
Virginia.....	4,532	28,014	1,420	1,041	1,219	1,592	1,523	4,883	5,467	2,132	1,927	1,890	2,247	2,667
Washington.....	6,268	25,898	2,318	1,674	1,406	1,166	1,116	2,621	5,123	1,814	2,040	1,940	2,510	2,170
West Virginia.....	1,492	11,780	746	369	494	521	331	1,864	1,980	837	1,699	855	757	1,329
Wisconsin.....	8,491	42,205	2,936	2,171	2,303	2,026	1,842	5,107	8,424	3,425	2,637	3,552	2,873	4,909
Wyoming.....	501	3,690	381	56	54	45	90	358	1,007	369	634	279	186	232
Alaska.....	26	736	12	22	15	4	21	53	92	271	160	34	11	40
Canal Zone.....	95	504	37	18	26	16	6	31	77	86	78	128	-----	-----
Hawaii.....	47	5,882	278	240	357	380	212	267	846	677	667	942	373	642
Puerto Rico.....	3	472	1	(*)	-----	73	22	38	67	6	244	19	-----	-----
Virgin Islands.....	-----	26	-----	-----	5	-----	-----	(*)	2	6	7	5	-----	-----
Other possessions.....	34	507	59	57	7	14	18	50	139	86	64	13	-----	-----
Unallocated.....	461	4,768	53	51	-----	14	37	144	1,531	277	2,077	584	-----	-----
Total.....	526,361	2,464,772	189,920	136,182	130,979	147,925	122,715	251,469	461,697	219,578	192,745	200,523	201,955	209,084

\*Less than \$500.

1 Sales of Series E, F, and G bonds commenced May 1, 1941.

2 Data are not available on a sales reported basis prior to July 1941; consequently fiscal year 1941 data are on a funds received basis with the breakdown estimated on the basis of available sales data.

SOURCE.—Reports of gross sales.

## Postal savings stamps

TABLE 44.—Summary of sales and redemptions of postal savings stamps for the fiscal years 1941 and 1942 and monthly for the fiscal year 1942

[In thousands of dollars]

Fiscal year or month	Amount outstanding end of fiscal year or month <sup>1</sup>	Net change during fiscal year or month	Analysis of net change	
			Gross sales	Redemptions
1941 <sup>2</sup> .....	5,294	+5,143	6,087	943
1942.....	166,341	+161,048	308,621	147,574
1941—July.....	7,655	+2,362	3,520	1,158
August.....	10,466	+2,810	4,372	1,562
September.....	13,627	+3,162	5,192	2,030
October.....	17,001	+3,374	5,985	2,611
November.....	20,428	+3,426	6,354	2,928
December.....	39,434	+19,006	25,657	6,651
1942—January.....	68,595	+29,161	41,169	12,007
February.....	93,932	+25,337	38,649	13,313
March.....	115,857	+21,925	40,599	18,674
April.....	133,620	+17,762	40,173	22,410
May.....	152,217	+18,597	47,990	29,393
June.....	166,341	+14,124	48,960	34,836

<sup>1</sup> Postal savings stamps are obligations of the Postal Savings System and not public debt obligations.<sup>2</sup> Sales and redemptions of postal savings stamps as shown in this table commence with May 1, 1941, when the special defense series went on sale. The amount of old series outstanding on Apr. 30, 1941, was \$150 thousands.

SOURCE.—Post Office Department, Division of Postal Savings.

TABLE 45.—Gross sales of postal savings stamps, classified by denomination, for the fiscal years 1941 and 1942 and monthly for the fiscal year 1942

Fiscal year or month	Sales in thousands of dollars						Percentage distribution of sales					
	Total all denominations	Denomination					Total all denominations	Denomination				
		10¢	25¢	50¢	\$1.00	\$5.00		10¢	25¢	50¢	\$1.00	\$5.00
1941 <sup>1</sup> .....	6,087	400	2,691	1,012	1,130	854	100.0	6.6	44.2	16.6	18.6	14.0
1942.....	308,621	67,466	167,709	28,614	31,583	13,250	100.0	21.9	54.3	9.3	10.2	4.3
1941—July.....	3,520	174	1,965	555	571	255	100.0	4.9	55.8	15.8	16.2	7.3
August.....	4,372	262	2,486	599	751	274	100.0	6.0	56.9	13.7	17.2	6.2
September.....	5,192	412	3,087	659	687	347	100.0	7.9	59.5	12.7	13.2	6.7
October.....	5,985	466	3,632	758	787	342	100.0	7.8	60.7	12.7	13.1	5.7
November.....	6,354	580	3,749	788	847	391	100.0	9.1	59.0	12.4	13.3	6.2
December.....	25,657	5,353	13,255	2,491	2,636	1,922	100.0	20.8	51.7	9.7	10.3	7.5
1942—January.....	41,169	11,044	21,498	3,579	3,653	1,395	100.0	26.8	52.2	8.7	8.9	3.4
February.....	38,649	10,020	20,724	3,258	3,333	1,314	100.0	25.9	53.6	8.5	8.6	3.4
March.....	40,599	10,181	21,693	3,424	3,845	1,456	100.0	25.1	53.4	8.4	9.5	3.6
April.....	40,173	9,812	21,529	3,458	3,827	1,548	100.0	24.4	53.6	8.6	9.5	3.9
May.....	47,990	10,037	26,772	4,330	4,941	1,910	100.0	20.9	55.8	9.0	10.3	4.0
June.....	48,960	9,124	27,319	4,715	5,706	2,097	100.0	18.6	55.8	9.6	11.7	4.3

<sup>1</sup> Sales of postal savings stamps as shown in this table commence with May 1, 1941, when the special defense series went on sale.

SOURCE.—Post Office Department, Division of Postal Savings.

TABLE 46.—Redemptions of postal savings stamps, classified by means of payment, for the fiscal years 1941 and 1942 and monthly for the fiscal year 1942

Fiscal year or month	Redemptions in thousands of dollars				Percentage distribution of redemptions			
	Total	Means of payment			Total	Means of payment		
		Exchanged for United States savings bond	Exchanged for postal savings certificates	Cash		Exchanged for United States savings bonds	Exchanged for postal savings certificates	Cash
1941 <sup>1</sup> .....	943	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	100.0	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
July 1941.....	1,158	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	100.0	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
1942 (Aug. 1941-June 1942).....	146,415	127,948	123	18,344	100.0	87.4	0.1	12.5
1941—July.....	1,158	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	100.0	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
August.....	1,562	1,151	14	397	100.0	73.7	.9	25.4
September.....	2,030	1,539	10	481	100.0	75.8	.5	23.7
October.....	2,611	2,027	11	574	100.0	77.6	.4	22.0
November.....	2,928	2,274	9	645	100.0	77.7	.3	22.0
December.....	6,651	5,225	8	1,417	100.0	78.6	.1	21.3
1942—January.....	12,007	9,683	8	2,316	100.0	80.6	.1	19.3
February.....	13,313	11,253	12	2,048	100.0	84.5	.1	15.4
March.....	18,674	16,543	9	2,122	100.0	88.6	(*)	11.4
April.....	22,410	19,959	19	2,432	100.0	89.1	.1	10.8
May.....	29,393	26,616	16	2,761	100.0	90.6	(*)	9.4
June.....	34,836	31,678	8	3,150	100.0	90.9	(*)	9.1

\* Less than .05%.

<sup>1</sup> Redemptions of postal savings stamps as shown in this table commence with May 1, 1941, when the special defense series went on sale.<sup>2</sup> Detail by means of payment not available.

SOURCE.—Post Office Department, Division of Postal Savings.

TABLE 47.—Gross sales of postal savings stamps, by States, for the fiscal years 1941 and 1942 and monthly for the fiscal year 1942

(In thousands of dollars)

State	Fiscal year		1941						1942					
	1941	1942	July	August	September	October	November	December	January	February	March	April	May	June
Alabama.....	38.7	2,343.7	25.0	27.7	30.8	36.4	42.7	197.8	323.3	260.4	305.5	294.7	351.7	447.8
Arizona.....	16.0	834.8	9.0	11.2	13.2	13.2	15.4	70.4	114.3	114.7	114.7	108.7	139.4	125.0
Arkansas.....	24.8	1,674.7	13.7	17.2	14.1	27.8	36.0	115.6	201.4	190.9	221.2	198.0	348.6	290.1
California.....	428.0	20,132.6	237.4	327.3	334.4	374.4	380.9	1,878.3	2,784.6	2,366.8	2,450.2	2,478.9	3,077.2	3,442.2
Colorado.....	30.3	2,020.3	20.2	29.9	31.9	41.7	50.9	204.9	269.3	241.2	237.2	266.3	326.2	300.5
Connecticut.....	140.6	7,707.4	111.5	138.6	155.5	188.8	196.6	599.1	1,006.4	902.0	951.1	953.5	1,114.6	1,394.6
Delaware.....	14.5	714.2	9.2	10.5	12.5	13.4	12.7	63.3	93.3	86.4	93.9	91.5	112.6	114.8
District of Columbia.....	174.1	6,100.1	155.0	237.5	296.9	320.1	358.5	580.4	771.3	694.5	656.7	650.4	694.5	684.2
Florida.....	75.0	3,705.9	47.8	59.6	68.0	78.1	85.7	298.1	497.7	483.7	507.9	497.6	583.0	498.7
Georgia.....	60.3	3,175.5	40.5	52.1	60.1	68.1	64.1	275.1	476.2	372.2	407.8	340.6	506.7	512.0
Idaho.....	8.1	841.0	4.9	8.0	23.7	18.2	21.3	79.2	110.7	93.5	102.4	109.3	141.4	125.5
Illinois.....	355.1	23,612.9	222.4	340.5	319.7	375.7	412.3	2,075.9	3,391.5	2,999.2	2,950.5	2,766.3	3,924.2	3,834.7
Indiana.....	69.7	7,516.9	49.5	69.5	82.4	99.0	112.1	586.9	1,027.8	1,016.5	1,078.6	1,033.9	1,267.8	1,093.0
Iowa.....	50.0	4,575.8	34.7	36.3	48.7	49.9	50.0	315.5	540.4	546.3	712.9	707.6	782.9	750.7
Kansas.....	40.2	2,532.9	27.4	35.0	31.5	37.3	40.4	212.7	349.7	360.2	330.9	314.1	407.1	386.4
Kentucky.....	42.8	3,036.2	27.0	30.8	49.6	53.5	51.5	283.3	444.9	417.3	425.9	393.7	425.4	433.3
Louisiana.....	62.0	3,423.0	41.5	40.7	43.9	50.8	49.6	254.2	421.8	438.7	438.3	460.4	582.0	606.0
Maine.....	37.2	1,725.5	23.6	27.6	28.8	40.3	43.7	120.4	216.7	201.9	232.1	217.6	284.8	288.0
Maryland.....	91.6	5,785.2	57.4	70.4	88.3	107.8	110.3	472.9	1,110.8	782.4	728.7	686.5	748.7	821.0
Massachusetts.....	312.2	14,413.6	186.2	224.4	293.3	331.3	337.8	1,119.6	1,864.4	1,710.0	1,885.3	1,883.8	2,300.6	2,276.9
Michigan.....	366.8	13,721.6	205.8	202.3	266.9	373.7	335.6	1,114.3	1,733.9	1,636.5	1,766.9	1,704.0	2,125.5	2,256.2
Minnesota.....	51.6	4,037.7	37.9	50.7	71.8	71.2	77.7	300.4	545.6	537.9	545.3	511.8	609.9	677.6
Mississippi.....	36.7	1,508.8	25.0	26.4	29.5	34.5	38.3	130.6	213.3	201.1	205.7	182.0	192.3	230.4
Missouri.....	173.5	7,326.4	108.4	142.0	145.0	161.7	153.0	664.7	906.2	863.7	936.4	928.8	1,155.5	1,161.2
Montana.....	17.2	1,030.7	9.7	15.3	14.8	21.0	23.2	89.4	156.2	137.6	148.2	137.5	149.7	128.2
Nebraska.....	36.2	2,371.8	20.6	21.9	26.7	27.4	30.8	210.7	292.9	283.5	315.0	339.4	423.8	379.1
Nevada.....	6.5	381.4	3.7	4.6	4.5	5.7	6.4	33.1	56.1	46.8	45.5	47.7	63.3	64.1
New Hampshire.....	29.0	1,150.8	16.9	19.3	17.7	28.7	40.7	90.8	166.7	142.3	144.9	140.3	159.3	183.2
New Jersey.....	286.0	13,313.7	177.9	201.8	212.5	269.1	275.1	1,069.0	1,837.9	1,807.7	1,781.3	1,744.6	1,916.2	2,020.7
New Mexico.....	9.9	720.3	6.4	12.2	12.1	18.5	16.9	68.3	95.8	82.8	88.5	94.4	129.9	94.7
New York.....	1,350.5	53,060.7	629.0	731.3	939.0	985.2	1,062.8	4,355.0	6,493.5	6,585.4	7,254.3	7,129.5	7,883.8	9,012.0
North Carolina.....	50.8	3,089.7	34.3	40.9	42.2	51.8	52.1	250.0	382.8	375.3	375.7	342.7	567.8	574.2
North Dakota.....	10.4	801.2	5.7	5.9	6.2	8.6	11.6	53.9	109.3	104.9	108.4	99.5	132.4	134.9
Ohio.....	293.7	18,269.5	148.8	189.6	264.0	287.9	318.1	1,269.2	2,495.9	2,415.3	2,594.7	2,571.1	2,850.9	2,863.9
Oklahoma.....	44.9	2,489.1	31.9	43.4	34.3	43.1	56.0	247.5	318.0	277.8	300.9	268.4	438.8	429.1
Oregon.....	59.1	2,739.3	31.2	51.3	55.7	56.0	64.0	197.1	368.6	399.8	358.8	350.6	381.2	425.1
Pennsylvania.....	419.5	27,075.3	235.2	264.4	370.7	501.4	547.5	2,244.2	3,675.2	3,480.8	3,482.5	3,922.1	4,431.2	3,920.2
Rhode Island.....	58.8	3,087.6	33.2	40.3	47.8	54.4	59.3	329.8	433.9	405.2	407.3	368.0	423.5	484.7
South Carolina.....	30.3	1,488.2	20.5	24.5	21.5	23.2	25.4	264.7	170.0	160.1	166.3	184.9	216.1	211.0

Footnotes at end of table.

TABLE 47.—Gross sales of postal savings stamps, by States, for the fiscal years 1941 and 1942 and monthly for the fiscal year 1942—  
Continued

[In thousands of dollars]

State	Fiscal year		1941						1942					
	1941 <sup>1</sup>	1942	July	August	September	October	November	December	January	February	March	April	May	June
South Dakota.....	10.4	832.2	6.6	7.0	6.3	7.6	9.9	52.4	117.7	119.3	116.2	127.6	136.9	124.9
Tennessee.....	58.8	2,952.8	35.9	39.3	60.3	59.5	56.6	290.5	369.6	336.0	351.0	341.0	494.8	518.3
Texas.....	276.5	11,520.8	164.6	200.0	176.7	205.2	233.1	1,053.3	1,592.7	1,551.0	1,646.0	1,467.2	1,695.8	1,555.2
Utah.....	11.6	963.4	7.1	11.2	13.0	15.6	16.4	63.2	126.2	124.8	125.3	137.5	171.9	151.2
Vermont.....	14.7	705.8	8.4	9.7	10.2	13.2	15.8	54.5	97.8	93.6	89.3	96.3	112.3	104.8
Virginia.....	71.6	4,051.8	41.5	58.7	68.9	78.6	89.2	312.9	558.9	526.7	555.2	566.4	602.0	592.9
Washington.....	75.0	3,909.2	57.6	85.1	82.1	94.2	91.8	305.5	479.6	402.1	424.1	435.8	702.4	748.8
West Virginia.....	32.4	2,449.7	19.3	21.1	25.6	32.4	34.1	198.7	360.8	336.7	365.1	342.9	375.5	337.5
Wisconsin.....	104.7	5,728.3	33.3	38.3	45.3	64.3	86.4	423.7	819.5	772.7	813.0	820.1	931.7	880.0
Wyoming.....	9.7	493.6	5.0	6.8	6.2	8.6	9.9	48.5	71.9	69.2	63.1	64.0	76.7	63.9
Alaska.....	1.2	66.1	1.0	1.3	.6	.2	.4	.9	6.1	8.7	11.9	9.7	13.6	11.7
Guam.....	(*)	(*)	(*)	(*)										
Hawaii.....	6.9	1,233.7	6.9	9.7	81.9	49.4	34.1	57.5	84.4	78.9	158.1	220.4	263.8	193.8
Puerto Rico.....	10.2	166.8	6.8	6.0	4.9	7.9	9.5	9.3	15.0	17.7	22.4	23.2	22.4	21.9
Samoa.....	(*)	.1	.1											
Virgin Islands.....	.5	.6	.2	.2		.2								
Total.....	6,086.9	308,621.3	3,520.1	4,372.3	5,191.6	5,985.4	6,354.3	25,657.1	41,168.8	38,649.2	40,599.0	40,172.8	47,990.3	48,560.5

<sup>\*</sup> Less than \$50.<sup>1</sup> Sales of postal savings stamps as shown in this table commence with May 1, 1941, when the special defense series went on sale.

Source.—Post Office Department, Division of Postal Savings.

# Treasury tax savings notes

TABLE 48.—Sales and redemptions of Treasury tax savings notes, by months, fiscal year 1942<sup>1</sup>

[Par amount. On basis of daily Treasury statements (unrevised), see p. 387]

Month	Sales			Redemptions					Excess of sales or redemptions (—)		
	Total	Series A	Series B	Total	For cash		For taxes		Total	Series A	Series B
					Series A	Series B	Series A	Series B			
1941											
August.....	\$1,037,124,525	\$18,225,725	\$1,018,898,800	\$5,300	\$5,300				\$1,037,119,225	\$18,220,425	\$1,018,898,800
September.....	305,927,000	7,803,700	298,123,300	93,300	14,600	\$78,700			305,833,700	7,789,100	298,044,600
October.....	474,682,625	6,512,625	468,170,000	27,375	13,275	14,100			474,655,250	6,499,350	468,155,900
November.....	319,776,475	4,221,875	315,554,600	1,019,625	15,825	1,003,800			318,756,850	4,206,050	314,550,800
December.....	341,865,275	7,324,075	334,541,200	7,273,475	35,775	7,237,700			334,591,800	7,288,300	327,303,500
1942											
January.....	237,750,525	4,692,625	233,057,900	11,533,375	43,450	944,100	\$250,225	\$10,295,600	226,217,150	4,398,950	221,818,200
February.....	126,119,475	3,226,875	122,892,600	16,191,675	93,300	249,500	944,275	14,904,600	109,927,800	2,189,300	107,738,500
March.....	234,783,400	5,266,600	229,521,800	505,594,200	294,325	636,700	10,480,375	494,182,800	270,805,800	5,508,100	265,297,700
April.....	254,632,200	4,607,200	250,025,000	46,615,550	76,600	1,175,400	1,092,950	44,270,600	203,056,650	3,437,650	204,629,000
May.....	399,250,525	5,158,125	394,092,400	43,894,950	74,050	1,727,300	235,900	41,857,700	355,355,575	4,848,175	350,507,400
June.....	403,947,450	5,137,450	401,810,000	492,145,300	104,675	6,844,100	3,628,025	481,568,500	85,197,850	1,404,750	86,602,600
Total fiscal year 1942.....	4,138,914,475	72,176,875	4,066,737,600	1,124,394,125	771,175	19,911,400	16,631,750	1,087,079,800	2,014,520,350	54,773,950	2,959,746,400

<sup>1</sup> Sales of Treasury tax savings notes began in August 1941.

<sup>2</sup> Outstanding June 30, 1942.

TABLE 49.—Summary of sales and redemptions of Treasury tax savings notes, by series, monthly and total for the fiscal year 1942

[In millions of dollars]

Fiscal year or month	Amount out- standing end of fiscal year or month (par value)	Net change during fiscal year or month	Analysis of net change			
			Analysis of gross sales			Redemptions at par values
			Total funds received	Adjustment of sales reported to funds received	Sales reported	
All series <sup>1</sup>						
1942 <sup>2</sup> .....	3,014.5	+3,014.5	4,138.9	-17.2	4,156.2	1,124.4
1941—August.....	1,037.1	+1,037.1	1,037.1	-57.5	1,094.6	(*)
September.....	1,343.0	+305.8	305.9	+17.5	288.5	.1
October.....	1,817.6	+474.7	474.7	+37.0	437.7	(*)
November.....	2,136.4	+318.8	319.8	-5	320.3	1.0
December.....	2,471.0	+334.6	341.9	-3.7	345.6	7.3
1942—January.....	2,697.2	+226.2	237.8	+10.0	227.7	11.5
February.....	2,807.1	+109.9	126.1	-1.9	128.0	16.2
March.....	2,536.3	-270.8	234.8	-2.5	237.3	505.6
April.....	2,744.4	+208.1	254.7	-6.3	261.0	46.6
May.....	3,099.7	+355.4	399.3	+4.0	395.2	43.9
June.....	3,014.5	-85.2	406.9	-13.3	420.2	492.1
Series A						
1942 <sup>2</sup> .....	54.8	+54.8	72.2	+0.1	72.1	17.4
1941—August.....	18.2	+18.2	18.2	-1.5	19.7	(*)
September.....	26.0	+7.8	7.8	+7	7.1	(*)
October.....	32.5	+6.5	6.5	+7	5.8	(*)
November.....	36.7	+4.2	4.2	+1	4.1	(*)
December.....	44.0	+7.3	7.3	+1.6	5.8	(*)
1942—January.....	48.4	+4.4	4.7	-1.4	6.1	.3
February.....	50.6	+2.2	3.2	(*)	3.3	1.0
March.....	45.1	-5.5	5.3	-1	5.4	10.8
April.....	48.5	+3.4	4.6	(*)	4.6	1.2
May.....	53.4	+4.8	5.2	(*)	5.2	.3
June.....	54.8	+1.4	5.1	(*)	5.1	3.7



## Series B

1942 <sup>2</sup> .....	2,959.7	+2,959.7	4,066.7	-17.3	4,084.1	1,107.0
1941—August.....	1,018.9	+1,018.9	1,018.9	-56.0	1,074.9	.....
September.....	1,316.9	+298.0	298.1	+16.7	281.4	.1
October.....	1,785.1	+468.2	468.2	+36.3	431.9	(*)
November.....	2,099.7	+314.6	315.6	-5.3	316.2	1.0
December.....	2,427.0	+327.3	334.5	+11.3	339.8	7.2
1942—January.....	2,648.8	+221.8	233.1	-1.8	221.6	11.2
February.....	2,756.5	+107.7	122.9	-2.4	124.3	15.2
March.....	2,491.2	-265.3	229.5	-6.4	231.9	494.8
April.....	2,695.8	+204.6	250.1	+1.8	256.4	45.4
May.....	3,046.3	+350.5	394.1	+4.0	390.1	43.6
June.....	2,959.7	-86.6	401.8	-13.3	415.1	488.4

\*Less than \$50,000.

<sup>1</sup> Series A and B differ in two important respects: (1) Interest accumulates at an annual rate of approximately 1.92 percent on Series A and 0.48 percent on Series B; and (2) the aggregate annual amount which may be turned in on income, estate, or gift taxes is \$1,200 on Series A and is unlimited on Series B.

<sup>2</sup> Sale of Treasury tax savings notes began in August 1941.

SOURCE.—Daily Treasury statement (unrevised) and reports of gross sales.

TABLE 50.—Sales of Treasury tax savings notes reported by series, classified by denomination, monthly and total for the fiscal year 1942

Fiscal year or month	Sales in millions of dollars at par										Percentage distribution of sales										
	Total all denominations	Denomination									Total all denominations	Denomination									
		\$25 <sup>1</sup>	\$50 <sup>1</sup>	\$100	\$500 <sup>2</sup>	\$1,000 <sup>2</sup>	\$10,000 <sup>3</sup>	\$100,000 <sup>3</sup>	\$500,000 <sup>3</sup>	\$1,000,000 <sup>3</sup>		\$25 <sup>1</sup>	\$50 <sup>1</sup>	\$100	\$500 <sup>2</sup>	\$1,000 <sup>2</sup>	\$10,000 <sup>3</sup>	\$100,000 <sup>3</sup>	\$500,000 <sup>3</sup>	\$1,000,000 <sup>3</sup>	
	Series A																				
1942 <sup>4</sup> .....	72.1	2.9	4.2	56.2	3.1	5.7						100.0	4.0	5.8	78.0	4.3	7.9				
1941—August.....	19.7	.6	.8	18.3								100.0	3.1	4.2	92.6						
September.....	7.1	.3	.4	6.3								100.0	4.5	5.8	89.7						
October.....	5.8	.3	.4	5.1								100.0	5.2	7.0	87.8						
November.....	4.1	.3	.3	3.5								100.0	6.3	8.4	85.4						
December.....	5.8	.3	.5	4.9								100.0	5.3	9.4	85.2						
1942—January.....	6.1	.2	.3	4.1	.5	.9						100.0	3.7	5.5	67.2	8.5	15.1				
February.....	3.3	.1	.2	2.0	.3	.6						100.0	4.1	6.1	62.0	9.4	18.4				
March.....	5.4	.2	.3	3.3	.6	1.0						100.0	3.2	5.1	62.1	10.5	19.1				
April.....	4.6	.2	.3	2.8	.5	.9						100.0	3.6	5.8	60.1	10.6	19.9				
May.....	5.2	.2	.3	2.9	.6	1.2						100.0	3.4	5.7	57.1	11.4	22.5				
June.....	5.1	.2	.3	2.9	.6	1.1						100.0	3.5	5.7	57.0	12.4	21.3				

Series B																					
1942 *	4,084.1				6.9	14.7	148.5	566.7	1,391.8	366.5	1,589.0	100.0			0.2	0.4	3.6	13.8	34.1	9.0	38.9
1941—August	1,074.9				1.2	2.9	27.5	120.5	374.9	63.0	485.0	100.0			.1	.3	2.6	11.2	34.9	5.9	45.1
September	281.4				.5	1.2	12.7	44.8	103.2	28.0	91.0	100.0			.2	.4	4.5	15.9	36.7	10.0	32.3
October	431.9				.5	1.4	12.1	44.2	114.2	26.5	233.0	100.0			.1	.3	2.8	10.2	26.4	6.1	53.9
November	316.2				.5	1.1	11.2	43.9	104.4	32.0	123.0	100.0			.2	.4	3.5	13.9	33.0	10.1	38.9
December	339.8				.9	2.1	19.2	58.8	120.9	22.0	116.0	100.0			.3	.6	5.6	17.3	35.6	6.5	34.1
1942—January	221.6				.6	1.2	12.1	39.8	71.8	19.0	77.0	100.0			.3	.6	5.5	18.0	32.4	8.6	34.7
February	124.7				.3	.6	6.4	23.2	48.7	11.5	34.0	100.0			.3	.5	5.1	18.6	39.0	9.2	27.3
March	231.9				.5	1.1	10.9	33.4	74.5	31.5	80.0	100.0			.2	.5	4.7	14.4	32.1	13.6	34.5
April	256.4				.5	.9	10.6	39.8	108.2	34.5	62.0	100.0			.2	.3	4.1	15.5	42.2	13.5	24.2
May	390.1				.6	1.1	12.0	52.9	122.4	43.0	158.0	100.0			.2	.3	3.1	13.6	31.4	11.0	40.5
June	415.1				.6	1.1	13.8	65.5	148.6	55.5	130.0	100.0			.1	.3	3.3	15.8	35.8	13.4	31.3

<sup>1</sup> Not sold in Series B.

<sup>2</sup> Not sold in Series A prior to January 1942.

<sup>3</sup> Not sold in Series A.

<sup>4</sup> Sale of Treasury tax savings notes began in August 1941.

SOURCE.—Reports of gross sales.

TABLE 51.—Sales of Treasury tax savings notes reported by series, classified by type of purchaser, monthly and total for the fiscal year 1942

Fiscal year or month	Sales in millions of dollars at par			Percentage distribution of sales		
	Total	Type of purchaser		Total	Type of purchaser	
		Individuals, partnerships, and fiduciaries	Corporations		Individuals, partnerships, and fiduciaries	Corporations
	All series					
1942 <sup>1</sup> .....	4,156.2	402.5	3,753.7	100.0	-9.7	90.3
1941—August.....	1,094.6	66.0	1,028.6	100.0	6.0	94.0
September.....	288.5	27.3	261.2	100.0	9.5	90.5
October.....	437.7	25.5	412.1	100.0	5.8	94.2
November.....	320.3	17.8	302.5	100.0	5.6	94.4
December.....	345.6	42.1	303.5	100.0	12.2	87.8
1942—January.....	227.7	66.1	161.6	100.0	29.0	71.0
February.....	128.0	26.7	101.3	100.0	20.8	79.2
March.....	237.3	28.8	208.5	100.0	12.1	87.9
April.....	261.0	37.2	223.8	100.0	14.3	85.7
May.....	395.2	29.3	365.9	100.0	7.4	92.6
June.....	420.2	35.5	384.7	100.0	8.5	91.5

Series A						
1942 <sup>1</sup> .....	72.1	63.0	9.1	100.0	87.4	12.6
1941—August.....	19.7	16.0	3.7	100.0	81.2	18.8
September.....	7.1	6.2	.9	100.0	87.4	12.6
October.....	5.8	5.2	.6	100.0	89.0	11.0
November.....	4.1	3.5	.6	100.0	85.5	14.5
December.....	5.8	5.4	.4	100.0	93.8	6.2
1942—January.....	6.1	5.4	.7	100.0	88.9	11.1
February.....	3.3	2.8	.4	100.0	87.2	12.8
March.....	5.4	4.9	.5	100.0	90.6	9.4
April.....	4.6	4.2	.4	100.0	92.1	7.9
May.....	5.2	4.7	.4	100.0	91.7	8.3
June.....	5.1	4.6	.5	100.0	90.3	9.7
Series B						
1942 <sup>1</sup> .....	4,084.1	339.5	3,744.6	100.0	8.3	91.7
1941—August.....	1,074.9	50.0	1,024.9	100.0	4.7	95.3
September.....	281.4	21.1	260.3	100.0	7.5	92.5
October.....	431.9	20.4	411.5	100.0	4.7	95.3
November.....	316.2	14.3	301.9	100.0	4.5	95.5
December.....	339.8	36.7	303.1	100.0	10.8	89.2
1942—January.....	221.6	60.7	160.9	100.0	27.4	72.6
February.....	124.7	23.8	100.9	100.0	19.1	80.9
March.....	231.9	23.9	208.0	100.0	10.3	89.7
April.....	256.4	33.0	223.4	100.0	12.9	87.1
May.....	390.1	24.6	365.5	100.0	6.3	93.7
June.....	415.1	30.9	384.2	100.0	7.4	92.6

<sup>1</sup> Sales of Treasury tax savings notes began in August 1941.

SOURCE.—Reports of gross sales.

TABLE 52.—Redemptions of Treasury tax savings notes by series, classified by means of payment, monthly and total for the fiscal year 1942

Fiscal year or month	Redemptions in millions of dollars at par			Percentage distribution of redemptions		
	Total	Means of payment		Total	Means of payment	
		Received for taxes	Cash redemptions		Received for taxes	Cash redemptions
	All series					
1942 <sup>1</sup> .....	1,124.4	1,103.7	20.7	100.0	98.2	1.8
1941—August.....	(*)		(*)	100.0		100.0
September.....	.1		.1	100.0		100.0
October.....	(*)		(*)	100.0		100.0
November.....	1.0		1.0	100.0		100.0
December.....	7.3		7.3	100.0		100.0
1942—January.....	11.5	10.5	1.0	100.0	91.4	8.6
February.....	16.2	15.8	.3	100.0	97.9	2.1
March.....	505.6	504.7	.9	100.0	99.8	.2
April.....	46.6	45.4	1.3	100.0	97.3	2.7
May.....	43.9	42.1	1.8	100.0	95.9	4.1
June.....	492.1	485.2	6.9	100.0	98.6	1.4

Series A						
1942 <sup>1</sup>	17.4	16.6	0.8	100.0	95.6	4.4
1941—August	(*)		(*)	100.0		100.0
September	(*)		(*)	100.0		100.0
October	(*)		(*)	100.0		100.0
November	(*)		(*)	100.0		100.0
December	(*)		(*)	100.0		100.0
1942—January	.3	.3		100.0	85.2	14.8
February	1.0	.9	.1	100.0	91.0	9.0
March	10.8	10.5	.3	100.0	97.3	2.7
April	1.2	1.1	.1	100.0	93.4	6.6
May	.3	.2	.1	100.0	76.1	23.9
June	3.7	3.6	.1	100.0	97.2	2.8
Series B						
1942 <sup>1</sup>	1,107.0	1,087.1	19.9	100.0	98.2	1.8
1941—August						
September	.1		.1	100.0		100.0
October	(*)		(*)	100.0		100.0
November	1.0		1.0	100.0		100.0
December	7.2		7.2	100.0		100.0
1942—January	11.2	10.3	.9	100.0	91.6	8.4
February	15.2	14.9	.2	100.0	98.4	1.6
March	494.8	494.2	.6	100.0	99.9	.1
April	45.4	44.3	1.2	100.0	97.4	2.6
May	43.6	41.9	1.7	100.0	96.0	4.0
June	488.4	481.6	6.9	100.0	98.6	1.4

\*Less than \$50,000.

<sup>1</sup> Sale of Treasury tax savings notes began in August 1941.

SOURCE.—Daily Treasury statements (unrevised).

## Interest on the public debt

TABLE 53.—Interest on the public debt, payable, paid, and outstanding unpaid,<sup>1</sup> fiscal year 1942

[On basis of daily Treasury statements (revised), see p. 387]

Issue	Outstanding unpaid June 30, 1941	Due and payable during 1942	Payments during 1942	Outstanding unpaid June 30, 1942
Conversion bonds, etc. ....	\$322,906.68	\$2,360,851.44	\$2,361,453.20	\$322,304.92
Postal savings bonds. ....	140,669.95	2,934,499.75	2,928,153.00	147,016.70
Liberty bonds and Victory notes. ....	6,016,689.65	7.31	266,317.50	5,750,379.46
Treasury bonds. ....	26,328,906.77	879,025,088.75	877,449,730.28	27,904,265.24
Treasury notes. ....	2,444,012.00	177,551,539.38	169,635,057.86	10,360,493.52
Certificates of indebtedness. ....	847,615.10	68,069,830.56	68,081,548.37	835,897.29
Treasury (war) savings securities <sup>1</sup> . ....	3,334,355.00	-----	64,940.00	3,269,415.00
Treasury bills <sup>1</sup> . ....	-----	4,668,091.56	4,668,091.56	-----
United States savings bonds, Series A to F <sup>1</sup> . ....	-----	87,535,400.15	87,535,400.15	-----
United States savings bonds, Series G. ....	-----	21,474,743.85	21,282,661.35	192,082.50
Adjusted service bonds. ....	36,373,042.44	29,734,137.84	24,719,505.72	41,387,674.56
Depository bonds. ....	-----	1,115,892.74	1,112,237.86	3,654.88
Total. ....	75,808,197.59	1,274,470,083.33	1,260,105,096.85	90,173,184.07

<sup>1</sup> Amounts represent discount treated as interest.



TABLE 54.—Interest paid on the public debt, by issues, fiscal years 1940 to 1942<sup>1</sup>

[On basis of warrants issued, see p. 387]

Issues	Rate of interest	1940	1941	1942
Debt unmatured as of June 30 in the respective year:				
Panama Canal loan of 1961	Percent 3	\$1,511,757.00	\$1,493,824.50	\$1,495,254.00
Conversion bonds of 1946-47	3	868,225.50	865,495.50	861,066.00
Postal savings bonds	2½	2,935,619.25	2,931,798.00	2,928,153.00
Treasury bonds:				
1947-52	4½	32,161,920.75	32,185,554.10	32,190,636.42
1944-54	4	41,133,362.00	41,326,190.00	41,497,110.00
1946-56	3¾	18,316,808.23	18,303,762.70	18,314,225.90
1943-47	3½	15,204,048.35	15,211,437.39	15,397,562.49
1941-43	3½	18,393,180.55		
1946-49	3½	25,483,094.08	25,498,616.04	25,594,252.37
1951-55	3	22,599,039.00	22,586,773.50	22,607,507.25
1941	3¼	27,087,925.60	35,483,854.97	
1943-45	3¼	45,458,704.01	45,483,930.34	45,423,665.05
1944-46	3¼	49,253,610.26	49,313,249.91	49,299,304.73
1946-48	3¼	30,944,856.00	31,081,336.50	31,119,288.00
1949-52	3	15,341,739.77	15,314,442.50	15,287,097.54
1955-60	2½	74,885,584.16	74,909,656.75	74,866,073.18
1945-47	2½	33,361,945.91	33,367,470.56	33,395,413.94
1948-51	2½	33,640,796.30	33,629,842.48	33,614,295.62
1951-54	2½	44,616,359.19	44,678,654.46	44,712,551.67
1956-59	2½	26,989,336.37	26,940,179.00	26,987,076.80
1949-53	2½	44,527,409.88	44,472,465.34	44,730,558.91
1945	2½	13,498,841.23	13,485,573.94	13,448,836.42
1948	2½	11,268,714.62	11,269,230.19	11,269,538.87
1958-63	2½	25,174,423.67	25,166,915.95	25,279,281.62
1950-52	2½	29,620,397.73	29,623,894.38	29,607,299.73
1960-65	2½	40,512,457.97	40,575,042.12	40,838,891.32
1947	2	13,983,255.00	13,924,702.50	13,960,226.00
1948-50	2	5,779,843.94	11,401,735.85	33,587,940.24
1949-51	2			8,146,745.94
1951-55	2			5,030,032.23
1951-53	2½	11,712,660.26	25,091,474.66	25,074,333.60
1954-56	2½		13,407,783.74	15,324,458.99
1953-55	2		9,729,880.10	14,502,413.15
1952-54	2½		37,730.41	24,419,594.96
1956-58	2½		44.14	28,337,742.04
1967-72	2½			22,456,590.68
1952-55	2½			9,954,902.59
United States savings bonds:				
Series A-1935	42.9	4,269,066.25	4,101,746.50	3,961,960.50
Series B-1936	42.9	8,021,893.09	7,671,047.25	7,384,758.00
Series C-1937	42.9	10,740,868.75	10,215,359.25	9,816,276.50
Series C-1938	42.9	13,326,579.25	12,642,168.25	12,114,660.50
Series D-1939	42.9	5,740,404.75	21,489,734.75	20,518,132.25
Series D-1940	42.9		8,887,689.75	26,139,939.75
Series D-1941	42.9			5,923,045.75
Series E-1941	42.9			1,476,091.50
Series F-1941	42.53			200,535.40
Series G-1941	2.5			21,282,661.35
Depository bonds	2			1,112,237.86
Adjusted service bonds of 1945	3	3,202,187.69	3,064,822.26	2,212,397.68
Adjusted service bonds, Government life insurance fund, Series 1946	4½	22,507,108.04	22,507,108.04	22,507,108.04
Treasury notes, public issues, at various interest rates		66,177,011.32	53,429,967.34	53,136,126.21
Treasury notes, special issues:				
Old-age reserve account	3	41,312,803.26	33,138,641.10	18,136,857.56
Federal old-age and survivors insurance trust fund	2½	1,176,024.59	14,872,637.02	33,202,500.00
Federal old-age and survivors insurance trust fund	2½			7,895,345.88
Federal old-age and survivors insurance trust fund	2½			210,821.92
Railroad retirement account	3	2,282,516.39	2,533,857.53	2,198,067.14
Civil service retirement fund	4	19,629,508.18	21,702,663.01	24,990,093.14
Civil service retirement fund	3	245.90	14,361.04	29,537.83
Foreign service retirement fund	4	126,117.49	163,789.04	185,431.68
Canal Zone retirement fund	4	165,575.09	126,032.44	238,811.28
Alaska Railroad retirement fund	4	29,500.87	35,936.98	37,693.15
Postal Savings System <sup>2</sup>	2	2,013,280.76	1,939,374.04	1,445,620.94
Government life insurance fund	2	126,174.86	229,990.44	148,821.91
Federal Savings and Loan Insurance Corporation	2		4,252.72	137,422.64

Footnotes at end of table.

TABLE 54.—Interest paid on the public debt, by issues, fiscal years 1940 to 1942<sup>1</sup>—Continued

Issues	Rate of interest	1940	1941	1942
Debt unmatured as of June 30 in the respective year—Continued.				
Treasury notes, special issues—Con.	Percent			
National service life insurance fund	3		\$15,425.35	\$433,551.37
Federal Deposit Insurance Corporation	2	\$978,852.46	1,441,678.98	1,879,445.15
Certificates of indebtedness, public issues, at various interest rates.				50.75
Certificates of indebtedness, special issue, adjusted service certificate fund.	4	19,781.42	7,578.08	4,256.98
Treasury bills <sup>2</sup>		122,598.37	356,884.32	2,233,478.95
Debt matured as of June 30 in the respective year:				
Old debt matured, issued prior to April 1, 1917.		1,317.17	155.64	4,260.85
Consols of 1930.	2	242.00	55.75	496.25
First Liberty loan bonds.	3½	63,606.15	51,593.11	40,115.17
First Liberty loan bonds (converted).	4	1,480.69	2,560.38	3,323.84
First Liberty loan bonds (converted).	4¼	30,211.16	23,547.67	25,743.71
First Liberty loan bonds (second converted).	4¼	15.94	614.13	22.32
Second Liberty loan bonds.	4	4,883.62	4,530.00	5,467.00
Second Liberty loan bonds (converted).	4¼	12,186.93	5,488.93	6,007.10
Third Liberty loan bonds.	4¼	29,178.50	19,702.57	20,604.22
Fourth Liberty loan bonds.	4¼	252,897.99	204,861.15	162,456.38
Victory notes.	3¾		12.45	
Victory notes.	4¾	4,571.12	1,752.56	2,577.76
War savings stamps.		61,893.89	59,045.00	64,515.00
Treasury savings certificates.		100.00	450.00	425.00
Panama Canal loan of 1916-36.	2	1.20	134.00	326.10
Panama Canal loan of 1918-38.	2		375.10	50.00
Treasury bonds of 1940-43.	3¾	11,928,627.88	833,782.08	81,555.09
Treasury bonds of 1941-43.	3¾		18,535,031.49	193,425.45
Treasury bonds of 1941.	3¼			899,301.49
Treasury notes, public issues, at various interest rates.		30,106,417.97	19,745,978.64	7,635,535.35
Treasury notes, special issues:				
Old-age reserve account.	3		7,947,000.00	11,460,000.00
Railroad retirement account.	3			944,991.77
Civil service retirement fund.	4	1,935,245.91	3,446,586.30	4,702,761.64
Foreign service retirement fund.	4	26,216.07	23,087.35	30,040.87
Canal Zone retirement fund.	4	4,556.38	86,779.85	19,345.09
Alaska Railroad retirement fund.	4		2,080.00	10,600.00
Federal Deposit Insurance Corporation.	2			77,049.18
Postal Savings System.	2		14,337.02	230,530.87
Government life insurance fund.	2			218,055.29
Treasury certificates.	2	383.00	13.00	107.00
Certificates of indebtedness, public issues, at various interest rates.		3,501.02	4,081.73	14,008.08
Certificates of indebtedness, special issues:				
Adjusted service certificate fund.	4	747,517.81	433,923.50	642,241.09
Unemployment trust fund.	2½	37,725,798.84	48,952,549.64	60,353,106.99
Unemployment trust fund.	2¾			6,530,862.41
Unemployment trust fund.	2¼			537,016.57
Treasury bills <sup>3</sup>		273,385.04	256,369.19	2,434,612.61
Total.		1,041,448,261.64	1,110,205,219.13	1,260,105,096.85

<sup>1</sup> For details for the fiscal years 1918 to 1929, see annual report for 1929, p. 503; and for later years, similar tables in subsequent reports.

<sup>2</sup> Includes adjustment of \$156.99 that had been charged against the bond issue of 1941-43.

<sup>3</sup> Deduct excess of credits, collection of interest accruals, and counter warrant adjustments.

<sup>4</sup> Approximate yield if held to maturity.

<sup>5</sup> Includes interest on Canal Zone Postal Savings System, Treasury notes.

<sup>6</sup> Sold on a discount basis.

TABLE 55.—Amount of interest-bearing debt outstanding, the computed annual interest charge, and the computed rate of interest, for the fiscal years 1916 to 1942, and by months from July 1941 to June 1942<sup>1</sup>

(On basis of daily Treasury statements (revised), see p. 387)

Year and month	Interest-bearing debt <sup>2</sup>	Computed annual interest charge	Computed rate of interest
Year ended June 30—			Percent
1916.....	\$971,562,590	\$23,084,635	2.376
1917.....	2,712,549,476	83,625,482	3.120
1918.....	11,985,882,436	468,618,544	3.910
1919.....	25,234,496,273	1,054,204,509	4.178
1920.....	24,061,095,361	1,016,592,219	4.225
1921.....	23,737,352,080	1,029,917,903	4.339
1922.....	22,711,035,587	962,896,535	4.240
1923.....	22,007,590,754	927,331,341	4.214
1924.....	20,981,586,429	876,960,673	4.180
1925.....	20,210,906,251	829,680,044	4.105
1926.....	19,383,770,860	793,423,952	4.093
1927.....	18,250,943,965	722,675,553	3.960
1928.....	17,317,695,096	671,353,112	3.877
1929.....	16,638,941,379	656,654,311	3.946
1930.....	15,921,892,350	606,031,831	3.807
1931.....	16,519,588,640	588,987,438	3.566
1932.....	19,161,273,540	671,604,676	3.505
1933.....	22,157,643,120	742,175,955	3.350
1934.....	26,480,487,920	842,301,133	3.181
1935.....	27,645,229,826	750,677,802	2.716
1936.....	32,755,631,770	838,002,053	2.559
1937.....	35,802,586,915	924,347,089	2.582
1938.....	36,578,684,982	947,164,071	2.589
1939.....	39,891,844,494	1,037,107,765	2.600
1940.....	42,380,009,306	1,094,721,802	2.583
1941.....	48,404,879,488	1,218,693,931	2.518
1942.....	72,041,190,333	1,645,975,092	2.285
Month ended—			
1941—July.....	48,992,847,751	1,235,381,784	2.522
August.....	50,385,483,332	1,249,500,910	2.480
September.....	50,815,439,326	1,261,118,095	2.482
October.....	53,064,334,234	1,308,170,655	2.465
November.....	54,561,889,299	1,325,370,189	2.420
December.....	57,532,643,085	1,386,197,618	2.409
1942—January.....	59,618,492,065	1,433,195,095	2.404
February.....	61,948,702,121	1,489,213,616	2.404
March.....	61,984,930,449	1,503,821,065	2.426
April.....	64,554,094,052	1,528,713,267	2.368
May.....	68,155,024,157	1,600,679,201	2.349
June.....	72,041,190,333	1,645,975,092	2.285

<sup>1</sup> For monthly data back to June 30, 1916, see annual reports for 1929, p. 509; for 1936, p. 442; and corresponding tables in subsequent reports.<sup>2</sup> The interest-bearing debt includes discount on Treasury bills from June 30, 1930, the amount being deducted from the interest-bearing debt prior to calculating the average interest rate.

TABLE 56.—Interest paid on the securities issued or guaranteed by the United States Government, classified by tax status, fiscal years 1913 to 1942

[On basis of daily Treasury statements (revised), see p. 387]

Fiscal year	Grand total					
	Total	Tax-exempt			Taxable	Special issues to Government agencies and trust funds
		Total	Wholly	Partially		
1913.....	\$22,899,108.08	\$22,899,108.08	\$22,899,108.08			
1914.....	22,863,956.70	22,863,956.70	22,863,956.70			
1915.....	22,902,897.04	22,902,897.04	22,902,897.04			
1916.....	22,900,313.03	22,900,313.03	22,900,313.03			
1917.....	24,742,129.42	24,742,129.42	24,742,129.42			
1918.....	197,526,608.36	197,526,608.36	144,428,106.25	\$53,098,502.11		
1919.....	615,867,337.32	615,867,337.32	72,399,358.41	543,467,978.91		
1920.....	1,024,024,440.02	1,024,024,440.02	71,378,560.78	952,645,879.24		
1921.....	996,676,803.75	996,676,803.75	84,817,537.26	911,859,266.49		
1922.....	989,485,409.93	989,485,409.93	71,961,288.44	917,524,121.49		
1923.....	1,055,088,486.44	1,055,088,486.44	70,517,091.98	984,571,394.46		
1924.....	938,740,771.79	938,740,771.79	70,422,193.17	868,318,578.62		
1925.....	882,014,950.03	881,957,306.19	69,056,550.90	812,900,755.20		\$57,643.84
1926.....	831,469,206.12	827,649,874.62	65,142,335.84	762,507,538.78		3,819,331.50
1927.....	787,793,764.08	779,456,766.83	64,824,104.36	714,632,662.47		8,336,997.25
1928.....	731,850,073.89	717,443,778.31	66,097,950.10	651,345,828.21		14,406,295.58
1929.....	678,980,351.20	662,906,510.45	65,129,844.68	597,776,665.77		16,073,840.75
1930.....	658,602,154.96	629,632,481.69	67,767,721.14	561,864,760.55		28,969,673.27
1931.....	610,758,025.42	570,013,183.79	103,241,602.57	466,771,581.22		40,744,841.63
1932.....	599,722,595.24	588,948,616.31	116,232,545.69	472,716,070.62		10,773,978.93
1933.....	689,243,011.82	674,708,349.31	202,013,327.75	472,695,021.56		14,534,662.51
1934.....	759,559,326.33	745,203,326.28	248,717,774.86	496,485,551.42		14,356,000.05
1935.....	913,052,028.92	895,834,604.93	292,745,100.46	603,089,504.47		17,217,423.99
1936.....	967,367,943.91	842,027,963.73	262,340,559.32	579,687,404.41		25,339,980.18
1937.....	985,411,586.18	936,900,876.16	239,014,792.17	697,886,083.99		48,510,710.02
1938.....	1,041,109,048.36	967,300,236.77	216,374,331.75	750,925,905.02		73,808,811.59
1939.....	1,055,806,779.72	954,398,628.19	147,000,279.74	807,398,348.45		101,408,151.53
1940.....	1,151,376,049.80	1,019,528,712.69	104,224,687.26	915,304,025.43		131,847,337.11
1941.....	1,221,067,348.64	1,060,941,089.18	79,202,618.97	981,738,470.21	\$486,589.99	159,639,669.47
1942.....	1,385,670,031.26	1,020,162,592.31	57,082,739.04	963,079,853.27	166,069,450.57	199,437,988.38

NOTE.—The amount of interest paid includes the increase in the redemption value of United States savings bonds during the year and the discount on unmaturing issues of Treasury bills. Interest paid on guaranteed issues does not include about \$207,500 paid on Tennessee Valley Authority bonds "issued on the credit of the United States".

TABLE 56.—Interest paid on the securities issued or guaranteed by the United States Government, classified by tax status, fiscal years 1913 to 1942—Continued

Fiscal year	U. S. Government				
	Total	Tax-exempt		Taxable	Special issues to Government agencies and trust funds.
		Wholly	Partially		
1913.....	\$22,899,108.08	\$22,899,108.08			
1914.....	22,863,956.70	22,863,956.70			
1915.....	22,902,897.04	22,902,897.04			
1916.....	22,900,313.03	22,900,313.03			
1917.....	24,742,129.42	24,742,129.42			
1918.....	197,526,608.36	144,428,106.25	\$53,098,502.11		
1919.....	615,867,337.32	72,399,358.41	543,467,978.91		
1920.....	1,024,024,440.02	71,378,560.78	952,645,879.24		
1921.....	996,676,803.75	84,817,537.26	911,859,266.49		
1922.....	989,435,409.93	71,961,288.44	917,524,121.49		
1923.....	1,055,088,486.44	70,517,091.98	984,571,394.46		
1924.....	938,740,771.79	70,422,193.17	868,318,578.62		
1925.....	882,014,950.03	69,056,550.99	812,900,755.20		\$57,643.84
1926.....	831,469,206.12	65,142,335.84	762,507,538.78		3,819,331.50
1927.....	787,793,764.08	64,824,104.36	714,632,662.47		8,336,997.25
1928.....	731,850,073.89	66,097,950.10	651,345,828.21		14,406,295.58
1929.....	678,980,351.20	65,129,844.68	597,776,665.77		16,073,840.75
1930.....	658,602,154.96	67,767,721.14	561,864,760.55		28,969,673.27
1931.....	610,758,025.42	103,241,602.57	466,771,581.22		40,744,841.63
1932.....	599,722,595.24	116,232,545.69	472,716,070.62		10,773,978.93
1933.....	689,243,011.82	202,013,327.75	472,695,021.56		14,534,662.51
1934.....	757,210,099.33	248,717,774.86	494,136,324.42		14,356,000.05
1935.....	821,486,422.26	292,745,100.46	511,523,897.81		17,217,423.99
1936.....	747,896,613.54	262,340,559.32	460,216,074.04		25,339,980.18
1937.....	866,798,692.94	239,014,792.17	579,273,190.75		48,510,710.02
1938.....	926,247,272.42	216,374,331.75	636,064,129.08		73,808,811.59
1939.....	940,958,138.78	147,000,279.74	692,549,707.51		101,408,151.53
1940.....	1,041,448,261.64	104,224,687.26	805,376,237.27		131,847,337.11
1941.....	1,110,205,219.13	79,202,618.97	870,876,340.70	\$486,589.99	159,639,669.47
1942.....	1,260,105,096.85	57,082,739.04	850,120,494.20	153,463,875.23	199,437,988.38

Fiscal year	Federal instrumentalities: Guaranteed issues.		
	Total	Partially tax-exempt	Taxable
1913.....			
1914.....			
1915.....			
1916.....			
1917.....			
1918.....			
1919.....			
1920.....			
1921.....			
1922.....			
1923.....			
1924.....			
1925.....			
1926.....			
1927.....			
1928.....			
1929.....			
1930.....			
1931.....			
1932.....			
1933.....			
1934.....	\$2,349,227.00	\$2,349,227.00	
1935.....	91,565,606.66	91,565,606.66	
1936.....	119,471,330.37	119,471,330.37	
1937.....	118,612,893.24	118,612,893.24	
1938.....	114,861,775.94	114,861,775.94	
1939.....	114,848,640.94	114,848,640.94	
1940.....	109,927,788.16	109,927,788.16	
1941.....	110,862,129.51	110,862,129.51	
1942.....	125,564,934.41	112,959,359.07	\$12,605,575.34

Miscellaneous

TABLE 57.—Contingent liabilities of the United States, June 30, 1942

Title and authorizing act	Extent of guaranty by the United States	Tax ex- emptions	Date of issue	Redeemable (on and after)	Payable	Interest payable	Amount		
							Principal	Maturity interest <sup>1</sup>	Total
GUARANTEED BY THE UNITED STATES									
UNMATURED OBLIGATIONS									
Commodity Credit Corporation, act of Mar. 8, 1938:	Principal and interest.	(22)	Aug. 1, 1940		May 1, 1943	May 1, Nov. 1...	\$289,458,000.00	\$3,695.64	\$289,461,695.64
¾% notes, series F, 1943.....									
1½% notes, series G, 1945.....									
	do	(23)	July 21, 1941		Feb. 15, 1945	Feb. 15, Aug. 15..	411,596,000.00	2,889.21	411,598,889.21
							<sup>2</sup> 701,054,000.00	6,584.85	701,060,584.85
Federal Farm Mortgage Corporation, act of Jan. 31, 1934, as amended:	do	(22)	May 15, 1934	May 15, 1944	May 15, 1949	May 15, Nov. 15	835,085,600.00	920,509.50	836,006,109.50
3% bonds of 1944-49.....									
3¼% bonds of 1944-64.....									
	do	(22)	Mar. 15, 1934	Mar. 15, 1944	Mar. 15, 1964	Mar. 15, Sept. 15	94,678,600.00	154,438.47	94,833,038.47
							<sup>3</sup> 929,764,200.00	1,074,947.97	930,839,147.97
Federal Housing Administration, act of June 27, 1934, as amended:	do	(24)	Various	On any interest day or days on 3 months' notice.	Various	Jan. 1, July 1			
Mutual mortgage insurance fund:									
3% debentures, Series A.....									
2¼% debentures, Series B—uncalled.	do	(24)	do	do	do	do	6,618,905.28	135.02	6,619,040.30
	do						527,150.00	360.19	527,510.19
2¾% debentures, Series B—seventh called.	do	(24)	do	do	do	do	1,473,850.00		1,473,850.00
Housing insurance fund:	do	(25)	do	do	do	do			
2¾% debentures, Series C.....									
2¾% debentures, Series D.....									
	do	(25)	do	do	do	do	45,900.00		45,900.00
							12,797,800.00		12,797,800.00
Federal Public Housing Authority, act of Sept. 1, 1937, as amended: <sup>4</sup>	do	(28)	Feb. 1, 1939		Feb. 1, 1944	Feb. 1, Aug. 1...			
1½% notes, Series B, 1944.....									
							21,463,605.28	495.21	21,464,100.49
							<sup>5</sup> 114,157,000.00	1,670.59	114,158,670.59
Home Owners' Loan Corporation, act of June 13, 1933, as amended:	do	(27)	May 1, 1934	May 1, 1944	May 1, 1952	May 1, Nov. 1...			
3% bonds, Series A, 1944-52.....									
2¼% bonds, Series G, 1942-44.....									
	do	(27)	July 1, 1935	July 1, 1942	July 1, 1944	Jan. 1, July 1	29,324,225.00	95,495.23	29,419,720.23
	do	(27)	June 1, 1939	June 1, 1945	June 1, 1947	June 1, Dec. 1...	754,904,025.00	138,643.47	755,042,668.47
							<sup>6</sup> 1,562,806,450.00	1,462,793.88	1,564,269,243.88

Reconstruction Finance Corporation, act of Jan. 22, 1932, as amended:								
1% notes, Series S.....	do.....	(25)	Nov. 10, 1939	July 1, 1942	Jan. 1, July 1.....	3,596,000.00	786.41	3,596,786.41
3/4% notes, Series U.....	do.....	(26)	Apr. 17, 1941	Oct. 15, 1942	Apr. 15, Oct. 15.....	319,895,000.00	2,584.39	319,897,584.39
1 1/4% notes, Series V.....	do.....	(26)	do.....	July 15, 1943	Jan. 15, July 15.....	324,397,000.00	3,679.88	324,400,679.88
1% notes, Series W.....	do.....	(26)	July 3, 1941	Apr. 15, 1944	Apr. 15, Oct. 15.....	571,363,000.00	6,403.33	571,369,403.33
Tennessee Valley Authority, act of May 18, 1933, as amended.	(9)					7 1,219,251,000.00 (9)	13,454.01	1,219,264,454.01
United States Maritime Commission, act of June 29, 1936, as amended.	(10)							
Total unmatured obligations.....						4,548,496,255.28	2,559,946.51	4,551,056,201.79
MATURED OBLIGATIONS								
Commodity Credit Corporation, act of Mar. 8, 1938:								
3/4% notes, Series D, 1941.....						42,000.00	84.39	42,084.39
Federal Farm Mortgage Corporation, act of Jan. 31, 1934, as amended:								
1 1/4% bonds of 1939.....						45,500.00	7.50	45,507.50
2 3/4% bonds of 1942-47.....						2,134,500.00	21,024.90	2,155,524.90
3% bonds of 1942-47.....						11,765,800.00	154,401.00	11,920,201.00
Federal Housing Administration, act of June 27, 1934, as amended:						11 13,945,800.00	175,433.40	14,121,233.40
Mutual mortgage insurance fund:								
2 3/4% debentures, Series B— sixth called.....						12,700.00	174.33	12,874.33
Federal Public Housing Authority, act of Sept. 1, 1937, as amended: <sup>4</sup>								
1/4% notes, Series E, 1941.....						5,000.00		5,000.00
Home Owners' Loan Corporation:								
4% bonds of 1933-51, act of June 13, 1933.....							10,720.90	10,720.90
2 3/4% bonds, Series B, 1939-49, act of June 13, 1933, as amended.						4,846,550.00	261,512.65	5,108,062.65
2% bonds, Series E, 1938.....						50,000.00	3,520.00	53,520.00
1 1/2% bonds, Series F, 1939.....						26,525.00	324.01	26,849.01
3 1/2% bonds, Series K, 1940.....						80,400.00	7.50	80,407.50
3 1/2% bonds, Series L, 1941.....						285,700.00	824.51	286,524.51
Reconstruction Finance Corporation, act of Jan. 22, 1932, as amended:						12 5,289,175.00	276,909.57	5,566,084.57
1/4% notes, Series N.....						1,000.00	17.50	1,017.50
1/4% notes, Series R.....						400,000.00	287.10	400,287.10
						401,000.00	304.60	401,304.60
Total matured obligations.....						1 19,695,675.00	452,906.29	20,148,581.29
Total, based on guarantees.....						4,568,191,930.28	3,012,852.80	4,571,204,783.08

Footnotes at end of table.

TABLE 57.—Contingent liabilities of the United States, June 30, 1942—Continued

Title and authorizing act	Extent of guaranty by the United States	Tax ex-emp-tions	Date of issue	Redeemable (on and after)	Payable	Interest payable	Amount		
							Principal	Maturity interest <sup>1</sup>	Total
ON CREDIT OF THE UNITED STATES									
Secretary of Agriculture, act of May 12, 1933.....	(13)-----								
U. S. Postal Savings System, act of June 25, 1910, as amended, funds due depositors at 2% interest.	(14)-----		Date of deposit.		On demand	(14)-----	\$1,421,284,047.50	\$37,615,119.39	<sup>16</sup> \$1,458,899,166.89
Canal Zone Postal Savings System, act of June 13, 1940, funds due depositors.	(14)-----		do		do	(18)-----	5,771,760.00	83,727.29	<sup>17</sup> 5,855,487.29
Tennessee Valley Authority, act of May 18, 1933, as amended:									
2½% bonds, Series A.....	(18)-----	(30)-----					3,000,000.00		3,000,000.00
2½% bonds, Series B.....	(18)-----	(30)-----					5,300,000.00		5,300,000.00
							<sup>19</sup> 8,300,000.00		8,300,000.00
Total, based on credit of the United States.							1,435,355,807.50	37,698,846.68	1,473,054,654.18
OTHER OBLIGATIONS									
Federal Reserve notes (face amount), act of Dec. 23, 1913, as amended.	(20)-----								<sup>21</sup> 9,361,095,167.55

<sup>1</sup> Funds have been deposited with the Treasurer of the United States for payment of outstanding matured principal and interest obligations guaranteed by the United States.

<sup>2</sup> Does not include \$200,000,000 face amount of 1% interim notes, fourth series, \$100,000,000 face amount of 1% interim notes, fifth series, and \$100,000,000 face amount of 1% interim notes, sixth series, due June 30, 1943, held by the Treasury and reflected in the public debt.

<sup>3</sup> Does not include \$253,000,000 face amount of 1% bonds, due June 30, 1943, held by the Treasury and reflected in the public debt.

<sup>4</sup> Formerly United States Housing Authority. Pursuant to Executive Order 9070, effective February 24, 1942, the functions of the United States Housing Authority were transferred to the Federal Public Housing Authority of the National Housing Agency.

<sup>5</sup> Does not include \$274,000,000 face amount of 1% notes, Series J, due June 30, 1943, held by the Treasury and reflected in the public debt.

<sup>6</sup> Does not include \$551,000,000 1% bonds, Series Q, 1942-43, held by the Treasury and reflected in the public debt, and does not include \$33,000 face amount of bonds in transit for redemption on June 30, 1942, but does include \$50 face amount of bonds held by Home Owners' Loan Corporation as "Treasury" bonds pending cancellation.

<sup>7</sup> Does not include \$2,533,918,445.91 face amount of 1% notes, Series K, due Jan. 1, 1945, held by the Treasury and reflected in the public debt.

<sup>8</sup> Under sec. 15c of the Tennessee Valley Authority Act of 1933, as amended by the act of July 26, 1939, the Tennessee Valley Authority is authorized to issue bonds not to exceed in the aggregate \$61,500,000 having a maturity of not more than 50 years from the date of issue and bearing interest not to exceed 3½ percent per annum. Such bonds shall be fully and unconditionally guaranteed both as to principal and interest by the United States.



\* The following bonds having an aggregate face amount of \$56,772,500 issued under the Tennessee Valley Authority Act of 1933, as amended, are held by the Treasury and reflected in the public debt; under sec. 15a, 2½% bonds, Series A, due Dec. 15, 1948, \$272,500; under sec. 15c, 1½% bonds of 1943-51, \$10,000,000; 2¼% bonds of 1947-57, \$15,000,000; 2½% bonds of 1951-63, \$15,000,000; 2¼% bonds of 1955-69, \$16,500,000. Interest at the rate of 1½% per annum is paid on the bonds issued under sec. 15c while they are held by the Treasury.

<sup>9</sup> Debentures authorized to be issued by the United States Maritime Commission under the Merchant Marine Act, 1936, as amended, shall be fully and unconditionally guaranteed as to principal and interest by the United States.

<sup>11</sup> Does not include \$31,500 face amount of bonds in transit for redemption on June 30, 1942.

<sup>12</sup> Does not include \$3,200 face amount of bonds in transit for redemption on June 30, 1942.

<sup>13</sup> The Secretary of Agriculture is authorized pursuant to act of May 12, 1933, to borrow money upon all cotton in his possession or control and deposit as collateral for such loan warehouse receipts for such cotton.

<sup>14</sup> The faith of the United States is solemnly pledged to the payment of the deposits made in Postal Savings depository offices, with accrued interest thereon.

<sup>15</sup> Interest payable quarterly from first day of month next following the date of deposit.

<sup>16</sup> Figures are as of Mar. 31, 1942. Figures as of June 30, 1942, are not available. Offset by cash in designated depository banks amounting to \$24,882,779.29 which is secured by a pledge of collateral as provided in the regulations of the Postal Savings System having a face value of \$24,166,975.00, cash in possession of the system amounts to \$158,192,895.80, Government and Government-guaranteed securities with a face value of \$1,269,731,540, and other assets.

<sup>17</sup> Offset by cash on hand and in depository banks amounting to \$1,695,775.00; Government and other securities with a face value of \$4,495,100.00 and other assets.

<sup>18</sup> Bonds issued on the credit of the United States.

<sup>19</sup> Held by Reconstruction Finance Corporation.

<sup>20</sup> Federal Reserve notes are obligations of the United States and shall be receivable by all national and member banks and Federal Reserve Banks and for all taxes, customs and other public dues. They are redeemable in lawful money on demand at the Treasury Department, in Washington, D. C., or at any Federal Reserve Bank.

<sup>21</sup> In actual circulation, exclusive of \$15,219,752.45 redemption fund deposited in the Treasury and \$414,411,945 of their own Federal Reserve notes held by the issuing banks. The collateral security for Federal Reserve notes issued consists of \$9,934,000,000 in gold certificates and in credits with the Treasurer of the United States payable in gold certificates and \$1,722,000 face amount of commercial paper.

<sup>22</sup> Bonds and the income derived therefrom exempt from Federal, State, municipal, and local taxation (except surtaxes, estate, inheritance, and gift taxes).

<sup>23</sup> Income derived from these securities is subject to all Federal taxes, now or hereafter imposed. The securities are subject to surtaxes, estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, municipality, or local taxing authority.

<sup>24</sup> The National Housing Act as amended by the National Housing Act Amendments of 1938, approved Feb. 3, 1938, reads in part as follows: "Such debentures as are issued in exchange for property covered by mortgages insured under sec. 203 or sec. 207 prior to the date of enactment of the National Housing Act Amendments of 1938 shall be subject only to such Federal, State, and local taxes as the mortgages in exchange for which they are issued would be subject to in the hands of the holder of the debentures. \* \* \* Such debentures as are issued in exchange for property covered by mortgages insured after the date of enactment of the National Housing Act Amendments of 1938 shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority." Under the Public Debt Act of 1941 interest upon and gain from the sale of debentures shall have no exemption under Federal tax acts now or hereafter enacted, except such debentures as may be issued on contracts entered into prior to Mar. 1, 1941.

<sup>25</sup> With reference to the debentures issued prior to Mar. 1, 1941, in the name of the housing insurance fund, the National Housing Act Amendments of 1938, approved Feb. 3, 1938, states that "Such debentures as are issued in exchange for mortgages insured after the date of enactment of the National Housing Act Amendments of 1938 shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority." Under the Public Debt Act of 1941 interest upon and gain from the sale of debentures shall have no exemption under Federal tax acts now or hereafter enacted, except such debentures as may be issued on contracts entered into prior to Mar. 1, 1941.

<sup>26</sup> Exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States or by any State, county, municipality, or local taxing authority.

<sup>27</sup> Exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States or any District Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority.

<sup>28</sup> Exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority.

<sup>29</sup> Income derived from these securities is subject to all Federal taxes now or hereafter imposed. The securities are subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any Territory, dependency, or possession of the United States, or by any State, county, municipality, or local taxing authority.

<sup>30</sup> Bonds which have been issued by the Tennessee Valley Authority on the credit of the United States as provided in sec. 15 of the Tennessee Valley Authority Act of 1933, as amended, have all the rights and privileges accorded by law to Panama Canal bonds authorized by sec. 8 of the act of June 28, 1902, chapter 1302, as amended by the act of Dec. 21, 1905 (ch. 3, sec. 1, 34 Stat. 5), as now compiled in sec. 743 of Title 31 of the United States Code.

TABLE 58.—Contingent liabilities of the United States as of June 30, 1935 to 1942

[On basis of daily Treasury statements (revised), see p. 387]

Agency	Obligation	Face amount of contingent liability							
		June 30, 1942	June 30, 1941	June 30, 1940	June 30, 1939	June 30, 1938	June 30, 1937	June 30, 1936	June 30, 1935
GUARANTEED BY THE UNITED STATES									
Commodity Credit Corporation	Notes	\$701,054,000.00	\$696,252,000.00	\$406,794,000.00	\$206,174,000.00	\$206,174,000.00			
Federal Farm Mortgage Corporation	Bonds	929,764,200.00	1,269,387,900.00	1,269,387,900.00	1,379,409,900.00	1,409,759,900.00	\$1,422,190,900.00	\$1,422,185,100.00	\$1,225,599,400.00
Federal Housing Administration:									
Mutual mortgage insurance fund	Debentures	8,619,905.28	8,049,355.28	5,477,105.28	2,634,398.67	583,459.76	90,366.19		
Housing insurance fund	do	12,843,700.00	9,304,000.00	2,023,850.00					
Home Owners' Loan Corporation	Bonds	1,562,806,450.00	2,408,920,850.00	2,603,359,700.00	2,927,948,600.00	2,937,169,125.00	2,987,078,600.00	3,044,218,475.00	2,647,313,625.00
Reconstruction Finance Corporation	Notes	1,219,251,000.00	1,741,449,000.00	1,096,357,000.00	819,689,000.00	298,872,666.67	255,234,666.67	251,629,666.67	249,771,666.67
Federal Public Housing Authority. <sup>1</sup>	do	114,157,000.00	226,256,000.00	114,157,000.00	114,157,000.00				
Total, based on guarantees		4,548,496,255.28	6,359,619,105.28	5,497,556,555.28	5,450,012,898.67	4,852,559,151.43	4,664,594,532.86	4,718,033,241.67	4,122,684,691.67
ON CREDIT OF THE UNITED STATES									
Secretary of Agriculture	Notes								45,000,000.00
U. S. Postal Savings System	Funds due depositors	1,481,864,544.40	1,309,446,890.55	1,293,504,240.90	1,262,369,779.20	1,251,875,391.90	1,267,749,526.20	1,231,746,559.50	1,204,932,325.60
Canal Zone Postal Savings System	do	5,771,760.00	3,153,020.00	2,238,270.00					
Tennessee Valley Authority <sup>2</sup>	Bonds	8,300,000.00	8,300,000.00	8,300,000.00	8,300,000.00				
Total, based on credit of the United States		1,495,936,304.40	1,320,899,910.55	1,304,042,510.90	1,270,669,779.20	1,251,875,391.90	1,267,749,526.20	1,231,746,559.50	1,249,932,325.60
OTHER OBLIGATIONS									
Federal Reserve System	Federal Reserve notes	9,361,095,167.55	6,714,688,346.64	5,188,054,343.86	4,502,272,595.67	4,139,147,770.18	4,196,006,553.25	4,021,532,607.00	3,234,959,135.00

<sup>1</sup> Formerly U. S. Housing Authority. Pursuant to Executive Order No. 9070, effective Feb. 24, 1942, the functions of the U. S. Housing Authority were transferred to the Federal Public Housing Authority of the National Housing Agency.

<sup>2</sup> Amount shown is as of June 30, 1942; the amount shown on the June 30, 1942, Public Debt Statement is as of Mar. 31, 1942.

<sup>3</sup> Bonds held by the Reconstruction Finance Corporation.

<sup>4</sup> Figures have been revised to include the liability of the Canal Zone Postal Savings System.

NOTE.—These amounts do not include any outstanding matured principal and interest obligations guaranteed by the United States for which funds have been deposited with the Treasurer of the United States for their payment, and do not include guaranteed obligations owned by the Treasury.

TABLE 59.—Average yield on long-term Treasury bonds, by months, January 1919 to June 1942<sup>1</sup>

[Averages of daily figures. Percent per annum]

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Average
PARTIALLY TAX-EXEMPT BONDS <sup>2</sup>													
1919...	4.63	4.70	4.73	4.72	4.67	4.69	4.72	4.78	4.73	4.71	4.81	4.90	4.73
1920...	4.93	5.05	5.09	5.28	5.58	5.54	5.57	5.67	5.43	5.08	5.21	5.40	5.32
1921...	5.23	5.28	5.27	5.24	5.25	5.27	5.26	5.22	5.12	4.83	4.64	4.47	5.09
1922...	4.45	4.50	4.41	4.28	4.26	4.24	4.14	4.12	4.19	4.30	4.33	4.32	4.30
1923...	4.32	4.33	4.38	4.39	4.37	4.34	4.34	4.35	4.36	4.40	4.37	4.35	4.36
1924...	4.30	4.28	4.28	4.23	4.15	3.98	3.94	3.91	3.92	3.87	3.90	3.96	4.06
1925...	3.96	3.95	3.96	3.93	3.87	3.79	3.79	3.85	3.85	3.82	3.79	3.80	3.86
1926...	3.77	3.71	3.71	3.70	3.67	3.67	3.68	3.70	3.70	3.68	3.62	3.56	3.68
1927...	3.51	3.48	3.37	3.35	3.31	3.34	3.36	3.32	3.30	3.29	3.23	3.17	3.34
1928...	3.18	3.19	3.17	3.20	3.24	3.29	3.42	3.48	3.46	3.47	3.38	3.45	3.33
1929...	3.52	3.62	3.74	3.64	3.64	3.69	3.64	3.71	3.70	3.61	3.35	3.36	3.60
1930...	3.43	3.41	3.29	3.37	3.31	3.25	3.25	3.26	3.24	3.21	3.19	3.22	3.29
1931...	3.20	3.30	3.27	3.26	3.16	3.13	3.15	3.18	3.25	3.63	3.63	3.93	3.34
1932...	4.26	4.11	3.92	3.63	3.76	3.76	3.58	3.45	3.42	3.43	3.45	3.35	3.68
1933...	3.22	3.31	3.42	3.42	3.30	3.21	3.20	3.21	3.19	3.22	3.46	3.53	3.31
1934...	3.50	3.32	3.20	3.11	3.02	2.98	2.92	3.03	3.20	3.10	3.07	3.01	3.12
1935...	2.88	2.79	2.77	2.74	2.72	2.72	2.69	2.76	2.85	2.85	2.83	2.83	2.79
1936...	2.80	2.77	2.71	2.68	2.66	2.66	2.65	2.61	2.60	2.62	2.53	2.51	2.65
1937...	2.47	2.46	2.60	2.80	2.76	2.76	2.72	2.72	2.77	2.76	2.71	2.67	2.68
1938...	2.65	2.64	2.64	2.62	2.51	2.52	2.52	2.51	2.58	2.48	2.50	2.49	2.56
1939...	2.47	2.44	2.34	2.30	2.17	2.13	2.16	2.21	2.65	2.60	2.45	2.35	2.36
1940...	2.30	2.32	2.25	2.24	2.38	2.39	2.28	2.25	2.18	2.10	1.96	1.89	2.21
1941...	2.00	2.10	2.01	1.96	1.92	1.91	1.90	1.94	1.94	1.88	1.85	1.96	1.95
1942...	2.01	2.09	2.00	1.98	1.97	1.97							
TAXABLE BONDS <sup>3</sup>													
1941...										2.23	2.22	2.37	
1942...	2.37	2.39	2.35	2.34	2.35	2.33							

<sup>1</sup> For bonds selling above par and callable at par before maturity, the yields are computed on the basis of redemption at first call date; while for bonds selling below par, yields are computed to maturity. Monthly averages are averages of daily figures. Each daily figure is an unweighted average of the yields of the individual issues. Commencing Oct. 1, 1939, yields are computed on the basis of the mean of closing bid and ask quotations in the over-the-counter market. Prior to Oct. 1, 1939, yields were computed on the basis of the day's closing price on the New York Stock Exchange except that on days when an issue did not sell the yield was computed on the mean of closing bid and ask quotations on the Stock Exchange. The table below shows the issues of Treasury bonds which were included in the above averages.

Issue	Date bond is first included in average	Date bond is first excluded from average
PARTIALLY TAX-EXEMPT BONDS		
First Liberty loan converted 4¼% of 1932-47...	Jan. 1, 1919	June 16, 1924
Second Liberty loan converted 4¼% of 1927-42...	do	Nov. 15, 1919
Third Liberty loan 4¼% of 1928...	do	Sept. 15, 1920
Fourth Liberty loan 4¼% of 1933-38...	do	Oct. 15, 1925
Treasury bonds:		
1947-52, 4¼%	Nov. 1, 1922	Oct. 15, 1935
1944-54, 4%	Dec. 15, 1924	Dec. 15, 1932
1946-56, 3¾%	Mar. 15, 1926	Mar. 15, 1934
1943-47, 3½%	July 12, 1927	June 15, 1931
1946-49, 3½%	June 15, 1931	June 15, 1934
1951-55, 3%	Sept. 15, 1931	Sept. 15, 1939
1949-52, 3½%	Dec. 15, 1934	Dec. 15, 1937
1955-60, 2½%	Mar. 15, 1935	
1951-54, 2½%	June 15, 1936	June 15, 1939
1956-59, 2½%	Sept. 15, 1936	
1949-53, 2½%	Dec. 15, 1936	Dec. 15, 1937
1958-63, 2½%	June 15, 1938	
1960-65, 2½%	Dec. 15, 1938	
1954-56, 2½%	July 22, 1940	June 15, 1942
1953-55, 2%	Oct. 7, 1940	June 15, 1941
TAXABLE BONDS		
Treasury bonds:		
1956-58, 2½%	Oct. 20, 1941	
1967-72, 2½%	do	

<sup>2</sup> From Jan. 1, 1919, through Oct. 14, 1925, yields are based on all outstanding partially tax-exempt Treasury bonds neither due nor callable for 8 years; from July 17, 1928, yields are based on all outstanding partially tax-exempt Treasury bonds neither due nor callable for 12 years; for the period from Oct. 15, 1925, through July 16, 1928, there were no bonds with 8 or more but less than 12 years to earliest call date. During the period Jan. 1, 1919, through Oct. 14, 1925, the average included certain Liberty loan issues.

<sup>3</sup> A average of taxable Treasury bonds neither due nor callable for 12 years. The 2½ percent Treasury bonds of 1962-67 are excluded because of restrictions on their purchase and negotiability. Taxable bonds are those the interest on which is subject to both the normal and surtax rates of the Federal income tax. This average commenced Oct. 20, 1941.

TABLE 60.—Prices and yields of public marketable securities issued or guaranteed by the United States

(Price decimals are thirty-seconds <sup>1</sup>)

Issue	Date of issue	Amount outstanding (millions)	Price range since date of issue <sup>1</sup>				Price, <sup>2</sup> June 30, 1942	Yield, <sup>3</sup> June 30, 1942
			High		Low			
			Price	Date	Price	Date		
Securities issued by the United States								
Treasury bonds:								
3½%, June 15, 1943-47.....	June 15, 1927	\$454	111.14	June 5, 1939	87.20	Jan. 11, 1932	102.20	0.62
3¼%, Oct. 15, 1943-45.....	Oct. 15, 1933	1,401	111.07	June 5, 1939	97.29	Jan. 10, 1934	103.08	.71
3¼%, Apr. 15, 1944-46.....	Apr. 16, 1934	1,519	111.26	June 7, 1939	99.30	Sept. 17, 1934	104.08	.85
4%, Dec. 15, 1944-54.....	Dec. 15, 1924	1,037	116.19	June 22, 1939	94.06	Jan. 11, 1932	107.12	.95
2½%, Sept. 15, 1945-47.....	Sept. 16, 1935	1,214	110.12	Dec. 12, 1940	99.27	Sept. 17, 1935	105.14	1.02
2½%, Dec. 15, 1945.....	Dec. 15, 1937	541	109.24	Dec. 14, 1940	101.31	Dec. 15, 1937	105.02	1.01
3½%, Mar. 15, 1946-56.....	Mar. 15, 1926	489	116.14	Dec. 14, 1940	89.18	Jan. 12, 1932	109.08	1.19
3%, June 15, 1946-48.....	June 15, 1934	1,036	112.28	Dec. 16, 1940	97.28	Sept. 17, 1934	107.02	1.17
3½%, June 15, 1946-49.....	June 15, 1931	819	113.19	Dec. 14, 1940	83.05	Jan. 11, 1932	107.15	1.19
4½%, Oct. 15, 1947-52.....	Oct. 16, 1922	759	122.22	Dec. 14, 1940	98.18	Oct. 8, 1923	115.06	1.27
2%, Dec. 15, 1947.....	Dec. 15, 1938	701	107.20	Dec. 12, 1940	99.14	Sept. 25, 1939	104.13	1.16
2%, Mar. 15, 1948-50 <sup>4</sup> .....	Mar. 15, 1941	1,115	104.05	Aug. 2, 1941	100.22	Feb. 25, 1941	101.12	1.75
2½%, Mar. 15, 1948-51.....	Mar. 16, 1936	1,223	111.18	Dec. 12, 1940	99.10	Apr. 1, 1937	107.20	1.36
2½%, Sept. 15, 1948.....	Mar. 15, 1938	451	111.01	Dec. 12, 1940	100.30	Apr. 2, 1938	106.29	1.34
2%, Dec. 15, 1948-50.....	Dec. 8, 1939	571	107.00	Dec. 12, 1940	101.10	May 24, 1940	104.14	1.28
2%, June 15, 1949-51 <sup>4</sup> .....	Jan. 15, 1942	1,014	101.11	Apr. 15, 1942	100.10	May 11, 1942	100.23	1.89
2%, Sept. 15, 1949-51 <sup>4</sup> .....	May 15, 1942	1,292	100.24	June 20, 1942	100.06	May 7, 1942	100.20	1.91
3½%, Dec. 15, 1949-52.....	Dec. 15, 1934	491	115.04	Dec. 12, 1940	101.07	Dec. 15, 1934	110.22	1.60
2½%, Dec. 15, 1949-53.....	Dec. 15, 1936	1,786	108.28	Dec. 10, 1940	96.19	Apr. 8, 1937	106.16	1.57
2½%, Sept. 15, 1950-52.....	Sept. 15, 1938	1,186	108.30	Dec. 10, 1940	99.15	Sept. 25, 1939	106.28	1.60
2½%, June 15, 1951-54.....	June 15, 1936	1,627	110.26	Nov. 12, 1941	98.16	Apr. 1, 1937	108.22	1.70
3%, Sept. 15, 1951-55.....	Sept. 15, 1931	755	113.24	Dec. 30, 1940	82.03	Jan. 11, 1932	110.20	1.75
2½%, Dec. 15, 1951-53.....	Dec. 22, 1939	1,118	107.01	Nov. 22, 1941	101.08	May 24, 1940	105.06	1.66
2%, Dec. 15, 1951-55 <sup>4</sup> .....	Dec. 15, 1941	510	101.16	Dec. 5, 1941	100.01	May 12, 1942	100.10	1.96
2½%, Mar. 15, 1952-54 <sup>4</sup> .....	Mar. 31, 1941	1,024	106.16	Aug. 2, 1941	101.04	Mar. 20, 1941	104.00	2.04
2½%, June 15, 1952-55 <sup>4</sup> .....	Feb. 25, 1942	1,501	101.25	Apr. 4, 1942	100.16	Feb. 18, 1942	101.04	2.12
2%, June 15, 1953-55.....	Oct. 7, 1940	725	105.14	Nov. 22, 1941	101.19	Feb. 15, 1941	103.17	1.65
2½%, June 15, 1954-56.....	July 22, 1940	681	107.08	Nov. 12, 1941	102.02	July 24, 1940	105.12	1.75
2½%, Mar. 15, 1955-60.....	Mar. 15, 1935	2,611	112.16	Nov. 1, 1941	98.30	Sept. 20, 1935	110.12	1.95
2½%, Mar. 15, 1956-58 <sup>4</sup> .....	June 2, 1941	1,449	105.08	Nov. 5, 1941	101.30	Dec. 26, 1941	102.31	2.25
2½%, Sept. 15, 1956-59.....	Sept. 15, 1936	982	111.31	Oct. 29, 1941	98.10	Apr. 1, 1937	109.20	1.97
2½%, June 15, 1958-63.....	June 15, 1938	919	112.04	Nov. 1, 1941	99.15	Sept. 25, 1939	109.28	2.02
2½%, Dec. 15, 1930-65.....	Dec. 15, 1938	1,485	112.24	Nov. 1, 1941	99.14	Sept. 25, 1939	110.12	2.07
2½%, June 15, 1962-67 <sup>4</sup> .....	May 5, 1942	882						
2½%, Sept. 15, 1967-72 <sup>4</sup> .....	Oct. 20, 1941	2,716	103.15	Nov. 5, 1941	100.01	Jan. 2, 1942	101.01	2.45

## Treasury notes:

2% B, Sept. 15, 1942	Sept. 15, 1937	342	105.28	Apr. 5, 1939	100.16	June 30, 1942	100.16	352
1% C, Dec. 15, 1942	Dec. 15, 1937	252	105.03	June 24, 1939	100.24	June 30, 1942	100.24	11
3% D, Mar. 15, 1943 <sup>1</sup>	Mar. 15, 1941	66	101.04	July 25, 1941	100.04	Jan. 12, 1942	100.06	48
1% A, June 15, 1943	June 15, 1938	629	103.00	Apr. 3, 1940	99.04	Sept. 6, 1939	100.25	31
1% C, Sept. 15, 1943	June 15, 1940	279	102.15	Nov. 8, 1940	100.22	June 11, 1940	100.25	35
1% B, Dec. 15, 1943	Dec. 15, 1938	421	103.08	Apr. 2, 1940	98.30	Sept. 6, 1939	101.03	37
1% B, Mar. 15, 1944	Nov. 1, 1939	515	102.15	Nov. 9, 1940	100.13	June 10, 1940	100.30	45
3% A, June 15, 1944	June 15, 1939	416	101.15	Sept. 27, 1941	97.16	Sept. 6, 1939	100.16	49
1% C, Sept. 15, 1944	Dec. 22, 1939	283	102.16	Dec. 9, 1940	100.10	June 11, 1940	101.02	52
3% D, Sept. 15, 1944 <sup>4</sup>	Jan. 31, 1941	635	100.21	Sept. 10, 1941	99.11	Dec. 10, 1941	99.24	56
3% A, Mar. 15, 1945	Mar. 15, 1940	718	101.16	Aug. 6, 1941	98.26	June 10, 1940	100.16	56
3% B, Dec. 15, 1945 <sup>4</sup>	Dec. 18, 1940	531	100.18	Sept. 9, 1941	99.01	Dec. 10, 1941	99.12	93
1% A, Mar. 15, 1946 <sup>4</sup>	Nov. 1, 1941	503	100.18	Oct. 25, 1941	99.11	Dec. 10, 1941	99.14	1.16
1% B, Dec. 15, 1946 <sup>4</sup>	June 5, 1942	1,118	100.15	May 29, 1942	100.11	June 30, 1942	100.11	1.42
Certificates of indebtedness: <sup>1</sup>								
3% A, Nov. 1, 1942 <sup>1,4</sup>	Apr. 15, 1942	1,507	100.017	June 30, 1942	100.016	June 22, 1942	100.017	.45
3% A, Feb. 1, 1943 <sup>4</sup>	June 25, 1942	1,588	100.014	June 20, 1942	100.008	June 23, 1942	100.009	.61

## Securities guaranteed by the United States

## Home Owners' Loan Corporation bonds:

2% G, July 1, 1942-44 <sup>1</sup>	July 1, 1935	29	105.22	June 5, 1939	98.20	Nov. 16, 1935	100.00	0.00
3% A, May 1, 1944-52	May 1, 1934	780	109.18	June 6, 1939	95.03	Sept. 12, 1934	103.27	.88
1% M, June 1, 1945-47	June 1, 1939	755	103.26	Dec. 13, 1940	96.24	Sept. 25, 1939	101.16	.98

## Federal Farm Mortgage Corporation bonds:

3% Mar. 15, 1944-64	Mar. 15, 1934	95	110.07	June 8, 1939	98.02	Sept. 18, 1934	103.30	.92
3% May 15, 1944-49	May 15, 1934	836	109.22	June 5, 1939	95.03	Sept. 12, 1934	103.30	.87

## Reconstruction Finance Corporation notes:

1% S, July 1, 1942	Nov. 10, 1939	4	101.25	Mar. 15, 1940	100.00	June 30, 1942	100.00	.00
3% U, Oct. 15, 1942 <sup>1</sup>	Apr. 17, 1941	320	100.25	Sept. 4, 1941	100.02	Dec. 10, 1941	100.08	.01
1% V, July 15, 1943 <sup>4</sup>	Apr. 17, 1941	324	101.05	Sept. 10, 1941	100.06	Dec. 27, 1941	100.13	.73
1% W, Apr. 15, 1944 <sup>4</sup>	July 3, 1941	571	100.26	Aug. 5, 1941	99.25	Dec. 27, 1941	100.01	.98

## Commodity Credit Corporation notes:

3% F, May 1, 1943	Aug. 1, 1940	289	101.02	Dec. 14, 1940	100.00	Dec. 10, 1941	100.07	.49
1% G, Feb. 15, 1945 <sup>4</sup>	July 21, 1941	412	101.00	Sept. 2, 1941	99.25	Dec. 27, 1941	100.01	1.11

## Federal Public Housing Authority notes:

1% B, Feb. 1, 1944	Feb. 1, 1939	114	103.02	Dec. 14, 1940	99.07	Sept. 25, 1939	101.00	.74
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<sup>1</sup> Decimals in prices of certificates of indebtedness are true decimals.<sup>2</sup> Prices are mean of closing bid and ask quotations in the over-the-counter market except that Treasury bond prices prior to Oct. 1, 1939, and guaranteed bond prices prior to Oct. 1, 1939, are closes on New York Stock Exchange. "When issued" prices are included in history beginning Oct. 1, 1939. Price history of the 1% certificate of indebtedness begins June 23, 1942. Dates of highs and lows, in case of recurrence, are the latest dates.<sup>3</sup> Computed to call date when prices are above par; to maturity date when prices are below par. Yields are percent per annum.<sup>4</sup> Taxable issues.<sup>5</sup> No quotations; not transferable before July 6, 1942.<sup>6</sup> Excess of price over zero yield.<sup>7</sup> Called on May 1, 1942, for redemption on July 1, 1942.

TABLE 61.—Summary data from Treasury survey of the ownership of securities issued or guaranteed by the United States, analyzing the ownership of such securities by classes of holders of each issue outstanding on June 30, 1942

Issue, classified by tax-exemption provision	Public marketable interest-bearing securities <sup>1</sup>										
	Total amount outstanding	Held by banks and insurance companies covered in Treasury survey							Held by U. S. Government agencies and trust funds, and Federal Reserve Banks <sup>2</sup>	Held by all other investors	
		Total 7,028 institutions	6,272 banks			757 insurance companies					
			Total	5,780 commercial banks	492 mutual savings banks	Total	197 life insurance companies	560 fire, casualty, and marine insurance companies			
I. Wholly exempt from Federal income taxes: <sup>3</sup>											
Treasury notes:											
2% September 1942.....	342	138	111	96	15	26	21	5	66	138	
1% December 1942.....	232	102	90	80	10	11	4	7	31	100	
1% June 1943.....	629	283	269	257	12	14	3	11	118	228	
1% September 1943.....	279	176	170	167	3	6	3	3	37	67	
1% December 1943.....	421	178	143	137	6	36	30	6	59	183	
1% March 1944.....	515	281	273	268	5	9	2	7	110	124	
2% June 1944.....	416	230	222	220	2	8	2	5	77	109	
1% September 1944.....	283	39	39	38	1	1		1	61	183	
2% March 1945.....	718	358	326	324	2	32	20	12	96	265	
Total Treasury notes.....	3,836	1,784	1,643	1,587	56	141	85	57	655	1,397	
Bonds:											
Postal savings.....	117	12	12	11	(*)	1	(*)	1	33	72	
Panama Canal.....	50	(*)	(*)	(*)	(*)	(*)	(*)	(*)		49	
Conversion.....	29	(*)	(*)	(*)	(*)	(*)	(*)	(*)		29	
Total bonds.....	196	13	12	12	(*)	1	(*)	1	33	150	
Total wholly exempt from Federal income taxes.....	4,032	1,797	1,655	1,599	56	142	85	57	687	1,547	
II. Partially exempt from Federal income taxes: <sup>4</sup>											
Treasury bonds:											
3% June 1943-47.....	454	264	198	144	54	66	49	17	49	142	
3% October 1943-45.....	1,401	800	616	542	73	184	133	52	115	485	
3% April 1944-46.....	1,519	918	681	609	72	237	187	50	144	457	
4% December 1944-54.....	1,037	645	451	386	65	194	154	39	100	292	
2% September 1945-47.....	1,214	808	592	527	65	216	175	41	109	298	
2% December 1945.....	541	424	330	304	25	94	61	33	28	89	
3% March 1946-56.....	489	316	211	179	32	105	92	13	58	114	
3% June 1946-48.....	1,036	655	470	403	67	185	156	30	183	199	
3% June 1946-49.....	819	495	353	291	62	142	117	25	63	261	
4% October 1947-52.....	759	420	284	225	59	136	80	56	80	259	
2% December 1947.....	701	580	502	486	16	77	53	25	28	93	
2% March 1948-51.....	1,223	946	699	619	80	247	209	38	145	133	
2% September 1948.....	451	368	289	275	14	80	66	13	26	56	
2% December 1948-50.....	571	462	404	398	6	58	40	18	51	58	
3% December 1949-52.....	491	383	238	177	61	145	107	38	43	65	
2% December 1949-53.....	1,786	1,238	977	870	107	261	205	55	261	288	
2% September 1950-52.....	1,186	918	703	607	97	215	171	44	126	141	
2% June 1951-54.....	1,627	1,193	726	584	142	467	402	65	190	244	
3% September 1951-55.....	1,755	310	213	145	68	96	74	22	124	322	
2% December 1951-53.....	1,118	824	749	712	37	75	56	19	159	135	
2% June 1953-55.....	725	629	597	582	15	31	14	17	32	65	
2% June 1954-56.....	681	540	400	381	19	140	107	33	51	90	
2% March 1955-60.....	2,611	1,156	565	441	125	590	472	118	426	1,030	
2% September 1956-59.....	982	603	326	283	42	277	213	64	177	203	
2% June 1958-63.....	919	694	253	213	40	441	357	83	85	140	
2% December 1960-65.....	1,485	1,084	411	375	36	673	546	127	117	285	
Total Treasury bonds.....	26,581	17,671	12,238	10,760	1,478	5,433	4,297	1,137	2,966	5,944	

Footnotes at end of table.

TABLE 61.—Summary data from Treasury survey of the ownership of securities issued or guaranteed by the United States, analyzing the ownership of such securities by classes of holders of each issue outstanding on June 30, 1942—Continued

Issue, classified by tax-exemption provision	Public marketable interest-bearing securities <sup>1</sup>									
	Total amount outstanding	Held by banks and insurance companies covered in Treasury survey							Held by U. S. Government agencies and trust funds, and Federal Reserve Banks <sup>2</sup>	Held by all other investors
		Total 7,029 institutions	6,272 banks			757 insurance companies				
			Total	5,780 commercial banks	492 mutual savings banks	Total	197 life insurance companies	560 fire, casualty, and marine insurance companies		
II. Partially exempt from Federal income taxes <sup>4</sup> —Continued.										
Guaranteed issues: <sup>5</sup>										
Commodity Credit Corporation:										
$\frac{3}{4}$ % May 1943.....	289	254	247	245	2	7	4	3	-----	36
Federal Farm Mortgage Corporation:										
$\frac{3}{4}$ % March 1944-64.....	95	64	33	21	12	31	30	1	(*)	30
3% May 1944-49.....	835	533	385	361	24	147	134	13	88	215
Federal Housing Administration debentures	21	19	7	6	1	12	12	(*)	-----	3
Home Owners' Loan Corporation:										
$\frac{2}{4}$ % July 1942-44.....	29	20	18	17	1	1	(*)	1	(*)	10
3% May 1944-52.....	779	384	292	249	43	92	85	7	139	256
$\frac{1}{2}$ % June 1945-47.....	755	686	637	625	12	50	42	8	4	65
Reconstruction Finance Corporation:										
1% July 1942.....	4	-----	-----	-----	-----	-----	-----	-----	-----	4
Federal Public Housing Authority: <sup>6</sup>										
$\frac{1}{2}$ % February 1944.....	114	97	94	92	2	3	2	2	(*)	16
Total guaranteed issues.	2,921	2,057	1,713	1,617	96	344	309	35	231	633
Total partially exempt from Federal income taxes.....	29,502	19,728	13,951	12,376	1,574	5,777	4,606	1,172	3,197	6,577
III. Subject to Federal income taxes:										
Treasury bills:										
July 1942 maturities.....	450	235	220	215	5	15	8	7	94	121
August 1942 maturities.....	904	623	609	599	10	14	-----	14	58	223
September 1942 maturities.....	1,154	817	756	742	13	62	45	17	91	26
Total Treasury bills.....	2,508	1,675	1,584	1,557	28	91	53	38	243	590
Certificates of indebtedness:										
$\frac{1}{2}$ % November 1942.....	1,507	1,006	877	839	38	129	99	29	68	433
$\frac{3}{8}$ % February 1943.....	1,588	1,230	1,168	1,131	36	63	41	21	10	349
Total certificates of indebtedness.....	3,096	2,236	2,045	1,971	74	191	140	51	77	782
Treasury notes:										
$\frac{3}{4}$ % March 1943.....	66	15	14	11	2	2	2	(*)	39	11
$\frac{3}{4}$ % September 1944.....	635	523	491	469	21	32	22	10	21	91
$\frac{3}{4}$ % December 1945.....	531	467	435	417	18	32	22	10	14	50
1% March 1946.....	503	408	375	360	15	33	23	10	7	88
$\frac{1}{2}$ % December 1946.....	1,118	931	906	880	26	26	14	12	55	132
Total Treasury notes.....	2,853	2,345	2,220	2,138	82	125	84	41	135	373

Footnotes at end of table.

TABLE 61.—Summary data from Treasury survey of the ownership of securities issued or guaranteed by the United States, analyzing the ownership of such securities by classes of holders of each issue outstanding on June 30, 1942—Continued

Issue, classified by tax-exemption provision	Public marketable interest-bearing securities <sup>1</sup>										
	Total amount outstanding	Held by banks and insurance companies covered in Treasury survey							Held by U. S. Government agencies and trust funds, and Federal Reserve Banks <sup>2</sup>	Held by all other investors	
		Total 7,029 institutions	6,272 banks			757 insurance companies					
			Total	5,780 commercial banks	492 mutual savings banks	Total	197 life insurance companies	560 fire, casualty, and marine insurance companies			
Part A. Par values in millions of dollars—Continued											
III. Subject to Federal income taxes—Continued.											
Treasury bonds:											
2% March 1948-50.....	1,115	877	695	523	171	182	167	16	95	143	
2% June 1949-51.....	1,014	821	722	594	128	99	84	15	129	64	
2% September 1949-51.....	1,292	1,045	984	843	141	61	44	18	17	231	
2% December 1951-55.....	510	371	344	304	40	26	15	11	62	78	
2½% March 1952-54.....	1,024	695	533	236	297	162	151	10	110	219	
2½% June 1952-55.....	1,501	1,215	1,001	640	361	214	185	29	60	225	
2½% March 1956-58.....	1,449	1,024	648	257	390	376	352	24	109	316	
2½% June 1962-67.....	882	641	65		65	576	555	21	55	186	
2½% September 1967-72.....	2,716	1,676	1,040	670	371	636	568	68	336	704	
Total Treasury bonds.....	11,504	8,365	6,032	4,069	1,964	2,332	2,120	212	973	2,166	
Guaranteed issues: <sup>3</sup>											
Commodity Credit Corporation:											
1½% February 1945.....	412	347	314	294	20	33	25	8	22	42	
Reconstruction Finance Corporation:											
7% October 1942.....	320	271	248	240	8	23	16	7	(*)	48	
1½% July 1943.....	324	284	268	259	9	16	6	11	1	39	
1% April 1944.....	571	468	452	437	15	16	8	8	32	72	
Total guaranteed issues.....	1,627	1,371	1,282	1,230	52	89	55	34	55	201	
Total subject to Federal income taxes.....	21,588	15,992	13,164	10,964	2,199	2,829	2,452	377	1,484	4,112	
IV. Grand total.....	55,122	37,517	28,769	24,939	3,830	8,748	7,143	1,606	5,368	12,237	
Part B. Percentage distribution by groups of investors											
I. Wholly exempt from Federal income taxes: <sup>3</sup>											
Treasury notes:											
2% September 1942.....	100.0	40.2	32.5	28.1	4.4	7.7	6.3	1.4	19.4	40.4	
1½% December 1942.....	100.0	43.7	38.9	34.4	4.5	4.8	1.6	3.2	13.3	42.9	
1½% June 1943.....	100.0	44.9	42.7	40.9	1.9	2.2	.4	1.7	18.8	36.2	
1% September 1943.....	100.0	63.0	60.8	59.8	1.0	2.2	1.1	1.1	13.2	23.8	
1½% December 1943.....	100.0	42.4	33.9	32.5	1.4	8.5	7.0	1.4	14.0	43.6	
1% March 1944.....	100.0	54.6	52.9	51.9	1.0	1.7	.4	1.3	21.4	24.1	
¾% June 1944.....	100.0	55.3	53.4	53.1	.4	1.8	.6	1.3	18.4	26.3	
1% September 1944.....	100.0	13.9	13.7	13.3	.4	.2		.2	21.4	64.7	
¾% March 1945.....	100.0	49.8	45.4	45.1	.3	4.4	2.7	1.7	13.3	36.8	
Total Treasury notes.....	100.0	46.5	42.8	41.4	1.5	3.7	2.2	1.5	17.1	36.4	

Footnotes at end of table.



TABLE 61.—Summary data from Treasury survey of the ownership of securities issued or guaranteed by the United States, analyzing the ownership of such securities by classes of holders of each issue outstanding on June 30, 1942—Continued

Issue, classified by tax-exemption provision	Public marketable interest-bearing securities <sup>1</sup>										
	Total amount outstanding	Held by banks and insurance companies covered in Treasury survey							Held by U. S. Government agencies and trust funds, and Federal Reserve Banks <sup>2</sup>	Held by all other investors	
		Total 7,029 institutions	6,272 banks			757 insurance companies					
			Total	5,780 commercial banks	492 mutual savings banks	Total	197 life insurance companies	560 fire, casualty, and marine insurance companies			
I. Wholly exempt from <sup>3</sup> Federal income taxes <sup>3</sup> —Continued.											
Bonds:											
Postal savings.....	100.0	10.5	9.9	9.6	0.3	0.5	0.1	0.5	27.9	61.7	
Panama Canal.....	100.0	.7	.4	.4		.3	.2	.1		99.3	
Conversion.....	100.0	.7	.5	.5		.1		.1		99.3	
Total bonds.....	100.0	6.5	6.1	5.9	.2	.4	.1	.3	16.7	76.8	
Total wholly exempt from Federal income taxes.....	100.0	44.6	41.0	39.6	1.4	3.5	2.1	1.4	17.1	38.4	
II. Partially exempt from Federal income taxes: <sup>4</sup>											
Treasury bonds:											
3½% June 1943-47.....	100.0	58.1	43.6	31.7	11.9	14.5	10.8	3.7	10.7	31.2	
3¼% October 1943-45.....	100.0	57.1	44.0	38.7	5.2	13.2	9.5	3.7	8.2	34.6	
3¼% April 1944-46.....	100.0	60.5	44.8	40.1	4.7	15.6	12.3	3.3	9.5	30.1	
4% December 1944-54.....	100.0	62.2	43.6	37.3	6.3	18.7	14.9	3.8	9.6	28.2	
2½% September 1945-47.....	100.0	66.5	48.7	43.4	5.4	17.8	14.4	3.4	8.9	24.5	
2¼% December 1945.....	100.0	78.4	61.0	56.3	4.7	17.4	11.3	6.1	5.1	16.5	
3½% March 1946-56.....	100.0	64.7	43.2	36.7	6.5	21.5	18.8	2.8	11.9	23.4	
3% June 1946-48.....	100.0	63.2	45.3	38.9	6.4	17.9	15.0	2.9	17.6	19.2	
3¼% June 1946-49.....	100.0	60.4	43.1	35.5	7.6	17.3	14.3	3.1	7.6	31.9	
4¼% October 1947-52.....	100.0	55.3	37.4	29.7	7.7	17.9	10.5	7.4	10.5	34.1	
2% December 1947.....	100.0	82.7	71.7	69.4	2.3	11.0	7.5	3.6	4.0	13.3	
2½% March 1948-51.....	100.0	77.3	57.1	50.6	6.5	20.2	17.1	3.1	11.8	10.9	
2¼% September 1948.....	100.0	81.7	64.1	61.0	3.1	17.6	14.7	2.9	5.8	12.5	
2% December 1948-50.....	100.0	80.8	70.7	69.7	1.0	10.1	6.9	3.2	9.0	10.2	
3½% December 1949-52.....	100.0	77.9	48.4	36.0	12.3	29.6	21.5	7.7	8.8	13.2	
2½% December 1949-53.....	100.0	69.3	54.7	48.7	6.0	14.6	11.5	3.1	14.6	16.1	
2¼% September 1950-52.....	100.0	77.4	59.3	51.2	8.1	18.1	14.4	3.7	10.6	11.9	
2½% June 1951-54.....	100.0	73.4	44.6	35.9	8.7	28.7	24.7	4.0	11.7	15.0	
3% September 1951-55.....	100.0	41.0	28.3	19.2	9.0	12.7	9.8	2.9	16.4	42.7	
2¼% December 1951-53.....	100.0	73.7	67.0	63.7	3.3	6.7	5.0	1.7	14.2	12.1	
2% June 1953-55.....	100.0	86.7	82.4	80.4	2.1	4.3	2.0	2.3	4.4	8.9	
2¼% June 1954-56.....	100.0	79.3	58.7	55.9	2.8	20.6	15.7	4.9	7.5	13.3	
2¼% March 1955-60.....	100.0	44.3	21.7	16.9	4.8	22.6	18.1	4.5	16.3	39.4	
2½% September 1956-59.....	100.0	61.4	33.2	28.9	4.3	28.2	21.7	6.6	18.0	20.6	
2½% June 1958-63.....	100.0	75.5	27.5	23.1	4.4	48.0	38.9	9.1	9.2	15.2	
2½% December 1960-65.....	100.0	72.9	27.7	25.2	2.4	45.3	36.8	8.5	7.9	19.2	
Total Treasury bonds.....	100.0	66.5	46.0	40.5	5.6	20.4	16.2	4.3	11.2	22.4	

Footnotes at end of table.

TABLE 61.—Summary data from Treasury survey of the ownership of securities issued or guaranteed by the United States, analyzing the ownership of such securities by classes of holders of each issue outstanding on June 30, 1942—Continued

Issue, classified by tax-exemption provision	Public marketable interest-bearing securities <sup>1</sup>										
	Total amount outstanding	Held by banks and insurance companies covered in Treasury survey								Held by U. S. Government agencies and trust funds, and Federal Reserve Banks <sup>2</sup>	Held by all other investors
		Total 7,029 institutions	6,272 banks			757 insurance companies					
			Total	5,780 commercial banks	492 mutual savings banks	Total	197 life insurance companies	560 fire, casualty, and marine insurance companies			
Part B. Percentage distribution by groups of investors—Con.											
II. Partially exempt from Federal income taxes —Continued.											
Guaranteed issues: <sup>3</sup>											
Commodity Credit Corporation:											
3½% May 1943.....	100.0	87.7	85.2	84.6	0.6	2.5	1.4	1.1			12.3
Federal Farm Mortgage Corporation:											
3¼% March 1944-64.....	100.0	67.7	34.6	22.1	12.5	33.1	31.8	1.3		.2	32.1
3% May 1944-49.....	100.0	63.8	46.1	43.2	2.9	17.6	16.1	1.5	10.5		25.7
Federal Housing Administration debentures.....	100.0	88.3	31.6	28.9	2.7	56.7	56.3	.4			11.7
Home Owners' Loan Corporation:											
2¼% July 1942-44.....	100.0	67.1	62.7	59.5	3.2	4.3	1.6	2.7		.2	32.7
3% May 1944-52.....	100.0	49.3	37.5	32.0	5.5	11.8	10.9	.9	17.9		32.8
1½% June 1945-47.....	100.0	90.9	84.3	82.7	1.6	6.6	5.5	1.0		.5	8.6
Reconstruction Finance Corporation:											
1% July 1942.....	100.0										100.0
Federal Public Housing Authority: <sup>6</sup>											
1¾% February 1944.....	100.0	85.3	82.4	80.8	1.6	3.0	1.4	1.6		.4	14.3
Total guaranteed issues.....	100.0	70.4	58.6	55.3	3.3	11.8	10.6	1.2	7.9		21.7
Total partially exempt from Federal income taxes.....	100.0	66.9	47.3	42.0	5.3	19.6	15.6	4.0	10.8		22.3
III. Subject to Federal income taxes:											
Treasury bills:											
July 1942 maturities.....	100.0	52.2	48.8	47.7	1.0	3.4	1.8	1.6	20.9		26.9
August 1942 maturities.....	100.0	68.9	67.4	66.3	1.1	1.5		1.5	6.4		24.6
September 1942 maturities.....	100.0	70.8	65.5	64.3	1.1	5.3	3.9	1.5	7.9		21.3
Total Treasury bills.....	100.0	66.8	63.2	62.1	1.1	3.6	2.1	1.5	9.7		23.5
Certificates of indebtedness:											
¼% November 1942.....	100.0	66.7	58.2	55.7	2.5	8.5	6.6	1.9	4.5		28.8
¾% February 1943.....	100.0	77.5	73.5	71.2	2.3	3.9	2.6	1.4	.6		21.9
Total certificates of indebtedness.....	100.0	72.2	66.1	63.7	2.4	6.2	4.5	1.6	2.5		25.3
Treasury notes:											
¾% March 1943.....	100.0	23.3	20.6	17.4	3.2	2.8	2.5	.2	59.6		17.1
¾% September 1944.....	100.0	82.4	77.3	73.9	3.3	5.1	3.5	1.6	3.2		14.4
¾% December 1945.....	100.0	88.0	81.9	78.6	3.3	6.1	4.2	1.9	2.6		9.4
1% March 1946.....	100.0	81.2	74.6	71.7	2.9	6.5	4.6	1.9	1.3		17.5
1½% December 1946.....	100.0	83.3	81.0	78.7	2.3	2.3	1.3	1.0	4.9		11.8
Total Treasury notes.....	100.0	82.2	77.8	75.0	2.9	4.4	2.9	1.5	4.7		13.1

**TABLE 61.—Summary data from Treasury survey of the ownership of securities issued or guaranteed by the United States, analyzing the ownership of such securities by classes of holders of each issue outstanding on June 30, 1942—Continued**

Issue, classified by tax-exemption provision	Public marketable interest-bearing securities <sup>1</sup>										
	Total amount outstanding	Held by banks and insurance companies covered in Treasury survey						Held by U. S. Government agencies and trust funds, and Federal Reserve Banks <sup>2</sup>	Held by all other investors <sup>3</sup>		
		Total 7,029 institutions	6,272 banks			757 insurance companies					
			Total	5,780 commercial banks	492 mutual savings banks	Total	197 life insurance companies			560 fire, casualty, and marine insurance companies	
III. Subject to Federal income taxes—Continued.											
Treasury bonds:											
2% March 1948-50.....	100.0	78.6	62.3	46.9	15.4	16.3	14.9	1.4	8.5	12.9	
2% June 1949-51.....	100.0	80.9	71.2	58.6	12.6	9.8	8.3	1.4	12.7	6.4	
2% September 1949-51.....	100.0	80.8	76.1	65.2	10.9	4.7	3.4	1.4	1.3	17.9	
2% December 1951-55.....	100.0	72.6	67.5	59.6	7.9	5.2	3.0	2.2	12.1	15.2	
2½% March 1952-54.....	100.0	67.9	52.1	23.1	29.0	15.8	14.8	1.0	10.7	21.4	
2½% June 1952-55.....	100.0	81.0	66.7	42.7	24.0	14.3	12.3	2.0	4.0	15.0	
2½% March 1956-58.....	100.0	70.7	44.7	17.8	26.9	26.0	24.3	1.7	7.5	21.8	
2½% June 1962-67.....	100.0	72.7	7.4		7.4	65.3	62.9	2.4	6.2	21.1	
2½% September 1967-72.....	100.0	61.7	38.3	24.7	13.6	23.4	20.9	2.5	12.4	25.9	
Total Treasury bonds.....	100.0	72.7	52.4	35.4	17.1	20.3	18.4	1.8	8.5	18.8	
Guaranteed issues: <sup>4</sup>											
Commodity Credit Corporation:											
1½% February 1945.....	100.0	84.3	76.2	71.4	4.8	8.1	6.2	2.0	5.4	10.2	
Reconstruction Finance Corporation:											
¾% October 1942.....	100.0	84.9	77.6	75.0	2.6	7.3	5.0	2.3	(*)	15.1	
1½% July 1943.....	100.0	87.7	82.6	80.0	2.7	5.0	1.7	3.3	.3	12.1	
1% April 1944.....	100.0	81.9	79.1	76.4	2.6	2.8	1.4	1.4	5.5	12.6	
Total guaranteed issues.....	100.0	84.2	78.8	75.6	3.2	5.5	3.4	2.1	3.4	12.4	
Total subject to Federal income taxes.....	100.0	74.1	61.0	50.8	10.2	13.1	11.4	1.7	6.9	19.0	
IV. Grand total.....	100.0	68.1	52.2	45.2	6.9	15.9	13.0	2.9	9.7	22.2	

<sup>1</sup> Less than \$500,000 or less than 0.05%.

<sup>2</sup> Public marketable securities include all securities issued except (1) special issues to Government agencies and trust funds, (2) adjusted service bonds, (3) depository bonds, (4) United States savings bonds, and (5) tax savings notes. Such obligations were held by institutions reporting, as follows: (1) depository bonds—commercial banks, \$70 millions; (2) United States savings bonds—commercial banks, \$178 millions; mutual savings banks, \$42 millions; insurance companies, \$65 millions; all institutions, \$285 millions; (3) tax savings notes—commercial banks, \$37 millions; insurance companies, \$12 millions; all institutions, \$48 millions.

<sup>3</sup> Excludes exchange stabilization fund.

<sup>4</sup> Securities the income from which is exempt from the normal rates and the surtax rates of the Federal income tax.

<sup>5</sup> Securities the income from which is exempt from the normal rates of the Federal income tax. (In the case of partially tax-exempt Treasury bonds, interest derived from \$5,000 of principal amount owned by any single holder is also exempt from the surtax rates of the Federal income tax.)

<sup>6</sup> Excludes obligations sold directly to the Treasury.

<sup>7</sup> Formerly United States Housing Authority.

**NOTE.**—Figures are rounded to the nearest million or the nearest one-tenth of one percent and will not necessarily add to totals.

# CONDITION OF THE TREASURY EXCLUSIVE OF PUBLIC DEBT LIABILITIES

TABLE 62.—*Current assets and liabilities of the Treasury at the close of the fiscal years 1941 and 1942*

[On basis of daily Treasury statements (unrevised), see p. 387]

	1941	1942	Increase or decrease (—)
<b>GOLD</b>			
Assets: Gold.....	\$22,624,083,167.18	\$22,736,503,160.69	\$112,419,993.51
Liabilities:			
Gold certificates <sup>1</sup> .....	2,878,371,049.00	2,874,873,889.00	—3,497,160.00
Gold certificate fund—Board of Governors, Federal Reserve System.....	17,497,287,510.80	17,735,182,989.18	237,895,478.38
Redemption fund—Federal Reserve notes.....	8,879,203.87	15,219,752.45	6,340,548.09
Gold reserve <sup>2</sup> .....	156,039,430.61	156,039,430.93	.....
Exchange stabilization fund.....	1,800,000,000.00	1,800,000,000.00	.....
Gold in General Fund.....	283,505,973.09	155,187,099.13	—128,318,873.96
Total.....	22,624,083,167.18	22,736,503,160.69	112,419,993.51
<b>SILVER</b>			
Assets:			
Silver bullion (monetary value).....	1,435,909,162.83	1,505,843,708.14	69,934,545.31
Silver dollars.....	492,018,405.00	478,828,929.00	—13,189,476.00
Total.....	1,927,927,567.83	1,984,672,637.14	56,745,069.31
Liabilities:			
Silver certificates outstanding <sup>1</sup> .....	1,914,430,087.00	1,968,120,065.00	53,689,978.00
Treasury notes of 1890 outstanding <sup>1</sup> .....	1,160,622.00	1,157,822.00	—2,800.00
Silver in General Fund.....	12,336,858.83	15,394,750.14	3,057,891.31
Total.....	1,927,927,567.83	1,984,672,637.14	56,745,069.31
<b>GENERAL FUND</b>			
Assets:			
In Treasury offices:			
Gold (as above).....	283,505,973.09	155,187,099.13	—128,318,873.96
Silver at monetary value (as above).....	12,336,858.83	15,394,750.14	3,057,891.31
Subsidiary silver coin.....	3,962,760.15	13,372,259.35	9,409,499.20
Silver bullion at recoinage value.....	1,664.00	1,664.00	.....
Silver bullion at cost value.....	665,284,279.26	660,289,426.81	—4,994,852.45
Minor coin.....	2,417,494.18	7,403,986.51	4,986,492.33
United States notes.....	2,553,062.00	2,096,305.00	—456,757.00
Federal Reserve notes.....	13,156,702.50	42,678,542.50	29,521,840.00
Federal Reserve Bank notes.....	348,514.50	153,052.50	—195,462.00
National bank notes.....	441,900.00	383,502.00	—58,398.00
Unclassified collections, etc.....	19,124,226.88	25,129,500.34	6,005,273.46
Subtotal.....	1,003,133,435.39	922,090,068.28	—81,043,367.11
In Federal Reserve Banks:			
To credit of Treasurer of the United States.....	1,010,712,697.42	550,719,576.31	—459,993,121.11
In transit.....	13,372,536.21	52,226,492.46	38,853,956.25
Subtotal.....	1,024,085,233.63	602,946,068.77	—421,139,164.86
In special depositories account of sales of Gov- ernment securities.....	661,174,000.00	1,678,598,000.00	1,017,424,000.00
In national and other bank depositories (except foreign):			
To credit of Treasurer of the United States.....	60,677,718.33	68,534,553.12	7,856,834.79
To credit of other Government officers.....	58,995,358.62	115,338,413.12	56,343,054.50
In transit.....	2,665,081.71	.....	—2,665,081.71
Subtotal.....	122,338,158.66	183,872,966.24	61,534,807.58
In foreign depositories:			
To credit of Treasurer of the United States.....	.....	52,640,000.00	52,640,000.00
To credit of other Government officers.....	283,471.68	2,247,403.39	1,963,931.71
Subtotal.....	283,471.68	54,887,403.39	54,603,931.71
In treasury, Philippine Islands:			
To credit of Treasurer of the United States.....	1,475,275.76	832,201.36	—643,074.40
In transit.....	1,733.38	340.27	—1,393.11
Subtotal.....	1,477,009.14	832,541.63	—644,467.51
Total assets, General Fund.....	2,812,491,308.50	3,443,227,048.31	630,735,739.81

Footnotes at end of table.

TABLE 62.—*Current assets and liabilities of the Treasury at the close of the fiscal years 1941 and 1942—Continued*

	1941	1942	Increase or decrease (—)
<b>GENERAL FUND—Continued</b>			
<b>Liabilities:</b>			
Treasurer's checks outstanding.....	\$6,957,305.67	\$17,366,884.15	\$10,409,578.48
Deposits of Government officers:			
Post Office Department.....	5,781,354.66	4,270,453.16	-1,510,901.50
Board of Trustees, Postal Savings System.....	67,410,871.23	214,439,332.87	147,028,461.64
Postmasters, clerks of courts, disbursing officers, etc.....	95,268,093.04	181,899,814.57	86,631,721.53
Uncollected items, exchanges, etc.....	3,899,621.79	34,103,347.79	30,203,726.00
<b>Total liabilities, General Fund.....</b>	<b>179,317,246.39</b>	<b>452,079,832.54</b>	<b>272,762,586.15</b>
<b>Balance in General Fund:</b>			
Increment resulting from reduction in weight of gold dollar.....	143,173,774.44	143,470,455.40	296,680.96
Seigniorage (silver) <sup>2</sup> .....	605,376,936.62	618,958,767.00	13,581,830.38
Working balance.....	1,884,623,351.05	2,228,717,993.37	344,094,642.32
<b>Subtotal.....</b>	<b>2,633,174,062.11</b>	<b>2,991,147,215.77</b>	<b>357,973,153.66</b>
<b>Total General Fund liabilities and balance.....</b>	<b>2,812,491,308.50</b>	<b>3,443,227,048.31</b>	<b>630,735,739.81</b>

<sup>1</sup> Does not include amounts held in Treasury offices and by Federal Reserve Banks and agents in custody for the Treasurer of the United States. See table on p. 136.

<sup>2</sup> Reserve against United States notes (\$346,681,016 in 1941 and 1942) and Treasury notes of 1890 outstanding (\$1,160,622 in 1941 and \$1,157,822 in 1942). Treasury notes of 1890 are also secured by silver dollars in the Treasury.

<sup>3</sup> This seigniorage represents the difference between the cost value and the monetary value of silver bullion revalued and held to secure the silver certificates issued on account of silver bullion acquired under the Silver Purchase Act of 1934 and under the President's proclamation dated August 9, 1934.

NOTE.—The amount to the credit of disbursing officers and certain agencies was \$2,714,787,075.69 on June 30, 1941, and \$10,087,282,581.50 on June 30, 1942.

TABLE 63.—*Balance in the General Fund of the Treasury at the end of each month fiscal year 1942*<sup>1</sup>

[On basis of daily Treasury statements (unrevised), see p. 387]

End of month	Balance of increment resulting from reduction in weight of gold dollar	Seigniorage <sup>2</sup>	Working balance	Total balance
<b>1941</b>				
July.....	\$143,197,346.18	\$607,431,421.10	\$1,848,177,412.81	\$2,598,806,180.09
August.....	143,221,757.42	609,561,727.32	2,119,957,311.11	2,872,740,795.85
September.....	143,248,014.55	611,125,862.45	1,511,184,189.86	2,265,558,066.86
October.....	143,276,952.96	613,020,631.07	1,885,021,263.85	2,641,318,847.88
November.....	143,294,392.69	614,092,149.08	1,562,109,480.10	2,319,496,021.87
December.....	143,318,034.96	615,081,453.40	2,801,734,026.30	3,560,133,514.66
<b>1942</b>				
January.....	143,353,449.83	615,988,536.31	2,190,804,821.29	2,950,146,807.43
February.....	143,374,351.07	616,813,364.47	2,801,641,371.08	3,561,829,086.62
March.....	143,405,885.17	617,555,903.33	2,731,632,240.74	3,492,594,029.24
April.....	143,424,202.18	618,463,588.70	2,088,976,104.52	2,850,863,895.40
May.....	143,446,604.42	618,958,767.00	2,049,536,343.15	2,811,941,714.57
June.....	143,470,455.40	618,958,767.00	2,228,717,993.37	2,991,147,215.77

<sup>1</sup> For monthly balances back to October 1915, see annual reports for 1930, p. 598; 1934, p. 377; and corresponding tables in subsequent reports.

<sup>2</sup> This item of seigniorage represents the difference between the cost value and the monetary value of silver bullion revalued and held to secure the silver certificates issued on account of silver acquired under the Silver Purchase Act of 1934 and under the President's proclamation dated Aug. 9, 1934.

TABLE 64.—Assets and liabilities of the exchange stabilization fund as of June 30, 1941 and 1942

Assets and liabilities	June 30, 1941	June 30, 1942
<b>ASSETS</b>		
Cash:		
Treasurer of the U. S., gold.....	\$1,800,000,000.00	\$1,800,000,000.00
Treasurer of the U. S., checking account.....	1,581,892.07	1,551,258.70
Federal Reserve Bank of New York, special account.....	106,896,315.84	177,908,989.03
Disbursing officers' balances and advance accounts.....	16,084.85	10,965.48
Total cash.....	1,908,494,292.76	1,979,501,213.21
Gold purchased from Union of Soviet Socialist Republics, 941,053,554 ozs. (Agreement Oct. 10, 1941, and Jan. 3, 1942).....		14,358,449.00
Special accounts of Secretary of the Treasury in Federal Reserve Bank of New York: special account No. 1, gold <sup>1</sup> .....	88,918,948.78	7,936,045.47
Due from foreign banks (foreign exchange):		
Swiss francs.....		232,629.79
French francs.....	17.88	17.88
Belgas.....	505.06	505.06
Sterling.....	2,980.05	2,980.05
Central Bank of China (secured deposits) <sup>2</sup> .....	19,117,998.12	19,121,925.34
Investments in U. S. Government securities <sup>3</sup> .....	10,448,723.13	10,448,723.13
Accrued interest receivable <sup>4</sup> .....	9,730.73	9,730.73
Other accounts (deferred charges).....	35.71	984.77
Commodity sales contracts (deferred charges).....	2,636.00	2,636.00
Total assets.....	2,026,995,868.22	2,031,615,840.43
<b>LIABILITIES AND CAPITAL</b>		
Accounts payable:		
Employees' pay-roll allotment account—U. S. war savings bonds.....		376.89
Vouchers payable.....	1,816.99	218.91
Due to foreign banks.....	97,537.99	
Due to Union of Soviet Socialist Republics (Agreement Oct. 10, 1941, and Jan. 3, 1942).....		2,471,716.74
Miscellaneous.....		1,500.00
Capital account.....	2,000,000,000.00	2,000,000,000.00
Earnings <sup>5</sup> less administrative expenses <sup>5</sup> .....	26,896,513.24	29,142,027.89
Total liabilities and capital.....	2,026,995,868.22	2,031,615,840.43

<sup>1</sup> See schedule No. 1.<sup>2</sup> Consisted of 65,018,698.63 yuan as of June 30, 1941, and 65,032,054.79 yuan as of June 30, 1942. Gold held as collateral amounted to \$19,379,015.65 as of both dates.<sup>3</sup> See schedule No. 2.<sup>4</sup> See schedule No. 3.<sup>5</sup> See schedule No. 4.

NOTE.—Annual balance sheets for the years 1934 through 1940 may be found on page 789 of the Annual Report of the Secretary of the Treasury for 1940. Quarterly balance sheets commencing December 31, 1938, may be found in the Bulletin of the Treasury Department beginning with the March 1939 issue.

## SCHEDULE NO. 1

## LOCATION OF GOLD HELD BY AND FOR ACCOUNT OF THE EXCHANGE STABILIZATION FUND—SPECIAL ACCOUNT NO. 1

Location	June 30, 1941	June 30, 1942
<b>Amount in ounces</b>		
Gold held by:		
Federal Reserve Bank of New York.....	250,485.974	3,939.543
U. S. Assay Office, N. Y., held in safekeeping.....	2,290,055.419	222,804.612
Total.....	2,540,541.393	226,744.155
<b>Amount in dollars</b>		
Gold held by:		
Federal Reserve Bank of New York.....	\$8,767,009.10	\$137,884.01
U. S. Assay Office, N. Y., held in safekeeping.....	80,151,939.68	7,798,161.46
Total.....	88,918,948.78	7,936,045.47

NOTE.—Excludes gold held by Treasurer of the United States and gold purchased from Union of Soviet Socialist Republics.

TABLE 64.—Assets and liabilities of the exchange stabilization fund as of June 30, 1941 and 1942—Continued

## SCHEDULE NO. 2

INVESTMENTS—CLASSES OF TREASURY BONDS HELD FOR ACCOUNT OF THE EXCHANGE STABILIZATION FUND ON JUNE 30, 1942<sup>1</sup>

Class	Face value	Principal cost	Accrued interest	Average rate at which bonds are held
2½% Treasury bonds of 1951-53.....	\$10,000,000.00	\$10,000,000.00	\$9,221.31	100.0000
2¾% Treasury bonds of 1958-63.....	50,000.00	49,640.63	56.35	99.2813
2¾% Treasury bonds of 1960-65.....	402,000.00	399,082.50	453.07	99.2743
Total.....	10,452,000.00	10,448,723.13	9,730.73	-----

<sup>1</sup> No investments were purchased or sold during the fiscal year 1942 and therefore the amounts held on June 30, 1941, were the same as those held on June 30, 1942.

## SCHEDULE NO. 3

TOTAL EARNINGS OF THE EXCHANGE STABILIZATION FUND

Source	Jan. 31, 1934, through June 30, 1941	Jan. 31, 1934, through June 30, 1942
Profits on British sterling transactions.....	\$310,638.09	\$310,638.09
Profits on French franc transactions.....	351,537.99	351,537.99
Profits on gold bullion (including profits from handling charges on gold).....	17,972,095.55	19,948,590.50
Profits on silver transactions.....	105,371.27	105,371.27
Profits on sale of silver bullion to Treasury (nationalized).....	3,473,362.29	3,473,362.29
Profits on investments.....	1,019,326.18	1,019,326.18
Interest on investments.....	3,473,579.14	3,711,009.14
Miscellaneous profits.....	473.74	473.74
Interest earned on foreign balances.....	92,551.68	123,888.59
Interest earned on Chinese yuan.....	1,554,277.23	1,841,337.32
Total.....	28,353,213.16	30,885,535.11

## SCHEDULE NO. 4

ADMINISTRATIVE EXPENSES OF THE EXCHANGE STABILIZATION FUND

Classification	Jan. 31, 1934, through June 30, 1941	Jan. 31, 1934, through June 30, 1942
Salaries.....	\$914,924.58	\$1,151,157.10
Travel.....	53,001.47	61,553.90
Subsistence.....	37,825.68	45,910.27
Telephone and telegraph.....	314,121.44	335,665.52
Stationery, etc.....	16,417.92	17,765.20
All other.....	120,408.83	131,455.23
Total.....	1,456,690.92	1,743,507.22

TABLE 65.—*Securities other than obligations of foreign governments owned by the United States Government, June 30, 1942*

[On the basis of the face value of the securities received by the United States, with due allowance for repayments. To the extent that the securities are not held in the custody of the Treasury, the statement is made up from reports received from other Government departments and establishments]

	Authorizing act	Amount
<b>Capital stock:</b>		
Banks for cooperatives.....	June 16, 1933, as amended..	\$144,000,000.00
Commodity Credit Corporation.....	do.....	100,000,000.00
Defense Homes Corporation.....	Jan. 22, 1932, as amended..	10,000,000.00
Defense Plant Corporation <sup>1</sup> .....	do.....	5,000,000.00
Defense Supplies Corporation <sup>1</sup> .....	do.....	5,000,000.00
Disaster Loan Corporation.....	Feb. 11, 1937, as amended..	24,000,000.00
Electric Home and Farm Authority.....	June 16, 1933, as amended..	850,000.00
Export-Import Bank of Washington <sup>2</sup> .....	do.....	175,000,000.00
Federal Crop Insurance Corporation.....	Feb. 16, 1938.....	20,000,000.00
Federal Deposit Insurance Corporation.....	June 16, 1933, as amended..	150,000,000.00
Federal Farm Mortgage Corporation.....	Jan. 31, 1934, as amended..	100,000,000.00
Federal home loan banks <sup>1</sup> .....	July 22, 1932, as amended..	124,741,000.00
Federal intermediate credit banks.....	Mar. 4, 1923, as amended..	60,000,000.00
Federal land banks.....	July 17, 1916, as amended..	67,371,965.00
Federal National Mortgage Association <sup>1</sup> .....	June 27, 1934, as amended..	10,000,000.00
Federal Public Housing Authority <sup>3</sup> .....	Sept. 1, 1937, as amended..	1,000,000.00
Federal savings and loan associations.....	June 13, 1933, as amended..	19,442,600.00
Federal Savings and Loan Insurance Corporation <sup>4</sup> .....	June 27, 1934.....	100,000,000.00
Home Owners' Loan Corporation.....	June 13, 1933, as amended..	200,000,000.00
Inland Waterways Corporation.....	June 3, 1924, as amended..	12,000,000.00
Metals Reserve Company <sup>1</sup> .....	Jan. 22, 1932, as amended..	5,000,000.00
Panama Railroad Company.....	June 28, 1902.....	7,000,000.00
Production credit corporations.....	June 16, 1933, as amended..	120,000,000.00
Reconstruction Finance Corporation.....	Jan. 22, 1932, as amended..	325,000,000.00
RFC Mortgage Company <sup>1</sup> .....	Jan. 31, 1935, as amended..	25,000,000.00
Regional agricultural credit corporations.....	July 21, 1932, as amended..	5,000,000.00
Rubber Reserve Company <sup>1</sup> .....	Jan. 22, 1932, as amended..	5,000,000.00
Tennessee Valley Associated Cooperatives, Inc. ....	May 12, 1933.....	1,000.00
U. S. Commercial Company <sup>1</sup> .....	Jan. 22, 1932, as amended..	5,000,000.00
U. S. Housing Corporation <sup>5</sup> .....	May 16, 1918, as amended..	1,885,015.88
U. S. Spruce Production Corporation.....	July 9, 1918, as amended..	100,000.00
		\$1,827,391,580.88
<b>Paid-in surplus:</b>		
Federal land banks.....	May 12, 1933, as amended..	145,861,238.02
Federal National Mortgage Association <sup>1</sup> .....	June 27, 1934, as amended..	1,000,000.00
		146,861,238.02
<b>Bonds and notes:</b>		
Commodity Credit Corporation.....	Mar. 8, 1938, as amended..	400,000,000.00
Federal Farm Mortgage Corporation.....	Jan. 31, 1934, as amended..	263,000,000.00
Federal Public Housing Authority <sup>3</sup> .....	Sept. 1, 1937, as amended..	274,000,000.00
Home Owners' Loan Corporation.....	June 13, 1933, as amended..	551,000,000.00
Reconstruction Finance Corporation.....	Jan. 22, 1932, as amended..	2,533,918,445.91
Tennessee Valley Authority.....	May 18, 1933, as amended..	56,772,500.00
		4,078,690,945.91

Footnotes at end of table.



TABLE 65.—*Securities other than obligations of foreign governments owned by the United States Government, June 30, 1942—Continued*

	Authorizing act	Amount
<b>Other securities:</b>		
Farm Credit Administration:		
Seed, feed, drought relief, and crop production loans.	July 1, 1918, as supplemented.	\$176,315,701.24
Loans from Agricultural Marketing Act revolving fund.	June 15, 1929, as amended.	81,371,150.53
Farm Security Administration: Rural rehabilitation loans to farmers, etc. <sup>6</sup>	Apr. 8, 1935, as supplemented.	460,258,714.51
Federal Works Agency: Advances to States, municipalities, railroads, and others.	June 16, 1933, as amended.	92,236,312.94
Interior Department: Indian loans.	June 18, 1934, as amended.	2,675,942.01
Navy Department: Sales of surplus property.	July 9, 1918, as amended.	3,311,169.35
Puerto Rico Reconstruction Administration:		
Loans	Apr. 8, 1935, as amended.	4,296,664.00
Capital stock of Puerto Rico Cement Corporation.	do.	1,219,600.00
Rural Electrification Administration: Advances to cooperatives, States, and private utilities. <sup>7</sup>	do.	341,909,940.54
Treasury Department:		
Counties and municipalities.	July 21, 1932, as amended.	127,000.00
Railroads.	Feb. 28, 1920, as amended.	25,212,577.88
Securities received by the Bureau of Internal Revenue in settlements of tax liabilities.	July 1, 1898, as amended.	60,158.22
U. S. Maritime Commission: Ship construction and reconditioning loans, ship sales notes, etc.	Sept. 7, 1916, as amended.	66,670,299.50
		<u>\$1,255,665,230.72</u>
<b>Less:</b>		<b>7,308,608,995.53</b>
Face amount of above securities acquired by Government corporations from corporate funds or by exchange for corporate obligations:		
Home Owners' Loan Corporation <sup>4</sup> .		100,000,000.00
Reconstruction Finance Corporation. <sup>5</sup>		740,736,925.47
		<u>840,736,925.47</u>
Total face amount of securities owned by the United States.		<u>6,467,872,070.06</u>

Amount due the United States from the Central Branch Union Pacific Railroad on account of bonds issued (Pacific Railroad Aid Bonds Acts, approved July 1, 1862, July 2, 1864, and May 7, 1878):

Principal	\$1,600,000.00
Interest	1,597,922.83
<b>Total</b>	<b>3,197,922.83</b>

<sup>1</sup> Reconstruction Finance Corporation funds.

<sup>2</sup> Reconstruction Finance Corporation funds, \$174,000,000; and appropriated funds \$1,000,000.

<sup>3</sup> Formerly United States Housing Authority.

<sup>4</sup> Home Owners' Loan Corporation obligations issued to the Federal Savings and Loan Insurance Corporation for capital stock subscription.

<sup>5</sup> The balance of the amount paid in by the United States on outstanding stock is \$34,058,785.32. Above amount represents net amount of assets available to liquidate such stock.

<sup>6</sup> Includes Reconstruction Finance Corporation funds amounting to \$153,080,393.20.

<sup>7</sup> Includes Reconstruction Finance Corporation funds amounting to \$227,915,532.27.

<sup>8</sup> For securities purchased with Reconstruction Finance Corporation funds, see footnotes 1, 2, 6, and 7.

TABLE 66.—Principal of the funded and unfunded indebtedness of foreign governments to the United States, the accrued and unpaid interest thereon, and payments on account of principal and interest, as of November 15, 1942

Country	Total indebtedness (payments on principal deducted)	Total payments received	Funded indebtedness				Unfunded indebtedness			
			Indebtedness		Payments on account		Indebtedness		Payments on account <sup>1</sup>	
			Principal (net)	Accrued interest	Principal	Interest	Principal (net)	Accrued interest	Principal	Interest
Armenia.....	\$25,597,091.72						\$11,959,917.49	\$13,637,174.23		
Belgium.....	478,593,811.81	\$52,191,273.24	\$400,680,000.00	\$77,913,811.81	\$17,100,000.00	\$14,490,000.00			\$2,057,630.37	\$18,543,642.87
Cuba.....		12,286,751.58							10,000,000.00	2,286,751.58
Czechoslovakia.....	<sup>2</sup> 165,883,302.05	20,134,092.26	165,241,108.90	642,193.15	19,829,914.17					304,178.09
Estonia.....	<sup>2</sup> 22,771,296.55	1,248,432.07	16,466,012.87	6,305,283.68		1,246,990.19				1,441.88
Finland.....	8,698,270.30	6,050,689.77	8,039,601.83	658,668.47	960,398.17	4,780,976.33				309,315.27
France.....	4,375,264,098.99	486,075,891.00	3,863,650,000.00	511,614,098.99	161,350,000.00	38,650,000.00			64,689,588.18	221,386,302.82
Germany (Austrian indebtedness) <sup>4</sup> .....	<sup>5</sup> 26,023,202.41	862,668.00	25,980,480.66	42,721.75	862,668.00					
Great Britain.....	5,959,217,031.47	2,024,848,817.09	4,368,000,000.00	1,591,217,031.47	232,000,000.00	1,232,770,518.42			202,181,641.56	357,896,657.11
Greece.....	35,781,352.76	4,127,056.01	31,516,000.00	4,265,352.76	981,000.00	1,983,980.00			2,922.67	1,159,153.34
Hungary.....	<sup>3</sup> 2,541,502.53	556,919.76	1,908,560.00	632,942.53	73,995.50	482,171.22				753.04
Italy.....	2,037,199,224.27	100,829,880.16	2,004,900,000.00	32,299,224.27	37,100,000.00	5,766,708.26			364,319.28	57,598,852.62
Latvia.....	<sup>3</sup> 9,396,151.15	761,549.07	6,879,464.20	2,516,686.95	9,200.00	621,520.12				130,828.95
Liberia.....		36,471.56							26,000.00	10,471.56
Lithuania.....	<sup>3</sup> 8,416,386.01	1,237,956.58	6,197,682.00	2,218,704.01	234,783.00	1,001,626.61				1,546.97
Nicaragua <sup>6</sup> .....		168,575.84							141,950.36	26,625.48
Poland.....	<sup>3</sup> 284,965,869.71	22,646,297.55	206,057,000.00	78,908,869.71	1,287,297.37	19,310,775.90				2,048,224.28
Rumania.....	<sup>2</sup> 69,477,170.79	7,491,007.22	63,860,560.43	5,616,610.36	2,700,000.00	29,061.46			1,798,632.02	263,313.74
Russia.....	423,882,287.07	<sup>8</sup> 8,750,311.88					192,601,297.37	231,280,989.70		<sup>8</sup> 8,750,311.88
Yugoslavia.....	62,472,343.78	2,588,771.69	61,625,000.00	847,343.78	1,225,000.00				727,712.55	636,059.14
Total.....	13,996,180,393.37	2,750,193,412.33	11,231,001,470.89	<sup>9</sup> 2,315,699,543.69	475,714,256.21	1,321,134,328.51	204,561,214.86	244,918,163.93	281,990,396.99	671,354,430.62

<sup>1</sup> Payments of governments which have funded were made prior to the date of the funding agreements.

<sup>2</sup> Differences between principal of funded indebtedness and amounts here stated represent deferred payments provided for in the funding agreements, for which "bonds" of the respective debtor governments have been or will be delivered to the Treasury.

<sup>3</sup> Increase over amount funded due to exercise of options with respect to the payment of interest due on original issue of bonds of debtor governments.

<sup>4</sup> The German Government has been notified that the Government of the United States will look to the German Government for the discharge of this indebtedness of the Government of Austria to the Government of the United States.

<sup>5</sup> Includes additional bonds aggregating \$3,489,482.75 received July 23, 1937, in exchange for bonds aggregating \$1,207,742 and annuities aggregating \$69,534.46, payable on Jan. 1, 1933, 1934, and 1935, but postponed as provided by agreements of May 8, 1930, and Sept. 14, 1932.

<sup>6</sup> The United States held obligations in the principal amount of \$289,898.78, which, together with accrued interest thereon, were canceled on Oct. 6, 1939, pursuant to agree-

ment of Apr. 14, 1938, between the United States and the Republic of Nicaragua, ratified by the United States Senate on June 13, 1938.

<sup>7</sup> Does not include payment of \$100,000 by Rumanian Government on June 15, 1940, which was made as "a token of its good faith and of its real desire to reach a new agreement covering" Rumania's indebtedness to the United States.

<sup>8</sup> Represents proceeds of liquidation of financial affairs of the Russian Government in this country. (Copies of letter dated May 23, 1922, from the Secretary of State and of reply of the Secretary of the Treasury dated June 2, 1922, in regard to loans to the Russian Government and liquidation of affairs of the latter in this country appear in the Annual Report of the Secretary of the Treasury for 1922, as exhibit 79, p. 283, and in the combined annual reports of the World War Foreign Debt Commission as exhibit 2, p. 84.)

<sup>9</sup> Includes balances of amounts postponed under provisions of joint resolution of Dec. 23, 1931. (For amounts postponed see p. 35 of Annual Report of the Secretary of the Treasury for 1932.)

TABLE 67.—Principal of the funded and unfunded indebtedness of foreign governments to the United States, the accrued and unpaid interest thereon, and payments on account of principal and interest, as of November 15 of each year from 1928 to 1942

Year	Total indebtedness (payments on principal deducted)	Total payments received	Funded indebtedness				Unfunded indebtedness			
			Indebtedness		Payments on account		Indebtedness		Payments on account <sup>1</sup>	
			Principal (net)	Accrued interest <sup>2</sup>	Principal	Interest	Principal (net)	Accrued interest	Principal	Interest
1928....	\$11,853,406,768.55	\$1,963,023,654.25	\$11,462,200,951.00	\$23,764,278.81	\$152,552,048.00	\$764,546,559.35	\$243,907,551.77	\$118,533,986.97	\$303,267,052.84	\$742,657,994.06
1929....	11,829,755,777.51	2,162,605,203.58	11,455,772,818.00	32,541,624.26	191,565,786.00	904,763,750.32	229,466,727.85	111,974,607.40	303,269,975.51	763,005,691.75
1930....	11,641,264,883.62	2,391,993,341.97	11,279,990,878.50	34,206,294.13	391,962,610.50	1,046,687,129.58	204,851,842.85	122,215,868.14	281,989,667.78	671,353,934.11
1931....	11,598,501,461.42	2,627,580,897.72	11,232,604,719.57	28,572,000.00	443,310,743.87	1,230,926,551.96	204,851,842.85	132,472,899.00	281,989,667.78	671,353,934.11
1932....	11,793,172,630.78	2,627,580,897.72	11,261,176,719.57	184,440,108.36	443,310,743.87	1,230,926,551.96	204,851,842.85	142,703,960.00	281,989,667.78	671,353,934.11
1933....	11,888,508,973.91	2,737,707,104.88	11,229,429,605.40	301,236,727.54	475,057,858.04	1,309,305,852.24	204,851,113.64	152,991,527.33	281,990,396.99	671,352,997.61
1934....	12,102,962,275.61	2,747,041,165.88	11,229,212,445.44	505,668,208.95	475,275,018.00	1,318,422,753.28	204,851,113.64	163,230,507.58	281,990,396.99	671,352,997.61
1935....	12,328,960,509.67	2,747,436,589.89	11,229,145,735.91	721,489,130.85	475,341,727.53	1,318,750,034.75	204,851,113.64	173,474,529.27	281,990,396.99	671,354,430.62
1936....	12,556,828,068.35	2,748,180,030.39	11,229,075,838.00	939,181,132.78	475,411,625.44	1,319,423,577.34	204,851,113.64	183,719,983.93	281,990,396.99	671,354,430.62
1937....	12,786,196,128.24	2,748,574,488.89	11,231,232,007.83	1,156,141,124.08	475,483,719.27	1,319,745,942.01	204,851,113.64	193,971,882.69	281,990,396.99	671,354,430.62
1938....	13,011,846,749.58	2,749,249,727.71	11,231,157,710.25	1,372,121,903.50	475,558,016.85	1,320,346,883.25	204,561,214.86	204,005,920.97	281,990,396.99	671,354,430.62
1939....	13,237,290,908.97	2,749,663,012.53	11,231,081,200.76	1,587,414,511.64	475,634,526.34	1,320,683,658.58	204,561,214.86	214,233,981.71	281,990,396.99	671,354,430.62
1940....	13,463,473,869.84	2,750,163,927.85	11,231,001,470.89	1,803,449,141.64	475,714,256.21	1,321,104,844.03	204,561,214.86	224,462,042.45	281,990,396.99	671,354,430.62
1941....	13,730,365,520.39	2,750,173,756.01	11,231,001,470.89	2,060,112,731.45	475,714,256.21	1,321,114,672.19	204,561,214.86	234,690,103.19	281,990,396.99	671,354,430.62
1942....	13,996,180,393.37	2,750,193,412.33	11,231,001,470.89	2,315,699,543.69	475,714,256.21	1,321,134,328.51	204,561,214.86	244,918,163.93	281,990,396.99	671,354,430.62

<sup>1</sup> Payments of governments which have funded were made prior to the dates of the funding agreements.<sup>2</sup> Includes balances of amounts postponed under provisions of joint resolution of Dec. 23, 1931 (for amounts postponed see p. 35 of Annual Report of the Secretary of the Treasury for 1932).<sup>3</sup> Does not include payment of \$100,000 by Rumanian Government on June 15, 1940, which was made as "a token of its good faith and of its real desire to reach a new agreement covering" Rumania's indebtedness to the United States.

# TRUST AND SPECIAL FUNDS FOR WHICH INVESTMENTS ARE MADE BY THE TREASURY DEPARTMENT

TABLE 68.—*Adjusted service certificate fund, June 30, 1942*<sup>1</sup>

[This trust fund was established in accordance with the provisions of the act of May 19, 1924 (43 Stat. 128). For further details see annual report of the Secretary for 1941, p. 135.]

## I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	Cumulative to June 30, 1941	Increase or de- crease (—), fiscal year 1942	Cumulative to June 30, 1942
<b>Receipts:</b>			
Appropriations.....	\$3,636,157,956.40	-----	\$3,636,157,956.40
Interest on loans and investments.....	131,880,834.29	\$648,856.04	132,529,690.33
Total receipts.....	3,768,038,790.69	648,856.04	3,768,687,646.73
<b>Expenditures:</b>			
Payments under Adjusted Compensation Payment Act, 1936, enacted Jan. 27, 1936:			
Adjusted service bonds.....	1,839,245,400.00	1,315,700.00	1,840,561,100.00
Adjusted service bonds (Government life insurance fund series).....	500,157,956.40	-----	500,157,956.40
Checks for amounts less than \$50.....	83,514,734.81	46,923.21	83,561,658.02
Checks paid by Treasurer of the United States other than in final settlement of certificates under the Adjusted Compensation Payment Act, 1936, less credits on account of repayments of loans.....	1,325,500,996.59	262,557.31	1,325,763,553.90
Total expenditures.....	3,748,419,087.80	1,625,180.52	3,750,044,268.32
Balance.....	19,619,702.89	-976,324.48	18,643,378.41

## II. ASSETS HELD BY THE TREASURY DEPARTMENT

	June 30, 1941	Increase or de- crease (—), fiscal year 1942	June 30, 1942
<b>Investments:</b>			
4% special Treasury certificates of indebtedness, adjusted service certificate fund series:			
Maturing Jan. 1, 1942.....	\$19,300,000.00	-\$19,300,000.00	-----
Maturing Jan. 1, 1943.....	-----	18,435,000.00	\$18,435,000.00
Total investments.....	19,300,000.00	-865,000.00	18,435,000.00
<b>Unexpended balances:</b>			
To credit of disbursing officers.....	288,643.51	-96,740.08	191,903.43
On books of the Division of Bookkeeping and Warrants.....	31,059.38	-14,584.40	16,474.98
Total.....	19,619,702.89	-976,324.48	18,643,378.41

<sup>1</sup> On basis of daily Treasury statements (unrevised).

<sup>2</sup> Exclusive of \$746.17 representing deposits in transit.

<sup>3</sup> Exclusive of deposits in transit of \$546.39 and credit adjustments for transit items of \$20.00, both of which were reflected in July 1942.

TABLE 69.—*Ainsworth Library fund, Walter Reed General Hospital, June 30, 1942*

[This trust fund was established in accordance with the provisions of the joint resolution of Congress approved May 23, 1935 (49 Stat. 287). For further details see annual report of the Secretary for 1941, p. 154.]

## I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	Cumulative to June 30, 1941	Increase, fiscal year 1942	Cumulative to June 30, 1942
Receipts:			
Bequest of Maj. Gen. Fred C. Ainsworth.....	\$10,700.00	-----	\$10,700.00
Earnings on investments.....	1,237.90	\$278.87	1,516.77
Total receipts.....	11,937.90	278.87	12,216.77
Expenditures.....	1,927.05	229.18	2,156.23
Balance.....	10,010.85	49.69	10,060.54

## II. ASSETS HELD BY THE TREASURY DEPARTMENT

	June 30, 1941	Increase, fiscal year 1942	June 30, 1942
Investments:			
2½% Treasury bonds of 1955-60 (par value \$9,700)...	\$9,972.81	-----	\$9,972.81
Unexpended balance on books of the Division of Book- keeping and Warrants.....	38.04	\$49.69	87.73
Total.....	10,010.85	49.69	10,060.54

TABLE 70.—*Alaska Railroad retirement and disability fund, June 30, 1942*<sup>1</sup>

[This trust fund was established in accordance with the provisions of section 9 of the act of June 29, 1936 (49 Stat. 2022). For further details see annual report of the Secretary for 1941, p. 139.]

## I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	Cumulative to June 30, 1941	Increase, fiscal year 1942	Cumulative to June 30, 1942
Receipts:			
On account of deductions from basic compensation of employees subject to retirement act.....	\$579,346.74	\$161,615.08	\$740,961.82
Transferred from civil service retirement and disa- bility fund:			
On account of deductions.....	30,980.06	-----	30,980.06
Accrued interest on deductions.....	2,170.16	-----	2,170.16
Total.....	33,150.22	-----	33,150.22
Appropriations.....	700,000.00	175,000.00	875,000.00
Interest and profits on investments.....	100,070.96	48,293.15	148,364.11
Total receipts.....	1,412,567.92	384,908.23	1,797,476.15
Expenditures:			
Annuity payments and refunds.....	347,603.71	107,801.96	455,405.67
Balance.....	1,064,964.21	277,106.27	1,342,070.48

Footnotes at end of table.

TABLE 70.—*Alaska Railroad retirement and disability fund, June 30, 1942*<sup>1</sup>—Con.

## II. ASSETS HELD BY THE TREASURY DEPARTMENT

	June 30, 1941	Increase or decrease (—), fiscal year 1942	June 30, 1942
<b>Investments:</b>			
4% special Treasury notes, Alaska Railroad retirement fund series, maturing:			
June 30, 1942.....	\$265,000.00	—\$265,000.00	
June 30, 1943.....	225,000.00		\$225,000.00
June 30, 1944.....	196,000.00		196,000.00
June 30, 1945.....	229,000.00		229,000.00
June 30, 1946.....	90,000.00	238,000.00	328,000.00
June 30, 1947.....		322,000.00	322,000.00
Total investments.....	1,005,000.00	295,000.00	1,300,000.00
<b>Unexpended balances:</b>			
To credit of disbursing officers.....	26,469.55	796.37	27,265.92
On books of the Division of Bookkeeping and Warrants.....	\$ 33,494.66	—18,690.10	14,804.56
Total.....	1,064,964.21	277,106.27	1,342,070.48

<sup>1</sup> On basis of daily Treasury statements (unrevised).<sup>2</sup> Exclusive of \$3,552.20 representing deposits in transit.TABLE 71.—*Canal Zone retirement and disability fund, June 30, 1942*<sup>1</sup>

[This trust fund was established in accordance with the provisions of section 10 of the act of March 2, 1931 (46 Stat. 1477). For further details see annual report of the Secretary for 1941, p. 137.]

## I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	Cumulative to June 30, 1941	Increase, fiscal year 1942	Cumulative to June 30, 1942
<b>Receipts:</b>			
On account of deductions from basic compensation and service credit payments of employees subject to retirement act.....	\$ 5,622,600.25	\$1,169,818.44	\$6,792,418.69
<b>Transfers from civil service retirement and disability fund:</b>			
On account of deductions.....	1,314,724.36		1,314,724.36
Accrued interest on deductions.....	153,076.58		153,076.58
Total.....	1,467,800.94		1,467,800.94
Appropriations.....	3,677,000.00	1,177,000.00	4,854,000.00
Interest and profits on investments.....	1,260,020.25	258,156.37	1,518,176.62
Total receipts.....	12,027,421.44	2,604,974.81	14,632,396.25
<b>Expenditures:</b>			
Annuity payments and refunds.....	6,465,551.89	1,205,867.52	7,671,419.41
Balance.....	5,561,869.55	1,399,107.29	6,960,976.84

## II. ASSETS HELD BY THE TREASURY DEPARTMENT

	June 30, 1941	Increase or decrease (—), fiscal year 1942	June 30, 1942
<b>Investments:</b>			
4% special Treasury notes, Canal Zone retirement fund series, maturing:			
June 30, 1942.....	\$603,000.00	—\$603,000.00	
June 30, 1943.....	599,000.00		\$599,000.00
June 30, 1944.....	624,000.00		624,000.00
June 30, 1945.....	1,328,000.00		1,328,000.00
June 30, 1946.....	2,234,000.00	1,247,000.00	3,481,000.00
June 30, 1947.....		646,000.00	646,000.00
Total investments.....	5,388,000.00	1,290,000.00	6,678,000.00
<b>Unexpended balances:</b>			
To credit of disbursing officers.....	171,834.09	23,870.36	195,704.45
On books of the Division of Bookkeeping and Warrants.....	\$ 2,035.46	85,236.93	\$ 87,272.39
Total.....	5,561,869.55	1,399,107.29	6,960,976.84

<sup>1</sup> On basis of daily Treasury statements (unrevised).<sup>2</sup> Includes payment from Panama Railroad Company of \$355,984 for the fiscal year 1941.<sup>3</sup> Exclusive of \$111.03 representing deposits in transit.<sup>4</sup> Exclusive of \$156.34 representing deposits in transit.

TABLE 72.—Civil service retirement and disability fund, June 30, 1942<sup>1</sup>

[This trust fund was established in accordance with the provisions of the act of May 22, 1920 (41 Stat. 614). For further details see annual report of the Secretary for 1941, p. 136.]

## I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	Cumulative to June 30, 1941	Increase, fiscal year 1942	Cumulative to June 30, 1942
<b>Receipts:</b>			
On account of deductions from basic compensation and service credit payments of employees subject to retirement act <sup>2</sup> .....	\$591,819,918.30	\$85,629,536.96	\$677,449,455.26
On account of voluntary contributions.....	841,925.00	423,475.00	1,265,400.00
Appropriations.....	558,852,390.00	<sup>3</sup> 101,761,202.00	660,613,592.00
Interest and profits on investments.....	177,882,552.74	29,722,392.61	207,604,945.35
<b>Total receipts.....</b>	<b>1,329,396,786.04</b>	<b>217,536,606.57</b>	<b>1,546,933,392.61</b>
<b>Expenditures:</b>			
Annuity payments and refunds.....	674,933,553.86	76,187,573.93	751,121,127.79
<b>Transfers to Canal Zone retirement and disability fund:</b>			
On account of deductions.....	1,314,724.36		1,314,724.36
Accrued interest on deductions.....	153,076.58		153,076.58
<b>Total.....</b>	<b>1,467,800.94</b>		<b>1,467,800.94</b>
<b>Transfers to Alaska Railroad retirement and disability fund:</b>			
On account of deductions.....	30,980.06		30,980.06
Accrued interest on deductions.....	2,170.16		2,170.16
<b>Total.....</b>	<b>33,150.22</b>		<b>33,150.22</b>
<b>Transfers to policemen's and firemen's relief fund, D. C.:</b>			
On account of deductions.....	19,174.57	7,253.64	26,428.21
Accrued interest on deductions.....	8,541.05	3,130.41	11,671.46
<b>Total.....</b>	<b>27,715.62</b>	<b>10,384.05</b>	<b>38,099.67</b>
<b>Total expenditures.....</b>	<b>676,462,220.64</b>	<b>76,197,957.98</b>	<b>752,660,178.62</b>
<b>Balance.....</b>	<b>652,934,565.40</b>	<b>141,338,648.59</b>	<b>794,273,213.99</b>

## II. ASSETS HELD BY THE TREASURY DEPARTMENT

	June 30, 1941	Increase or decrease (—), fiscal year 1942	June 30, 1942
<b>Investments:</b>			
4% special Treasury notes, civil service retirement fund series, maturing:			
June 30, 1942.....	\$122,300,000.00	—\$122,300,000.00	
June 30, 1943.....	145,400,000.00	—4,500,000.00	\$140,900,000.00
June 30, 1944.....	125,400,000.00		125,400,000.00
June 30, 1945.....	151,400,000.00		151,400,000.00
June 30, 1946.....	100,000,000.00	110,700,000.00	210,700,000.00
June 30, 1947.....		153,000,000.00	153,000,000.00
3% special Treasury notes, civil service retirement fund series, maturing:			
June 30, 1944.....	200,000.00		200,000.00
June 30, 1945.....	569,000.00		569,000.00
June 30, 1946.....	16,000.00	399,000.00	415,000.00
June 30, 1947.....		66,000.00	66,000.00
<b>Total investments.....</b>	<b>645,285,000.00</b>	<b>137,365,000.00</b>	<b>782,650,000.00</b>
<b>Unexpended balances:</b>			
To credit of disbursing officers.....	7,199,670.61	984,077.60	8,183,748.21
On books of the Division of Bookkeeping and Warrants.....	<sup>4</sup> 449,894.79	2,989,570.99	<sup>5</sup> 3,439,465.78
<b>Total.....</b>	<b>652,934,565.40</b>	<b>141,338,648.59</b>	<b>794,273,213.99</b>

<sup>1</sup> On basis of daily Treasury statements (unrevised).

<sup>2</sup> Under Public Law 411, approved January 24, 1942, it was provided that after June 30, 1942, there would be deducted and withheld from the basic salary, pay, or compensation of any officer or employee to whom the Civil Service Retirement Act applies a sum equal to 5 per centum of such officer's or employee's basic salary, pay, or compensation in lieu of the 3½ per centum deduction previously in effect.

<sup>3</sup> Includes \$100,911,562.00 appropriated from the General Fund to cover the liability of the United States and \$849,640.00, appropriated from the revenues of the District of Columbia to cover its liability in connection with the financing of the fund.

<sup>4</sup> Exclusive of \$612,911.90 representing deposits in transit.

<sup>5</sup> Exclusive of \$1,487,105.62 representing deposits in transit.

TABLE 73.—*District of Columbia teachers' retirement fund—Assets held by the Treasury Department, June 30, 1942*

[This trust fund was established in accordance with the provisions of the act of January 15, 1920 (41 Stat. 337). For further details see annual report of the Secretary for 1941, p. 140.]

	June 30, 1941	Increase or decrease (—), fiscal year 1942	June 30, 1942
	Deductions fund		
<b>Investments:</b>			
<b>Government securities:</b>			
<b>Treasury bonds:</b>			
3½% of 1943-45.....	(Principal cost) \$232,000.00		(Par value) \$232,000.00
3½% of 1943-47.....	49,500.00		48,000.00
4% of 1944-54.....	123,387.50		122,000.00
3½% of 1946-56.....	87,437.81		87,000.00
4½% of 1947-52.....	956,962.07		860,200.00
2% of 1948-50.....	40,000.00		40,000.00
2½% of 1951-54.....	79,382.19		77,000.00
2½% of 1952-54.....	276,000.00		276,000.00
2½% of 1954-56.....	502,000.00		502,000.00
2½% of 1955-60.....	1,927,412.21		1,896,850.00
2½% of 1956-59.....	107,920.63		105,000.00
2½% of 1956-58.....		\$49,100.31	47,000.00
2½% of 1958-63.....	300,245.94		293,000.00
2½% of 1960-65.....	453,302.82		458,000.00
2½% of 1967-72.....		179,000.00	179,000.00
<b>United States savings bonds:</b>			
2½%, Series G.....		100,000.00	100,000.00
<b>Total Government securities.....</b>	<b>5,165,551.17</b>	<b>328,100.31</b>	<b>5,323,050.00</b>
<b>Government-guaranteed securities:</b>			
3½% Federal Farm Mortgage Corporation bonds of 1944-64.....	73,785.00		72,000.00
<b>Other securities:</b>			
3% Consolidated Federal farm loan bonds of:			
1945-55.....	173,460.00		177,000.00
1946-56.....	534,630.00		536,500.00
4½% Philippine Islands bonds.....	197,669.56		182,000.00
4½% Puerto Rican bonds.....	15,962.57		16,000.00
<b>Total other securities.....</b>	<b>921,722.13</b>		<b>911,500.00</b>
<b>Total investments.....</b>	<b>6,161,058.30</b>	<b>328,100.31</b>	<b>6,306,550.00</b>
<b>Unexpended balances:</b>			
To credit of disbursing officers.....	15,256.61	11,337.01	26,593.62
On books of the Division of Bookkeeping and Warrants.....	218,651.64	—39,089.22	179,562.42
<b>Total.....</b>	<b>6,394,966.55</b>	<b>300,348.10</b>	<b>6,605,314.65</b>



TABLE 73.—*District of Columbia teachers' retirement fund—Assets held by the Treasury Department, June 30, 1942—Continued*

	June 30, 1941	Increase or decrease (—), fiscal year 1942	June 30, 1942
<b>Government reserve fund</b>			
<b>Investments:</b>	<i>(Principal cost)</i>	<i>(Principal cost)</i>	<i>(Par value)</i>
Government securities:			<i>(Principal cost)</i>
Treasury bonds:			
3½% of 1943-47.....	\$204,701.25		\$199,000.00
4% of 1944-54.....	12,285.00		12,000.00
3½% of 1946-56.....	31,145.31		31,000.00
4½% of 1947-52.....	313,717.51		282,000.00
2% of 1948-50.....	25,000.00		25,000.00
2½% of 1951-54.....	17,525.94		17,000.00
2½% of 1952-54.....	237,000.00		237,000.00
2½% of 1954-56.....	154,000.00		154,000.00
2½% of 1955-60.....	1,097,915.04		1,085,000.00
2½% of 1956-59.....	128,283.76		128,000.00
2½% of 1958-63.....	318,227.20		313,000.00
2½% of 1960-65.....	249,540.32		235,000.00
2½% of 1967-72.....		\$162,000.00	162,000.00
United States savings bonds:			
2½%, Series G.....		62,500.00	62,500.00
Total Government securities.....	2,789,341.33	224,500.00	2,940,500.00
Government-guaranteed securities:			
3¼% Federal Farm Mortgage Corporation bonds of 1944-64.....	23,566.25		23,000.00
Other securities:			
3% Consolidated Federal farm loan bonds of 1946-56.....	289,474.50		290,200.00
4½% Puerto Rican bonds.....	55,109.56		55,000.00
Total other securities.....	344,584.06		345,200.00
Total investments.....	3,157,491.64	224,500.00	3,308,700.00
Unexpended balances:			
To credit of disbursing officers.....	8,379.58	78,422.00	86,801.58
On books of the Division of Bookkeeping and Warrants.....	144,931.54	—13,713.08	131,218.46
Total.....	3,310,802.76	289,208.92	3,600,011.68
<b>Summary</b>			
<b>Investments:</b>	<i>(Principal cost)</i>	<i>(Principal cost)</i>	<i>(Par value)</i>
Government securities.....	\$7,954,892.50	\$552,600.31	\$8,263,550.00
Government-guaranteed securities.....	97,351.25		95,000.00
Other securities.....	1,266,306.19		1,256,700.00
Total investments.....	9,318,549.94	552,600.31	9,615,250.00
Unexpended balances:			
To credit of disbursing officers.....	23,636.19	89,759.01	113,395.20
On books of the Division of Bookkeeping and Warrants.....	363,583.18	—52,802.30	310,780.88
Total.....	9,705,769.31	589,557.02	10,295,326.33

TABLE 74.—*District of Columbia water fund—Investments held by the Treasury Department, June 30, 1942*

These investments were made in accordance with the provisions of the act of June 29, 1937 (50 Stat. 392), and in subsequent appropriation acts for the District of Columbia. For further details see annual report of the Secretary for 1941, p. 142.]

	June 30, 1941 (principal cost)	Fiscal year 1942	June 30, 1942	
			Par value	Principal cost
Investments:				
Treasury bonds:				
2½% of 1952-54.....	\$100,000.00	-----	\$100,000.00	\$100,000.00
2¾% of 1958-63.....	749,110.01	-----	736,000.00	749,110.01
2¾% of 1960-65.....	987,511.56	-----	937,000.00	987,511.56
Total investments.....	1,836,621.57	-----	1,773,000.00	1,836,621.57

TABLE 75.—*District of Columbia workers' compensation fund—Assets held by the Treasury Department, June 30, 1942*

[This trust fund was established in accordance with the provisions of the act of May 17, 1928 (45 Stat. 600). For further details see annual report of the Secretary for 1941, p. 141.]

	June 30, 1941	Increase, fiscal year 1942	June 30, 1942	
	(Principal cost)		(Par value)	(Principal cost)
Investments:				
Government securities:				
Treasury bonds:				
2% of 1948-50.....	\$12,000.00	-----	\$12,000.00	\$12,000.00
2½% of 1952-54.....	5,000.00	-----	5,000.00	5,000.00
2½% of 1955-60.....	10,165.63	-----	10,000.00	10,165.63
2½% of 1962-67.....		\$5,000.00	5,000.00	5,000.00
Total Government securities.....	27,165.63	5,000.00	32,000.00	32,165.63
Other securities:				
3% consolidated Federal farm loan bonds of 1946-56.....	10,972.50	-----	11,000.00	10,972.50
Total investments.....	38,138.13	5,000.00	43,000.00	43,138.13
Unexpended balances:				
To credit of disbursing officers.....	3,601.39	135,768.18	-----	139,369.57
On books of the Division of Bookkeeping and War- rants.....	4,127.67	102.07	-----	4,229.74
Total.....	45,867.19	140,870.25	-----	186,737.44

TABLE 76.—*Federal old-age and survivors insurance trust fund, June 30, 1942*<sup>1</sup>

[This trust fund, the successor to the old-age reserve account, was established in accordance with the provisions of the Social Security Act Amendments of 1939, approved August 10, 1939 (53 Stat. 1362). For further details see annual report of the Secretary for 1940, p. 212.]

## I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	Cumulative to June 30, 1941	Increase, fiscal year 1942	Cumulative to June 30, 1942
Receipts:			
Appropriations.....	\$2,393,140,728.28	\$895,618,838.82	\$3,288,759,567.10
Interest on investments.....	143,072,204.64	71,006,562.23	214,078,766.87
Total receipts.....	2,536,212,932.92	966,625,401.05	3,502,838,333.97
Expenditures:			
Benefit payments and refunds.....	99,469,588.66	110,280,702.20	209,750,290.86
Reimbursements for administrative expenses under section 201 (f) of the Social Security Act of 1939.....	39,128,261.86	26,765,636.00	65,893,897.86
Total expenditures.....	138,597,850.52	137,046,338.20	275,644,188.72
Balance.....	2,397,615,082.40	829,579,062.85	3,227,194,145.25

## II. ASSETS HELD BY THE TREASURY DEPARTMENT

	June 30, 1941	Increase or de- crease (—), fiscal year 1942	June 30, 1942
Investments:			
Special Treasury notes:			
3% old-age reserve account series, matur- ing:			
June 30, 1942.....	\$382,000,000.00	—\$382,000,000.00	—
June 30, 1943.....	497,400,000.00	—	\$497,400,000.00
June 30, 1944.....	173,100,000.00	—146,700,000.00	26,400,000.00
2½% Federal old-age and survivors insur- ance trust fund series, maturing:			
June 30, 1944.....	283,000,000.00	—	283,000,000.00
June 30, 1945.....	725,900,000.00	—	725,900,000.00
June 30, 1946.....	319,200,000.00	—	319,200,000.00
2¾% Federal old-age and survivors insur- ance trust fund series, maturing June 30, 1946.....	—	603,000,000.00	603,000,000.00
2¼% Federal old-age and survivors insur- ance trust fund series, maturing:			
June 30, 1946.....	—	228,000,000.00	228,000,000.00
June 30, 1947.....	—	450,400,000.00	450,400,000.00
Total Treasury notes.....	2,380,600,000.00	752,700,000.00	3,133,300,000.00
Treasury bonds:			
2½% of 1967-72.....	—	44,334,250.00	44,334,250.00
2½% of 1962-67.....	—	24,000,000.00	24,000,000.00
Total Treasury bonds.....	—	68,334,250.00	68,334,250.00
Total investments.....	2,380,600,000.00	821,034,250.00	3,201,634,250.00
Unexpended balances:			
To credit of disbursing officers.....	10,777,506.45	9,606,250.23	20,383,756.68
On books of the Division of Bookkeeping and Warrants.....	26,237,575.95	—1,061,437.38	25,176,138.57
Total.....	2,397,615,082.40	829,579,062.85	3,227,194,145.25

<sup>1</sup> On basis of daily Treasury statements (unrevised).<sup>2</sup> Excludes \$249,259.63 representing deposits in transit.<sup>3</sup> Excludes \$387,356.57 representing deposits in transit.

TABLE 77.—*Foreign service retirement and disability fund, June 30, 1942*<sup>1</sup>

[This trust fund was established in accordance with the provisions of section 18 of the act of May 24, 1924 (43 Stat. 144). For further details see annual report of the Secretary for 1941, p. 138.]

## I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	Cumulative to June 30, 1941	Increase, fiscal year 1942	Cumulative to June 30, 1942
<b>Receipts:</b>			
On account of deductions from basic compensation and service credit payments of employees subject to retirement act.....	\$3,288,616.88	\$299,336.39	\$3,587,953.27
Appropriations.....	3,239,500.00	621,709.00	3,861,209.00
Interest and profits on investments.....	1,364,446.65	215,472.55	1,579,919.20
Total receipts.....	7,912,563.53	1,136,508.94	9,049,072.47
<b>Expenditures:</b>			
Annuity payments and refunds.....	3,129,436.86	422,472.77	3,551,909.63
Balance.....	4,783,126.67	714,036.17	5,497,162.84

## II. ASSETS HELD BY THE TREASURY DEPARTMENT

	June 30, 1941	Increase or decrease (—), fiscal year 1942	June 30, 1942
<b>Investments:</b>			
4% special Treasury notes, foreign service retirement fund series, maturing:			
June 30, 1942.....	\$885,000.00	—\$885,000.00	—
June 30, 1943.....	738,000.00		\$738,000.00
June 30, 1944.....	872,000.00		872,000.00
June 30, 1945.....	1,602,000.00		1,602,000.00
June 30, 1946.....	616,000.00	821,000.00	1,437,000.00
June 30, 1947.....		793,000.00	793,000.00
Total investments.....	4,713,000.00	729,000.00	5,442,000.00
<b>Unexpended balances:</b>			
To credit of disbursing officers.....	69,839.61	—17,472.77	52,366.84
On books of the Division of Bookkeeping and Warrants.....	287.06	2,508.94	2,796.00
Total.....	4,783,126.67	714,036.17	5,497,162.84

<sup>1</sup> On basis of daily Treasury statements (unrevised).

<sup>2</sup> Exclusive of \$71.08 representing deposits in transit.

TABLE 78.—*Library of Congress trust fund, June 30, 1942*

[This trust fund was established in accordance with the provisions of the act of March 3, 1925 (43 Stat. 1107). For further details see annual report of the Secretary for 1941, p. 149.]

I. ASSETS HELD BY THE TREASURY DEPARTMENT AND CERTAIN FEDERAL RESERVE BANKS, SUBJECT TO THE ORDER OF THE SECRETARY OF THE TREASURY, FOR ACCOUNT OF THE LIBRARY OF CONGRESS TRUST FUND BOARD<sup>1</sup>

	June 30, 1941	Increase or decrease (—), fiscal year 1942	June 30, 1942
Investments (face value):			
Government securities:			
2% Treasury notes due September 15, 1942.....	\$4,200.00		\$4,200.00
Other securities:			
<i>William E. Benjamin donation</i>			
1,352 shares, common stock, Standard Oil Co. of California.....	33,800.00		33,800.00
<i>R. R. Bowker donation</i>			
7% German external loan bonds, German Government.....	2,000.00		2,000.00
6½% sinking fund gold bonds, Japanese Government.....	2,000.00		2,000.00
48 shares, common stock, American Telephone and Telegraph Co.....	4,800.00		4,800.00
<i>Carnegie donation</i>			
5%, first and refunding mortgage bonds, Missouri Pacific R. R. Co.....	5,000.00		5,000.00
<i>Elizabeth Sprague Coolidge donation</i>			
5% first mortgage bonds, Chicago Railways Co.....	3,750.00		3,750.00
5% first and refunding mortgage bonds, Missouri Pacific R. R. Co.....	2,000.00		2,000.00
100 shares, common stock, American Ship Building Co.....	6,000.00		6,000.00
171 shares, common stock, American Telephone and Telegraph Co.....	17,100.00		17,100.00
7 shares, common stock, Board of Trade Building Trust of Boston.....	700.00		700.00
496 shares, common stock, Commonwealth Edison Co.....	12,400.00		12,400.00
<i>Archer M. Huntington donation</i>			
5% first and refunding mortgage bonds, Missouri Pacific R. R. Co.....	49,500.00		49,500.00
<i>Joseph Pennell donation</i>			
4% general consolidated mortgage gold bonds, Lehigh Valley R. R. Co.....	5,000.00		5,000.00
5½% general mortgage gold bonds, Great Northern Ry. Co.....	2,000.00		2,000.00
6% secured gold note, National Railways of Mexico.....	45.00		45.00
4½% prior lien gold bonds, National Railways of Mexico.....	3,000.00		3,000.00
4½% general mortgage bonds, Pennsylvania R. R. Co.....	5,000.00		5,000.00
4½% general mortgage bonds, Pennsylvania R. R. Co.....	5,000.00		5,000.00
5% consolidated mortgage bonds, Pennsylvania and New York Canal and R. R. Co.....	1,000.00		1,000.00
4½% general and refunding mortgage bonds, Reading Co.....	11,000.00		11,000.00
5% sinking fund gold bonds, Erie Lighting Co.....	5,000.00	—\$5,000.00	
4½% first mortgage gold bonds, Penn Central Light & Power Co.....	10,000.00	—10,000.00	
9 shares, preferred stock, Consolidated Coal Co.....	900.00		900.00
36 shares, common stock, Consolidated Coal Co.....	900.00		900.00
5% sinking fund bonds, Consolidated Coal Co.....	1,200.00		1,200.00
5% sinking fund gold bonds, Philadelphia and Reading Coal and Iron Co.....	1,000.00		1,000.00
Rights to interest in arrears, United States of Mexico.....	429.30		429.30
Rights to interest in arrears, United States of Mexico.....	810.00		810.00
6 shares, preferred stock, Lehigh Valley Coal.....	300.00		300.00
134 shares, common stock, Pennsylvania R. R. Co.....	6,700.00		6,700.00
105 shares, common stock, Westmoreland Coal Co.....	2,100.00		2,100.00
Common stock, Westmoreland, Inc.....	1,050.00		1,050.00
Total other securities.....	201,484.30	—15,000.00	186,484.30
Total investments.....	205,684.30	—15,000.00	190,684.30

Footnotes at end of table.

TABLE 78.—*Library of Congress trust fund, June 30, 1942*—ContinuedI. ASSETS HELD BY THE TREASURY DEPARTMENT AND CERTAIN FEDERAL RESERVE BANKS, ETC.—  
Continued

	June 30, 1941	Increase or decrease (—), fiscal year 1942	June 30, 1942
<b>Mortgages, real estate, etc.:</b>			
<i>Pennell donation</i>			
Mortgages (face value):			
W. Norris St., Philadelphia, Pa. ....	\$3,500.00	—\$50.00	\$3,450.00
Spruce St., Stonehurst, Delaware County, Pa. ....	4,300.00	—225.00	4,075.00
Osage Ave., Philadelphia, Pa. ....	2,300.00	—200.00	2,100.00
Chestnut St., Philadelphia, Pa. ....	918.40	—20.40	898.00
South St. and rear 2108 Rodman St., Philadelphia, Pa. ....	1,400.00	—100.00	1,300.00
N. 31st St., Philadelphia, Pa. ....	4,700.00	—200.00	4,500.00
West Drexel Road, Lansdowne, Pa. ....		4,150.00	4,150.00
Real estate, etc. (book value):			
West Drexel Road, Lansdowne, Pa. ....	5,984.17	—5,984.17	
Delancey St., Philadelphia, Pa. ....	4,197.35		4,197.35
Pine St., Philadelphia, Pa. ....	13,496.65		13,496.65
N. Frazier St., Philadelphia, Pa. ....	7,364.16		7,364.16
Ritner St., Philadelphia, Pa. ....	5,759.19		5,759.19
Reese St., Philadelphia, Pa. ....	2,316.45		2,316.45
Boston Ave., Philadelphia, Pa. ....	2,686.79		2,686.79
Poplar St., Philadelphia, Pa. (ground rent) ....	1,500.00		1,500.00
<i>Porter donation</i>			
Real estate located at 16th and Eye Sts. NW., Wash- ington, D. C. ....	( <sup>2</sup> )		( <sup>2</sup> )
Total mortgages, real estate, etc. ....	60,423.16	—2,629.57	57,793.59
<b>Unexpended balances:</b>			
On books of the Division of Bookkeeping and Warrants:			
Permanent loan fund:			
Babine .....	6,684.74		6,684.74
Beethoven .....	12,088.13		12,088.13
Bowker .....	1,109.06	60.00	1,169.06
Carnegie .....	88,365.58		88,365.58
Coolidge .....	108,080.32	213.75	108,294.07
Guggenheim .....	90,654.22		90,654.22
Huntington .....	113,396.99		113,396.99
Longworth .....	7,691.59		7,691.59
Pennell .....	196,079.69	17,447.35	213,527.07
Whittall .....	285,000.00		285,000.00
Wilbur .....	305,813.57		305,813.57
Total permanent loan fund .....	1,214,963.89	17,721.13	1,232,685.02
Total .....	1,481,071.35	91.56	1,481,162.91

<sup>1</sup> Does not include 50 shares of Bowden Wire, Ltd., par value £1 per share, and 30 shares of Syndicat Francois des Brevets E. M. Bowden, Ltd., par value £1 per share, held for Pennell donation. Also does not include securities held as investments for Huntington donation under deed of trust dated November 17, 1936, administered by designated trustees, including Bank of New York.

<sup>2</sup> Upon sale of premises, one-half of proceeds to go to Library of Congress Trust Fund Board and one-half to the Smithsonian Institution.

TABLE 78.—*Library of Congress trust fund, June 30, 1942*—Continued

## II. LIBRARY OF CONGRESS TRUST FUND EARNINGS TO JUNE 30, 1942

Donation	Cumulative to June 30, 1941	Fiscal year 1942	Cumulative to June 30, 1942
Income account, securities, real estate, etc.			
Babine.....	\$1,785.58		\$1,785.58
Beethoven.....	4,429.73		4,429.73
Benjamin.....	33,114.90	\$2,298.40	35,413.30
Bowker.....	1,446.36	497.00	1,943.36
Carnegie.....	36,713.36	125.00	36,838.36
Coolidge.....	98,528.18	2,779.05	101,307.23
Guggenheim.....	32,759.36		32,759.36
Huntington.....	100,218.52	18,803.59	109,022.11
Longworth.....	757.02		757.02
Pennell.....	48,837.42	5,902.27	54,739.69
Porter.....	500.00	7,133.44	7,633.44
Wilbur.....	107,345.09		107,345.09
Total.....	466,435.52	27,538.75	493,974.27
Income account, permanent loan fund			
Babine.....	\$1,064.10	\$267.40	\$1,331.50
Beethoven.....	1,400.22	483.52	1,883.74
Bowker.....	1.94	46.43	48.37
Carnegie.....	13,205.25	3,534.62	16,739.87
Coolidge.....	14,324.87	4,330.61	18,655.48
Guggenheim.....	10,520.42	3,626.16	14,146.58
Huntington.....	18,143.52	4,535.88	22,679.40
Longworth.....	1,222.35	307.66	1,530.01
Pennell.....	19,411.58	8,154.58	27,566.16
Whittall.....	37,779.26	11,400.00	49,179.26
Wilbur.....	44,178.88	12,232.56	56,411.44
Total.....	161,252.39	48,919.42	210,171.81
Grand total.....	627,687.91	76,458.17	704,146.08

<sup>1</sup> Includes income under deed of trust dated November 17, 1936, administered by designated trustees, including Bank of New York.

TABLE 79.—*Longshoremen's and harbor workers' compensation fund—Assets held by the Treasury Department, June 30, 1942*

[This trust fund was established in accordance with the provisions of the act of March 4, 1927 (44 Stat. 1444). For further details see annual report of the Secretary for 1941, p. 141.]

	June 30, 1941	Increase or decrease (—), fiscal year 1942	June 30, 1942	
<b>Investments:</b>				
Government securities:	(Principal cost)		(Par value)	(Principal cost)
Treasury bonds:				
3¼% of 1943-45.....	\$11,550.00		\$11,550.00	\$11,550.00
3¼% of 1944-46.....	15,600.00		15,600.00	15,600.00
4¼% of 1947-52.....	38,646.56		34,500.00	38,646.56
2% of 1948-50.....	10,000.00		10,000.00	10,000.00
3% of 1951-55.....	9,959.38		10,000.00	9,959.38
2½% of 1952-54.....	35,000.00		35,000.00	35,000.00
2½% of 1955-60.....	14,920.25		14,800.00	14,920.25
2½% of 1956-59.....	14,976.20		14,850.00	14,976.20
2½% of 1958-63.....	15,936.38		15,600.00	15,936.38
2½% of 1960-65.....	14,985.94		13,900.00	14,985.94
2½% of 1962-67.....		\$23,000.00	23,000.00	23,000.00
Total Government securities.....	181,574.71	23,000.00	198,800.00	204,574.71
Government-guaranteed securities:				
2¼% Federal farm mortgage bonds of 1944-64.....	9,953.46		9,700.00	9,953.46
Other securities:				
3¼% Consolidated Federal farm loan bonds of 1945-55.....	9,901.74		9,700.00	9,901.74
3% Consolidated Federal farm loan bonds of:				
1945-55.....	21,560.00		22,000.00	21,560.00
1946-56.....	10,972.50		11,000.00	10,972.50
Total other securities.....	42,434.24		42,700.00	42,434.24
Total investments.....	233,962.41	23,000.00	251,200.00	256,962.41
Unexpended balances:				
To credit of disbursing officers.....	4,130.70	-3,475.14		655.56
On books of the Division of Bookkeeping and Warrants.....	6,247.95	1,951.19		8,199.14
Total.....	244,341.06	21,476.05		265,817.11

TABLE 80.—*National Cancer Institute gift fund, June 30, 1942*

[This trust fund was established under section 6 of the National Cancer Institute Act of August 5, 1937 (50 Stat. 561). For further details see annual report of the Secretary for 1941, p. 152.]

## CONDITIONAL GIFT FUND

## I. RECEIPTS AND EXPENDITURES

	Cumulative to June 30, 1941	Fiscal year 1942	Cumulative to June 30, 1942
<b>Receipts:</b>			
Donation by American Society for the Control of Cancer.....	\$120.00		\$120.00
<b>Expenditures</b> .....			
Balance.....	120.00		120.00

## II. ASSETS HELD BY THE TREASURY DEPARTMENT

	June 30, 1941	Fiscal year 1942	June 30, 1942
Unexpended balance on books of the Division of Bookkeeping and Warrants.....	\$120.00		\$120.00



TABLE 80.—*National Cancer Institute gift fund, June 30, 1942*—Continued

## UNCONDITIONAL GIFT FUND

## I. RECEIPTS AND EXPENDITURES

	Cumulative to June 30, 1941	Increase or decrease (—), fiscal year 1942	Cumulative to June 30, 1942
Receipts:			
Donation by Lt. Col. Stanley C. Ramsden.....	\$100.00		\$100.00
Expenditures.....		\$50.00	50.00
Balance.....	100.00	—50.00	50.00

## II. ASSETS HELD BY THE TREASURY DEPARTMENT

	June 30, 1941	Decrease (—), fiscal year 1942	June 30, 1942
Unexpended balances on books of the Division of Book-keeping and Warrants.....	\$100.00	—\$50.00	\$50.00

TABLE 81.—*National Institute of Health gift fund, June 30, 1942*

[This trust fund was established in accordance with the provisions of the act of May 26, 1930 (46 Stat. 379). For further details see annual report of the Secretary for 1941, p. 152.]

## CONDITIONAL GIFT FUND

## I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	Cumulative to June 30, 1941	Increase or de- crease (—), fiscal year 1942	Cumulative to June 30, 1942
Receipts:			
Donations:			
American Dental Association.....		\$5,000.00	\$5,000.00
Chemical Foundation.....	\$100,000.00		100,000.00
Corn Industries Research Foundation.....	15,000.00	5,000.00	20,000.00
Josiah Macy, Jr., Foundation.....	5,600.00		5,600.00
Rockefeller Foundation.....	22,000.00		22,000.00
The National Foundation for Infantile Paralysis, Inc.....	17,500.00		17,500.00
Total.....	160,100.00	10,000.00	170,100.00
Earnings on investments (Chemical Foundation).....	38,549.33	3,357.50	41,906.83
Total receipts.....	198,649.33	13,357.50	212,006.83
Expenditures (warrants-issued basis):			
Advances to disbursing officers to meet expenditures on account of the Institute:			
American Dental Association.....		4,500.00	4,500.00
Chemical Foundation.....	48,732.50	3,769.98	52,502.48
Corn Industries Research Foundation.....	14,166.40	4,750.24	18,916.64
Josiah Macy, Jr., Foundation.....	5,600.00		5,600.00
Rockefeller Foundation:			
Dental survey.....	15,000.00		15,000.00
County health work.....	7,000.00		7,000.00
The National Foundation for Infantile Paralysis, Inc.....	9,400.00	7,586.50	16,986.50
Total expenditures.....	99,898.90	20,606.72	120,505.62
Balance.....	98,750.43	—7,249.22	91,501.21

TABLE 81.—*National Institute of Health gift fund, June 30, 1942*—Continued

## II. ASSETS HELD BY THE TREASURY DEPARTMENT

	June 30, 1941	Increase or decrease (—), fiscal year 1942	June 30, 1942
<b>Investments:</b>			
4½% Treasury bonds of 1947-52 (par value \$79,000).....	\$88,138.51	-----	\$88,138.51
<b>Unexpended balance on books of the Division of Book-keeping and Warrants:</b>			
American Dental Association.....		\$500.00	500.00
Chemical Foundation.....	1,678.32	—412.48	1,265.84
Corn Industries Research Foundation.....	833.60	249.76	1,083.36
The National Foundation for Infantile Paralysis, Inc.....	8,100.00	—7,586.50	513.50
Total.....	10,611.92	—7,249.22	3,362.70
Grand total.....	98,750.43	—7,249.22	91,501.21

## UNCONDITIONAL GIFT FUND

## I. RECEIPTS AND EXPENDITURES

	Cumulative to June 30, 1941	Fiscal year 1942	Cumulative to June 30, 1942
<b>Receipts:</b>			
Donations:			
E. D. Crossman.....	\$900.00	-----	\$900.00
National Merchant Marine Association.....	296.78	-----	296.78
Miscellaneous.....	62.00	-----	62.00
Total.....	1,258.78	-----	1,258.78
<b>Expenditures.....</b>			
Balance.....	1,258.78	-----	1,258.78

## II. ASSETS HELD BY THE TREASURY DEPARTMENT

	June 30, 1941	Fiscal year 1942	June 30, 1942
Unexpended balance on books of the Division of Book-keeping and Warrants.....	\$1,258.78	-----	\$1,258.78

TABLE 82.—*National park trust fund, June 30, 1942*

[This trust fund was established in accordance with the provisions of the act of July 10, 1935 (49 Stat. 477). For further details see annual report of the Secretary for 1941, p. 153.]

## I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	Cumulative to June 30, 1941	Increase, fiscal year 1942	Cumulative to June 30, 1942
Receipts:			
Donations:			
Alexander Korda Productions.....	\$250.00		\$250.00
Kodak Hawaii, Ltd.....	84.00	\$118.50	202.50
Loew's, Inc.....	1,000.00		1,000.00
Metro-Goldwyn-Mayer Distributing Corp.....		50.00	50.00
Metro-Goldwyn-Mayer Corporation.....	3,000.00		3,000.00
Metro-Goldwyn-Mayer Pictures.....	5,000.00		5,000.00
Newton B. Drury.....	10.00	10.00	20.00
Paramount Pictures, Inc.....	304.00		304.00
Twentieth Century Fox Film Corporation.....	1,175.00		1,175.00
Universal Pictures Corporation.....	3,000.00		3,000.00
Walter Wanger Productions, Inc.....		900.00	900.00
Warner Bros. Pictures, Inc.....	1,050.00		1,050.00
Total.....	14,873.00	1,078.50	15,951.50
Interest earned on investments.....	1,483.46	607.47	2,090.93
Total receipts.....	16,356.46	1,685.97	18,042.43
Expenditures.....			
Balance.....	16,356.46	1,685.97	18,042.43

## II. ASSETS HELD BY THE TREASURY DEPARTMENT

	June 30, 1941	Increase or decrease (—), fiscal year 1942	June 30, 1942
Investments:			
Treasury bonds:			
2½% of 1952-54.....	\$1,700.00		\$1,700.00
2½% of 1955-60.....	14,548.54		14,548.54
2½% of 1967-72.....		\$1,000.00	1,000.00
Total investments.....	16,248.54	1,000.00	17,248.54
Accrued interest paid on investments.....	1.04	—1.04	
Unexpended balances:			
To credit of disbursing officers.....	106.88	99.52	206.40
On books of the Division of Bookkeeping and War- rants.....		587.49	587.49
Total.....	16,356.46	1,685.97	18,042.43

<sup>1</sup> Par value \$14,200.

TABLE 83.—*National service life insurance fund, June 30, 1942*<sup>1</sup>

[This trust fund was established pursuant to Title VI of Public No. 801 approved October 8, 1940 (54 Stat. 1012). For further details see annual report of the Secretary for 1941, p. 143.]

## I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	Cumulative to June 30, 1941	Increase, fis- cal year 1942	Cumulative to June 30, 1942
Receipts:			
Premiums and other receipts.....	\$3,497,788.18	\$44,880,246.62	\$48,378,034.80
Interest and profits on investments.....	15,425.35	433,551.37	448,976.72
Transfers from General Fund <sup>2</sup> .....		1,047,057.65	1,047,057.65
Total receipts.....	3,513,213.53	46,360,855.64	49,874,069.17
Expenditures:			
Benefit payments and refunds.....	31,041.83	863,751.77	894,793.60
Balance.....	3,482,171.70	45,497,103.87	48,979,275.57

## II. ASSETS HELD BY THE TREASURY DEPARTMENT

	June 30, 1941	Increase or decrease (—), fiscal year 1942	June 30, 1942
Investments:			
3% special Treasury notes, national service life in- surance fund series, maturing:			
June 30, 1945.....	\$2,800,000.00		\$2,800,000.00
June 30, 1946.....		\$35,440,000.00	35,440,000.00
June 30, 1947.....		535,000.00	535,000.00
Total investments.....	2,800,000.00	\$35,975,000.00	\$38,775,000.00
Unexpended balances:			
To credit of disbursing officers.....	18,958.17	9,534,209.35	\$9,553,167.52
On books of the Division of Bookkeeping and War- rants.....	\$663,213.53	—12,105.48	\$651,108.05
Total.....	3,482,171.70	45,497,103.87	48,979,275.57

<sup>1</sup> On basis of daily Treasury statements (unrevised).

<sup>2</sup> There has been appropriated up to June 30, 1942, the amount of \$47,770,000 available to the Veterans' Administration for transfer to the national service life insurance fund, in accordance with the provisions of the National Service Life Insurance Act of 1940.

<sup>3</sup> Includes an investment in the amount of \$1,160,000 payment for which was in transit as of June 30, 1942.

<sup>4</sup> Effect given to expenditures in transit referred to in footnote 3.

<sup>5</sup> Excludes net credits in the amount of \$3,809.26 in transit June 30, 1941.

<sup>6</sup> Includes \$438,616.59 representing transfer-counter warrants in transit.

TABLE 84.—*Pershing Hall Memorial fund, June 30, 1942*

[This special fund was established in accordance with the provisions of the act of June 28, 1935 (49 Stat. 426). For further details see annual report of the Secretary for 1941, p. 155.]

## I. RECEIPTS AND EXPENDITURES

	Cumulative to June 30, 1941	Increase, fiscal year 1942	Cumulative to June 30, 1942
Receipts:			
Appropriations.....	\$482,032.92		\$482,032.92
Interest and profits on investments.....	26,879.31	\$5,042.72	31,922.03
Total receipts.....	508,912.23	5,042.72	513,954.95
Expenditures:			
On account of current claims and expenses.....	288,629.70		288,629.70
On account of National Treasurer, American Legion.....	23,784.75		23,784.75
Total expenditures.....	312,414.45		312,414.45
Balance.....	196,497.78	5,042.72	201,540.50

TABLE 84.—*Pershing Hall Memorial fund, June 30, 1942*—Continued

## II. ASSETS HELD BY THE TREASURY DEPARTMENT

	June 30, 1941	Increase or decrease (—), fiscal year 1942	June 30, 1942
Investments:			
2½% Treasury bonds of 1951-54 (par value \$191,300).....	\$193,480.46	1—\$218.04	\$193,262.42
Unexpended balances:			
To credit of disbursing officers.....	168.90	2,521.36	2,690.26
On books of the Division of Bookkeeping and Warrants.....	2,848.42	2,739.40	5,587.82
Total.....	196,497.78	5,042.72	201,540.50

<sup>1</sup> Represents amortization of premium on bonds, in order to adjust fund earnings payable to American Legion, Inc.

TABLE 85.—*Railroad retirement account, June 30, 1942* <sup>1</sup>

[This trust account was established in accordance with the provisions of section 15 (a) of the act of June 24, 1937 (50 Stat. 316). For further details see annual report of the Secretary for 1941, p. 148.]

## I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	Cumulative to June 30, 1941	Increase or decrease (—), fiscal year 1942	Cumulative to June 30, 1942
Receipts:			
Appropriations.....	\$498,500,000.00	\$140,850,000.00	\$639,350,000.00
Interest and profits on investments.....	8,429,072.56	3,143,058.91	11,572,131.47
Total receipts.....	506,929,072.56	143,993,058.91	650,922,131.47
Expenditures:			
Annuity payments and refunds.....	419,895,721.46	126,243,910.67	546,139,632.13
Balance.....	87,033,351.10	17,749,148.24	104,782,499.34

## II. ASSETS HELD BY THE TREASURY DEPARTMENT

	June 30, 1941	Increase or decrease (—), fiscal year 1942	June 30, 1942
Investments:			
3% special Treasury notes, railroad retirement account series, maturing:			
June 30, 1942.....	\$43,600,000.00	—\$43,600,000.00	-----
June 30, 1943.....	12,200,000.00	—12,200,000.00	-----
June 30, 1944.....	10,000,000.00	—10,000,000.00	-----
June 30, 1945.....	8,200,000.00	—8,200,000.00	-----
June 30, 1946.....	91,500,000.00	-----	\$91,500,000.00
Total investments.....	74,000,000.00	17,500,000.00	91,500,000.00
Unexpended balances:			
To credit of disbursing officers.....	10,530,217.56	1,155,641.93	11,685,859.49
On books of the Division of Bookkeeping and Warrants.....	2,503,133.54	—906,493.69	1,596,639.85
Total.....	87,033,351.10	17,749,148.24	104,782,499.34

<sup>1</sup> On basis of daily Treasury statements (unrevised).

TABLE 86.—*Unemployment trust fund, June 30, 1942*<sup>1</sup>

[This trust fund was established in accordance with the provisions of section 904 (a) of the Social Security Act of August 14, 1935 (49 Stat. 640). For further details see annual report of the Secretary for 1941, p. 145.]

## I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	State unemployment agencies			Railroad unemployment insurance account <sup>2</sup>			Total, unemployment trust fund		
	Cumulative to June 30, 1941	Increase, fiscal year 1942	Cumulative to June 30, 1942	Cumulative to June 30, 1941	Increase, fiscal year 1942	Cumulative to June 30, 1942	Cumulative to June 30, 1941	Increase, fiscal year 1942	Cumulative to June 30, 1942
Receipts:									
Deposits.....	\$3,621,358,522.90	\$1,095,990,713.42	\$4,717,349,236.32	\$105,595,933.32	\$76,265,850.75	\$181,861,784.07	\$3,726,954,456.22	\$1,172,256,564.17	\$4,899,211,020.39
Transfers from State unemployment funds to railroad unemployment insurance account.....				105,900,768.89		105,900,768.89	105,900,768.89		105,900,768.89
Advance by the Secretary of the Treasury (July 5, 1939).....				15,000,000.00		15,000,000.00	15,000,000.00		15,000,000.00
Transfers from railroad unemployment insurance administration fund (act of October 10, 1940).....				7,500,000.00	3,909,667.00	11,409,667.00	7,500,000.00	3,909,667.00	11,409,667.00
Subtotal.....	3,621,358,522.90	1,095,990,713.42	4,717,349,236.32	233,996,702.21	80,175,517.75	314,172,219.96	3,855,355,225.11	1,176,166,231.17	5,031,521,456.28
Interest on investments.....	128,254,577.52	61,997,747.32	190,252,324.84	3,261,278.10	5,423,238.65	8,684,516.75	131,515,855.62	67,420,985.97	198,936,841.59
Total receipts.....	3,749,613,100.42	1,157,988,460.74	4,907,601,561.16	237,257,980.31	85,598,756.40	322,856,736.71	3,986,871,080.73	1,243,587,217.14	5,230,458,297.87
Expenditures:									
Withdrawals by States.....	1,549,975,840.99	368,070,499.28	1,918,046,340.27				1,549,975,840.99	368,070,499.28	1,918,046,340.27
Transfers to railroad unemployment insurance account from State unemployment funds.....	105,900,768.89		105,900,768.89				105,900,768.89		105,900,768.89
Repayment of advance to the Secretary of the Treasury (January 1940).....				15,000,000.00		15,000,000.00	15,000,000.00		15,000,000.00
Subtotal.....	1,655,876,609.88	368,070,499.28	2,023,947,109.16	15,000,000.00		15,000,000.00	1,670,876,609.88	368,070,499.28	2,038,947,109.16
Railroad unemployment benefit payments and refunds.....				32,336,775.03	9,071,828.92	41,408,603.95	32,336,775.03	9,071,828.92	41,408,603.95
Total expenditures.....	1,655,876,609.88	368,070,499.28	2,023,947,109.16	47,336,775.03	9,071,828.92	56,408,603.95	1,703,213,384.91	377,142,328.20	2,080,355,713.11
Balance.....	2,093,736,490.54	789,917,961.46	2,883,654,452.00	189,921,205.28	76,520,927.48	266,448,132.76	2,283,657,695.82	866,444,888.94	3,150,102,584.76

## II. ASSETS HELD BY THE TREASURY DEPARTMENT

	June 30, 1941	Increase or decrease (-), fiscal year 1942	June 30, 1942
<b>Investments:</b>			
2½% Special Treasury certificates of indebtedness, unemployment trust fund series, maturing June 30, 1942.....	\$2,273,000,000.00	-\$2,273,000,000.00	-----
2½% Special Treasury certificates of indebtedness, unemployment trust fund series, maturing June 30, 1943.....	-----	3,114,000,000.00	\$3,114,000,000.00
2½% Treasury bonds of 1962-67.....	-----	25,000,000.00	25,000,000.00
Total investments.....	2,273,000,000.00	866,000,000.00	3,139,000,000.00
<b>Unexpended balances:</b>			
Cash with the Treasurer of the United States.....	7,994,470.85	-233,282.14	7,761,188.71
To credit of disbursing officers.....	2,663,224.97	678,171.08	3,341,396.05
Total.....	2,283,657,695.82	866,444,888.94	3,150,102,584.76

<sup>1</sup> On basis of daily Treasury statements (unrevised).

<sup>2</sup> Railroad Unemployment Insurance Act, approved June 25, 1938.

TABLE 86.—Unemployment trust fund, June 30, 1942<sup>1</sup>—Continued

III. AMOUNTS OF UNEMPLOYMENT TRUST FUND, CUMULATIVE TO JUNE 30, 1942, CREDITED TO THE ACCOUNT OF EACH STATE AGENCY AND TO THE RAILROAD UNEMPLOYMENT INSURANCE ACCOUNT

	Total deposits	Net earnings credited to account	Total withdrawals from account	Balance June 30, 1942
State unemployment agencies:				
Alabama.....	\$51,561,843.42	\$1,768,403.65	\$22,050,000.00	\$31,280,247.07
Alaska.....	3,430,790.24	114,829.59	1,343,378.48	2,202,241.35
Arizona.....	11,959,271.78	357,183.85	6,332,234.97	5,984,220.66
Arkansas.....	18,731,138.21	714,727.00	8,712,846.36	10,733,018.85
California.....	426,383,810.41	16,835,107.12	216,713,779.44	226,505,138.09
Colorado.....	26,074,283.22	1,175,474.46	12,066,040.19	15,183,717.49
Connecticut.....	99,853,000.00	4,120,663.88	27,866,996.24	76,115,667.64
Delaware.....	12,467,314.47	654,918.55	2,973,069.51	10,149,163.51
District of Columbia.....	35,128,451.48	1,953,799.46	8,875,229.25	28,207,021.69
Florida.....	35,235,820.77	1,311,478.99	19,883,550.60	16,663,749.16
Georgia.....	49,542,192.82	2,319,040.99	17,138,698.83	34,722,534.98
Hawaii.....	10,211,847.61	594,116.73	951,881.25	9,854,083.09
Idaho.....	10,922,097.27	331,268.13	7,218,013.78	4,035,351.62
Illinois.....	380,811,013.81	18,665,753.30	124,214,013.81	275,262,753.30
Indiana.....	121,427,903.89	4,909,823.25	52,639,592.27	73,698,134.87
Iowa.....	42,767,000.00	1,760,064.03	18,207,341.32	26,319,722.71
Kansas.....	27,676,442.55	1,439,859.94	10,474,508.29	18,641,794.20
Kentucky.....	59,583,000.00	3,074,969.21	16,762,978.21	45,894,991.00
Louisiana.....	50,072,000.00	1,871,105.47	28,629,639.06	23,313,466.41
Maine.....	23,322,000.00	522,077.65	13,590,337.04	10,253,740.61
Maryland.....	70,928,000.00	2,217,659.04	31,320,347.37	41,825,311.67
Massachusetts.....	219,875,000.00	8,778,762.01	105,112,725.57	123,541,036.44
Michigan.....	271,467,442.55	8,117,280.24	156,531,485.64	123,053,237.15
Minnesota.....	67,709,776.10	2,440,428.07	39,796,982.32	30,353,221.85
Mississippi.....	15,047,978.78	488,383.34	8,702,412.60	6,833,949.50
Missouri.....	110,049,668.20	5,628,577.11	28,296,464.25	87,381,781.06
Montana.....	14,663,497.20	574,228.30	8,806,104.06	6,431,621.44
Nebraska.....	16,654,135.90	932,457.46	6,996,585.10	10,590,008.26
Nevada.....	5,279,320.17	154,138.66	3,396,734.46	2,036,724.37
New Hampshire.....	18,426,068.01	697,496.45	8,898,106.20	10,225,458.26
New Jersey.....	259,521,000.00	12,533,339.36	61,893,521.02	210,160,818.34
New Mexico.....	7,600,000.00	304,772.15	4,224,544.78	3,680,227.37
New York.....	695,166,812.73	22,927,828.21	368,985,977.24	349,108,663.70
North Carolina.....	62,652,000.00	2,392,077.10	24,803,334.43	40,240,742.67
North Dakota.....	4,906,257.84	224,277.94	2,586,479.75	2,544,056.03
Ohio.....	312,758,574.72	16,531,978.16	79,494,005.70	249,796,547.18
Oklahoma.....	34,671,000.00	1,789,828.60	13,839,133.15	22,621,695.45
Oregon.....	37,491,450.09	1,139,973.58	18,817,392.41	19,814,031.26
Pennsylvania.....	457,170,000.00	14,279,548.91	210,198,998.97	261,250,549.94
Rhode Island.....	55,242,727.95	1,424,992.83	29,576,992.23	27,090,728.55
South Carolina.....	26,173,000.00	1,235,809.39	8,915,743.96	18,493,065.43
South Dakota.....	5,242,400.00	312,583.63	1,708,804.23	3,846,179.40
Tennessee.....	49,365,000.00	1,581,476.75	26,926,440.15	24,020,036.60
Texas.....	110,316,000.00	5,439,451.46	43,027,030.42	72,728,421.04
Utah.....	15,010,367.70	438,533.07	8,671,975.53	6,776,925.24
Vermont.....	8,354,069.31	338,262.01	3,357,074.06	5,335,257.26
Virginia.....	51,812,000.00	2,035,050.89	23,088,850.22	30,776,200.67
Washington.....	62,165,602.61	2,447,174.35	25,219,678.53	39,393,098.43
West Virginia.....	55,502,467.76	1,761,243.06	25,536,586.39	31,727,124.43
Wisconsin.....	92,498,530.95	6,397,192.32	27,814,429.67	71,082,293.60
Wyoming.....	6,873,218.98	254,068.11	4,007,039.85	3,120,247.24
Total.....	4,717,755,589.48	190,340,537.81	2,027,196,109.16	2,880,900,018.13
Adjustments to daily Treasury statement basis:				
Deposits not cleared by the Treasurer of the United States.....	-406,353.16			-406,353.16
Outstanding checks.....			-3,249,000.00	3,249,000.00
Accrued interest credited to State account.....		-88,212.97		-88,212.97
Total, on basis of daily Treasury statements (unrevised).....	4,717,349,236.32	190,252,324.84	2,023,947,109.16	2,883,654,452.00
Railroad unemployment insurance account:				
Deposits of Railroad Retirement Board.....	181,868,581.90			181,868,581.90
Transfers from State unemployment funds.....	105,900,768.89			105,900,768.89
Interest on investments.....		8,692,316.88		8,692,316.88
Transfers to chief disbursing officer.....			44,750,000.00	-44,750,000.00
Appropriation advance and repayment.....	15,000,000.00		15,000,000.00	
Transfers from administration fund.....	11,409,667.00			11,409,667.00
Total.....	314,179,017.79	8,692,316.88	59,750,000.00	263,121,334.67

<sup>1</sup> On basis of daily Treasury statements (unrevised):



TABLE 86.—*Unemployment trust fund, June 30, 1942*—Continued

III. AMOUNTS OF UNEMPLOYMENT TRUST FUND, CUMULATIVE TO JUNE 30, 1942, CREDITED TO THE ACCOUNT OF EACH STATE AGENCY AND TO THE RAILROAD UNEMPLOYMENT INSURANCE ACCOUNT—Con.

	Total deposits	Net earnings credited to account	Total withdrawals from account	Balance June 30, 1942
Railroad unemployment insurance account—Continued.				
Adjustments to daily Treasury statement basis:				
Deposits not cleared by the Treasurer of the United States	—\$6,797.83			—\$6,797.83
Accrued interest credited to insurance account		—\$7,800.13		—7,800.13
Cash with disbursing officers			—\$3,341,396.05	3,341,396.05
Total, on basis of daily Treasury statements (unrevised)	314,172,219.96	8,684,516.75	56,408,603.95	266,448,132.76
Total unemployment trust fund, as shown on the daily Treasury statement (unrevised)	5,031,521,456.28	198,936,841.59	2,080,355,713.11	3,150,102,584.76

TABLE 87.—*United States Government life insurance fund—Investments, June 30, 1942*

[This trust fund was established in accordance with the provisions of the act of June 7, 1924 (43 Stat. 607). For further details see annual report of the Secretary for 1941, p. 142.]

	June 30, 1941	Increase, or decrease (—), fiscal year 1942	June 30, 1942	
Investments:				
Government securities:				
Treasury bonds:	(Principal cost)		(Par value)	(Principal cost)
4% of 1944-54	\$15,078,333.48		\$14,106,000.00	\$15,078,333.48
3½% of 1946-56	2,384,625.00		2,200,000.00	2,384,625.00
4¼% of 1947-52	42,234,926.73		40,772,000.00	42,234,926.73
2½% of 1948-51	5,315,000.01		5,300,000.00	5,315,000.01
2½% of 1950-52	24,710,950.54		24,600,000.00	24,710,950.54
2½% of 1951-54	17,979,950.02		17,745,000.00	17,979,950.02
3% of 1951-55	6,051,109.38		5,900,000.00	6,051,109.38
2½% of 1952-54	3,000,000.00		3,000,000.00	3,000,000.00
2½% of 1954-56	20,000,000.00		20,000,000.00	20,000,000.00
2½% of 1955-60	124,639,945.36		122,559,250.00	124,639,945.36
2½% of 1956-59	37,173,874.80		36,824,300.00	37,173,874.80
2½% of 1958-63	9,017,525.05		8,840,000.00	9,017,525.05
2½% of 1960-65	26,151,381.34		25,078,000.00	26,151,381.34
2½% of 1967-72		\$41,774,373.28	41,735,450.00	41,774,373.28
Special adjusted service bonds:				
4½% Government life insurance fund series, 1946	500,157,956.40		500,157,956.40	500,157,956.40
Special Treasury notes:				
2% Government life insurance fund series, maturing June 30, 1946 and 1947	30,759,000.00	5,891,000.00	36,650,000.00	36,650,000.00
Total Government securities	864,654,578.16	47,665,373.28	905,467,956.40	912,319,951.44
Other securities:				
3% consolidated Federal farm loan bonds of:				
1945-55	18,894,400.00		19,280,000.00 <sup>1</sup>	18,894,400.00
1946-56	22,662,202.50		22,719,000.00	22,662,202.50
Total other securities	41,556,602.50		41,999,000.00	41,556,602.50
Total investments	906,211,180.66	47,665,373.28	947,466,956.40	953,876,553.94
Loans:				
Policy loans outstanding <sup>2</sup>	151,132,077.95	—1,785,203.45		149,346,874.50
Adjusted service certificate loans outstanding <sup>2</sup>	3,035,627.24	135,725.85		3,171,353.09
Total outstanding loans	154,167,705.19	—1,649,477.60		152,518,227.59
Total investments in fund	1,060,378,885.85	46,015,895.68		1,106,394,781.53

<sup>1</sup> Payment for securities amounting to \$500,000 and a collection of accrued interest purchased in the amount of \$1,540.87 were in transit as of June 30, 1942.<sup>2</sup> Includes interest accrued to anniversary dates of loans.

## GOVERNMENT CORPORATIONS AND CREDIT AGENCIES

TABLE 88.—Combined statement of assets and liabilities of Government corporations and credit agencies, June 30, 1942

[In millions of dollars. Compiled from latest reports received by the Treasury]

## SUMMARY

Corporation or agency	Assets										Liabilities and reserves				Excess of assets over liabilities	Proprietary interest		Distribution of United States interests		United States interagency interests (net)	
	Loans	Preferred capital stock, etc.	Cash <sup>1</sup>	Investments			Accounts and other receivables	Real estate and other business property	Other <sup>2</sup>	Due from Government corporations and agencies <sup>3</sup>	Total	Guaranteed by United States (includes accrued interest)	Not guaranteed by United States	Due to Government corporations and agencies		Total	Privately owned	Owned by United States	Capital stock		Surplus
				United States securities	Securities guaranteed by United States	All other															
Reconstruction Finance Corporation.....	1,473	378	<sup>4</sup> 27	55	-----	8	<sup>4</sup> 41	(*)	52	2,792	4,828	<sup>5</sup> 1,223	<sup>4</sup> 407	2,600	4,230	598	-----	<sup>6</sup> 598	325	<sup>4</sup> 273	<sup>b</sup> 192
Commodity Credit Corporation.....	231	-----	4	-----	-----	-----	<sup>7</sup> 96	(*)	<sup>8</sup> 1,068	-----	1,408	<sup>5</sup> 703	197	400	1,300	109	-----	<sup>6</sup> 108	109	8	400
Export-Import Bank of Washington.....	113	-----	2	-----	-----	-----	<sup>7</sup> 78	(*)	-----	-----	193	-----	(*)	-----	(*)	192	-----	192	175	17	-----
Federal Crop Insurance Corporation.....	-----	-----	4	-----	-----	-----	20	-----	10	-----	34	-----	14	(*)	14	20	-----	20	20	-----	(*)
Federal Deposit Insurance Corporation <sup>9</sup> .....	45	-----	18	490	-----	-----	35	(*)	27	-----	614	-----	325	289	325	289	139	<sup>6</sup> 150	150	-----	-----
Tennessee Valley Authority.....	-----	-----	7	-----	-----	-----	7	527	-----	1	542	(*)	27	57	84	458	-----	<sup>6</sup> 458	<sup>a</sup> 458	-----	56
Federal Works Agency <sup>10</sup> .....	92	-----	-----	-----	-----	-----	-----	-----	-----	-----	92	-----	-----	-----	-----	92	-----	92	<sup>a</sup> 92	-----	-----
U. S. Maritime Commission <sup>11</sup> .....	25	-----	-----	-----	-----	42	28	109	2,081	35	2,319	-----	1,355	(*)	1,355	964	-----	964	<sup>a</sup> 964	<sup>b</sup> 51	-----
Rural Electrification Administration.....	342	-----	-----	-----	-----	-----	8	-----	-----	7	356	-----	231	231	125	125	-----	<sup>a</sup> 125	-----	225	-----
Home Owners' Loan Corporation.....	1,676	<sup>12</sup> 167	69	-----	-----	-----	5	3	262	100	2,282	<sup>5</sup> 1,575	66	551	2,192	91	-----	<sup>6</sup> 91	200	<sup>6</sup> 109	451
Federal Savings and Loan Insurance Corporation.....	-----	-----	4	23	100	-----	8	-----	-----	-----	135	-----	2	-----	2	133	-----	133	100	33	-----
Federal home loan banks.....	193	-----	47	65	5	-----	1	-----	(*)	-----	310	-----	120	-----	120	190	65	125	125	-----	-----
Federal Housing Administration.....	-----	-----	16	44	-----	(*)	40	1	6	-----	108	22	6	-----	27	80	-----	80	<sup>a</sup> 80	-----	-----
Federal National Mortgage Association.....	216	-----	-----	-----	-----	-----	<sup>7</sup> 5	(*)	1	-----	222	-----	91	109	200	23	-----	23	10	13	109
Federal Public Housing Authority.....	<sup>13</sup> 384	-----	14	7	1	(*)	5	127	-----	-----	537	<sup>5</sup> 115	7	274	396	141	-----	<sup>6</sup> 141	1	140	274
Farm Credit Administration.....	258	-----	5	-----	-----	-----	(*)	-----	5	-----	263	-----	220	-----	220	47	-----	47	<sup>a</sup> 47	-----	-----
Federal Farm Mortgage Corporation.....	562	-----	18	2	732	-----	56	-----	13	3	1,386	<sup>5</sup> 949	72	264	1,286	100	-----	<sup>6</sup> 100	100	-----	262
Federal land banks <sup>14</sup> .....	1,706	-----	45	209	17	-----	169	6	53	7	2,212	-----	1,770	1	1,771	441	228	213	67	146	<sup>b</sup> 7
Federal intermediate credit banks.....	289	-----	35	44	-----	-----	2	-----	(*)	19	390	-----	303	(*)	303	87	-----	87	60	27	<sup>b</sup> 19
Banks for cooperatives.....	101	-----	44	34	1	12	2	(*)	(*)	(*)	194	-----	2	19	21	173	6	167	144	23	19
Production credit corporations.....	-----	-----	1	12	113	-----	(*)	(*)	(*)	-----	127	-----	(*)	-----	(*)	126	-----	126	120	6	-----
Regional agricultural credit corporations.....	4	-----	18	-----	-----	-----	(*)	(*)	(*)	-----	23	-----	1	-----	1	22	-----	22	5	17	-----





Production credit associations—class A stock													
Railroad bonds and securities													
Ship sales notes									42				
Other investments								(*)	27				(*)
Accounts and other receivables	44	787	777	20	31	7			1	7	(*)	1	40
Accrued interest receivable	37	9	1		4	(*)			1	5			(*)
Real estate and business property:									8				
Real estate and equipment	(*)	8			(*)	521			16	3			1
Vessels and rolling stock		(*)	(*)		(*)	6			91				(*)
Stores and supplies		1,068			27				2				6
Real estate and other property held for sale	46				(*)					262			
Other assets	6		(*)	10	(*)			2,081		(*)		(*)	
Total assets other than interagency	2,036	1,408	193	34	614	541	92	2,284	350	2,182	135	310	108
Interagency assets: Due from Government corporations or agencies	2,433					1		35	7				
Interagency proprietary interests: Capital stocks and paid-in surplus of Government corporations	360									100			
Total, all assets	4,828	1,408	193	34	614	542	92	2,319	356	2,282	135	310	108
LIABILITIES													
Bonds, notes, and debentures:													
Obligations guaranteed by United States <sup>10</sup>	\$ 1,220	\$ 701				(*)	8			\$ 1,568			21
Other										(*)		92	2
Accrued interest payable:													
Guaranteed by United States	4	2				(*)				7		(*)	(*)
Other												(*)	4
Other liabilities	228	63	(*)	8	1	15		1,292		23	(*)	29	
Deferred income	54		(*)		5			19		3	2	(*)	
Reserves:													
For uncollectible items					30			18		39			
Other operating reserves	125	135		6	289	4		26		1			(*)
Total liabilities other than interagency	1,630	900	(*)	14	325	27		1,355		1,641	2	120	27
Interagency liabilities: Due to Government corporations or agencies:													
Treasury <sup>5</sup>	2,542	400				57				551			
Other	58			(*)		(*)		(*)	231				
Total, all liabilities	4,230	1,300	(*)	14	325	84		1,355	231	2,192	2	120	27
Capital and surplus:													
Capital stock	325	100	175	20	289	* 458	* 92	* 964	* 125	200	100	176	* 80
Paid-in surplus	(*)	154											
Reserves from earned surplus:													
Reserve for dividends and contingencies	(*)		(*)								21	2	
Legal reserves											12	7	
Earned surplus and undivided profits	272	* 146	17							* 109		6	
Total liabilities, capital, and surplus	4,828	1,408	193	34	614	542	92	2,319	356	2,282	135	310	108

Footnotes at end of table.

TABLE 88.—Combined statement of assets and liabilities of Government corporations and credit agencies, June 30, 1942—Continued

(In millions of dollars)

DETAILS—Continued

	Federal National Mortgage Associa- tion	Federal Public Housing Authority	Farm Credit Adminis- tration	Federal Farm Mort- gage Cor- poration	Federal land banks	Federal interme- diate credit banks	Banks for coopera- tives	Produce credit corpora- tions	Regional agricul- tural credit cor- porations	Waremer- gency cor- porations and agen- cies in liq- uidation	Other	Total
<b>ASSETS</b>												
Loans:												
Banks.....												134
Railroads.....											25	498
Insurance companies.....												23
Building and loan associations.....												197
Mortgage loan companies.....												27
Agricultural credit corporations.....			(*)									
Cooperative associations.....			13				101				4	442
States, Territories, etc.....											(*)	204
Joint stock land banks.....												25
Ship construction and reconditioning loans.....												1
Mortgage loans (not otherwise classified).....	216	2		562	1,706						82	4,243
Crop, livestock, and commodity loans.....			176			289			4		(*)	689
Other loans.....		382	69								557	1,896
Total loans.....	216	384	258	562	1,706	289	101		4		670	8,379
Preferred capital stock, etc.....												
Banks and trust companies.....												378
Other.....											(*)	188
Cash:												
With Treasurer, United States.....		14	5	3	14	11	37	(20*)	18		1	281
On hand and in banks.....				(*)	20 31	20 25	20 8	20 1	(*)	(*)	15	98
In transit.....											(*)	(*)
In trust funds with Treasurer, United States <sup>18</sup> .....		(*)		15								23
Investments:												
United States securities.....		7		2	209	44	34	12		(*)	6	990
Obligations guaranteed by United States:												
Federal Farm Mortgage Corporation.....							1					1
Federal Public Housing Authority.....												(*)
Home Owners' Loan Corporation.....												102
Federal Housing Administration.....	1										(*)	1
Commodity Credit Corporation.....												(*)
Reconstruction Finance Corporation.....												
Tennessee Valley Authority bonds.....												2
Federal land bank bonds.....				732	17			31				764
Federal intermediate credit bank securities.....						(*)						17
Production credit associations—class A stock.....								82				82

Railroad bonds and securities										(*)	(*)	(*)
Ship sales notes												42
Other investments		(*)			(*)		12			(*)	(*)	12
Accounts and other receivables	74	1	(*)	41	142	(*)	1	(*)	(*)	4	139	636
Accrued interest receivable	1	4		16	27	2	1	(*)	(*)	1	21	138
Real estate and business property:												
Real estate and equipment	(*)	127			6		(*)	(*)		(*)	53	736
Vessels and rolling stock											13	104
Stores and supplies										(*)	11	19
Real estate and other property held for sale	1			12	45		(*)			(*)	2,045	8,512
Other assets	(*)		5	(*)	8	(*)	(*)	(*)	(*)	(*)	71	2,181
Total assets other than interagency	222	537	268	1,383	2,205	371	194	127	23	6	3,072	18,694
Interagency assets: Due from Government corporations or agencies				3	7	19	(*)				4,144	6,648
Interagency proprietary interests: Capital stocks and paid-in surplus of Government corporations												17,460
Total, all assets	222	537	268	1,386	2,212	390	194	127	23	6	7,217	25,802
LIABILITIES												
Bonds, notes, and debentures:												
Obligations guaranteed by United States <sup>19</sup>		114		944								21 4,568
Other	85				1,679	299					9	2,174
Accrued interest payable:												
Guaranteed by United States		1		5								22 19
Other	1				19	1				(*)	21	21
Other liabilities	5	1	(*)	5	22	2	(*)	(*)	(*)		375	2,073
Deferred income				(*)	(*)	(*)					50	132
Reserves:												
For uncollectible items			220	67	50	1	2	(*)	(*)		(*)	428
Other operating reserves		7									1	593
Total liabilities other than interagency	91	123	220	1,021	1,770	303	2	(*)	1		435	10,007
Interagency liabilities: Due to Government corporations or agencies:												
Treasury <sup>1</sup>		274		263								4,087
Other	109			1	1	(*)	19			(*)	2,141	2,561
Total, all liabilities	200	397	220	1,286	1,771	303	21	(*)	1	(*)	2,576	16,656
Capital and surplus:												
Capital stock	10	1	47	100	173	60	149	120	5	38	4,551	8,359
Paid-in surplus	1	141			146				17	31	490	

Footnotes at end of table.

TABLE 88.—Combined statement of assets and liabilities of Government corporations and credit agencies, June 30, 1942—Continued

(In millions of dollars)

	Federal National Mortgage Associa- tion	Federal Public Housing Authority	Farm Credit Adminis- tration	Federal Farm Mort- gage Cor- poration	Federal land banks	Federal interme- diate credit banks	Banks for coopera- tives	Produc- tion credit corpora- tions	Regional agricul- tural credit cor- porations	Waremer- gency cor- porations and agen- cies in liq- uidation	Other	Total
<b>LIABILITIES—Continued</b>												
Reserves from earned surplus:												
Reserve for dividends and contingencies.....						7	1			(*)	(*)	32
Legal reserves.....	1				72							92
Earned surplus and undivided profits.....	11	2			51	20	22	6	(*)	32	58	174
Total liabilities, capital, and surplus.....	222	537	268	1,386	2,212	390	194	127	23	6	7,217	25,802

\* Less than \$500,000.

a Nonstock (or includes nonstock proprietary interest).

b Excess interagency assets (deduct).

c Deficit (deduct).

1 Excludes unexpended balances of appropriated funds.

2 Includes real estate and other property held for sale.

3 Includes capital stock and paid-in surplus of Government corporations and agencies.

4 Adjusted for interagency items and items in transit.

5 The following amounts in bonds and notes held by the Secretary of the Treasury in the amount of \$4,078,690,945.91 are excluded from "Bonds, notes and debentures; obligations guaranteed by the United States" and are included in interagency liabilities: Tennessee Valley Authority, \$56,772,500; Federal Public Housing Authority, \$274,000,000; Reconstruction Finance Corporation, \$2,533,918,445.91; Commodity Credit Corporation, \$400,000,000; Federal Farm Mortgage Corporation, \$263,000,000; and Home Owners' Loan Corporation, \$551,000,000. Also excludes \$50 bonds of Home Owners' Loan Corporation held as "Treasury" bonds pending cancellation.

6 Exclusive of the amount of the Government's financial interest in these agencies on account of obligations and accrued interest thereon held by the Treasury and included as liabilities under the caption "Due to Government corporations and agencies—Treasury."

7 Includes deposits with the Reconstruction Finance Corporation and accrued interest thereon.

8 Includes interagency transactions of lend-lease funds which figures are not available and were formerly shown under caption "Due from Government corporations and agencies."

9 Figures shown are as of May 31, 1942. Figures for June 30, 1942, are not available.

10 Composed of loans by Public Works Administration, \$92,126,312.94; and Defense Public Works, \$110,000.

11 Includes War Shipping Administration.

12 Shares of State building and loan associations, \$35,212,710; shares of Federal savings and loan associations, \$131,857,100.

13 Excludes contract commitments. As of June 30, 1942, the Federal Public Housing Authority has entered into definite contracts calling for maximum advances of \$773,299,900.

Advances have been made in the amount of \$381,908,769.56, as of June 30, 1942, against loan contract commitments amounting to \$512,003,900. The Federal Public Housing Authority has also agreed to disburse \$214,663,000 on additional loan contract commitments amounting to \$261,296,000 now being financed by securities issued by local housing authorities.

14 Includes the assets and liabilities of the Federal Land Banks of Louisville, Ky., and Houston, Tex., which have retired the capital stock and paid-in surplus previously held by the Federal Government.

15 Includes Metals Reserve Company, Rubber Reserve Company, Defense Plant Corporation, Defense Supplies Corporation, Defense Homes Corporation, U. S. Commercial Company, and Institute of Inter-American Affairs.

16 Represents interagency assets and liabilities of the Treasury Department and of Government agencies, which agencies are not included in this statement.

17 Represents interagency holdings of capital stock and paid-in surplus items which are not deducted from the capital stock and paid-in surplus of the corresponding organizations.

18 Represents money deposited with the Treasurer of the United States for the payment of matured principal and interest.

19 Excludes obligations reacquired and held by the issuing organizations.

20 Includes cash in trust funds.

21 Included in this amount are \$19,730,375 matured obligations for which cash has been deposited with the Treasurer of the United States: Commodity Credit Corporation, \$42,000; Federal Farm Mortgage Corporation, \$13,977,300; Federal Housing Administration, \$12,700; Home Owners' Loan Corporation, \$5,292,375; Reconstruction Finance Corporation, \$401,000; and Federal Public Housing Authority, \$5,000. Excludes \$50 bonds of Home Owners' Loan Corporation held as "Treasury" bonds pending cancellation.

22 Includes matured interest in amount of \$3,111,389.81 for which cash has been deposited with the Treasurer of the United States as follows: Commodity Credit Corporation, \$7,788.74; Federal Farm Mortgage Corporation, \$1,310,661.96; Federal Housing Administration, \$936.98; Home Owners' Loan Corporation, \$1,776,361.61; Reconstruction Finance Corporation, \$13,873.61; Federal Public Housing Authority, \$1,766.91.



TABLE 89.—*Proprietary interest of the United States in Government corporations and credit agencies, June 30, 1930 to 1942*[In thousands of dollars]<sup>1</sup>

Corporation or agency	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930
Reconstruction Finance Corporation	597,784	535,196	665,225	747,593	690,172	664,631	633,305	574,853	552,000	531,117	503,421	-----	-----
Commodity Credit Corporation	107,635	100,427	100,000	100,000	100,000	77,317	83,927	4,645	3,000	-----	-----	-----	-----
Export-Import Bank of Washington	192,321	184,649	79,538	47,535	21,789	21,064	18,163	13,843	14,000	-----	-----	-----	-----
Federal Crop Insurance Corporation	20,000	14,000	8,000	5,000	-----	-----	-----	-----	-----	-----	-----	-----	-----
Federal Deposit Insurance Corporation	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	-----	-----	-----	-----
Tennessee Valley Authority	458,456	327,093	268,513	234,208	216,736	178,919	95,992	63,956	29,000	-----	-----	-----	-----
Public Works Administration	92,236	97,020	94,570	54,641	51,597	145,534	267,927	466,749	145,423	-----	-----	-----	-----
U. S. Shipping Board—Merchant Fleet Corporation	-----	-----	-----	-----	-----	(3)	151,227	181,962	142,940	224,102	233,018	216,745	207,682
U. S. Maritime Commission	4,963,626	168,784	163,688	112,757	98,742	87,289	-----	-----	-----	-----	-----	-----	-----
Rural Electrification Administration	125,228	118,674	94,567	59,199	12,570	7,864	823	-----	-----	-----	-----	-----	-----
Home Owners' Loan Corporation	90,537	107,637	123,547	140,438	159,089	169,260	165,976	169,709	144,000	998	-----	-----	-----
Federal Savings and Loan Insurance Corporation	133,402	129,389	123,621	118,283	113,125	108,235	103,844	101,597	-----	-----	-----	-----	-----
Federal home loan banks	124,741	124,741	124,741	124,741	124,741	120,514	99,542	81,646	81,000	43,204	-----	-----	-----
Federal Housing Administration	80,343	64,072	50,312	39,556	34,565	29,706	-----	-----	-----	-----	-----	-----	-----
Federal National Mortgage Association	22,703	18,956	15,557	12,662	11,066	-----	-----	-----	-----	-----	-----	-----	-----
U. S. Housing Authority	(9)	137,752	138,238	142,686	146,841	-----	-----	-----	-----	-----	-----	-----	-----
Federal Public Housing Authority	140,849	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Farm Loan Board—crop loans	-----	-----	-----	-----	-----	-----	-----	-----	-----	(9)	552,669	391,860	159,796
Farm Credit Administration	47,359	58,982	91,887	111,687	134,403	659,212	556,861	524,339	274,000	623,394	-----	-----	-----
Federal Farm Mortgage Corporation	100,000	100,000	200,000	200,000	200,000	200,000	200,000	200,000	197,000	-----	-----	-----	-----
Federal land banks	213,233	213,483	312,773	313,943	304,403	266,462	235,783	205,118	164,000	124,872	125,176	238	292
Federal intermediate credit banks	87,209	84,696	120,524	118,393	114,846	109,944	107,894	105,083	85,000	62,710	35,963	33,973	32,763
Banks for cooperatives	167,041	108,836	165,068	161,155	156,464	148,589	151,044	128,624	111,000	-----	-----	-----	-----
Production credit corporations	126,238	110,541	122,216	122,076	121,427	121,142	120,939	120,978	106,000	-----	-----	-----	-----
Regional agricultural credit corporations	22,094	20,867	19,966	18,747	17,776	26,782	35,035	56,700	43,000	43,620	-----	-----	-----
War emergency corporations and agencies in liquidation:	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Surplus war supplies	-----	-----	-----	-----	-----	-----	383	433	828	828	828	787	855
Navy Department (sale of surplus war supplies)	3,311	4,431	4,572	4,645	4,708	4,785	5,026	5,086	4,910	4,924	4,938	5,030	5,574
Secretary of the Treasury (U. S. Railroad Administration)	60	64	110	114	118	531	1,106	1,132	2,120	1,257	1,157	1,244	1,299
U. S. Housing Corporation	1,885	1,848	1,829	1,925	1,980	2,014	1,990	1,989	2,195	1,916	2,020	2,315	2,793
U. S. Spruce Production Corporation	302	304	300	298	293	287	438	407	417	408	417	414	417
War Finance Corporation	-----	-----	(7)	2	10	30	30	120	200	313	333	334	531
Other:	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Disaster Loan Corporation	22,323	22,466	22,632	16,873	9,262	5,660	-----	-----	-----	-----	-----	-----	-----
Electric Home and Farm Authority	1,499	1,201	1,074	938	902	865	839	872	2,100	-----	-----	-----	-----
Subsistence homesteads (Resettlement Administration)	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Farm Security Administration	302,017	382,052	307,889	256,275	169,373	127,669	79,875	25,000	2,300	-----	-----	-----	-----
Federal Prison Industries, Inc.	13,105	9,787	8,478	7,449	6,575	5,575	5,014	4,399	-----	-----	-----	-----	-----
Interior Department (Indian loans)	2,676	2,672	2,894	2,529	1,911	534	-----	-----	-----	-----	-----	-----	-----
Inland Waterways Corporation	23,499	23,985	24,411	24,853	24,981	24,542	24,602	23,750	24,000	24,607	24,391	23,980	20,974
War corporations <sup>2</sup>	58,737	34,648	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

Footnotes at end of table.

TABLE 89.—*Proprietary interest of the United States in Government corporations and credit agencies, June 30, 1930 to 1942—Continued*[In thousands of dollars] <sup>1</sup>

Corporation or agency	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932 -	1931	1930
Other—Continued.													
Panama Railroad Company.....	56,795	51,999	49,341	46,678	45,886	44,256	43,334	43,147	<sup>2</sup> 43,000	43,626	45,557	42,569	42,136
Puerto Rico Reconstruction Administration.....	22,043	7,556	8,099	6,388	3,897	3,701							
RFC Mortgage Company.....	25,671	25,353	25,313	25,259	25,309	25,358	10,157	9,985					
Tennessee Valley Associated Cooperatives, Inc.....	294	293	297	301	302	302	299	305					
Treasury Department:													
Advances to Federal Reserve Banks for industrial loans.....	27,546	27,546	27,546	27,546	27,546	27,421	26,546	20,932					
Federal savings and loan associations.....	19,443	23,671	34,137	43,992	47,803	48,184	102,040	32,464	1,000				
Railroad loans (Transportation Act, 1920).....	25,213	25,213	30,186	30,230	30,230	30,230	30,590	31,192	37,711	38,482	38,926	39,942	54,792
Securities received by the Bureau of Internal Revenue in settlement of tax liabilities.....	60	60	172										
Securities received from the Reconstruction Finance Corporation under act of Feb. 24, 1933.....	127	2,101	2,374	2,570	2,774								
Interagency items: <sup>10</sup>													
Due from other Government corporations or agencies.....	4,087,763	303,013	105,012	275,066	891,810	3,617,962	4,038,067	3,693,439	<sup>2</sup> 3,404,000	1,594,629	352,398	939	955
Due to other Government corporations or agencies.....	48,188	38,635	12,272	12,230	14,630	1,815,696	1,815,511	1,290,454	<sup>2</sup> 496,000	317,134	643	778	824
Subtotal.....	8,709,215	3,887,425	3,876,978	3,897,000	4,261,391	5,446,674	5,765,018	5,782,805	5,048,569	3,047,882	1,920,560	759,592	530,033
Less: Interagency proprietary interests included above.....	459,741	451,741	210,000	181,000	156,000	1,475,895	1,515,550	1,338,960	<sup>2</sup> 800,000	274,121			
Total proprietary interest of U. S. exclusive of interagency interests.....	8,249,474	3,435,684	3,666,978	3,716,000	4,105,391	3,970,779	4,249,468	4,443,845	4,248,569	2,773,761	1,920,560	759,592	530,033

<sup>1</sup> Figures are rounded to the nearest thousand and will not necessarily add to totals.<sup>2</sup> Estimated.<sup>3</sup> Transferred to the U. S. Maritime Commission.<sup>4</sup> Includes War Shipping Administration.<sup>5</sup> Transferred to Federal Public Housing Authority.<sup>6</sup> Transferred to the Farm Credit Administration.<sup>7</sup> Corporation abolished effective July 1, 1939, pursuant to reorganization plan No. II.<sup>8</sup> Transferred to the Farm Security Administration.<sup>9</sup> Formerly known as national defense corporations. Includes Metals Reserve Company, Rubber Reserve Company, Defense Plant Corporation, Defense Supplies Corporation, Defense Homes Corporation, U. S. Commercial Company, and Institute of Inter-American Affairs.<sup>10</sup> Represents interagency assets and liabilities of the Treasury Department and of Government agencies, which agencies are not included in this statement.

TABLE 90.—*Sources of funds of certain Government corporations and credit agencies from inception of organization to June 30, 1942*

[On basis of reports received from the corporations and agencies]

Corporation or agency	Appropriations from General Fund of the Treasury <sup>1</sup>	Allocations, rediscounts, and loans from other Government corporations and credit agencies (net)	Sale of obligations to Treasury (net)	Sale of obligations in the market (net)	Sale of stock to other agencies
Central Bank for Cooperatives	\$50,000,000	\$10,936,109			\$1,277,500
Commodity Credit Corporation	<sup>2</sup> 253,786,037		\$400,000,000	\$701,054,000	
Disaster Loan Corporation	<sup>3</sup> 24,000,000				
Electric Home and Farm Authority	1,000,000			8,732,500	
Export-Import Bank of Washington	1,000,000				174,000,000
Federal Deposit Insurance Corporation	150,000,000				139,299,557
Federal Farm Mortgage Corporation	<sup>4</sup> 100,000,000		263,000,000	929,764,200	
Federal home loan banks				91,500,000	<sup>4</sup> 124,741,000
Federal National Mortgage Association		104,116,311		85,240,000	11,000,000
Federal Public Housing Authority	47,699,467		274,000,000	114,157,000	
Federal Savings and Loan Insurance Corporation					100,000,000
Home Owners' Loan Corporation	<sup>5</sup> 200,000,000		( <sup>6</sup> )	<sup>6</sup> 3,114,453,550	
Reconstruction Finance Corporation	325,000,000	100,000	2,533,918,446	1,219,652,000	
RFC Mortgage Company		62,284,760			25,000,000
Rural Electrification Administration	136,971,920	227,897,873			
War corporations <sup>7</sup>		1,821,827,317			35,000,000
Total	1,289,437,424	2,227,162,370	3,470,918,446	6,264,553,250	610,318,057

Footnotes at end of table.

TABLE 90.—*Sources of funds of certain Government corporations and credit agencies from inception of organization to June 30, 1942—Continued*

Corporation or agency	Sale of other property acquired <sup>1</sup>	Repayment of loans <sup>2</sup>	Interest, dividends, assessments, and property income	Other receipts	Total, sources of funds
Central Bank for Cooperatives.....		\$311,014,640	\$11,475,420	\$4,659,486	\$389,363,155
Commodity Credit Corporation.....	\$1,077,578,814	1,080,214,619	30,820,708	9,665,382	3,553,099,560
Disaster Loan Corporation.....	140,601	17,867,023	1,847,943	34,134	43,889,700
Electric Home and Farm Authority.....		35,603,716	5,029,494	351,617	50,717,328
Export-Import Bank of Washington.....		120,857,891	17,179,121	707,119	313,744,132
Federal Deposit Insurance Corporation.....		101,920,993	367,378,051	4,414,727	763,013,328
Federal Farm Mortgage Corporation.....	21,944,606	496,726,552	495,261,772	13,365,533	2,230,062,663
Federal home loan banks.....		736,288,966	46,679,069	81,337,336	1,080,546,371
Federal National Mortgage Association.....	1,261,766	45,841,071	29,147,484	4,652,253	281,258,886
Federal Public Housing Authority.....	951,401	674,638,735	40,061,198	1,320,133	1,152,827,934
Federal Savings and Loan Insurance Corporation.....			43,085,534	218,971	143,304,505
Home Owners' Loan Corporation.....	184,457,268	1,154,145,401	983,240,295	28,425,127	5,664,721,641
Reconstruction Finance Corporation.....	27,734,819	5,692,462,418	686,513,466	121,812,610	10,607,193,759
RFC Mortgage Company.....	774,195	137,664,671	15,566,110	4,744,516	246,034,251
Rural Electrification Administration.....		12,706,069	15,007,252	140	392,583,253
War corporations <sup>3</sup> .....	361,056,190	1,305,220	2,765,715	191,633,074	2,413,587,517
Total.....	1,675,899,660	10,529,257,985	2,791,058,632	467,342,158	29,325,947,983

<sup>1</sup> Items in this column are the only ones in this statement which constitute a charge against the Federal Budget. They represent amounts of funds drawn against available appropriations.

<sup>2</sup> Includes \$3,000,000 N. I. R. A.; \$97,000,000 R. F. C. included in notes canceled by the Treasury (see note 3); and \$153,766,037.28 restoration of capital impairment, which is net of repayments to the Treasury of \$43,756,731.01 on the basis of Mar. 31, 1940, appraisal, and \$18,000,000 representing an advance payment on the appraisal of Mar. 31, 1942, of the Corporation, pursuant to Public No. 442, approved Mar. 8, 1938.

<sup>3</sup> These funds were furnished by the Reconstruction Finance Corporation from the proceeds of its notes sold to the Treasury, such amounts being included in the total of obligations of the Corporation canceled by the Secretary of the Treasury pursuant to the act of Feb. 24, 1938.

<sup>4</sup> The Reconstruction Finance Corporation purchased the stock of the Federal home loan banks from the Treasury Department on Feb. 20, 1941. The net effect of this transaction is the same as a sale of stock to other agencies, and is shown as such for purposes of this report.

<sup>5</sup> Does not give consideration to \$551,000,000 of Home Owners' Loan Corporation obligations held by the Treasury on June 30, 1942. These were in effect a refunding of obligations shown in the column "Sale of obligations in the market."

<sup>6</sup> Retirement of these obligations shown as "Retirement of obligations issued in exchange for mortgages" in the statement of uses of funds.

<sup>7</sup> Comprises Defense Homes Corporation, Defense Plant Corporation, Defense Supplies Corporation, Metals Reserve Company, Rubber Reserve Company, and United States Commercial Company.

<sup>8</sup> Receipts from the sale of property acquired in liquidation of loans are shown as "Sale of other property acquired."

<sup>9</sup> Includes \$50,791,650 paid-in capital stock held by member institutions.

TABLE 91.—*Uses of funds of certain Government corporations and credit agencies from inception of organization to June 30, 1942*

[Reports received from the corporations and agencies. On basis of checks issued, see p. 388]

Corporation or agency	Expenses		Purchase and improvement of property owned	Loans	Retirement of obligations issued in exchange for mortgages <sup>1</sup>
	Administrative	Nonadministrative			
Central Bank for Cooperatives.....	\$1,010,384	-----	-----	\$346,423,533	-----
Commodity Credit Corporation.....	10,984,435	-----	\$1,187,446,131	2,216,789,584	-----
Disaster Loan Corporation.....	3,463,576	\$129,759	-----	29,254,940	-----
Electric Home and Farm Authority.....	2,415,360	1,316,399	-----	45,989,528	-----
Export-Import Bank of Washington.....	691,551	11,899	-----	233,631,805	-----
Federal Deposit Insurance Corporation.....	27,311,757	-----	-----	187,405,074	-----
Federal Farm Mortgage Corporation.....	79,026,255	5,782,922	16,738,570	1,062,328,921	-----
Federal home loan banks.....	10,840,707	-----	-----	928,933,902	-----
Federal National Mortgage Association.....	3,863,625	4,024,536	-----	263,999,705	-----
Federal Public Housing Authority.....	19,570,544	6,714,782	26,303,982	1,055,529,074	-----
Federal Savings and Loan Insurance Corporation.....	1,623,033	61,036	-----	-----	-----
Home Owners' Loan Corporation.....	233,135,811	138,390,727	145,470,250	3,269,264,184	\$995,135,800
Reconstruction Finance Corporation.....	91,453,513	9,846,025	-----	7,635,070,336	-----
RFC Mortgage Company.....	5,173,373	4,653,137	7,987,170	220,626,411	-----
Rural Electrification Administration.....	14,935,990	-----	-----	354,616,010	-----
War corporations <sup>2</sup> .....	1,128,761	698,337	2,226,348,854	73,027,831	-----
Total.....	506,631,675	171,629,559	3,610,294,957	17,922,890,838	995,135,800

Corporation or agency	Investments (net) <sup>3</sup>	Allocations, rediscounts, and loans to other Government corporations and credit agencies (net)	Interest and dividends paid	Other expenditures	Total, uses of funds
Central Bank for Cooperatives.....	\$13,650,741	-----	\$661,137	\$3,520,762	\$365,266,558
Commodity Credit Corporation.....	-----	\$84,332,185	31,304,033	18,716,503	3,549,572,871
Disaster Loan Corporation.....	-----	11,039,899	-----	526	43,888,700
Electric Home and Farm Authority.....	-----	-----	504,547	196,046	50,421,880
Export-Import Bank of Washington.....	-----	74,850,000	2,362,329	593,801	312,141,385
Federal Deposit Insurance Corporation.....	491,948,154	-----	-----	33,399,658	740,064,643
Federal Farm Mortgage Corporation.....	733,813,840	-----	308,127,019	20,590,722	2,226,406,248
Federal home loan banks.....	69,367,915	-----	23,770,428	313,304	1,033,226,256
Federal National Mortgage Association.....	-----	-----	9,113,621	257,398	281,258,886
Federal Public Housing Authority.....	7,070,000	-----	6,323,279	14,778,042	1,136,289,703
Federal Savings and Loan Insurance Corporation.....	122,845,837	-----	3,035,326	11,369,956	138,935,187
Home Owners' Loan Corporation.....	267,069,860	-----	540,196,383	7,167,829	5,595,830,843
Reconstruction Finance Corporation.....	368,041,000	2,196,449,228	265,255,442	15,784,924	10,581,900,469
RFC Mortgage Company.....	-----	-----	7,175,959	417,075	246,033,124
Rural Electrification Administration.....	-----	-----	12,215,489	371,526	382,142,015
War corporations <sup>2</sup> .....	-----	5,462,607	748	106,773,527	2,413,440,665
Total.....	2,073,807,347	2,372,133,919	1,210,045,740	234,251,599	29,096,821,435

<sup>1</sup> Receipts received in payment of mortgages appear under "Repayment of loans" in the statement of sources of funds.<sup>2</sup> Comprises Defense Homes Corporation, Defense Plant Corporation, Defense Supplies Corporation, Metals Reserve Company, Rubber Reserve Company, and United States Commercial Company.<sup>3</sup> Includes U. S. Government bonds in the amount of \$468,856,446, as follows: Federal Deposit Insurance Corporation, \$379,458,012; Federal Savings and Loan Insurance Corporation, \$15,164,500; Federal Public Housing Authority, \$7,070,000; Federal home loan banks, \$59,962,034; Central Bank for Cooperatives, \$5,550,000; and Federal Farm Mortgage Corporation, \$1,651,900.<sup>4</sup> Includes expenditures for contributions and subrogated shares or claims in insured financial institutions.

TABLE 92.—*Sources of funds of certain Government corporations and credit agencies, fiscal year 1942*

[On basis of reports received from the corporations and agencies]

Corporation or agency	Appropriations from General Fund of the Treasury <sup>1</sup>	Allocations, redcounts, and loans from other Government corporations and credit agencies (net)	Sale of obligations to Treasury (net)	Sale of obligations in the market (net)	Sale of stock to other agencies
Central Bank for Cooperatives..	\$30,000,000	\$4,369,920			\$483,400
Commodity Credit Corporation..	16,362,554	1,215,191	\$260,000,000	\$4,802,000	
Disaster Loan Corporation.....					
Electric Home and Farm Authority.....				-5,441,250	
Export-Import Bank of Washington.....					
Federal Deposit Insurance Corporation.....					
Federal Farm Mortgage Corporation.....			263,000,000	-385,523,700	
Federal home loan banks.....				16,000,000	
Federal National Mortgage Association.....		16,481,427			
Federal Public Housing Authority.....	10,304,894		189,000,000	-112,099,000	
Federal Savings and Loan Insurance Corporation.....					
Home Owners' Loan Corporation.....				(2)	
Reconstruction Finance Corporation.....		100,000	2,514,002,196	-521,797,000	
RFC Mortgage Company.....		15,805,463			
Rural Electrification Administration.....	8,348,548	53,982,948			
War corporations <sup>4</sup> .....		1,560,973,661			8,000,000
Total.....	32,290,888	1,652,928,610	3,226,002,196	-1,004,058,950	8,483,400

Corporation or agency	Sale of other property acquired	Repayment of loans <sup>3</sup>	Interest, dividends, assessments, and property income	Other receipts	Total, sources of funds
Central Bank for Cooperatives..		\$67,714,146	\$841,839	\$358,465	\$103,767,771
Commodity Credit Corporation..	\$1,002,732,680	273,172,891	11,131,776	1,870,973	1,538,562,956
Disaster Loan Corporation.....	30,153	8,942,842	447,399	49	9,420,443
Electric Home and Farm Authority.....		11,345,586	1,269,343	43,615	7,217,293
Export-Import Bank of Washington.....		68,322,612	6,867,916		75,190,528
Federal Deposit Insurance Corporation.....		27,698,821	65,579,479	100,024	93,378,324
Federal Farm Mortgage Corporation.....	7,639,246	91,576,088	63,240,833	3,598,467	43,530,934
Federal home loan banks.....		132,277,500	6,083,556	936,927	155,297,983
Federal National Mortgage Association.....	955,378	16,894,502	9,824,321	725,887	44,881,515
Federal Public Housing Authority.....		149,065,582	19,107,611	1,142,610	256,521,697
Federal Savings and Loan Insurance Corporation.....			7,185,008	96,994	7,282,001
Home Owners' Loan Corporation.....	48,515,111	197,509,419	105,194,851	5,630,065	356,849,445
Reconstruction Finance Corporation.....	4,309,832	317,608,312	77,787,960	36,962,302	2,428,973,602
RFC Mortgage Company.....	194,473	18,240,509	3,125,140	1,519,128	38,884,714
Rural Electrification Administration.....		5,749,703	5,423,349	25	73,504,573
War corporations <sup>4</sup> .....	324,193,422	1,305,220	2,762,605	191,012,917	2,088,247,825
Total.....	1,388,570,295	1,387,423,733	385,872,986	243,998,448	7,321,511,604

<sup>1</sup> Items in this column are the only ones in this statement which constitute a charge against the Federal Budget. They represent amounts of funds drawn against available appropriations.

<sup>2</sup> Represents capital impairment in the amount of \$1,637,445.51 applicable to fiscal year 1941 (actual payment of funds to the Corporation made by the Secretary of the Treasury in the month of September 1941), and a repayment to the Secretary of the Treasury in June 1942 of \$18,000,000, representing an advance payment on the appraisal as of March 31, 1942, of the Corporation, pursuant to Public No. 442, approved Mar. 8, 1938.

<sup>3</sup> Retirement of obligations shown as "Retirement of obligations issued in exchange for mortgages" in the statement of uses of funds.

<sup>4</sup> Comprises Defense Homes Corporation, Defense Plant Corporation, Defense Supplies Corporation, Metals Reserve Company, Rubber Reserve Company, and United States Commercial Company.

<sup>5</sup> Receipts from the sale of property acquired in liquidation of loans are shown as "Sale of other property acquired."

TABLE 93.—Uses of funds of certain Government corporations and credit agencies, fiscal year 1942

[Reports received from the corporations and agencies. On basis of checks issued, see p. 383]

Corporation or agency	Expenses		Purchase and improvement of property owned	Loans	Retirement of obligations issued in exchange for mortgages <sup>1</sup>
	Administrative	Nonadministrative			
Central Bank for Cooperatives	\$132,542			\$80,549,361	
Commodity Credit Corporation	3,586,556		\$1,030,309,144	445,725,761	
Disaster Loan Corporation	524,889	—\$3,721		1,234,939	
Electric Home and Farm Authority	480,485	400,195		6,404,778	
Export-Import Bank of Washington	182,834	5,752		67,320,087	
Federal Deposit Insurance Corporation	3,670,127			18,125,270	
Federal Farm Mortgage Corporation	7,966,033	1,154,033	3,320,838	32,078,249	
Federal home loan banks	1,140,333			155,025,047	
Federal National Mortgage Association	1,162,220	1,426,877		38,812,929	
Federal Public Housing Authority	4,442,643	1,427,978	95,149	224,493,895	
Federal Savings and Loan Insurance Corporation	371,745	36,044			
Home Owners' Loan Corporation	15,523,907	19,264,947	8,383,477	7,864,213	\$300,291,050
Reconstruction Finance Corporation	8,855,792	2,468,878		667,169,779	
RFC Mortgage Company	843,632	539,461	385,843	35,262,434	
Rural Electrification Administration	3,324,100			58,220,868	
War corporations <sup>2</sup>	1,000,411	698,327	1,933,855,124	72,997,831	
Total	53,208,249	27,418,771	2,976,358,575	1,911,285,441	300,291,050

Corporation or agency	Investments (net)	Allocations, rediscounts, and loans to other Government corporations and credit agencies (net)	Interest and dividends paid	Other expenditures	Total, uses of funds
Central Bank for Cooperatives	\$6,422,962		\$128,472	\$342,814	\$87,576,150
Commodity Credit Corporation			7,357,896	48,882,933	1,535,862,289
Disaster Loan Corporation		\$7,647,728		16,609	9,420,443
Electric Home and Farm Authority			105,689	1,691	7,392,838
Export-Import Bank of Washington		7,800,000			75,308,673
Federal Deposit Insurance Corporation	71,794,357			—3,924,918	89,664,836
Federal Farm Mortgage Corporation	—27,316,000		39,199,664	3,226,720	59,638,537
Federal home loan banks	5,960,845		2,992,818	62,693	165,181,736
Federal National Mortgage Association			3,374,138	105,352	44,881,515
Federal Public Housing Authority	1,000,000		2,649,394	9,970,008	244,079,066
Federal Savings and Loan Insurance Corporation	—5,342,320			<sup>3</sup> 8,771,794	3,837,263
Home Owners' Loan Corporation	—15,783,500		62,660,112	752,429	398,956,634
Reconstruction Finance Corporation	8,000,000	1,695,921,084	21,522,934	29,535	2,403,968,002
RFC Mortgage Company			1,852,995		38,884,365
Rural Electrification Administration			9,752,927		71,297,895
War corporations <sup>2</sup>		1,417,126	748	78,131,440	2,088,101,008
Total	44,736,344	1,712,785,933	151,597,787	146,369,100	7,324,051,250

<sup>1</sup> Receipts from the repayment of mortgage loans appear under "Repayment of loans" in the statement of sources of funds.<sup>2</sup> Comprises Defense Homes Corporation, Defense Plant Corporation, Defense Supplies Corporation, Metals Reserve Company, Rubber Reserve Company, and United States Commercial Company.<sup>3</sup> Includes expenditures for contributions and subrogated shares or claims in insured financial institutions.

## STOCK AND CIRCULATION OF MONEY IN THE UNITED STATES

TABLE 94.—*Stock of money, money in the Treasury, in the Federal Reserve Banks, and in circulation June 30, 1913 to 1942*<sup>1</sup>

[000 omitted, except in per capita figures]

June 30—	Stock of money <sup>2</sup>	Money held in the Treasury					Money outside of the Treasury				Population of continental United States (estimated)
		Total	Amount held as security against gold and silver certificates (and Treasury notes of 1890)	Reserve against United States notes (and Treasury notes of 1890)	Held for Federal Reserve Banks and agents	All other	Total	Held by Federal Reserve Banks and agents	In circulation		
									Amount <sup>3</sup>	Per capita	
1913	\$3,777,021	\$1,834,112	\$1,475,783	\$150,000		\$208,329	\$3,418,692		\$3,418,692	\$35.12	97,337
1914	3,797,825	1,845,570	1,507,179	150,000		188,391	3,459,434		3,459,434	34.93	99,027
1915	4,050,783	1,967,665	1,619,429	152,977		195,259	3,702,547	\$382,965	3,319,582	32.96	100,725
1916	4,541,730	2,356,536	2,057,409	152,979		146,147	4,242,603	593,345	3,649,258	35.63	102,431
1917	5,678,774	2,859,396	2,063,391	152,979	\$526,295	116,731	4,882,769	816,365	4,066,404	39.05	104,145
1918	6,906,237	2,976,251	1,407,694	152,979	1,205,082	210,496	5,337,681	855,984	4,481,697	42.33	105,869
1919	7,688,413	2,907,812	906,673	152,979	1,416,086	432,074	5,687,275	810,636	4,876,638	45.95	106,136
1920	8,158,496	2,379,664	704,638	152,979	1,184,276	337,771	6,483,470	1,015,881	5,467,589	51.38	106,422
1921	8,174,528	2,921,089	919,643	152,979	1,537,857	310,610	6,173,082	1,262,089	4,910,992	45.29	108,445
1922	8,276,070	3,515,583	1,000,578	152,979	2,108,887	253,139	5,761,065	1,297,893	4,463,172	40.61	109,893
1923	8,702,788	3,821,846	1,150,168	152,979	2,285,170	233,529	6,031,111	1,207,836	4,823,275	43.18	111,693
1924	8,846,542	4,248,438	1,628,130	152,979	2,260,891	206,429	6,226,243	1,376,935	4,849,307	42.64	113,727
1925	8,299,382	4,176,381	2,059,799	153,621	1,752,744	210,217	6,182,799	1,367,591	4,815,208	41.73	115,378
1926	8,428,971	4,210,358	2,139,770	154,189	1,717,348	199,050	6,358,384	1,473,118	4,885,266	41.71	117,136
1927	8,667,282	4,159,056	2,096,205	155,421	1,712,003	195,427	6,604,431	1,753,110	4,851,321	40.90	118,628
1928	8,118,091	3,725,650	1,986,761	156,039	1,387,650	195,199	6,379,202	1,582,576	4,796,626	39.97	120,013
1929	8,538,796	3,789,886	1,854,373	156,039	1,562,426	217,049	6,603,283	1,856,986	4,746,297	39.08	121,455
1930	8,306,564	4,021,937	1,978,448	156,039	1,796,239	91,211	6,263,075	1,741,087	4,521,988	36.74	123,091
1931	9,079,624	4,227,735	2,196,103	156,039	1,776,690	98,902	7,047,992	2,226,059	4,821,933	38.85	124,113
1932	9,004,505	3,493,122	1,979,137	156,039	1,235,737	122,209	7,490,520	1,795,349	5,695,171	45.57	124,974
1933	10,078,417	3,797,692	1,711,721	156,039	1,771,486	158,446	7,992,446	2,271,682	5,720,764	45.49	125,770
1934	13,634,381	8,408,392	5,453,713	156,039	\$3,999,055	2,798,640	6,679,455	1,305,985	5,373,470	42.44	126,626
1935	15,113,035	9,997,362	7,131,431	156,039	\$5,532,590	2,709,891	6,714,514	1,147,422	5,567,093	43.66	127,521



1936.....	17,402,493	11,851,635	9,355,224	156,039	* 5,304,027	2,340,372	9,602,055	3,360,854	6,241,200	48.60	128,429
1937.....	19,376,690	13,685,480	10,240,964	156,039	* 6,030,913	3,288,477	9,901,261	3,454,205	6,447,056	49.88	129,257
1938.....	20,096,865	14,535,627	12,233,068	156,039	* 7,829,838	2,146,520	9,964,467	3,503,576	6,460,891	49.62	130,215
1939.....	23,754,736	17,862,671	15,299,262	156,039	* 10,708,118	2,407,369	10,483,210	3,436,467	7,046,743	53.72	131,173
1940.....	28,457,960	21,836,936	19,651,067	156,039	* 14,938,895	2,029,829	11,333,196	3,485,695	7,847,501	59.47	131,950
1941.....	32,774,611	24,575,186	22,300,087	156,039	* 17,506,167	2,119,059	12,993,346	3,380,914	9,612,432	* 72.24	* 133,065
1942.....	35,840,908	24,783,526	22,596,352	156,039	* 17,750,403	2,031,135	15,903,331	3,520,465	12,382,866	92.35	134,082

<sup>1</sup> The figures in this table differ from the monthly circulation statements for the following reasons: (a) Beginning June 30, 1922, the form of circulation statement was revised so as to include in the holdings of the Federal Reserve Banks and agents, and hence in the stock of money, gold bullion and foreign gold coin held by the Federal Reserve Banks and agents, and to include in the holdings of the Federal Reserve Banks and agents, and hence exclude from money in circulation, all forms of money held by the Federal Reserve Banks and agents, whether as reserve against Federal Reserve notes or otherwise. For the sake of comparableness the figures in this table for earlier years have been revised to include these changes. For full explanation of this revision, see annual report for 1922, p. 433. (b) The form of the circulation statement was revised again beginning Dec. 31, 1927, so as to exclude earmarked gold coin from the stock of money, and hence from money in circulation; to include in the holdings of the Federal Reserve Banks and agents, and hence in the stock of money, gold held abroad for the account of the Federal Reserve Banks; and to include in all categories, minor coin (the bronze 1-cent piece and the nickel 5-cent piece). Beginning on Dec. 31, 1927, the circulation statement is dated for the end of the month instead of the beginning of the succeeding month, as was the practice theretofore, and figures on the revised daily Treasury statement basis for "money held in the Treasury" instead of the unrevised basis are used. For the sake of comparableness the figures in this table for earlier years have been revised to include these changes. For full explanation of this revision, see annual report for 1928, pp. 70-71, and for figures for years prior to 1913, pp. 550-551. Final revisions, minor in amount, are made in some figures of the June 30 circulation statements for use in these annual report tables.

<sup>2</sup> The composition of the stock of money is shown in table 95 on p. 640.

<sup>3</sup> The composition of the money in circulation is shown in table 96 on p. 641.

<sup>4</sup> Gold certificates not included in total money in the Treasury, since the gold held as security against them is included in the second column preceding.

<sup>5</sup> Revised.

TABLE 95.—*Stock of money, by kinds, at the end of each fiscal year from 1913 to 1942<sup>1</sup>*  
 [In thousands]

June 30—	Gold <sup>2</sup>	Silver bul- lion <sup>2</sup>	Standard silver dol- lars <sup>2</sup>	Subsidiary silver	Minor coin	United States notes <sup>2</sup>	Federal Re- serve notes <sup>2</sup>	Federal Re- serve Bank notes <sup>2</sup>	National bank notes <sup>2</sup>	Total <sup>3</sup>	Percentage of gold to total money
1913	\$1,870,762		\$568,273	\$175,196	\$56,951	\$346,681			\$759,158	\$3,777,021	49.53
1914	1,890,657		568,272	182,007	59,536	346,681			750,672	3,797,825	49.78
1915	1,985,539		568,272	185,430	61,327	346,681	\$84,261		819,274	4,050,783	49.02
1916	2,444,636		568,271	188,890	63,909	346,681	176,168	\$9,000	744,175	4,541,730	53.83
1917	3,220,242		568,270	198,275	69,688	346,681	547,408	12,790	715,420	5,678,774	56.71
1918	3,162,808		499,516	231,857	78,146	346,681	1,847,580	15,444	724,205	6,906,237	45.80
1919	3,113,306		308,146	242,870	82,909	346,681	2,687,557	187,667	719,277	7,638,413	40.49
1920	2,865,482		268,857	258,855	92,479	346,681	3,405,877	201,226	719,038	8,158,496	35.12
1921	3,274,730		288,788	271,314	98,522	346,681	3,000,430	150,772	743,290	8,174,528	40.06
1922	3,784,652		381,174	271,211	98,593	346,681	2,555,062	80,495	758,202	8,276,070	45.73
1923	4,049,554		491,887	269,186	99,056	346,681	2,676,902	22,083	747,440	8,702,788	46.53
1924	4,488,391		503,755	277,614	102,445	346,681	2,339,048	10,596	778,012	8,846,542	50.74
1925	4,360,382		522,061	283,472	104,004	346,681	1,942,240	7,176	733,366	8,299,382	52.54
1926	4,447,397		533,491	288,923	108,891	346,681	1,995,206	5,713	702,669	8,428,971	52.76
1927	4,587,298		537,944	295,590	113,295	346,681	2,077,473	4,854	704,146	8,667,282	52.93
1928	4,109,163		539,962	299,010	116,689	346,681	2,002,811	4,155	699,621	8,118,091	50.62
1929	4,324,351		539,961	304,187	120,640	346,681	2,194,970	3,711	704,294	8,538,796	50.64
1930	4,534,866		539,960	310,978	126,001	346,681	1,746,501	3,260	698,317	8,306,564	54.50
1931	4,955,921		539,958	303,619	126,887	346,681	2,101,578	2,974	697,004	9,079,624	54.58
1932	3,918,596		540,008	304,883	126,493	346,681	3,023,397	2,772	736,674	9,004,505	43.82
1933	4,317,554		540,007	298,634	126,746	346,681	3,336,866	141,326	970,601	10,078,417	42.54
1934	7,856,181	\$1,560	540,007	295,892	127,711	346,681	3,350,988	160,666	954,695	13,634,381	57.62
1935	9,115,643	313,309	545,642	312,416	133,040	346,681	3,492,854	84,354	769,096	15,113,035	60.32
1936	10,608,417	708,211	547,080	331,716	139,057	346,681	4,296,310	53,300	371,722	17,402,493	60.96
1937	12,318,271	835,196	547,080	358,899	150,954	346,681	4,508,973	38,472	272,164	19,376,690	63.57
1938	12,962,954	1,037,163	547,079	373,461	157,183	346,681	4,420,815	30,840	220,688	20,096,865	64.50
1939	16,110,079	1,230,586	547,079	379,812	161,147	346,681	4,763,989	26,074	189,292	23,754,736	67.82
1940	19,963,091	1,353,162	547,078	402,261	173,909	346,681	5,481,778	22,809	167,190	28,457,960	70.15
1941	22,624,198	1,435,909	547,078	447,248	199,364	346,681	7,001,521	20,704	151,909	32,774,611	69.03
1942	22,736,705	1,505,844	547,077	529,814	224,748	346,681	9,790,727	18,976	140,337	35,840,908	63.44

<sup>1</sup> See note 1, p. 639. For figures for years prior to 1913, see annual report for 1928, pp. 552-553.

<sup>2</sup> A part of the gold and silver included in the stock of money is held as a reserve against other kinds of money, as follows: (1) As a reserve for United States notes and Treasury notes of 1890—gold bullion varying in amount from \$150,000,000 to \$156,039,431 during the years included in the table; (2) as security for Treasury notes of 1890—an equal dollar amount in standard silver dollars (these notes are being canceled and retired on receipt); (3) as security for outstanding silver certificates—silver in bullion and standard silver dollars of a monetary value equal to the face amount of such silver certificates; and (4) as security for gold certificates—gold bullion of a value at the legal standard equal to the face amount of such gold certificates. Federal Reserve notes are obligations of the United States and a first lien on all the assets of the issuing Federal Reserve Bank. Federal Reserve notes are secured by the deposit with Federal Reserve agents of a like amount of gold certificates or of gold certificates and such discounted or purchased paper as is eligible under the terms of the Federal Reserve Act, or, until June 30, 1943, of direct obligations of the United States if so authorized by a majority vote of the Board of Governors of the Federal Reserve System. Federal Reserve Banks must maintain a reserve in gold certificates of at least 40 percent, including the redemption fund which must be deposited with the Treasurer of the United States, against Federal Reserve notes in actual circulation. "Gold certificates" as herein used includes credits with the Treasurer of the United States payable in gold certificates. Federal Reserve Bank notes and national bank notes are in process of retirement. The monetary value of gold was changed from \$20.67+ per fine ounce to \$35.00 per fine ounce on Jan. 31, 1934.

<sup>3</sup> The totals involve a duplication to the extent that United States notes, Federal Reserve notes, Federal Reserve Bank notes, and national bank notes, all included in full, are in part secured by gold, also included in full. Gold certificates, silver certificates, and Treasury notes of 1890 have been excluded, however, since they are complete duplications of the equal amounts of gold or silver held as security therefor and included in the totals.

TABLE 96.—*Money in circulation, by kinds, at the end of each fiscal year from 1913 to 1942*<sup>1</sup>

[In thousands]

June 30—	Gold coin	Gold certificates <sup>2</sup>	Standard silver dollars	Silver certificates <sup>2</sup>	Treasury notes of 1890 <sup>2</sup>	Subsidiary silver	Minor coin	United States notes <sup>2</sup>	Federal Reserve notes <sup>2</sup>	Federal Reserve Bank notes <sup>2</sup>	National bank notes <sup>2</sup>	Total
1913.....	\$608,401	\$1,003,998	\$72,127	\$469,129	\$2,657	\$154,458	\$54,954	\$337,215	-----	-----	\$715,754	\$3,418,692
1914.....	611,545	1,026,149	70,300	478,602	2,428	159,966	57,419	337,846	-----	-----	715,180	3,459,434
1915.....	587,537	821,869	64,499	463,147	2,245	159,043	58,516	309,796	\$70,810	-----	782,120	3,319,582
1916.....	624,939	1,050,266	66,234	476,279	2,098	171,178	62,998	328,227	149,152	\$1,683	716,204	3,649,258
1917.....	666,545	1,082,926	71,754	468,365	1,970	193,745	68,411	311,595	506,756	3,702	690,635	4,066,404
1918.....	537,230	511,190	77,201	370,349	1,851	216,492	74,958	291,859	1,698,190	10,970	691,407	4,481,697
1919.....	474,875	327,552	79,041	163,445	1,745	229,316	81,780	274,119	2,450,278	155,014	639,472	4,876,638
1920.....	474,822	259,007	76,749	97,606	1,656	248,863	90,958	278,144	3,064,742	185,431	689,608	5,467,589
1921.....	447,272	200,582	65,883	158,843	1,576	235,295	91,409	259,170	2,599,598	129,942	721,421	4,910,992
1922.....	415,937	173,342	57,973	265,335	1,510	229,310	89,157	292,343	2,138,715	71,868	727,681	4,463,172
1923.....	404,181	386,456	57,262	364,258	1,460	247,307	93,897	302,749	2,234,660	19,969	711,076	4,823,275
1924.....	393,330	801,381	54,015	364,414	1,423	252,995	96,952	297,790	1,843,106	10,066	733,835	4,849,307
1925.....	402,297	1,004,823	54,289	382,780	1,387	262,009	100,307	282,578	1,636,108	6,921	681,709	4,815,208
1926.....	391,703	1,057,371	51,577	377,741	1,356	270,072	104,194	294,916	1,679,407	5,453	651,477	4,885,266
1927.....	384,957	1,007,075	48,717	375,798	1,327	275,605	108,132	292,205	1,702,843	4,606	650,057	4,851,321
1928.....	377,028	1,019,149	46,222	384,577	1,304	278,175	111,061	298,438	1,626,433	4,029	650,212	4,796,626
1929.....	368,488	934,994	43,684	387,073	1,283	284,226	115,210	262,188	1,692,721	3,616	652,812	4,746,297
1930.....	357,236	994,841	38,629	386,915	1,260	281,231	117,436	288,389	1,402,066	3,206	650,779	4,521,988
1931.....	363,020	996,510	34,326	377,149	1,240	273,147	117,393	299,427	1,708,429	2,929	648,363	4,621,933
1932.....	452,763	715,683	30,115	352,605	1,222	256,220	113,619	289,076	2,780,229	2,746	700,894	5,695,171
1933.....	320,939	265,487	27,995	360,699	1,186	256,865	112,532	268,809	3,060,793	125,845	919,614	5,720,764
1934.....	(3)	149,740	30,013	401,456	1,189	280,400	119,142	279,608	3,068,404	141,645	901,872	5,373,470
1935.....	(3)	117,167	32,308	701,474	1,182	295,773	125,125	285,417	3,222,913	81,470	704,263	5,567,093
1936.....	(3)	100,771	35,029	954,592	1,177	316,476	134,691	278,190	4,002,216	51,954	626,105	6,241,200
1937.....	(3)	88,116	38,046	1,078,071	1,172	340,827	144,107	281,459	4,168,780	37,616	288,862	6,447,056
1938.....	(3)	78,500	39,446	1,230,156	1,169	341,942	145,625	262,155	4,114,338	30,118	217,441	6,460,891
1939.....	(3)	71,930	42,407	1,453,573	1,166	361,209	154,869	265,962	4,483,552	25,593	186,480	7,046,743
1940.....	(3)	66,793	46,020	1,581,662	1,163	384,187	168,977	247,887	5,163,284	22,373	165,155	7,847,501
1941.....	(3)	62,872	52,992	1,713,508	1,161	433,455	193,963	299,514	6,684,209	20,268	150,460	9,612,432
1942.....	(3)	59,399	66,093	1,754,255	1,158	503,947	213,144	316,886	9,310,135	18,717	139,131	12,382,866

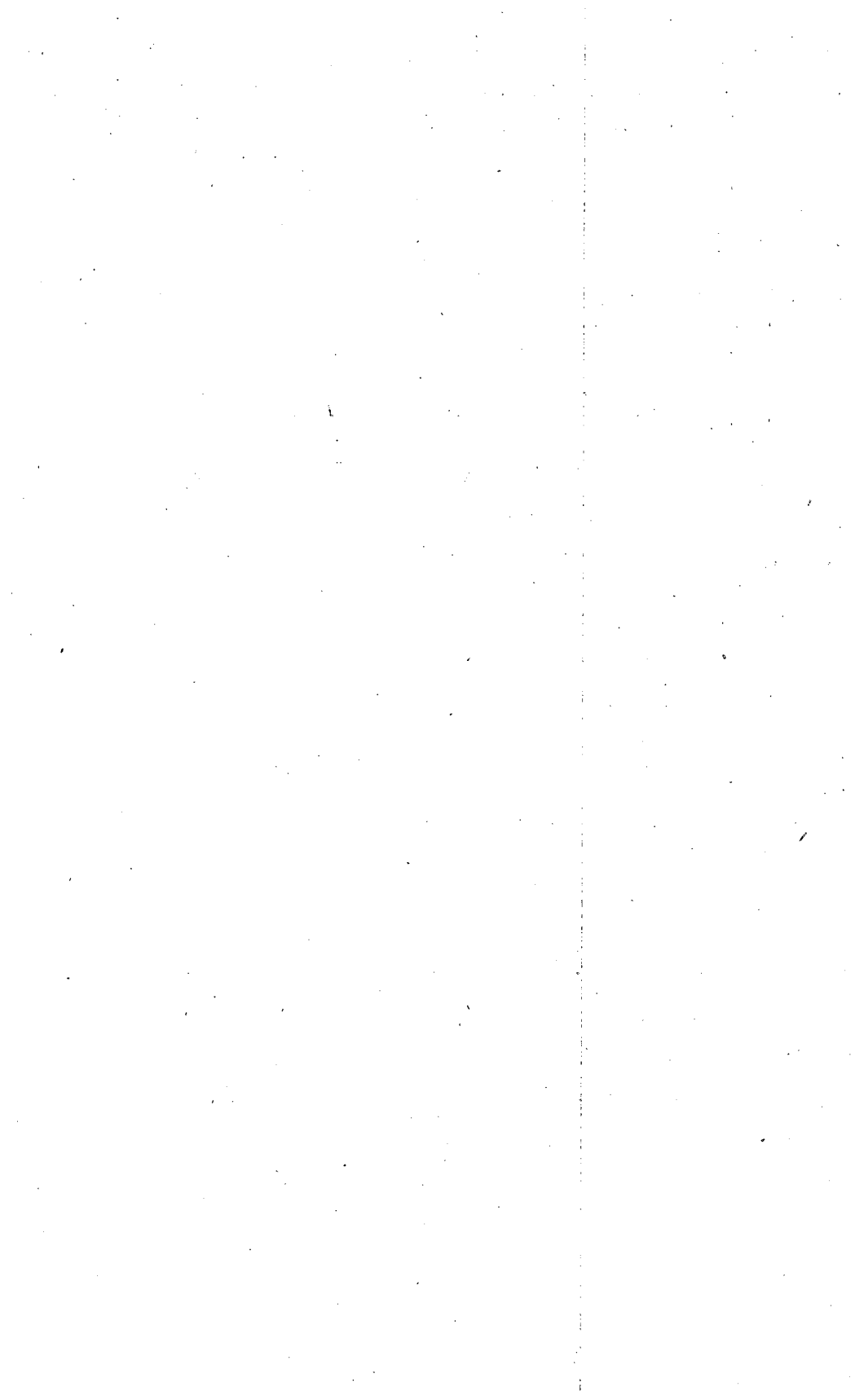
<sup>1</sup> See note 1, p. 639. For figures for years prior to 1913, see annual report for 1928, pp. 554-555.<sup>2</sup> For description of security held for redemption, see note 2, p. 640.<sup>3</sup> Under the order of the Secretary of the Treasury of Dec. 28, 1933, as amended and supplemented on Jan. 11 and 15, 1934, all gold coin domestically owned (with minor exceptions) was required to be delivered for the account of the Treasurer of the United States, and under the Gold Reserve Act of 1934 (Jan. 30) withdrawn from circulation and formed into bars. Gold coin (\$287,000,000) shown on Treasury records as being then outstanding was dropped from the monthly circulation statement as of Jan. 31, 1934.

TABLE 97.—*Stock of money, money in the Treasury, in the Federal Reserve Banks, and in circulation, by kinds, June 30, 1942*

Kind of money	Stock of money	Money held in the Treasury					Money outside of the Treasury					Population of continental United States (estimated)
		Total	Amount held as security against gold and silver certificates (and Treasury notes of 1890)	Reserve against United States notes (and Treasury notes of 1890)	Held for Federal Reserve Banks and agents	All other money	Total	Held by Federal Reserve Banks and agents	In circulation <sup>1</sup>			
									Amount	Per capita		
Gold.....	\$22,736,704,552	\$22,736,704,552	\$20,625,246,121	\$156,039,431		\$1,955,419,000	\$2,874,843,379	\$2,815,444,500	\$59,398,879	\$0.44		
Gold certificates.....	(20,625,246,121)	(17,750,402,742)			44 (\$17,750,402,742)							
Standard silver dollars.....	547,077,254	478,728,929	465,261,869			13,467,060	68,348,325	2,255,489	66,092,836	.49		
Silver bullion.....	1,505,843,708	1,505,843,708	1,505,843,708									
Silver certificates.....	(1,969,947,755)						1,969,947,755	215,692,496	1,754,255,259	13.08		
Treasury notes of 1890.....	(1,157,822)						1,157,822		1,157,822	.01		
Subsidiary silver.....	529,814,276	13,006,259				13,006,259	516,908,017	12,860,755	503,947,262	3.76		
Minor coin.....	224,747,592	7,277,047				7,277,047	217,470,545	4,326,423	213,144,122	1.59		
United States notes.....	346,681,016	2,097,487				2,097,487	344,583,529	27,697,268	316,886,261	2.36		
Federal Reserve notes.....	9,790,726,865	39,326,272				39,326,272	9,751,400,593	441,265,350	9,310,135,243	69.44		
Federal Reserve Bank notes.....	18,975,964	153,403				153,403	18,822,561	105,400	18,717,161	.14		
National bank notes.....	140,337,042	388,782				388,782	139,948,260	817,000	139,131,260	1.04		
Total, June 30, 1942.....	35,840,908,269	24,783,526,439	22,596,351,698	156,039,431	4 (\$17,750,402,742)	6 2,031,135,310	715,903,330,736	3,520,464,681	12,382,866,105	92.35	134,082,000	
Comparative totals:												
May 31, 1942.....	35,457,568,073	24,746,286,738	22,554,525,764	156,039,431	17,706,205,966	2,035,721,543	15,559,601,133	3,485,620,348	12,073,980,785	90.11	133,997,000	
June 30, 1941.....	32,774,611,367	24,575,186,185	22,300,087,392	156,039,431	17,506,166,714	2,119,059,362	12,993,345,860	3,380,913,512	9,612,432,348	72.24	133,065,000	
Oct. 31, 1920.....	8,479,620,824	2,436,864,530	718,674,378	152,979,026	1,212,360,791	352,850,336	6,761,430,672	1,063,216,060	5,698,214,612	53.21	107,096,000	
Mar. 31, 1917.....	5,396,596,677	2,952,020,313	2,681,691,072	152,979,026		117,350,216	5,126,267,436	953,321,522	4,172,945,914	40.23	103,716,000	
June 30, 1914.....	3,797,825,099	1,845,569,804	1,507,178,879	150,000,000		188,390,925	3,459,434,174		3,459,434,174	34.93	99,027,000	
Jan. 1, 1879.....	1,007,084,483	212,420,402	21,602,640	100,000,000		90,817,762	816,266,721		816,266,721	16.92	48,231,000	

<sup>2</sup> Revised.<sup>1</sup> The money in circulation includes any paper currency held outside the continental limits of the United States.<sup>2</sup> Does not include gold other than that held by the Treasury.<sup>3</sup> Includes \$1,800,000,000 exchange stabilization fund and \$143,473,001 balance of increment resulting from reduction in weight of the gold dollar.<sup>4</sup> These amounts are not included in the total, since the gold or silver held as security against gold and silver certificates and Treasury notes of 1890 is included under gold, standard silver dollars, and silver bullion, respectively.<sup>5</sup> This total includes credits with the Treasurer of the United States payable in gold certificates in (1) the gold certificate fund—Board of Governors, Federal Reserve System, in the amount of \$17,735,182,989, and (2) the redemption fund for Federal Reserve notes in the amount of \$15,219,753.<sup>6</sup> Includes \$59,300,000 lawful money deposited as a reserve for postal savings deposits.<sup>7</sup> The amount of gold and silver certificates and Treasury notes of 1890 should be deducted from this amount before combining with total money held in the Treasury to arrive at the total amount of money in the United States.

NOTE.—For description of security held, see note 2, p. 640.



## TAX-EXEMPT AND TAXABLE SECURITIES

TABLE 98.—*Estimated amount of interest-bearing securities issued by all governmental units in the United States outstanding on June 30, 1942, classified by tax status and by type of issuer*<sup>1</sup>

[In millions of dollars]

	Total all securi- ties	Tax-exempt			Taxa- ble <sup>4</sup>	U. S. Government special issues to Govern- ment agencies and trust funds
		Total	Wholly <sup>2</sup>	Par- tially <sup>2</sup>		
<b>All interest-bearing securities:</b>						
Total amount outstanding.....	102, 404	58, 601	25, 506	33, 095	35, 918	7, 885
Less securities held by:						
United States Government.....	4, 079				4, 079	
Federal agencies <sup>3</sup> .....	3, 900	3, 226	1, 560	1, 666	518	156
Federal trust funds.....	8, 290	407	43	364	154	7, 729
Federal Reserve Banks.....	2, 646	1, 815	634	1, 181	831	
State and local sinking funds.....	1, 675	1, 615	1, 525	90	60	
State and local public trust and invest- ment funds.....	3, 040	2, 825	2, 575	250	215	
Territorial and insular sinking and public trust funds.....	32	32	24	8		
Total securities held by governmental funds, etc.....	23, 662	9, 920	6, 361	3, 559	5, 857	7, 885
Total privately held securities.....	78, 742	48, 681	19, 145	29, 536	30, 061	
<b>Securities of the United States Government:</b>						
Total amount outstanding.....	72, 041	34, 331	4, 260	30, 071	29, 825	7, 885
Less securities held by:						
Federal agencies <sup>3</sup> .....	2, 093	1, 489	53	1, 436	448	156
Federal trust funds.....	8, 247	364		364	154	7, 729
Federal Reserve Banks.....	2, 641	1, 813	634	1, 179	828	
State and local sinking funds.....	150	90		90	60	
State and local public trust and invest- ment funds.....	465	250		250	215	
Territorial and insular sinking funds.....	8	8		8		
Total securities held by governmental funds, etc.....	13, 604	4, 014	687	3, 327	1, 705	7, 885
Total privately held securities.....	58, 437	30, 317	3, 573	26, 744	28, 120	
<b>Securities of Federal instrumentalities guaranteed   by the United States Government:<sup>5</sup></b>						
Total amount outstanding.....	8, 636	2, 923	8	2, 915	5, 713	
Less securities held by:						
United States Government.....	4, 079				4, 079	
Federal agencies.....	291	238	8	230	53	
Federal Reserve Banks.....	5	2		2	3	
Total securities held by governmental funds, etc.....	4, 375	240	8	232	4, 135	
Total privately held securities.....	4, 261	2, 683		2, 683	1, 578	

Footnotes at end of table.

TABLE 98.—*Estimated amount of interest-bearing securities issued by all governmental units in the United States outstanding on June 30, 1942, classified by tax status and by type of issuer*<sup>1</sup>—Continued

[In millions of dollars]

	Total all securi- ties	Tax-exempt			Taxa- ble <sup>4</sup>	U. S. Govern- ment special issues to Govern- ment agencies and trust funds
		Total	Wholly <sup>2</sup>	Parti- tially <sup>3</sup>		
Securities of Federal instrumentalities not guar- anteed by the United States Government:						
Total amount outstanding.....	2,210	1,830	1,721	109	380	-----
Less securities held by:						
Federal agencies.....	781	764	764		17	-----
Federal trust funds.....	43	43	43			-----
Total securities held by governmental funds, etc.....	824	807	807		17	-----
Total privately held securities.....	1,386	1,023	914	109	363	-----
Securities of State and local governments:						
Total amount outstanding.....	19,379	19,379	19,379			-----
Less securities held by:						
Federal agencies.....	735	735	735			-----
State and local sinking funds.....	1,525	1,525	1,525			-----
State and local public trust and invest- ment funds.....	2,575	2,575	2,575			-----
Total securities held by governmental funds, etc.....	4,835	4,835	4,835			-----
Total privately held securities.....	14,544	14,544	14,544			-----
Securities of Territories and insular possessions:						
Total amount outstanding.....	138	138	138			-----
Less securities held by:						
Territorial and insular sinking and public trust funds.....	24	24	24			-----
Total privately held securities.....	114	114	114			-----

<sup>1</sup> See footnote 1 on p. 654.<sup>2</sup> Securities the income from which is exempt from both the normal rates and surtax rates of the Federal income tax.<sup>3</sup> Securities the income from which is exempt only from the normal rates of the Federal income tax. In the case of partially tax-exempt (1) Treasury bonds and (2) United States savings bonds, interest derived from \$5,000 aggregate principal amount owned by any one holder is exempt from the surtax rates as well as the normal rates of the Federal income tax.<sup>4</sup> Securities the income from which is subject to both the normal rates and the surtax rates of the Federal income tax.<sup>5</sup> Includes exchange stabilization fund.<sup>6</sup> Includes certain obligations of the Tennessee Valley Authority which are "issued on credit of the United States."

SOURCE.—Estimates are based in part on a questionnaire survey of State and local government debt and specified funds conducted by the Division of State and Local Government of the Bureau of the Census, Department of Commerce, and in part on a questionnaire survey of territorial and insular debt and specified funds conducted by the Division of Territories and Island Possessions of the Department of the Interior.

TABLE 99.—*Estimated amount of interest-bearing securities issued by all govern  
by tax status*

[In millions]

June 30—	Grand total					U. S. Government *					
	Total	Tax-exempt			Tax- able	U. S. Gov- ernment special issues to Gov- ernment agencies and trust funds	Total	Tax-exempt		Tax- able	Special issues to Gov- ernment agencies and trust funds
		Total	Wholly	Parti- ally				Wholly	Parti- ally		

## A. TOTAL AMOUNT

1913.....	5,531	5,531	5,531	-----	-----	-----	966	966	-----	-----	-----
1914.....	5,954	5,954	5,954	-----	-----	-----	968	968	-----	-----	-----
1915.....	6,427	6,427	6,427	-----	-----	-----	970	970	-----	-----	-----
1916.....	6,887	6,887	6,887	-----	-----	-----	972	972	-----	-----	-----
1917.....	9,049	9,049	9,049	-----	-----	-----	2,713	2,713	-----	-----	-----
1918.....	18,786	18,786	9,187	9,599	-----	-----	11,986	2,387	9,599	-----	-----
1919.....	32,751	32,751	10,159	22,593	-----	-----	25,202	2,796	22,407	-----	-----
1920.....	32,257	32,257	11,308	20,949	-----	-----	24,061	3,112	20,949	-----	-----
1921.....	32,724	32,724	11,922	20,803	-----	-----	23,737	2,935	20,803	-----	-----
1922.....	33,411	33,411	12,994	20,417	-----	-----	22,711	2,294	20,417	-----	-----
1923.....	33,788	33,788	14,074	19,714	-----	-----	22,008	2,294	19,714	-----	-----
1924.....	33,978	33,978	15,290	18,688	-----	-----	20,982	2,294	18,688	-----	-----
1925.....	34,681	34,586	16,645	17,941	-----	95	20,211	2,175	17,941	-----	95
1926.....	34,856	34,652	17,636	17,016	-----	204	19,384	2,164	17,016	-----	204
1927.....	34,933	34,574	18,846	15,728	-----	359	18,251	2,164	15,728	-----	359
1928.....	35,044	34,582	19,892	14,690	-----	462	17,318	2,166	14,690	-----	462
1929.....	35,428	34,821	20,957	13,864	-----	607	16,639	2,168	13,864	-----	607
1930.....	35,943	35,179	23,606	11,573	-----	764	15,922	3,585	11,573	-----	764
1931.....	37,626	37,335	25,521	11,814	-----	291	16,519	4,414	11,814	-----	291
1932.....	40,782	40,473	28,055	12,418	-----	309	19,162	6,785	12,068	-----	309
1933.....	45,109	44,786	31,176	13,610	-----	323	22,158	9,810	12,025	-----	323
1934.....	52,136	51,740	32,958	18,782	-----	396	26,429	11,798	14,235	-----	396
1935.....	56,850	56,217	34,447	21,770	-----	633	27,557	12,932	13,992	-----	633
1936.....	63,180	62,553	36,321	26,232	1	626	32,756	14,646	17,484	-----	626
1937.....	65,653	64,092	35,034	29,058	3	1,558	35,803	13,507	20,738	-----	1,558
1938.....	63,889	61,207	32,283	28,924	6	2,676	36,579	10,816	23,087	-----	2,676
1939.....	67,665	63,885	30,896	32,989	10	3,770	39,892	9,030	27,092	-----	3,770
1940.....	70,233	65,391	30,248	35,143	67	4,775	42,380	8,142	29,463	-----	4,775
1941.....	77,282	62,863	26,832	36,031	8,299	6,120	48,405	4,904	30,160	7,221	6,120
1942.....	102,404	58,601	25,506	33,095	35,918	7,885	72,041	4,260	30,071	29,825	7,885

Footnotes on p. 654.



mental units in the United States outstanding on June 30, 1913 to 1942, classified and by type of issuer <sup>1</sup>

of dollars]

Federal instrumentalities: Guaranteed issues <sup>2</sup>				Federal instrumentalities: Non-guaranteed issues <sup>4</sup>				State, local, and territorial governments		
Total	Tax-exempt		Tax- able	Total	Tax-exempt		Tax- able	Wholly tax-exempt		
	Wholly	Partially			Wholly	Partially		Total	Issues of States and lo- calities	Issues of Territories and insular possessions

# OUTSTANDING

								4,565	4,528	37
								4,986	4,949	37
								5,457	5,417	40
								5,915	5,875	40
								6,336	6,290	46
								6,689	6,643	46
								7,089	7,042	47
								7,795	7,746	49
								8,537	8,476	61
								9,970	9,893	77
								10,718	10,598	120
								11,765	11,633	132
								12,964	12,830	134
								13,813	13,664	149
								14,893	14,735	158
								15,860	15,699	161
								16,922	16,760	162
								18,150	17,985	165
								19,222	19,060	162
								19,490	19,330	160
								19,672	19,517	155
								18,973	18,823	150
								19,116	18,972	144
								19,357	19,212	145
								19,298	19,152	146
								19,316	19,170	146
								19,776	19,626	150
								20,044	19,891	153
								20,007	19,860	147
								19,517	19,379	138
350		350		111	111					
1,585		1,585		460	274	186				
4,547		4,547		401	401					
7,778		7,778		450	450					
8,748		8,748		730	730					
8,295		8,295		1,062	1,062					
5,732		5,731		1,221	1,221					
5,732		5,722		1,506	1,506					
5,610	8	5,646		1,659	1,659					
6,670	8	5,710	952	1,789	1,789					
8,636	8	2,915	5,713	1,866	1,866					
				1,867	1,867					
				1,871	1,871					
				1,885	1,885					
				1,780	1,780					
				1,694	1,694					
				2,187	2,187					
				2,399	2,399					
				2,319	2,318					
				2,257	2,229	25				
				2,262	2,151	106	1			
				2,265	2,082	175	3			
				2,199	2,054	134	8			
				2,200	1,913	161	11			
				2,210	1,721	109	126			

TABLE 99.—Estimated amount of interest-bearing securities issued by all govern  
by tax status and by

[In millions]

June 30—	Grand total					U. S. Government <sup>1</sup>					
	Total	Tax-exempt			Tax- able	U. S. Gov- ern- ment special issues to Gov- ern- ment agencies and trust funds	Total	Tax-exempt		Tax- able	Special issues to Gov- ern- ment agencies and trust funds
		Total	Wholly	Parti- ally				Wholly	Parti- ally		
1913.....											
1914.....	1	1		1			1	1			
1915.....	1	1		1			1	1			
1916.....	2	2		2			2	2			
1917.....	2	2		2			2	2			
1918.....	*148	*148	61	*87			*91	4		*87	
1919.....	*616	*616	142	*474			*479	5		*474	
1920.....	*411	*411	173	*238			*245	7		*238	
1921.....	542	542	191	351			358	8		351	
1922.....	571	571	147	424			432	8		424	
1923.....	521	521	111	410			419	9		410	
1924.....	497	497	113	384			394	10		384	
1925.....	651	556	132	424		95	530	10		424	95
1926.....	789	585	141	444		204	658	10		444	204
1927.....	863	504	114	390		359	759	10		390	359
1928.....	957	495	115	380		462	853	11		380	462
1929.....	1,021	414	116	298		607	916	11		298	607
1930.....	1,108	344	152	192		764	1,001	45		192	764
1931.....	571	280	137	143		291	464	30		143	291
1932.....	1,058	749	125	624		309	601	18		274	309
1933.....	2,401	2,078	208	1,870		323	684	76		285	323
1934.....	5,186	4,790	675	4,115		396	1,325	205		724	396
1935.....	6,946	6,313	1,413	4,900		633	1,649	139		877	633
1936.....	*7,708	*7,082	*1,485	5,597		626	*1,952	*144	1,182		626
1937.....	8,608	7,050	1,476	5,574		1,558	3,252	113	1,581		1,558
1938.....	7,051	4,375	1,483	2,892		2,676	4,462	98	1,688		2,676
1939.....	7,438	3,667	1,364	2,303	1	3,770	5,600	86	1,744		3,770
1940.....	8,516	3,688	1,417	2,271	53	4,775	6,803	86	1,942		4,775
1941.....	10,315	3,725	1,571	2,154	470	6,120	8,225	58	1,887	160	6,120
1942.....	16,268	3,633	1,603	2,030	4,750	7,885	10,340	53	1,800	602	7,885

Footnotes on p. 654.



TABLE 99.—*Estimated amount of interest-bearing securities issued by all governmental status and by*

[In millions]

June 30—	Total	U. S. Government				Federal instrumentalities: Guaranteed issues		
		Total	Wholly tax- exempt	Partially tax- exempt	Taxable	Total	Partially tax- exempt	Taxable
C. HELD BY FEDERAL RESERVE BANKS								
1913.....								
1914.....								
1915.....	8	8	8					
1916.....	57	57	57					
1917.....	66	66	66					
1918.....	255	255	58	197				
1919.....	292	292	25	267				
1920.....	341	341	25	316				
1921.....	259	259	22	237				
1922.....	555	555	17	538				
1923.....	102	102	12	90				
1924.....	431	431	6	425				
1925.....	353	353	3	350				
1926.....	385	385	3	382				
1927.....	370	370	3	367				
1928.....	235	235	3	232				
1929.....	216	216	3	213				
1930.....	591	591	301	290				
1931.....	668	668	451	217				
1932.....	1,784	1,784	1,422	362				
1933.....	1,998	1,998	1,582	416				
1934.....	2,432	2,432	1,990	442				
1935.....	2,433	2,433	2,143	290				
1936.....	2,430	2,430	2,115	315				
1937.....	2,526	2,526	1,794	732				
1938.....	2,564	2,564	1,820	744				
1939.....	2,551	2,551	1,640	911				
1940.....	2,467	2,468	1,128	1,330		9	9	
1941.....	2,184	2,179	775	1,208	196	5	5	
1942.....	2,645	2,640	634	1,179	827	5	2	3

Footnotes on p. 654.

units in the United States outstanding on June 30, 1913 to 1942, classified by tax type of issuer <sup>1</sup>—Continued

of dollars]

June 30—	Total	U. S. Government			States, counties, cities, etc. (wholly tax-exempt)	Territories and insular possessions (wholly tax-exempt)
		Total	Partially tax-exempt	Taxable		

D. HELD IN SINKING FUNDS OF STATES, LOCALITIES, TERRITORIES, AND INSULAR POSSESSIONS

1913.....	621				620	1
1914.....	670				669	1
1915.....	736				735	1
1916.....	794				793	1
1917.....	861				860	1
1918.....	950				949	1
1919.....	1,053				1,052	1
1920.....	1,081				1,080	1
1921.....	1,094				1,090	4
1922.....	1,329				1,328	1
1923.....	1,508				1,506	2
1924.....	1,634				1,627	7
1925.....	1,762				1,753	9
1926.....	1,904				1,889	15
1927.....	2,037				2,020	17
1928.....	2,151				2,139	12
1929.....	2,296				2,281	15
1930.....	2,431				2,418	13
1931.....	2,155				2,141	14
1932.....	1,472	50	50		1,399	23
1933.....	1,492	51	51		1,417	24
1934.....	1,513	52	52		1,436	25
1935.....	1,534	54	54		1,454	26
1936.....	1,554	55	55		1,473	26
1937.....	1,578	61	61		1,491	26
1938.....	1,583	59	59		1,501	23
1939.....	1,612	61	61		1,530	21
1940.....	1,637	77	77		1,535	25
1941.....	1,680	108	108		1,549	23
1942.....	1,700	151	91	60	1,525	24

E. HELD IN TRUST AND INVESTMENT FUNDS OF STATES, LOCALITIES, TERRITORIES, AND INSULAR POSSESSIONS

1937 <sup>2</sup> .....	2,479	200	200		2,279	
1938.....	2,603	210	210		2,393	
1939.....	2,742	221	221		2,513	8
1940.....	2,768	259	259		2,500	9
1941.....	2,808	284	284		2,520	4
1942.....	3,046	471	256	215	2,575	

TABLE 99.—*Estimated amount of interest-bearing securities issued by all governmental status and*

(In millions)

June 30—	Grand total					U. S. Government <sup>2</sup>				
	Total	Tax-exempt			Tax- able	U. S. Gov- ern- ment special issues to Gov- ern- ment agencies and trust funds	Total	Tax-exempt		Tax- able
		Total	Wholly	Parti- ally				Wholly	Parti- ally	
										Special issues to Gov- ern- ment agencies and trust funds

## F. TOTAL AMOUNT HELD BY

## 1. 1913-36: EXCLUDES HOLDINGS BY TRUST AND INVESTMENT FUNDS

1913	621	621	621				1	1		
1914	671	671	671				9	9		
1915	745	745	745				59	59		
1916	853	853	853				68	68		
1917	929	929	929				346	62	284	
1918	* 1,353	* 1,353	1,069	* 284			* 771	30	* 741	
1919	* 1,961	* 1,961	1,220	* 741			* 586	32	* 554	
1920	* 1,833	* 1,833	1,279	* 554			617	30	588	
1921	1,895	1,895	1,307	588			987	25	962	
1922	2,455	2,455	1,493	962			521	21	500	
1923	2,131	2,131	1,631	500			825	16	809	
1924	2,562	2,562	1,753	809			95	883	13	774
1925	2,766	2,671	1,897	774			204	1,043	13	826
1926	3,078	2,874	2,048	826			359	1,129	13	757
1927	3,270	2,911	2,154	757			462	1,068	14	612
1928	3,343	2,881	2,269	612			607	1,132	14	511
1929	3,533	2,926	2,415	511			764	1,592	346	482
1930	4,130	3,366	2,884	482			291	1,132	481	360
1931	3,394	3,103	2,743	360			309	2,435	1,440	686
1932	4,314	4,005	2,969	1,036			323	2,733	1,658	752
1933	5,891	5,568	3,231	2,337			396	3,809	2,195	1,218
1934	9,131	8,735	4,126	4,609			633	4,136	2,282	1,221
1935	10,913	10,280	5,030	5,244			626	* 4,437	* 2,259	1,558
1936	* 11,692	* 11,066	* 5,099	5,967						

## 2. 1937-42: INCLUDES HOLDINGS BY TRUST AND INVESTMENT FUNDS

1937	15,191	13,633	7,066	6,567		1,558	6,039	1,907	2,574		1,558
1938	13,801	11,125	7,220	3,905		2,676	7,295	1,918	2,701		2,676
1939	14,343	10,572	7,076	3,496	1	3,770	8,433	1,726	2,937		3,770
1940	15,388	10,560	6,614	3,946	53	4,775	9,597	1,214	3,608		4,775
1941	16,987	10,201	6,442	3,759	666	6,120	10,796	833	3,487	356	6,120
1942	23,659	9,919	6,361	3,558	5,855	7,885	13,602	687	3,326	1,704	7,885

Footnotes on p. 654.

units in the United States outstanding on June 30, 1913 to 1942, classified by tax by type of issuer<sup>1</sup>—Continued

of dollars]

Federal instrumentalities: Guaranteed issues <sup>2</sup>				Federal instrumentalities: Non-guaranteed issues <sup>3</sup>				State, local, and territorial governments		
Total	Tax-exempt		Tax- able	Total	Tax-exempt		Tax- able	Wholly tax-exempt		
	Wholly	Parti- ally			Wholly	Parti- ally		Total	Issues of States and localities	Issues of Territories and insular possessions

# GOVERNMENTAL FUNDS, ETC.

## OF STATES, LOCALITIES, TERRITORIES, AND INSULAR POSSESSIONS

-----	-----	-----	-----	-----	-----	-----	-----	621	620	1
-----	-----	-----	-----	-----	-----	-----	-----	670	669	1
-----	-----	-----	-----	-----	-----	-----	-----	736	735	1
-----	-----	-----	-----	-----	-----	-----	-----	794	793	1
-----	-----	-----	-----	-----	-----	-----	-----	861	860	1
-----	-----	-----	-----	-----	-----	-----	-----	950	949	1
-----	-----	-----	-----	57	57	-----	-----	1,053	1,052	1
-----	-----	-----	-----	137	137	-----	-----	1,081	1,080	1
-----	-----	-----	-----	166	166	-----	-----	1,094	1,090	4
-----	-----	-----	-----	183	183	-----	-----	1,329	1,328	1
-----	-----	-----	-----	139	139	-----	-----	1,508	1,506	2
-----	-----	-----	-----	102	102	-----	-----	1,634	1,627	7
-----	-----	-----	-----	103	103	-----	-----	1,762	1,753	9
-----	-----	-----	-----	122	122	-----	-----	1,904	1,889	15
-----	-----	-----	-----	131	131	-----	-----	2,037	2,020	17
-----	-----	-----	-----	104	104	-----	-----	2,151	2,139	12
-----	-----	-----	-----	104	104	-----	-----	2,296	2,281	15
-----	-----	-----	-----	105	105	-----	-----	2,432	2,419	13
-----	-----	-----	-----	106	106	-----	-----	2,156	2,142	14
-----	-----	-----	-----	106	106	-----	-----	1,423	1,400	23
350	-----	350	-----	106	106	-----	-----	1,467	1,443	24
1,585	-----	1,585	-----	106	106	-----	-----	1,614	1,589	25
3,391	-----	3,391	-----	317	317	-----	-----	1,826	1,800	26
4,023	-----	4,023	-----	928	928	-----	-----	1,921	1,895	26
4,415	-----	4,415	-----	919	919	-----	-----			

## OF STATES, LOCALITIES, TERRITORIES, AND INSULAR POSSESSIONS

3,993	-----	3,993	-----	835	835	-----	-----	4,324	4,298	26
1,204	-----	1,204	-----	847	847	-----	-----	4,455	4,432	23
568	8	559	1	844	844	-----	-----	4,498	4,469	29
399	8	338	53	844	844	-----	-----	4,548	4,514	34
584	8	272	304	814	808	-----	6	4,793	4,766	27
4,374	8	232	4,134	524	807	-----	17	4,859	4,835	24

TABLE 99.—*Estimated amount of interest-bearing securities issued by all governmental status and by*

(In millions)

June 30—	Grand total					U. S. Government <sup>2</sup>				
	Total	Tax-exempt			Tax-able	U. S. Government special issues to Government agencies and trust funds	Total	Tax-exempt		Special issues to Government agencies and trust funds
		Total	Wholly	Partially				Wholly	Partially	

## G. PRIVATELY

## 1. 1913-36: INCLUDES HOLDINGS BY TRUST AND INVESTMENT FUNDS

1913.....	4,910	4,910	4,910	-----	-----	-----	966	966	-----	-----
1914.....	5,283	5,283	5,283	-----	-----	-----	967	967	-----	-----
1915.....	5,682	5,682	5,682	-----	-----	-----	961	961	-----	-----
1916.....	6,034	6,034	6,034	-----	-----	-----	913	913	-----	-----
1917.....	8,120	8,120	8,120	-----	-----	-----	2,645	2,645	-----	-----
1918.....	17,433	17,433	8,118	9,315	-----	-----	11,640	2,325	9,315	-----
1919.....	30,790	30,790	8,939	21,852	-----	-----	24,431	2,766	21,666	-----
1920.....	30,424	30,424	10,029	20,395	-----	-----	23,475	3,080	20,395	-----
1921.....	30,830	30,830	10,615	20,215	-----	-----	23,120	2,905	20,215	-----
1922.....	30,956	30,956	11,501	19,455	-----	-----	21,724	2,269	19,455	-----
1923.....	31,657	31,657	12,443	19,214	-----	-----	21,487	2,273	19,214	-----
1924.....	31,416	31,416	13,537	17,879	-----	-----	20,157	2,278	17,879	-----
1925.....	31,915	31,915	14,748	17,167	-----	-----	19,328	2,162	17,167	-----
1926.....	31,778	31,778	15,588	16,190	-----	-----	18,341	2,151	16,190	-----
1927.....	31,663	31,663	16,692	14,971	-----	-----	17,122	2,151	14,971	-----
1928.....	31,701	31,701	17,623	14,078	-----	-----	16,230	2,152	14,078	-----
1929.....	31,895	31,895	18,542	13,353	-----	-----	15,507	2,154	13,353	-----
1930.....	31,813	31,813	20,722	11,091	-----	-----	14,330	3,239	11,091	-----
1931.....	34,232	34,232	22,778	11,454	-----	-----	15,387	3,933	11,454	-----
1932.....	36,468	36,468	25,086	11,382	-----	-----	16,727	5,345	11,382	-----
1933.....	39,218	39,218	27,945	11,273	-----	-----	19,425	8,152	11,273	-----
1934.....	43,005	43,005	28,832	14,173	-----	-----	22,620	9,603	13,017	-----
1935.....	45,937	45,937	29,411	16,526	-----	-----	23,421	10,650	12,771	-----
1936.....	51,488	51,487	31,222	20,265	1	-----	28,319	12,387	15,932	-----

## 2. 1937-42: EXCLUDES HOLDINGS BY TRUST AND INVESTMENT FUNDS

1937.....	50,462	50,459	27,968	22,491	3	-----	29,764	11,600	18,164	-----
1938.....	50,088	50,082	25,063	25,019	6	-----	29,284	8,898	20,386	-----
1939.....	53,322	53,313	23,820	29,493	9	-----	34,459	7,304	24,155	-----
1940.....	54,845	54,831	23,634	31,197	14	-----	32,783	6,928	25,855	-----
1941.....	60,295	52,662	20,390	32,272	7,633	-----	37,609	4,071	26,673	6,865
1942.....	78,745	48,682	19,145	29,537	30,063	-----	58,439	3,573	26,745	28,121

<sup>1</sup> Revised.

<sup>2</sup> The "total amount outstanding" of securities of the several issuers differs from the gross indebtedness of these issuers in that the former excludes noninterest-bearing debt. The "total privately held securities" differs from the net indebtedness of the borrowers in several additional respects. The former is derived by deducting from the total amount of securities outstanding the amount of all securities held by the United States Government, Federal agencies, Federal Reserve Banks, and by public sinking, trust, and investment funds. Net indebtedness, on the other hand, is derived by deducting from the gross indebtedness an amount equivalent to the total volume of sinking fund assets of the respective borrowers, but makes no allowance for any other public assets.

<sup>3</sup> On basis of daily Treasury statements (revised), see p. 387.

<sup>4</sup> Guaranteed securities consist of Commodity Credit Corporation notes, Home Owners' Loan Corporation bonds (including those guaranteed as to interest only), Reconstruction Finance Corporation notes, Tennessee Valley Authority bonds (including certain bonds issued "on credit of the United States"), and United States Housing Authority (now Federal Public Housing Authority) notes and exclude stocks and inter-agency loans. Includes securities of Federal instrumentalities issued directly to and held by the Treasury.



units in the United States outstanding on June 30, 1913 to 1942, classified by tax type of issuer<sup>1</sup>—Continued<sup>2</sup>

of dollars]

Federal instrumentalities: Guaranteed issues <sup>3</sup>				Federal instrumentalities: Non-guaranteed issues <sup>4</sup>				State, local, and territorial governments		
Tax-exempt		Tax- able		Tax-exempt		Tax- able		Wholly tax-exempt		
Total	Wholly			Total	Wholly			Total	Issues of States and localities	Issues of Territories and insular possessions

### HELD SECURITIES

#### OF STATES, LOCALITIES, TERRITORIES, AND INSULAR POSSESSIONS

								3,944	3,908	36
								4,316	4,280	36
								4,721	4,682	39
								5,121	5,082	39
								5,475	5,430	45
				54	54			5,739	5,694	45
				* 323	137	* 186		6,036	5,990	46
				235	235			6,714	6,666	48
				267	267			7,443	7,386	57
				591	591			8,641	8,565	76
				960	960			9,210	9,092	118
				1,128	1,128			10,131	10,006	125
				1,384	1,384			11,202	11,077	125
				1,528	1,528			11,909	11,775	134
				1,685	1,685			12,856	12,715	141
				1,762	1,762			13,709	13,560	149
				1,762	1,762			14,626	14,479	147
				1,765	1,765			15,718	15,566	152
				1,779	1,779			17,066	16,918	148
				1,674	1,674			18,067	17,930	137
				1,588	1,588			18,205	18,074	131
1,156		1,156		1,870	1,870			17,359	17,234	125
3,755		3,755		1,471	1,471			17,290	17,172	118
4,333		4,333		1,400	1,399		1	17,436	17,317	119

#### OF STATES, LOCALITIES, TERRITORIES, AND INSULAR POSSESSIONS

4,302		4,302		1,422	1,394	25	3	14,974	14,854	120
4,528		4,527	1	1,415	1,304	106	5	14,861	14,738	123
5,164		5,163	1	1,421	1,238	175	8	15,278	15,157	121
5,211		5,208	3	1,355	1,210	134	11	15,496	15,377	119
6,086		5,438	648	1,386	1,105	161	120	15,214	15,094	120
4,262		2,683	1,579	1,386	914	109	363	14,658	14,544	114

<sup>1</sup> Includes Electric Home and Farm Authority notes, Federal intermediate credit bank debentures, Federal land bank bonds (both those issued by the individual banks and the consolidated series), Federal National Mortgage Association notes, home loan bank debentures, War Finance Corporation bonds, and joint stock land bank bonds. Excludes stocks and interagency loans.

<sup>2</sup> Excludes Federal Reserve Banks and joint stock land banks. Includes individual Indian trust funds and securities held by the exchange stabilization fund.

<sup>3</sup> Data for earlier years not available.

NOTE.—The figures on United States Government securities have been revised to provide a separate classification for United States Government special issues to Government agencies and trust funds.

TABLE 100.—*Estimated ownership of all interest-bearing Government securities outstanding, classified by issuer and by tax status, June 30, 1937 to 1942*[Par value. In billions of dollars <sup>1</sup>]

June 30—	Total all securities	Tax-exempt securities								Taxable securities <sup>2</sup>					U. S. Government special issues to Government agencies and trust funds
		Total tax-exempt securities	Wholly tax-exempt <sup>3</sup>				Partially tax-exempt <sup>4</sup>				Total taxable securities	Detail by issuer			
			Total wholly tax-exempt securities	Detail by issuer			Total partially tax-exempt securities	Detail by issuer							
				U. S. Government	Federal instrumentalities not guaranteed by United States <sup>5</sup>	State and local governments, Territories, and insular possessions		U. S. Government	Federal instrumentalities						
									Guaranteed by United States	Not guaranteed by United States		U. S. Government	Guaranteed by United States	Not guaranteed by United States <sup>6</sup>	
1. Total amount outstanding															
1937.....	65.6	64.0	35.0	13.5	2.2	19.3	29.0	20.7	8.3	-----	-----	-----	-----	-----	1.6
1938.....	63.9	61.2	32.3	10.8	2.2	19.3	28.9	23.1	5.7	0.1	-----	-----	-----	-----	2.7
1939.....	67.7	63.9	30.9	9.0	2.1	19.8	33.0	27.1	5.7	.2	-----	-----	-----	-----	3.8
1940.....	70.2	65.3	30.2	8.1	2.1	20.0	35.1	29.5	5.5	.1	0.1	-----	0.1	-----	4.8
1941.....	77.2	62.8	26.8	4.9	1.9	20.0	36.0	30.2	5.7	.1	8.3	7.2	1.0	0.1	6.1
1942.....	102.4	58.6	25.5	4.3	1.7	19.5	33.1	30.1	2.9	.1	35.9	29.8	5.7	.4	7.9
2. Held by Government funds, etc. <sup>8</sup>															
1937.....	15.1	13.5	7.0	1.9	0.8	4.3	6.5	2.5	4.0	-----	-----	-----	-----	-----	1.6
1938.....	13.8	11.1	7.2	1.9	.8	4.5	3.9	2.7	1.2	-----	-----	-----	-----	-----	2.7
1939.....	14.3	10.5	7.0	1.7	.8	4.5	3.5	2.9	.6	-----	-----	-----	-----	-----	3.8
1940.....	15.4	10.5	6.6	1.2	.8	4.6	3.9	3.6	.3	-----	0.1	-----	0.1	-----	4.8
1941.....	17.0	10.3	6.5	.9	.8	4.8	3.8	3.5	.3	-----	.6	0.3	.3	-----	6.1
1942.....	23.6	9.9	6.4	.7	.8	4.9	3.5	3.3	.2	-----	5.8	1.7	4.1	-----	7.9

## 3. Privately held securities outstanding

1937.....	50.5	50.5	28.0	11.6	1.4	15.0	22.5	18.2	4.3	-----	-----	-----	-----	-----
1938.....	50.1	50.1	25.1	8.9	1.4	14.8	25.0	20.4	4.5	0.1	-----	-----	-----	-----
1939.....	53.4	53.4	23.9	7.3	1.3	15.3	29.5	24.2	5.1	.2	-----	-----	-----	-----
1940.....	54.8	54.8	23.6	6.9	1.3	15.4	31.2	25.9	5.2	.1	-----	-----	-----	-----
1941.....	60.2	52.5	20.3	4.0	1.1	15.2	32.2	26.7	5.4	.1	7.7	6.9	0.7	0.1
1942.....	78.8	48.7	19.1	3.6	.9	14.6	29.6	26.8	2.7	.1	30.1	28.1	1.6	.4

## 4. Held by commercial banks

1937.....	17.7	17.7	9.0	5.9	0.3	2.8	8.7	6.5	2.2	-----	-----	-----	-----	-----
1938.....	17.3	17.3	7.7	4.6	.3	2.8	9.6	7.1	2.4	0.1	-----	-----	-----	-----
1939.....	19.4	19.4	7.3	3.8	.3	3.2	12.1	8.7	3.2	.2	-----	-----	-----	-----
1940.....	20.7	20.7	7.6	3.7	.3	3.6	13.1	9.5	3.5	.1	-----	-----	-----	-----
1941.....	24.0	20.0	6.1	2.1	.3	3.7	13.9	10.1	3.7	.1	4.0	3.4	0.5	0.1
1942.....	30.5	18.7	5.5	1.7	.2	3.6	13.2	11.4	1.7	.1	11.8	10.1	1.3	.4

## 5. Held by mutual savings banks

1937.....	3.2	3.2	1.1	0.3	-----	0.8	2.1	1.9	0.2	-----	-----	-----	-----	-----
1938.....	3.4	3.4	.9	.2	-----	.7	2.5	2.2	.3	-----	-----	-----	-----	-----
1939.....	3.7	3.7	.9	.3	-----	.6	2.8	2.4	.4	-----	-----	-----	-----	-----
1940.....	3.7	3.7	.9	.3	-----	.6	2.8	2.3	.5	-----	-----	-----	-----	-----
1941.....	3.9	3.0	.6	.1	-----	.5	2.4	2.1	.3	-----	0.9	0.9	-----	-----
1942.....	4.4	2.1	.5	.1	-----	.4	1.6	1.5	.1	-----	2.3	2.2	0.1	-----

## 6. Held by insurance companies

1937.....	6.8	6.8	3.1	1.3	-----	1.8	3.7	3.1	0.6	-----	-----	-----	-----	-----
1938.....	7.4	7.4	2.8	.9	-----	1.9	4.6	3.9	.7	-----	-----	-----	-----	-----
1939.....	7.9	7.9	2.6	.6	-----	2.0	5.3	4.7	.6	-----	-----	-----	-----	-----
1940.....	8.6	8.6	2.5	.4	-----	2.1	6.1	5.6	.5	-----	-----	-----	-----	-----
1941.....	9.1	8.3	2.3	.2	-----	2.1	6.0	5.5	.5	-----	0.8	0.7	0.1	-----
1942.....	11.0	8.0	2.2	.1	-----	2.1	5.8	5.5	.3	-----	3.0	2.9	.1	-----

Footnotes at end of table.

TABLE 100.—*Estimated ownership of all interest-bearing Government securities outstanding, classified by issuer and by tax status, June 30, 1937 to 1942—Continued*[Par value. In billions of dollars <sup>1</sup>]

June 30—	Total all securities	Tax-exempt securities								Taxable securities <sup>2</sup>				U. S. Gov- ern- ment special issues to Gov- ern- ment agencies and trust funds	
		Total tax- exempt securities	Wholly tax-exempt <sup>3</sup>				Partially tax-exempt <sup>4</sup>				Total taxable securities	Detail by issuer			
			Total wholly tax- exempt securities	Detail by issuer			Total partially tax- exempt securities	U. S. Gov- ern- ment	Detail by issuer						
				U. S. Gov- ern- ment	Federal instru- mentalities not guaranteed by United States <sup>5</sup>	State and local gov- ern- ments, Territories, and insular possessions			Guar- anteed by United States	Not guar- anteed by United States		U. S. Gov- ern- ment	Guar- anteed by United States		Not guar- anteed by United States <sup>5</sup>
7. Held by other corporations															
1937.....	2.8	2.8	1.8	1.1	0.1	0.6	1.0	0.7	0.3	-----	-----	-----	-----	-----	-----
1938.....	2.6	2.6	1.5	.8	.1	.6	1.1	.8	.3	-----	-----	-----	-----	-----	-----
1939.....	2.5	2.5	1.3	.6	.1	.6	1.2	.9	.3	-----	-----	-----	-----	-----	-----
1940.....	2.4	2.4	1.2	.6	.1	.5	1.2	1.0	.2	-----	-----	-----	-----	-----	-----
1941.....	2.4	2.0	.8	.2	.1	.5	1.2	1.0	.2	-----	0.4	0.4	-----	-----	-----
1942.....	5.7	2.0	.8	.2	.1	.5	1.2	1.0	.2	-----	3.7	3.7	-----	-----	-----
8. Held by tax-exempt institutions other than mutual savings banks															
1937.....	1.0	1.0	0.6	0.1	-----	0.5	0.4	0.3	0.1	-----	-----	-----	-----	-----	-----
1938.....	1.0	1.0	.6	.1	-----	.5	.4	.3	.1	-----	-----	-----	-----	-----	-----
1939.....	1.3	1.3	.8	.1	-----	.7	.5	.4	.1	-----	-----	-----	-----	-----	-----
1940.....	1.3	1.3	.8	.1	-----	.7	.5	.4	.1	-----	-----	-----	-----	-----	-----
1941.....	1.2	1.1	.6	-----	-----	.6	.5	.4	.1	-----	0.1	0.1	-----	-----	-----
1942.....	1.3	1.0	.6	-----	-----	.6	.4	.3	.1	-----	.3	.3	-----	-----	-----

## 9. Held by individuals, partnerships, and personal trust accounts

1937.....	19.0	19.0	12.4	2.9	1.0	8.5	6.6	5.7	0.9	-----	-----	-----	-----	-----
1938.....	18.4	18.4	11.6	2.3	1.0	8.3	6.8	6.1	.7	-----	-----	-----	-----	-----
1939.....	18.6	18.6	11.0	1.9	.9	8.2	7.6	7.1	.5	-----	-----	-----	-----	-----
1940.....	18.1	18.1	10.6	1.8	.9	7.9	7.5	7.1	.4	-----	-----	-----	-----	-----
1941.....	19.6	18.1	9.9	1.4	.7	7.8	8.2	7.6	.6	-----	1.5	1.4	0.1	-----
1942.....	25.9	16.9	9.5	1.5	.6	7.4	7.4	7.1	.3	-----	9.0	8.9	.1	-----

<sup>1</sup> Figures are rounded to tenth of a billion and will not necessarily agree with other published figures.

<sup>2</sup> Securities the income from which is subject to both the normal rates and the surtax rates of the Federal income tax.

<sup>3</sup> Securities the income from which is exempt from both the normal rates and the surtax rates of the Federal income tax.

<sup>4</sup> Securities the income from which is exempt only from the normal rates of the Federal income tax. In the case of partially tax-exempt (1) Treasury bonds and (2) United States savings bonds, interest derived from \$5,000 aggregate principal amount owned by any one holder is exempt from the surtax rates as well as the normal rates of the Federal income tax.

<sup>5</sup> Includes bonds of joint stock land banks.

<sup>6</sup> Comprises securities held by (1) U.S. Government agencies and trust funds (including exchange stabilization fund), (2) Federal Reserve Banks, and (3) sinking, trust, and investment funds of State and local governments and of Territories and insular possessions.

NOTE.—Figures represent par values with the following exceptions: (1) The holdings of commercial and mutual savings banks are book values, except that in the case of 1941 and 1942 the figures for securities issued or guaranteed by the United States are par values, (2) the holdings of individuals are residuals, and so deviate from par values in those cases where the figures for banks are book values.

## MISCELLANEOUS

TABLE 101.—*Net expenditures for Federal aid to States, individuals, etc. (exclusive of emergency appropriations from which grants are made to States\*), fiscal years 1920, 1941, and 1942, and amounts appropriated for 1943, by appropriations*

Appropriation titles	1920	1941	1942	1943
<b>I. APPROPRIATIONS FROM WHICH DIRECT PAYMENTS ARE MADE TO STATES, INDIVIDUALS, ETC., UNDER COOPERATIVE ARRANGEMENTS</b>				
<b>INDEPENDENT ESTABLISHMENTS</b>				
<i>Federal Power Commission</i>				
Payments to States under Federal Power Act (16 U. S. C. 810).....		\$20, 219. 32	\$28, 664. 39	* \$27, 750. 00
<i>U. S. Maritime Commission</i>				
State marine schools (34 U. S. C. 1121)....		\$ 159, 524. 05	( <sup>2</sup> )	( <sup>2</sup> )
<i>Federal Security Agency</i>				
Colleges for agriculture and mechanic arts (7 U. S. C. 321-343g).....	\$2, 500, 000. 00	2, 550, 000. 00	2, 550, 000. 00	2, 550, 000. 00
Further endowment of colleges of agriculture and the mechanic arts (7 U. S. C. 343e-343g; 54 Stat. 582).....		2, 480, 000. 00	2, 480, 000. 00	2, 480, 000. 00
Cooperative vocational education in agriculture (20 U. S. C. 11-30).....	707, 130. 02	( <sup>1</sup> )		
Cooperative vocational education in trades and industries (20 U. S. C. 11-30).....	780, 096. 35	( <sup>1</sup> )		
Cooperative vocational education, teachers, etc. (20 U. S. C. 11-30).....	619, 556. 42	( <sup>1</sup> )		
Cooperative vocational rehabilitation of persons disabled in industry (29 U. S. C. 31-45b).....		2, 181, 075. 32	2, 651, 502. 91	2, 800, 000. 00
Further development and promotion of vocational education (20 U. S. C. 15h-15p; 54 Stat. 583, 29-30; 29 U. S. C. 31-35).....		20, 084, 358. 96	20, 463, 320. 56	20, 935, 000. 00
Vocational education and training of defense workers (54 Stat. 632; 1033-1035; 55 Stat. 476-477).....		61, 900, 181. 20	99, 704, 280. 21	139, 000, 000. 00
Civilian Conservation Corps (16 U. S. C. 584-584g; 54 Stat. 581).....		256, 666, 664. 27	130, 850, 675. 49	
To promote the education of the blind (American Printing House for the Blind) (20 U. S. C. 101, 102).....	30, 000. 00	125, 000. 00	125, 000. 00	125, 000. 00
Expenses, Division of Venereal Diseases, Public Health Service (42 U. S. C. 24, 25; 52 Stat. 439, 440).....		5, 513, 954. 85	7, 644, 698. 25	12, 500, 000. 00
Grants to States for public health work, Social Security Act, Aug. 14, 1935 (42 U. S. C. 801-803).....		10, 748, 057. 71	11, 472, 994. 79	11, 000, 000. 00
Payment to States, United States Employment Service (29 U. S. C. 49-491).....		( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Grants to States under Social Security Act (42 U. S. C. 301-306, 1201-1206).....		392, 856, 124. 57	447, 011, 210. 64	495, 360, 000. 00
Grants to States for public employment offices (29 U. S. C. 49-491).....		3, 183, 856. 89	1, 590, 978. 03	3, 100, 000. 00
National Youth Administration (act June 26, 1940, 54 Stat. 590; 55 Stat. 487-488, 491-492).....		132, 932, 590. 36	128, 038, 635. 83	61, 274, 000. 00
<b>Total</b> .....	<b>4, 636, 782. 79</b>	<b>891, 221, 864. 13</b>	<b>854, 583, 296. 71</b>	<b>751, 124, 000. 00</b>

Footnotes at end of table.

TABLE 101.—*Net expenditures for Federal aid to States, individuals, etc. (exclusive of emergency appropriations from which grants are made to States\*), fiscal years 1920, 1941, and 1942, and amounts appropriated for 1943, by appropriations—Continued*

Appropriation titles	1920	1941	1942	1943 <sup>1</sup>
<b>I. APPROPRIATIONS FROM WHICH DIRECT PAYMENTS ARE MADE TO STATES, INDIVIDUALS, ETC., UNDER COOPERATIVE ARRANGEMENTS—CON.</b>				
INDEPENDENT ESTABLISHMENTS—CON.				
<i>Federal Works Agency <sup>11</sup></i>				
Cooperative construction of rural post roads (23 U. S. C. 21, 54) (see also items of similar type under class II)	\$20,305,622.75			
Federal-aid highway system (23 U. S. C. 1-24, 41, 21a, 23a, 41a)		\$114,362,025.47	\$103,784,813.10	\$60,000,000.00
Federal-aid secondary or feeder roads (act June 16, 1936, 49 Stat. 1521, sec. 7)		17,244,492.65	15,679,213.32	6,000,000.00
Elimination of grade crossings (act June 16, 1936, 49 Stat. 1521, sec. 8)		29,636,045.23	25,761,782.71	16,700,000.00
Public-lands highways (act June 16, 1936, 49 Stat. 1520, sec. 3)		1,421,955.99	811,590.00	500,000.00
Annual contributions, United States Housing Authority (42 U. S. C. 1410)		4,747,175.50	* 5,093,962.16	
<b>Total</b>	<b>20,305,622.75</b>	<b>167,411,694.84</b>	<b>151,131,361.29</b>	<b>83,200,000.00</b>
<i>Interdepartmental Social Hygiene Board</i>				
Payments for prevention and research, venereal diseases (41 Stat. 888)	1,759,262.72			
<i>National Housing Agency</i>				
Annual contributions, Federal Public Housing Authority * (42 U. S. C. 1410)			4,831,929.19	13,000,000.00
<i>Veterans' Administration</i>				
State and territorial homes for disabled soldiers and sailors (24 U. S. C. 134) (Annual appropriations under title "Salaries and expenses, Veterans' Administration")	1,094,584.44	1,365,185.65	1,320,494.57	2,500,000.00
<b>DEPARTMENT OF AGRICULTURE</b>				
Payments to States and Territories for agricultural experiment stations (7 U. S. C. 301-308, 361-386f, 369a, 427-427g)	1,440,000.00	6,861,422.75	6,925,277.54	6,926,208.00
Cooperative agricultural extension work (7 U. S. C. 301-308, 341-348, 343c-343e, 343f, 343g)	4,471,593.71	18,477,534.79	18,846,514.27	18,863,660.06
Payments to States and Territories from the national forests fund (16 U. S. C. 500)	1,069,886.88	1,432,580.71	1,532,968.33	<sup>2</sup> 1,525,306.00
Payments to school funds, Arizona and New Mexico, national forests fund (act June 20, 1910, 36 Stat. 561, 573, secs. 6, 24)	78,867.32	23,391.88	22,786.74	<sup>2</sup> 23,392.00
Forest-fire cooperation (16 U. S. C. 564-570)		1,979,309.00	2,181,505.00	4,000,000.00
Cooperative distribution of forest planting stock (16 U. S. C. 567)		78,055.84	82,652.98	( <sup>1</sup> )
Conservation and use of agricultural land resources (act Feb. 29, 1936, 16 U. S. C. 590G-590q)		438,456,498.72	442,951,494.80	450,000,000.00
Payments to counties from submarginal land program (7 U. S. C. 1012)		32,283.53	44,604.23	<sup>2</sup> 56,000.00
<b>Total</b>	<b>7,060,347.91</b>	<b>467,341,077.22</b>	<b>472,587,803.89</b>	<b>481,394,566.06</b>

Footnotes at end of table.

TABLE 101.—*Net expenditures for Federal aid to States, individuals, etc. (exclusive of emergency appropriations from which grants are made to States\*), fiscal years 1920, 1941, and 1942, and amounts appropriated for 1943, by appropriations—Continued,*

Appropriation titles	1920	1941	1942	1943 <sup>1</sup>
<b>I. APPROPRIATIONS FROM WHICH DIRECT PAYMENTS ARE MADE TO STATES, INDIVIDUALS, ETC., UNDER CORPORATIVE ARRANGEMENTS—Continued</b>				
<b>DEPARTMENT OF THE INTERIOR</b>				
Payments to States from receipts under Mineral Leasing Act (30 U. S. C. 191).....		\$1,945,518.66	\$2,161,804.19	<sup>2</sup> \$2,137,500.00
Payments to States under Grazing Act, June 28, 1934, public lands (43 U. S. C. 315).....		89,164.99	95,512.38	<sup>2</sup> 600,000.00
Payments to States under Grazing Act, June 28, 1934, Indian ceded lands (43 U. S. C. 315j).....				
Payments to counties from receipts under Migratory Bird Conservation Act (16 U. S. C. 715e).....		11,383.70	23,145.14	<sup>2</sup> 24,500.00
Payment to States of 5% of proceeds of public lands (receipt limitation) (31 U. S. C. 711, par. 17; annual appropriation provided for 1942, act June 28, 1941, 55 Stat. 310).....		9,364.13		2,500.00
Revested Oregon and California Railroad and reconveyed Coos Bay wagon-road-grant lands, Oregon (reimbursable) (act Aug. 28, 1937, 50 Stat. 874).....		167,536.48		248,750.00
Payment of proceeds of sales of Coos Bay wagon-road-grant lands and timber (receipt limitation) (act Feb. 26, 1919, 40 Stat. 1179).....		5,762.10		
Payments to Coos and Douglas Counties, Oreg., in lieu of taxes on Coos Bay wagon-road-grant lands (act May 24, 1939, 53 Stat. 753).....		29,486.95	27,780.88	<sup>2</sup> 30,000.00
Payment to certain counties in Oregon in lieu of taxes on Oregon and California grant lands (receipt limitation) (act June 9, 1916, 39 Stat. 222, sec. 10, and various supplemental acts; additional annual appropriation provided for 1939, act June 25, 1938, 52 Stat. 1129).....		( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Payment to counties, Oregon and California grant lands (50%).....				
Payment to counties in lieu of taxes on Oregon and California grant lands, 25 per centum fund (25%) (act Aug. 28, 1937, 50 Stat. 875).....		558,606.36	669,364.92	<sup>2</sup> 750,000.00
Payment to Oklahoma from royalties, oil and gas, south half of Red River (receipt limitation) (act Mar. 4, 1923, 30 U. S. C. 233).....		10,382.30		4,000.00
Payment to States from potash deposits, royalties and rentals (act Feb. 7, 1927, secs. 5 and 6 (30 U. S. C. 149, 285, 286)).....		142,151.53	80,253.66	<sup>2</sup> 125,000.00
Payment to Alaska under Alaska Game Law (48 U. S. C. 199, Subdiv. K).....		21,763.75	21,940.40	<sup>2</sup> 25,000.00
		2,991,120.95	3,079,801.57	3,947,250.00
<b>DEPARTMENT OF LABOR</b>				
Grants to States under Social Security Act, Aug. 14, 1935 (42 U. S. C. 701-705, 711-715, 721).....		10,931,320.69	11,507,968.52	11,200,000.00
<b>NAVY DEPARTMENT</b>				
State marine schools, act Mar. 4, 1911 (34 U. S. C. 1121).....	\$176,689.36	( <sup>3</sup> )	<sup>2</sup> 192,689.80	<sup>3</sup> 350,000.00
Total class I.....	35,033,289.97	1,541,442,006.85	1,499,264,009.93	1,346,743,566.06

Footnotes at end of table.



TABLE 101.—*Net expenditures for Federal aid to States, individuals, etc. (exclusive of emergency appropriations from which grants are made to States\*), fiscal years 1920, 1941, and 1942, and amounts appropriated for 1943, by appropriations—Continued*

Appropriation titles	1920	1941	1942	1943 <sup>1</sup>
<b>II. APPROPRIATIONS FOR COOPERATIVE WORK WITH STATES</b>				
<b>DEPARTMENT OF AGRICULTURE</b>				
Cooperative construction, etc., of roads and trails, national forests (act July 11, 1916, 39 Stat. 358).....	\$1,699,043.82	( <sup>9</sup> )	( <sup>9</sup> )	( <sup>9</sup> )
Federal forest road construction (act Feb. 28, 1919, 40 Stat. 1201).....	2,550,513.26			( <sup>9</sup> )
Forest roads and trails (23 U. S. C. 23, 23a).....		\$3,366,766.76	<sup>10</sup> \$3,021,816.37	\$7,000,000.00
Forest reserve fund, roads and trails for States (16 U. S. C. 501).....				
Cooperative fire protection of forested watersheds of navigable streams (16 U. S. C. 563).....	86,886.73			
Cooperative farm forestry (16 U. S. C. 567-568b).....				700,000.00
	4,336,443.81	8,366,766.76	8,021,816.37	7,700,000.00
<b>DEPARTMENT OF THE INTERIOR</b>				
Federal aid, wildlife restoration (act Sept. 2, 1937, 50 Stat. 917).....		1,136,258.45	1,425,165.65	1,250,000.00
<b>WAR DEPARTMENT</b>				
National Guard (32 U. S. C. 21, 22).....	2,663,485.27	65,702,245.05	933,101.19	99,900.00
Total class II.....	6,999,929.08	75,205,270.26	10,380,083.21	9,049,900.00
Grand total <sup>11</sup> .....	42,033,219.05	1,616,647,277.11	1,509,644,093.14	1,355,793,466.06

\*Expenditures by States under allotments from emergency appropriations are included or shown under columns 17, 19, 22, 30, 31, 32, and 33 of the following table, with accompanying explanatory footnotes.

<sup>1</sup> In addition to the amounts appropriated for the service of the fiscal year 1943, as shown in this column, there are under many of the titles unexpended balances of appropriations provided for previous years which are available for expenditure during 1943 to meet outstanding obligations incurred in such previous years.

<sup>2</sup> Indefinite (special account). Appropriation based on certain receipts. Amount for 1943 is estimated.

<sup>3</sup> Transferred from Navy Department to the U. S. Maritime Commission by Reorganization Plan No. IV, effective June 30, 1940; however, on Feb. 28, 1942, it was transferred back to Navy Department by Executive Order No. 9083. The 1942 expenditures are stated under Navy Department, although \$102,633.17 represents expenditures by U. S. Maritime Commission prior to the date of transfer. The 1943 appropriations are also stated under Navy Department.

<sup>4</sup> These accounts discontinued, but their functions are continued under the two accounts immediately following.

<sup>5</sup> This account discontinued in 1941 and its functions continued under "Grants to States for public employment offices."

<sup>6</sup> This amount represents expenditures from July 1, 1941, to Feb. 28, 1942, when the functions of the U. S. Housing Authority were transferred to the Federal Public Housing Authority of the National Housing Agency. Expenditures subsequent to Feb. 28, 1942, and the 1943 appropriation are stated under the National Housing Agency below.

<sup>7</sup> Appropriation consolidated under "Cooperative farm forestry" in class II of this statement.

<sup>8</sup> Expenditures under this caption now stated under the two combined accounts immediately following.

<sup>9</sup> Consolidated with "Forest roads and trails" immediately following.

<sup>10</sup> Consists of \$3,615,820.06 expended by Department of Agriculture and \$4,405,996.31 expended by Federal Works Agency, Public Roads Administration.

<sup>11</sup> Expenditures for Public Buildings Administration for the fiscal years 1920 and 1941 are excluded from this table as that agency does not make payments to States, individuals, etc., under cooperative arrangements.

NOTE.—The expenditures shown in this table include administrative expenses in some cases. Data for the fiscal years 1921 to 1930 are shown in the annual report for 1930, pp. 617 to 622, and for the fiscal years 1931 to 1940, in corresponding tables in the annual reports for those years.

TABLE 102.—*Expenditures made by the Government as direct payments to States, etc., under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1942*<sup>1</sup>

[The records of the Treasury Department, except in the cases mentioned in notes at end of this statement, do not show the amounts disbursed or allotted to the several States and Territories under the respective appropriations shown in this statement, such matters being under the control of the department or establishment of the Government that administers the activities covered by the appropriations. The Department, however, for general information has compiled from its records so far as available, and in other cases from figures furnished by the departments and establishments concerned, the following statement, exhibiting by States and Territories the amounts paid to each under the appropriations for Federal aid to States shown under classes I and II in the preceding table. Any discrepancies between this and the preceding table are due to unavoidable differences in the bases upon which these figures have been compiled. The amounts in this table, derived from the accounts of various departments and establishments, are not on the same accounting bases, and are consequently not strictly comparable.]

PART A.—DIRECT PAYMENTS TO STATES, ETC., UNDER COOPERATIVE ARRANGEMENTS

States, etc.	Department of Agriculture					Department of the Interior			U. S. Maritime Commission—State marine schools <sup>6</sup>	Federal Power Commission—Payments to States under Federal Power Act	Veterans' Administration—State and territorial homes for disabled soldiers and sailors
	Agricultural experimental stations	Agricultural extension work	Forest funds, etc. <sup>2</sup>	Roads and trails <sup>3</sup>	Payments to counties from submarginal land program	Wildlife restoration <sup>4</sup>	Payments from receipts under Mineral Leasing Act	Payments under certain special funds <sup>5</sup>			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Alabama	\$172,695.12	\$695,062.82	\$76,162.48	\$31,634.74	\$95.95	\$39,081.92	\$2,135.99				
Arizona	103,285.16	117,664.35	111,006.01	153,018.98	1.32	25,974.01	1,089.40	\$12,366.85		\$364.39	
Arkansas	153,647.83	578,790.37	142,409.60	62,041.36	1,726.46	16,371.13		9.02		20.82	
California	171,893.64	452,509.49	411,683.63	565,221.30	196.47	37,179.31	758,936.28	15,362.31	\$48,156.60	14,591.59	\$291,152.40
Colorado	112,430.96	211,338.52	100,025.69	173,822.84	2,345.15	26,004.52	54,679.93	6,686.36		551.73	19,719.00
Connecticut	112,250.59	131,684.36	17,496.00			6,626.35					81,556.74
Delaware	95,189.96	76,671.97	3,262.00		1.09	2,575.85					
District of Columbia				68,091.71							
Florida	124,782.16	229,447.67	143,773.00	24,637.61	447.20	50,193.08					
Georgia	177,522.92	732,718.71	99,522.52	41,067.95	1,051.62	26.55					
Idaho	104,219.84	154,227.74	207,609.70	457,028.18	1,239.88	35,916.24	326.13	4,310.02		1,648.11	14,562.60
Illinois	176,686.39	578,739.77	11,930.68	33,185.54	1,662.61	42,591.64					167,820.67
Indiana	152,900.44	468,336.72	12,699.53	13,874.20	19.71	53,654.16					58,909.51
Iowa	154,854.64	529,534.33	1,912.00			22,470.71					32,355.03
Kansas	140,050.96	401,841.36	2,045.00			17,694.57	2,006.99				18,346.14
Kentucky	171,533.32	665,118.33	29,621.12	29,290.25	5.92	8,916.10					
Louisiana	146,502.80	469,888.08	77,691.19	10,348.80	618.63	19,354.76	15,403.15				
Maine	110,692.16	156,066.44	52,145.87	1,237.59		14,482.24					
Maryland	120,259.72	197,699.05	16,252.00			8,438.56					
Massachusetts	108,672.57	137,271.81	36,698.00			9,771.83			40,299.55		108,571.99
Michigan	163,566.60	508,959.49	161,455.15	65,005.64		87,220.33				18.64	52,348.32
Minnesota	147,269.04	491,463.21	149,416.73	57,622.68	204.86	44,946.49				11.19	73,066.20
Mississippi	162,651.40	696,826.85	61,371.37	24,820.15	315.29	34,385.74	10.50			11.61	
Missouri	166,967.80	602,511.47	25,021.00	56,831.93	179.15	55,826.97					16,396.90
Montana	105,503.16	173,797.64	93,503.27	321,130.45	6,555.33	33,265.88	39,264.58	10,322.36		1,224.91	7,786.24
Nebraska	128,776.60	343,758.63	5,172.07	1,059.25	2,622.78	25,311.03	26.25	33.28			29,712.44

Nevada.....	92,734.64	73,178.64	18,881.75	35,252.75	547.84				815.62	
New Hampshire.....	98,507.40	93,200.82	30,121.49	24,376.45	4,956.60					6,899.00
New Jersey.....	121,260.32	171,129.45	38,114.00		18,339.52					28,241.10
New Mexico.....	104,516.00	142,889.85	46,643.39	137,400.51	22,114.48	414,840.43	76,638.34		7.94	
New York.....	184,464.56	488,784.09	73,467.00		75,438.63			\$26,360.05		417.20
North Carolina.....	196,085.56	854,263.08	97,771.17	55,965.94	29,994.24				35.16	
North Dakota.....	114,507.71	247,949.65	2,071.42		31,260.01	19,117.61	108.25			6,932.94
Ohio.....	183,717.64	624,513.35	10,496.54	2,208.74	39,733.23					114,261.00
Oklahoma.....	158,450.84	553,222.22	36,090.02	6,524.60	34,664.58	1,371.86	43,476.92			
Oregon.....	112,790.32	188,314.50	342,990.27	332,978.51	14,252.27		699,766.47		1,860.76	
Pennsylvania.....	225,322.64	644,633.07	60,082.30	16,806.77	79,062.25			77,873.60	37.75	36,126.82
Rhode Island.....	92,447.27	57,366.96	2,959.00		1,288.08				4.06	15,444.00
South Carolina.....	149,464.18	496,824.02	80,433.30	26,469.84	23,130.03					
South Dakota.....	114,432.44	259,909.04	35,211.64	15,282.08	8,560.53	3,216.70	1,962.39			24,008.40
Tennessee.....	167,136.04	661,328.30	52,548.12	28,917.22	10,922.03					
Texas.....	239,364.76	1,190,437.41	67,264.94	36,830.60	1,756.53					
Utah.....	100,503.68	121,037.04	36,424.21	98,121.65	319.26	70,559.34			1,122.79	
Vermont.....	100,371.60	112,747.63	13,925.26	12,610.87	3,554.12					11,156.40
Virginia.....	161,144.56	532,118.69	58,316.73	53,294.34	21,512.12				23.41	
Washington.....	123,254.64	237,814.68	433,044.55	295,559.30	75,693.40		1,847.33		5,783.71	58,839.40
West Virginia.....	145,859.16	351,611.44	44,258.74	35,646.21	21,241.77				2.30	
Wisconsin.....	150,224.20	485,565.21	112,808.96	40,096.05	25,754.13				3.21	42,718.20
Wyoming.....	96,759.52	108,615.74	49,725.72	92,646.13	51,394.08	778,819.05	21.94		175.41	3,145.84
Alaska.....	27,252.44	23,918.00	16,915.95	70,114.95	27,675.56				336.03	
Hawaii.....	76,686.40	126,271.42	3,220.00							
Panama.....										
Philippine Islands.....										
Puerto Rico.....	103,213.24	196,940.79	3,240.97	7,745.31					13.25	
Virgin Islands.....										
Total.....	6,925,277.54	18,846,514.27	3,819,913.05	3,615,820.06	44,604.23	1,470,251.19	2,161,804.19	872,911.84	192,689.80	28,664.39
										1,320,494.57

<sup>1</sup> Amounts shown in numbered columns are based upon figures furnished by the respective departments and agencies of the Government.

<sup>2</sup> Comprises \$1,532,968.33 payments from national forests fund; \$22,786.74 payments to school funds, national forests fund; \$2,181,505.00 forest fire cooperation; and \$82,652.98 cooperative distribution of forest planting stock.

<sup>3</sup> Comprises \$518,849.77 roads and trails for States, national forests fund; and \$3,096,970.29, forest roads and trails.

<sup>4</sup> Comprises \$1,425,165.65 under Wildlife Restoration Act, \$23,145.14 under Migratory Bird Conservation Act, and \$21,940.40 under Alaska Game Law.

<sup>5</sup> Comprises \$80,253.66 payment to States from potash deposits, royalties and rentals; \$447,014.48 payment to counties, Oregon and California grant lands; \$27,780.88 payment to Coos and Douglas Counties, Oreg., in lieu of taxes on Coos Bay wagon-road grant lands; \$222,350.44 payment to counties in lieu of taxes on Oregon and California grant lands, 25 per centum fund, and \$95,512.38 payment to States under Grazing Act of June 28, 1934.

<sup>6</sup> Represents expenditures of \$102,633.17 by U. S. Maritime Commission from July 1, 1941, to Feb. 28, 1942, and \$90,056.63 by Navy Department, Coast Guard, for the balance of the fiscal year. State marine schools were transferred to Navy Department, Coast Guard, by Executive Order No. 9083, dated Feb. 28, 1942.

TABLE 102.—Expenditures made by the Government as direct payments to States, etc., under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1942<sup>1</sup>—Continued

## PART A.—DIRECT PAYMENTS TO STATES, ETC., UNDER COOPERATIVE ARRANGEMENTS—Continued

States, etc.	Federal Security Agency					Federal Works Agency—Public roads, highways <sup>9 10</sup>	Total direct payments
	Office of Education		American Printing House for the Blind	Bureau of Employment Security <sup>7</sup>	Social Security Board—Payments to States under Social Security Act <sup>8</sup>		
	Colleges for agriculture and mechanic arts	Cooperative vocational education and rehabilitation					
	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Alabama.....	\$102,332.47	\$615,823.21	\$4,849.22	\$32,500.00	\$3,186,403.16	\$2,567,150.91	\$7,525,927.99
Arizona.....	75,698.05	109,396.78	985.00		3,111,933.84	1,462,055.94	5,284,840.08
Arkansas.....	92,248.29	457,151.19	2,121.53	22,500.00	3,248,459.18	1,909,389.18	6,686,885.96
California.....	148,833.74	1,034,910.94	3,693.74	78,095.00	47,731,640.50	4,779,800.66	56,543,857.60
Colorado.....	82,820.14	196,414.37	928.17	12,700.00	10,890,070.85	1,662,194.08	13,552,732.31
Connecticut.....	89,507.51	212,226.42	1,136.54	22,925.00	5,038,158.31	870,625.43	6,584,193.25
Delaware.....	73,041.61	109,659.95	(11)	6,425.00	610,513.42	425,383.58	1,402,724.43
District of Columbia.....		53,016.84	(11)		2,294,887.53	457,699.05	2,873,695.13
Florida.....	91,655.11	318,637.23	2,026.82	21,952.00	5,631,159.56	1,407,818.81	8,046,530.25
Georgia.....	105,650.94	690,898.52	2,386.72	37,500.00	5,687,196.31	1,950,864.63	9,526,407.39
Idaho.....	75,990.36	131,573.40	511.44	6,256.32	2,545,661.54	1,562,878.27	5,303,959.77
Illinois.....	160,130.90	1,139,948.05	5,928.94	92,420.00	32,331,462.56	3,668,238.05	38,410,745.80
Indiana.....	109,121.30	610,982.53	2,519.32	39,597.00	13,694,120.12	2,910,539.11	18,127,273.65
Iowa.....	98,969.15	412,313.42	3,220.19	29,926.26	8,854,442.27	2,465,284.00	12,605,282.00
Kansas.....	90,554.99	314,599.22	1,572.21	30,000.00	6,498,030.91	3,602,712.47	11,119,454.82
Kentucky.....	102,477.04	580,247.98	3,712.69	32,172.50	4,860,771.32	3,513,688.59	9,997,555.16
Louisiana.....	96,978.88	425,054.52	2,500.37	26,726.00	7,321,511.17	1,163,226.09	9,775,304.44
Maine.....	79,669.36	140,691.20	(11)	9,750.00	3,155,851.68	826,660.63	4,547,253.17
Maryland.....	90,785.79	255,077.24	1,799.52	20,591.00	4,471,929.90	1,538,955.48	6,721,788.26
Massachusetts.....	119,266.57	506,698.14	4,754.51	48,716.64	23,152,877.51	1,484,189.23	25,757,788.35
Michigan.....	129,987.73	841,231.41	5,493.26	61,250.00	19,238,365.95	3,209,636.32	24,524,538.84
Minnesota.....	101,868.41	481,702.28	3,277.00	31,570.00	12,505,997.08	5,447,220.43	19,535,635.60
Mississippi.....	94,923.58	513,588.84	2,064.70	24,690.00	3,064,054.01	3,263,581.25	7,943,295.29
Missouri.....	113,194.22	682,961.91	1,988.94	45,000.00	14,422,465.34	4,618,685.92	20,808,031.55
Montana.....	76,385.05	142,286.90	397.78	6,510.13	2,786,872.77	2,203,737.65	6,008,544.10
Nebraska.....	85,017.57	265,412.16	966.05	14,877.00	5,234,008.91	2,237,377.62	8,374,131.64
Nevada.....	71,258.25	70,262.97	(11)	4,329.72	730,781.72	1,690,839.48	2,788,883.38
New Hampshire.....	75,609.75	90,609.41	(11)	7,500.00	1,686,366.31	927,503.27	3,045,650.50
New Jersey.....	117,479.80	529,455.56	1,231.23	52,999.95	9,831,911.31	1,449,856.17	12,360,018.41
New Mexico.....	76,069.62	123,011.29	1,420.67	6,013.00	1,377,090.23	1,471,942.82	4,002,199.70
New York.....	223,836.92	1,796,547.83	9,774.21	152,395.00	36,696,758.46	5,290,141.63	45,018,591.06

North Carolina.....	110,762.80	765,467.43	5,853.17	41,615.25	5,835,813.62	2,779,204.43	10,772,831.85
North Dakota.....	77,326.39	144,319.35	681.92	7,257.50	2,103,454.18	1,745,911.90	4,505,280.91
Ohio.....	148,836.31	1,019,265.94	5,701.62	76,306.00	28,009,772.41	5,709,976.59	35,944,819.44
Oklahoma.....	96,665.64	505,692.10	2,784.51	26,415.50	12,930,989.17	1,515,175.48	15,916,384.66
Oregon.....	82,436.51	204,332.50	2,936.05	12,500.00	4,670,206.70	2,391,948.72	9,058,983.16
Pennsylvania.....	182,990.38	1,575,629.94	7,936.82	158,479.79	32,277,585.47	5,602,539.36	40,945,405.93
Rhode Island.....	78,141.40	115,127.26	(11)	8,683.47	2,245,374.20	658,791.66	3,275,623.30
South Carolina.....	91,682.40	431,374.56	2,102.59	21,479.00	2,830,999.52	2,438,670.01	6,592,804.02
South Dakota.....	77,338.09	121,234.84	852.40	7,269.50	2,506,663.16	1,961,799.96	5,144,543.05
Tennessee.....	103,278.40	603,361.68	3,617.98	39,896.60	6,098,251.06	3,018,488.00	10,787,745.43
Texas.....	143,212.13	1,244,725.47	7,368.55	75,106.87	24,019,830.65	6,904,778.50	34,046,207.58
Utah.....	76,280.66	124,849.16	587.21	6,330.48	3,945,385.99	1,620,847.83	6,219,478.41
Vermont.....	74,099.89	109,485.06	(11)	5,000.00	1,096,217.41	801,501.67	2,340,669.91
Virginia.....	100,561.32	530,828.28	3,409.61	30,275.00	3,470,636.90	2,171,142.35	7,133,263.31
Washington.....	89,815.07	284,601.51	1,761.63	19,629.50	16,156,517.11	1,542,859.16	19,327,021.17
West Virginia.....	91,707.16	337,479.40	2,595.09	22,500.00	5,498,863.28	1,768,932.30	8,320,790.69
Wisconsin.....	105,809.17	634,808.74	3,693.75	35,596.05	11,538,474.16	2,691,580.50	15,867,234.30
Wyoming.....	72,861.72	46,512.50	(11)	5,000.00	1,040,734.36	1,534,546.61	3,885,222.35
Alaska.....	50,000.00			6,250.00	477,168.84		699,631.77
Hawaii.....	74,831.46	108,559.89	397.78	7,500.00	707,060.14	257,477.54	1,362,004.63
Panama.....							
Philippine Islands.....			397.78				397.78
Puerto Rico.....	50,000.00	354,776.15	1,060.77		640,421.89	362,305.23	1,719,717.60
Virgin Islands.....							
Total.....	5,030,000.00	23,114,823.47	125,000.00	1,590,978.03	469,992,173.95	119,518,360.55	658,670,281.13

<sup>1</sup> Amounts shown in numbered columns are based upon figures furnished by the respective departments and agencies of the Government.

<sup>2</sup> Expenditures for the purpose of maintaining public employment offices are made under provisions of the Wagner-Peyser Act and must be matched by the respective States. These expenditures are for the first half of the fiscal year only. Wagner-Peyser Act allotments were discontinued as of Jan. 1, 1942. Exclusive of the \$72,443,496.90 explained in footnote 8.

<sup>3</sup> In addition to payments to States by Social Security Board of \$447,011,210.64, there is also included \$11,507,968.52 for Department of Labor, Children's Bureau, and \$11,472,994.79 for Public Health Service, aggregating \$469,992,173.95. Of the \$447,011,210.64 payments by Social Security Board, \$72,443,496.90 was reported by Bureau of Employment Security as grants for administration of unemployment compensation as provided under Title III of Social Security Act.

<sup>4</sup> Includes \$103,199,391.01 for Federal-aid highway system (regular), \$15,679,213.32 for Federal-aid secondary or feeder roads (regular), and \$639,756.22 for restoration of roads and bridges and flood relief (regular).

<sup>5</sup> Represents expenditures wholly or in part from allocations under the Emergency Relief Appropriation Act of 1935 and supplemental acts.

<sup>6</sup> The blind children in these States are educated in the schools for the blind in neighboring States.

TABLE 102.—Expenditures made by the Government as direct payments to States, etc., under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1942<sup>1</sup>—Continued

## PART B.—GRANTS TO AND EXPENDITURES WITHIN STATES, ETC., PROVIDING DIRECT RELIEF, WORK RELIEF, AND OTHER AID, EXCLUSIVE OF LOANS

States, etc.	Department of Agriculture			Department of the Interior		War Department— National Guard <sup>13</sup>	Federal Security Agency			
	Farm Security Administration		Agricultural adjustment program	Puerto Rico Reconstruc- tion Admin- istration <sup>10</sup>	Virgin Islands		Civilian Conservation Corps <sup>14</sup>	National Youth Ad- ministration <sup>15</sup>	Public Health Service	Office of Education— Training of defense work- ers
	Other <sup>10 12</sup>	War housing								
	(19)	(20)								
Alabama	\$3,721,136.83	\$475,151.33	\$16,645,915.30			\$43,388.39	\$3,169,673.93	\$3,082,179.16	\$299,500.00	\$1,996,504.81
Arizona	728,691.11		3,525,660.19			1,130.05	3,368,576.05	499,961.46	41,250.00	402,170.81
Arkansas	4,875,093.95	903,599.73	25,188,499.00			69.42	3,169,673.93	2,208,623.58	208,600.00	1,043,472.55
California	4,631,109.40	3,177,848.58	18,906,967.32			3,145.41	5,537,205.95	4,254,449.20	297,850.00	8,892,640.60
Colorado	1,922,097.04		10,353,579.59			16,906.24	3,340,620.83	1,125,132.52	53,400.00	1,258,407.06
Connecticut	21,816.22	784,731.84	768,283.48			2,909.27	275,623.82	1,196,781.73	53,100.00	1,109,209.94
Delaware	20,161.01		743,491.80			9,758.60	275,623.82	221,171.34	12,492.00	216,377.58
District of Columbia	3,531,601.12	283,686.98	4,008,726.31			66,965.72	413,435.73	2,128,629.98	65,000.00	234,087.94
Florida	2,470,362.88		4,017,079.16			127.89	2,349,536.14	2,112,765.29	182,300.00	2,393,483.27
Georgia	2,613,094.63		20,599,496.53			79,550.22	3,996,545.39	3,861,054.72	360,600.00	2,092,086.13
Idaho	687,323.96		6,568,923.64			4,456.99	3,101,065.48	703,099.67	24,025.00	457,880.72
Illinois	844,653.28	799,044.05	40,682,750.28			1,714.00	3,445,297.75	6,898,298.41	348,500.00	4,343,359.53
Indiana	1,781,059.28	1,278,181.76	21,295,825.26			687.10	2,756,238.20	3,012,826.29	162,600.00	2,933,129.53
Iowa	747,828.48	525,646.09	52,424,674.57			18,805.67	2,071,178.85	2,374,349.08	101,000.00	859,311.16
Kansas	1,047,370.20	526,544.41	32,504,969.96			10,713.28	1,249,974.34	2,180,453.23	100,100.00	1,340,806.02
Kentucky	1,346,944.50		11,965,669.13			597.23	3,169,673.93	3,032,581.26	266,100.00	1,621,702.54
Louisiana	1,713,582.46	399,272.11	13,663,683.52			17,521.81	3,031,862.02	2,712,789.33	241,300.00	1,973,165.41
Maine	261,942.84	17,271.20	1,777,621.40			4,178.59	275,623.82	1,366,596.86	29,000.00	623,949.53
Maryland	187,379.25	6,513,981.37	2,745,490.69			38,730.93	2,067,178.65	1,481,019.17	121,200.00	1,154,318.47
Massachusetts	69,686.92		840,947.40			1,181.56	826,871.46	3,680,476.03	136,100.00	2,930,788.43
Michigan	1,144,167.74	6,649.41	13,356,722.96			25,087.86	3,169,673.93	4,580,480.18	189,600.00	5,254,323.90
Minnesota	1,308,756.36		27,857,503.29			35,331.82	3,614,371.87	2,606,331.35	95,000.00	1,273,685.22
Mississippi	2,032,891.57	136,088.35	28,648,977.94			3,432.70	3,178,274.36	2,608,302.30	224,364.32	1,940,033.54
Missouri	2,153,663.25	345,491.61	26,073,777.04			819.23	3,996,545.39	3,540,772.02	194,700.00	1,749,330.16
Montana	635,850.05		12,145,925.51			5,560.00	2,818,496.94	565,972.37	18,409.50	345,120.89
Nebraska	1,828,418.95		31,931,742.43			20,646.71	1,425,254.79	1,365,685.49	50,042.50	522,873.33
Nevada	52,737.53		270,195.03			121.97	1,856,224.73	96,721.98	7,500.00	78,626.81
New Hampshire	77,727.14		473,364.21			20,175.43	551,247.64	433,637.72	21,700.00	580,292.95
New Jersey	215,961.98		1,056,802.17			7,523.80	1,653,742.92	3,014,312.84	165,900.00	2,292,451.31
New Mexico	661,070.54		4,123,189.57			10,239.77	3,192,065.01	613,772.31	40,150.00	535,677.64
New York	371,818.03	365,009.59	6,458,798.61			35,819.79	4,012,545.39	11,246,200.83	390,169.50	9,537,062.12
North Carolina	2,834,536.75	904,995.09	14,298,617.48			746.00	4,852,151.07	4,078,529.76	349,500.00	1,551,777.22
North Dakota	703,532.97		24,891,800.02			22,686.17	1,000,613.48	782,060.17	33,900.00	198,752.94

Ohio	987,263.62	1,801,991.87	19,454,524.14			11,350.85	2,204,990.56	6,166,657.75	264,700.00	3,586,885.55
Oklahoma	1,622,103.86		23,971,048.01			17,447.27	4,317,718.29	3,233,419.63	178,600.00	1,604,970.94
Oregon	1,786,526.58	159,091.30	5,805,983.88			12,160.43	4,043,209.32	971,594.64	44,750.00	2,756,765.38
Pennsylvania	1,044,408.69	1,366,596.76	7,107,833.47			7,172.60	3,169,673.93	8,001,869.07	338,900.00	8,381,208.17
Rhode Island	10,520.41		93,531.26			15,313.04	137,811.91	467,989.61	26,500.00	229,658.49
South Carolina	2,025,449.77		16,146,395.53			4,765.68	2,766,238.20	1,764,061.18	239,600.00	1,155,031.27
South Dakota	922,677.49		19,241,222.52			1,285.89	1,819,545.19	799,960.11	25,300.00	224,625.96
Tennessee	928,648.18	111,670.39	14,297,299.18			57,146.83	3,583,109.66	2,901,974.65	253,600.00	2,404,579.08
Texas	5,415,323.04	1,168,894.31	76,845,868.20			158,578.46	5,236,852.58	7,232,641.81	547,000.00	4,368,062.24
Utah	342,701.52	189,350.85	2,897,040.08			21,645.51	2,254,726.38	663,724.19	27,600.00	1,396,839.78
Vermont	96,654.89	2.45	1,121,934.72			5,591.19	689,059.55	371,262.85	18,300.00	265,984.41
Virginia	967,639.68	2,514,295.09	6,505,014.08			923.45	5,236,852.58	2,843,931.05	251,800.00	1,743,085.24
Washington	750,508.57	748,771.51	6,180,732.37			13,814.05	3,287,207.12	1,716,795.85	70,500.00	2,272,038.21
West Virginia	554,282.20		2,447,131.23			2,442.52	1,791,554.83	2,731,657.99	103,400.00	1,630,839.87
Wisconsin	1,704,385.98	70,652.28	16,856,896.26			74,857.78	3,177,868.32	3,121,144.32	107,100.00	2,570,392.49
Wyoming	359,182.15		3,558,073.37			4,458.37	1,998,636.87	288,993.23	11,495.43	416,149.40
Alaska	4,130.00		7,045.80			12,012.65	458,826.83	19,825.41	11,100.00	
Hawaii	85,708.09		7,474,762.99			1,400.00	377,424.95	110,165.58	39,600.00	123,225.15
Panama										
Philippine Islands										
Puerto Rico	560,480.93	121,646.92	10,754,632.31	\$472,381.30			1,004,539.00	959,307.06	192,800.00	844,409.40
Virgin Islands	13,973.36				\$86,019.24		92,141.81	5,612.22	7,100.00	12,659.12
Total	67,426,637.23	25,696,157.23	721,682,640.19	472,381.30	86,019.24	933,101.19	130,850,675.49	128,038,635.83	7,644,698.25	99,704,280.21

<sup>1</sup> Amounts shown in numbered columns are based upon figures furnished by the respective departments and agencies of the Government.

<sup>2</sup> Represents expenditures wholly or in part from allocations under the Emergency Relief Appropriation Act of 1935 and supplemental acts.

<sup>3</sup> Comprises \$648,820.59 for liquidation and management of resettlement projects; \$2,267,628.30 for administration, servicing, etc., from regular funds; and \$64,510,188.34 from emergency relief funds for other expenditures. In addition, there were expenditures of \$123,609,147.47 covering rural rehabilitation loans from Reconstruction Finance Corporation funds; \$50,045,465.18 covering farm tenant loans, and \$3,191,042.74 in loans incidental to evacuation of aliens.

<sup>4</sup> District of Columbia includes \$48,792.42 charged by War Department to National Guard Bureau. The National Guard was called into the Federal service beginning Sept. 16, 1940.

<sup>5</sup> These expenditures are described by the Federal Security Agency as "An estimate of total obligations of the Civilian Conservation Corps, fiscal year 1942. And the amounts shown represent the present camp distribution of total expenditures, segregated by States on the basis of the number of camps located therein, and do not represent expenditures made within or in aid of the several States."

<sup>6</sup> Includes expenditures classified on daily Treasury statements as "War activities."

TABLE 102.—Expenditures made by the Government as direct payments to States, etc., under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1942<sup>1</sup>—Continued

## PART B.—GRANTS TO AND EXPENDITURES WITHIN STATES, ETC., PROVIDING DIRECT RELIEF, WORK RELIEF, AND OTHER AID, EXCLUSIVE OF LOANS—Continued

States, etc.	Federal Works Agency						National Housing Agency—Federal Public Housing Authority <sup>1a</sup>	Total payments within States	Grand total	
	Highways		Public Works Administration <sup>1b</sup>	Public Buildings Administration <sup>1c 17</sup>	Work Projects Administration <sup>1d</sup>	Office of the Administrator				
	Forest Service	Public Roads Administration <sup>1e 15</sup>				War housing <sup>18</sup>				War public works
	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)		
Alabama	\$227.35	\$477,901.19	\$69,151.98	\$51,845.96	\$17,914,368.06	\$5,359,156.50	\$980,631.26	\$3,074,216.14	\$57,360,948.19	\$64,886,876.18
Arizona	306,202.08	358,942.70	224.82	2,124.59	4,277,029.08	703,400.41	70,414.47	169,257.27	14,455,035.09	19,739,875.17
Arkansas	95,272.89	435,027.15		124,089.72	14,346,332.31		226,167.94	54,353.65	52,875,875.82	59,565,761.78
California	558,268.19	959,173.01	158,511.30	2,514,486.05	43,953,616.65	35,799,465.23	4,813,105.84	8,574,554.57	143,032,397.30	199,576,254.90
Colorado	274,375.06	612,300.73	19,573.29	30,323.52	10,018,241.20	670,794.07	224,098.50	28,844.48	29,948,694.13	43,501,426.44
Connecticut		235,550.08	1,271,483.71	109,344.57	4,820,252.09	14,564,902.98	847,049.38	4,342,480.41	30,403,519.52	36,987,712.77
Delaware		283,148.94		2,097.87	1,162,373.13	96,254.76		21,600.89	3,064,551.74	4,467,276.17
District of Columbia		202,572.06	153,000.00	22,029,702.47	10,036,335.64	2,859,365.53	552,916.15	4,042,323.89	50,608,349.52	53,482,044.65
Florida	47,660.79	603,995.94	5,123.70	258,700.32	20,584,719.39	5,845,155.91	1,045,985.44	2,577,124.31	44,494,120.43	52,540,650.68
Georgia	31,535.51	587,806.16	47,282.14	487,195.33	17,542,787.85	5,043,760.14	657,138.13	1,391,155.19	59,391,088.07	68,917,495.40
Idaho	541,970.54	332,265.32		44,248.57	4,787,498.75	3,322,960.56	1,195.47	9,486.33	17,596,401.00	22,900,360.77
Illinois		1,192,546.50	6,567,227.23	2,137,100.02	56,735,097.04	3,071,843.65	618,412.18	1,277,882.33	128,963,726.25	167,374,472.05
Indiana		659,664.41	254,536.16	442,241.65	18,617,101.77	6,709,772.25	557,728.27	3,969,212.50	64,430,804.43	82,558,078.08
Iowa		590,037.00	5,053.42	44,274.83	11,930,450.44	1,830,930.40	185,069.28	444,196.15	74,152,805.42	86,758,087.42
Kansas		513,168.07	20,958.75	44,414.88	11,551,560.02	3,867,112.10	107,788.17	1,320,903.34	56,386,866.77	67,506,321.59
Kentucky		660,193.10	196,142.45	324,396.58	18,217,066.49	3,442,776.37	78,652.58	44,730,552.51	40,056,355.35	54,728,107.67
Louisiana	25,809.37	580,326.93	6,850.38	682,554.97	16,672,593.07	3,323,484.15	1,037,171.74	1,115,139.15	47,197,106.42	56,972,910.86
Maine	1,234.37	292,172.31	2,195.72	66,426.99	5,927,718.43	1,393,720.81	419,720.24	251,689.12	12,711,062.23	17,258,315.40
Maryland		349,073.27	665,242.37	3,458,884.23	5,722,734.80	18,436,040.72	986,152.20	5,256,217.14	49,183,643.26	55,905,431.52
Massachusetts		601,170.46	1,859,305.14	749,693.99	37,938,632.85	8,031,327.81	195,115.91	934,896.37	58,796,194.33	84,553,982.68
Michigan	94,463.31	1,140,326.16	11,590.06	315,157.52	29,995,141.45	4,828,249.14	1,581,415.41	1,245,583.03	66,938,632.06	91,463,170.90
Minnesota		819,834.67	40,166.23	128,019.05	24,336,227.16		3,123.48		62,118,350.50	61,653,986.10
Mississippi	9,536.63	636,407.19	687,965.97	23,753.64	14,670,342.93	1,005,248.22	525,926.20	410,434.65	56,741,980.51	64,685,275.80
Missouri	16,947.00	974,688.00	445,559.75	346,704.19	28,651,127.26	2,758,069.89	702,320.74	1,098,751.00	73,049,326.53	93,857,358.08
Montana	551,700.32	214,487.64	9,703.55	47,631.18	6,252,050.73			60,180.00	23,671,088.68	29,679,632.78
Nebraska		586,005.23	940,490.97	65,763.54	11,357,623.66		19,716.03	80,646.52	50,195,510.15	58,569,641.79
Nevada	121,223.70	274,503.06		48,313.90	865,748.12	95,532.87	8,078.18	354,475.20	4,130,003.08	6,918,886.46
New Hampshire	2,466.40	204,304.88	880.20	65,774.89	3,515,007.87	3,132,642.41	114,123.65	2,042,395.73	11,215,741.12	14,261,391.12
New Jersey		570,854.78	765,719.22	156,643.91	26,853,452.74	12,176,820.16	107,524.39	3,809,202.55	52,846,917.77	65,206,936.18
New Mexico	164,747.61	212,028.97		34,421.50	7,520,898.44	293,570.68	85,210.61	12,401.44	17,499,444.09	21,501,643.79
New York		1,741,973.93	5,358,133.84	906,633.68	80,115,223.09	8,516,001.41	295,124.68	3,821,707.12	133,172,221.61	178,190,812.67
North Carolina	2,579.00	640,320.00	43,206.77	39,963.90	17,504,183.11	6,955,621.27	1,412,222.14	1,444,155.81	56,913,105.37	67,685,937.22
North Dakota		490,585.78		23,525.66	4,422,219.30				32,569,676.49	37,074,957.77



Ohio.....		1,919,628.27	756,657.88	172,121.56	42,767,034.94	10,064,663.59	228,092.16	2,290,676.89	92,677,239.63	128,622,059.07
Oklahoma.....	59,908.00	651,654.94	2,180,636.00	174,853.81	19,163,089.16	462,865.45	248,528.07	366,990.85	58,253,834.28	74,170,218.94
Oregon.....	487,728.54	333,181.76		55,487.35	7,702,963.21	278,670.91	139,436.28	987,115.02	25,564,664.60	34,623,647.76
Pennsylvania.....	43,252.43	2,695,289.24	2,227,055.42	690,530.76	57,860,377.50	36,496,475.97	300,990.03	12,576,668.70	142,808,302.74	183,253,708.67
Rhode Island.....		59,429.00	52,543.88	13,689.96	3,981,364.54	2,350,198.11	85,066.10	137,866.44	7,661,482.75	10,937,106.05
South Carolina.....	17,521.84	579,952.31	4,990,685.03	34,719.70	16,267,779.84	3,870,546.80	746,715.49	662,262.20	51,261,724.84	57,854,528.86
South Dakota.....	9,037.44	575,870.02		11,323.24	4,939,161.69	126,769.45		2,302.22	28,699,081.22	33,843,624.27
Tennessee.....	25.84	695,420.75	1,314,881.66	52,408.91	15,276,019.95	2,361,523.21	640,836.73	1,304,402.68	46,183,547.70	56,397,293.13
Texas.....	960.00	2,147,549.08	1,029,739.24	277,637.96	42,381,971.88	8,380,119.71	3,975,485.98	3,184,908.70	162,351,593.19	196,397,800.77
Utah.....	122,534.55	271,057.27	14,476.83	34,872.21	5,427,444.70	490,566.09	72,642.68	160,390.26	14,387,612.90	20,607,091.31
Vermont.....		137,902.67		478.88	1,681,605.27		17,000.00	16,492.60	4,422,269.48	6,762,939.39
Virginia.....	19,178.27	3,856,861.94	179,796.21	3,982,803.44	8,852,345.91	8,068,038.58	2,973,847.52	7,934,489.75	56,030,912.79	63,164,176.10
Washington.....	297,039.16	376,805.85	3,790.90	214,057.27	11,268,384.52	6,654,584.29	1,792,063.79	6,555,613.73	42,202,707.19	61,529,728.36
West Virginia.....	67,636.45	856,731.33	257,260.59	422,099.71	17,591,155.49	1,297,394.26	94,132.87	814,886.44	30,662,605.78	38,983,396.47
Wisconsin.....	28,718.00	504,111.14	12,231.94	94,009.73	18,267,337.48	1,321,718.97	42,000.00	173,069.24	48,126,493.93	63,993,728.23
Wyoming.....	191,662.08	117,576.51	333.18	22,704.02	1,333,289.68		7,000.00		8,309,554.29	12,194,776.64
Alaska.....	214,573.59	2,554,958.77	694.02	103,213.85			114,342.82	1,788,000.00	5,288,723.74	5,988,355.51
Hawaii.....		132,597.94		16,188.41	646,063.66	7,453,746.36	306,250.00	445,161.17	17,212,294.30	18,574,298.93
Panama.....		678,000.00						1,600,000.00	2,278,000.00	2,278,000.00
Philippine Islands.....										397.78
Puerto Rico.....		213,694.00	340,824.22	5,780.65	14,520,849.63	3,834,268.26	7,281,200.00	148,870.66	41,255,684.34	42,975,401.94
Virgin Islands.....			800.00	45,472.46	480,185.63		235,072.55		979,036.39	979,036.39
Total.....	4,405,996.31	38,392,228.41	32,967,686.12	42,230,967.55	879,224,179.60	254,656,130.41	37,760,001.73	94,793,690.18	2,566,966,106.47	3,225,636,387.60

<sup>1</sup> Amounts shown in numbered columns are based upon figures furnished by the respective departments and agencies of the Government.

<sup>10</sup> Represents expenditures wholly or in part from allocations under the Emergency Relief Appropriation Act of 1935 and supplemental acts.

<sup>16</sup> Includes \$26,573,372.71 for elimination of grade crossings (regular), \$3,078,556.41 for elimination of grade crossings (emergency relief funds), and \$268,362.52 National Industrial Recovery Act funds. Also includes \$8,471,936.77 for access roads and flight strips classified as war activities.

<sup>17</sup> Includes \$8,427,248.26 from emergency fund for the President and \$788,382.06 of emergency relief funds; the balance are regular appropriation expenditures.

<sup>17</sup> Reflects expenditures from Lanham Act funds to Feb. 28, 1942, only, as war housing activities were transferred to National Housing Agency by Executive Order No. 9070, dated Feb. 28, 1942. Expenditures for war housing activities for the balance of the fiscal year are reflected under National Housing Agency, Federal Public Housing Authority, in column 36. (See footnote 19.)

<sup>18</sup> Formerly U. S. Housing Authority. Comprises \$10,000,000 from emergency fund for the President, defense housing, temporary shelter; \$74,867,798.83 from Lanham Act funds; and \$9,925,891.35 from annual contributions, of which expenditures under the first two items are from Feb. 28, 1942, when war housing activities were transferred from Federal Works Agency. (See footnote 18.)

TABLE 103.—Number and amount of awards of the Mixed Claims Commission, United States and Germany, certified to the Secretary of the Treasury by the Secretary of State and the amount paid and balance due, by classes, as of September 30, 1942

Awards certified	Total number of awards	Total amount	Class I		Class II		Class III		Private Law No. 509, approved July 19, 1940		United States Government	
			Number of awards	Awards on account of death and personal injury	Number of awards	Awards of \$100,000 and less	Number of awards	Other awards over \$100,000	Number of awards	Amount	Number of awards	Amount
1. Amount due on account:												
Principal of awards:												
Agreement of Aug. 10, 1922.....	4,734	\$175,955,880.92	424	\$3,549,437.75	3,996	\$15,562,321.98	310	\$114,809,326.78			4	\$42,034,794.41
Agreement of Dec. 31, 1928.....	2,291	5,582,354.38	115	556,625.00	2,169	2,447,803.92	7	2,577,925.46				
Private Law No. 509, approved July 19, 1940.....	1	160,000.00							1	\$160,000.00		
		181,698,235.30		4,106,062.75		18,010,125.90		117,387,252.24		160,000.00		42,034,794.41
Less amounts paid by Alien Property Custodian and others.....		187,226.85				48,012.50		139,214.35				
		181,511,008.45		4,106,062.75		17,962,113.40		117,248,037.89		160,000.00		42,034,794.41
Interest to Jan. 1, 1928, at rates specified in awards:												
Agreement of Aug. 10, 1922.....		78,751,456.32		745,302.98		7,113,930.76		51,682,897.36				19,209,325.22
Agreement of Dec. 31, 1928.....		2,649,630.04		115,976.22		971,159.15		1,562,494.67				
Private Law No. 509.....		64,000.00								64,000.00		
		262,976,094.81		4,967,341.95		26,047,203.31		170,493,429.92		224,000.00		61,244,119.63
Interest thereon to date of payment or, if unpaid Sept. 30, 1942, at 5% per annum as specified in the Settlement of War Claims Act of 1928.....		102,583,293.69		236,195.75		2,061,383.12		54,980,403.63		152,454.77		45,152,856.42
Total due claimants.....	7,026	365,559,388.50	539	5,203,537.70	6,165	28,108,586.43	317	225,473,833.55	1	376,454.77	4	106,396,976.05
2. Payments made on account to Sept. 30, 1942:												
Principal of awards:												
Agreement of Aug. 10, 1922.....	1 4,406	146,059,789.38	424	3,549,437.75	3,982	15,494,658.79		1127,015,692.84				
Agreement of Dec. 31, 1928.....	1 2,264	6,140,989.78	115	556,625.00	2,149	2,445,886.69		1 3,138,478.09				
Private Law No. 509.....		119,501.63								119,501.63		

Interest to Jan. 1, 1928, at rates specified in awards:										
Agreement of Aug. 10, 1922		7,851,113.28		745,302.98		7,105,810.30		( <sup>2</sup> )		
Agreement of Dec. 31, 1928		1,086,361.01		115,976.22		970,384.79		( <sup>2</sup> )		
Private Law No. 509									( <sup>2</sup> )	
Interest at 5% per annum from Jan. 1, 1928, to date of payment as directed by the Settlement of War Claims Act of 1928		2,278,521.14		236,195.75		2,042,325.39		( <sup>2</sup> )	( <sup>2</sup> )	
Total payment to Sept. 30, 1942		163,536,276.22		5,203,537.70		28,059,065.96		130,154,170.93	119,501.63	
Less ½ of 1% deduction from each payment:										
Agreement of Aug. 10, 1922		\$ 778,467.30		22,249.66		121,138.61		635,079.03		
Agreement of Dec. 31, 1928		\$ 38,617.04		3,767.97		19,156.68		15,692.39		
Private Law No. 509		\$ 795.35							795.35	
Net payment made to claimants to Sept. 30, 1942	6,670	162,718,396.53	539	5,177,520.07	6,131	27,918,770.67		129,503,399.51	118,706.28	
3. Balance due on account:										
Principal of awards:										
Agreement of Aug. 10, 1922	328	100,601,087.27			14	19,650.69	310	39,337,316.95		4 61,244,119.63
Agreement of Dec. 31, 1928	27	1,003,859.27			20	1,917.23	7	1,001,942.04		
Private Law No. 509	1	104,498.37							1 104,498.37	
Interest to Jan. 1, 1928, at rates specified in awards:										
Agreement of Aug. 10, 1922		8,120.46				8,120.46				
Agreement of Dec. 31, 1928		774.36				774.36				
Private Law No. 509										
Accrued interest at 5% per annum from Jan. 1, 1928, on total amount payable as of Jan. 1, 1928, to Sept. 30, 1942		100,304,772.55				\$ 19,057.73		54,980,403.63	152,454.77	45,152,856.42
Balance due claimants as of Sept. 30, 1942	356	202,023,112.28			34	49,520.47	317	95,319,662.62	1 256,953.14	4 106,396,976.05

<sup>1</sup> Includes payments on account of interest to Jan. 1, 1928, on Class III awards and Private Law No. 509. Payments on this class of awards are first applied on account of the total amount payable as of Jan. 1, 1928, as directed by the Settlement of War Claims Act of 1928 until total of all payments on the three classes equals 80 percent of the amount payable Jan. 1, 1928. Payment of accrued interest since Jan. 1, 1928, on this class of claims deferred in accordance with act.

<sup>2</sup> See note 1.

<sup>3</sup> Of this amount \$769,438.12 has been covered into the Treasury as miscellaneous receipts. A further sum of \$9,029.18 will be covered into the Treasury at a later date.

<sup>4</sup> Of this amount \$24,150.09 has been paid to the Government of Germany. A further sum of \$14,466.95 is payable in connection with the adjudication of late claims under the agreement of Dec. 31, 1928.

<sup>5</sup> Amount withheld and covered into the Treasury as miscellaneous receipts.

<sup>6</sup> Includes \$16,218.78 interest accrued from Jan. 1, 1928, to Mar. 11, 1940, on \$26,612.06 representing awards plus interest to Jan. 1, 1928. No applications filed by claimants. Time for filing applications expired Mar. 11, 1940.

TABLE 104.—Transactions in commodity stamps, fiscal years 1939 to 1942 and by months from July 1941 to June 1942<sup>1</sup>

Year and month	Issues						Redemptions	Cumulative amount outstanding
	Food stamps		Cotton products		Cotton surpluses, gratuitous	Total		
	Sold	Gratuitous	Sold	Gratuitous				
Fiscal year 1939.....	\$246,886	\$150,443				\$397,329	\$256,935	\$140,394
Fiscal year 1940.....	25,551,743	18,758,117	\$83,000	\$119,500		44,512,360	36,553,490	8,099,264
Fiscal year 1941.....	152,889,279	88,859,003	2,191,200	2,515,500	\$5,206,763	251,661,744	219,387,287	40,373,721
1941—July.....	17,697,858	10,121,369	347,200	392,700	2,723,625	31,282,752	28,239,609	43,416,864
August.....	16,789,057	9,567,730	297,132	310,124	7,012,755	33,976,798	27,858,321	49,535,341
September.....	16,558,473	9,360,674	299,800	320,998	3,722,180	30,262,125	31,551,877	48,245,589
October.....	16,732,252	9,087,355	339,800	383,800	1,616,417	28,159,623	33,262,046	43,143,166
November.....	15,919,792	8,475,293	296,450	315,500	483,308	25,490,343	26,036,594	42,596,915
December.....	17,284,253	9,266,557	348,800	389,650	—81,285	27,207,975	27,759,050	42,045,840
1942—January.....	17,364,605	9,603,353	258,250	304,250	—245,095	27,285,364	30,035,412	39,295,791
February.....	17,562,767	9,660,815	252,300	267,300	—153,300	27,589,882	25,621,907	41,263,765
March.....	18,326,136	9,960,993	281,441	305,541	—151,209	28,722,902	27,858,420	42,128,248
April.....	17,308,280	9,406,563	193,460	213,439	—863,021	26,258,722	27,774,366	40,612,603
May.....	15,623,340	8,317,672	38,560	19,315	—941,073	23,057,814	24,989,469	38,680,949
June.....	14,682,650	7,799,723	—49,219	—74,529	—323,083	22,035,542	25,477,831	35,238,659
Fiscal year 1942.....	201,849,463	110,628,094	2,903,974	3,148,088	12,800,221	331,329,840	336,464,901	35,238,659
Cumulative total.....	380,537,371	218,395,656	5,178,174	5,783,088	18,006,984	627,901,272	592,662,613	35,238,659

<sup>1</sup> This activity of the Agricultural Marketing Administration clears through the Treasury Department, Division of Disbursement. For details as to operation of this program see annual report for 1941, pp. 97 and 98.

<sup>2</sup> Includes stamps canceled but not redeemed in the amount of \$3,812.

NOTE.—Figures are rounded to nearest dollar and will not necessarily add to totals.

## ESTIMATES

TABLE 105.—Receipts and expenditures of general and special accounts, actual for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, in detail

General and special accounts	Estimated, 1944	Estimated, 1943	Actual, 1942 <sup>1</sup>
<b>RECEIPTS</b>			
<b>I. Internal revenue:</b>			
(1) Income and excess profits taxes:			
Corporation:			
Income <sup>2</sup> .....	\$3,870,000,000	\$3,750,000,000	\$2,763,978,464.77
Excess profits tax.....	<sup>3</sup> 10,270,000,000	<sup>3</sup> 5,670,000,000	1,618,188,950.87
Declared value excess profits tax.....	90,000,000	85,000,000	52,219,089.02
Total corporation.....	14,230,000,000	9,505,000,000	4,434,386,504.66
Individual:			
Income.....	10,111,300,000	7,127,500,000	3,108,005,193.94
Victory tax.....	<sup>3</sup> 2,800,500,000	534,600,000	
Total individual.....	12,911,800,000	7,662,100,000	3,108,005,193.94
Back taxes:			
Corporation and individual income.....	500,000,000	400,000,000	460,087,272.02
Unjust enrichment tax.....	3,000,000	4,000,000	4,401,767.86
Total back taxes.....	503,000,000	404,000,000	464,489,039.88
Total income taxes (collection basis).....	27,644,800,000	17,571,100,000	8,006,880,738.48
Adjustment to daily Treasury statement basis (unrevised).....			-46,415,765.49
Total income taxes (daily Treasury statement basis, unrevised).....	27,644,800,000	17,571,100,000	7,960,464,972.99
(2) Miscellaneous internal revenue:			
Capital stock tax.....	360,000,000	300,000,000	281,900,134.89
Estate tax.....	609,300,000	500,000,000	340,322,905.08
Gift tax.....	54,500,000	41,400,000	92,217,383.01
Liquor taxes:			
Distilled spirits (domestic and imported) (excise tax) <sup>2</sup> .....	931,700,000	802,200,000	574,250,301.13
Fermented malt liquors <sup>2</sup> .....	465,500,000	435,400,000	366,158,960.87
Rectification tax <sup>2</sup> .....	5,000,000	12,300,000	17,224,716.89
Wines (domestic and imported) (excise tax) <sup>2</sup> .....	33,300,000	32,800,000	23,985,655.47
Special taxes in connection with liquor occupations.....	11,200,000	11,700,000	11,075,919.22
Container stamps.....	10,600,000	11,400,000	11,197,412.68
Floor stocks taxes.....	27,600,000	69,100,000	41,910,928.09
All other.....	1,600,000	1,300,000	1,110,719.64
Total liquor taxes.....	1,486,500,000	1,376,200,000	1,046,914,613.99
Tobacco taxes:			
Cigarettes (small) <sup>2</sup> .....	862,000,000	832,200,000	704,933,203.05
Tobacco (chewing and smoking) <sup>2</sup> .....	49,700,000	50,500,000	52,138,920.05
Cigars (large) <sup>2</sup> .....	28,100,000	22,100,000	14,188,192.03
Snuff.....	7,000,000	7,000,000	7,440,212.25
Cigarette papers and tubes.....	1,300,000	1,400,000	1,900,557.77
Floor stocks taxes.....		6,500,000	(9)
All other <sup>2</sup> .....	130,000	130,000	126,079.06
Total tobacco taxes.....	948,230,000	919,830,000	780,787,164.21
Stamp taxes:			
Issues of securities, bond transfers, and deeds of conveyance.....	21,000,000	20,600,000	22,875,490.24
Stock transfers.....	14,900,000	14,100,000	13,028,316.93
Playing cards <sup>2</sup> .....	6,000,000	6,000,000	5,757,955.50
Silver bullion sales or transfers.....	50,000	100,000	40,402.25
Total stamp taxes.....	41,950,000	40,800,000	41,702,164.92
Manufacturers' excise taxes:			
Gasoline.....	219,300,000	256,100,000	369,587,150.81
Lubricating oils.....	58,000,000	47,800,000	46,432,267.73
Passenger automobiles and motorcycles.....	300,000	2,000,000	77,171,920.04

See footnotes at end of table.

TABLE 105.—Receipts and expenditures of general and special accounts, actual for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, in detail—Continued

General and special accounts	Estimated, 1944	Estimated, 1943	Actual, 1942 <sup>1</sup>
RECEIPTS—Continued			
1. Internal revenue—Continued.			
(2) Miscellaneous internal revenue—Con.			
Manufacturers' excise taxes—Con.			
Automobile trucks, busses, and trailers.....	\$2,400,000	\$5,200,000	\$18,361,144.43
Parts and accessories for automobiles.....	12,000,000	17,700,000	28,087,714.42
Tires and inner tubes.....	23,400,000	16,600,000	56,841,681.17
Rubber articles.....	.....	16,000,000	21,545,389.16
Electrical energy.....	50,700,000	51,200,000	49,977,631.17
Electric, gas, and oil appliances.....	2,600,000	6,800,000	17,701,606.69
Electric light bulbs.....	2,900,000	2,900,000	3,101,846.59
Electric signs.....	.....	500,000	778,790.62
Radio receiving sets, phonographs, phonograph records, and musical instruments.....	6,700,000	9,400,000	22,438,119.64
Refrigerators, refrigerating apparatus and air-conditioners.....	1,700,000	5,200,000	16,245,869.54
Washing machines.....	.....	40,000	165,558.16
Business and store machines.....	1,000,000	5,700,000	6,971,675.81
Photographic apparatus.....	4,400,000	8,000,000	6,017,447.83
Optical equipment.....	.....	300,000	458,979.90
Matches.....	7,400,000	7,800,000	5,226,914.59
Luggage.....	900,000	3,800,000	2,833,995.54
Sporting goods.....	1,400,000	3,900,000	3,487,269.21
Firearms, shells, pistols, and revolvers.....	700,000	1,400,000	5,157,081.65
Floor stocks taxes, tires and inner tubes, and matches.....	.....	40,000	9,672,400.27
Total manufacturers' excise taxes.....	395,800,000	468,380,000	768,262,404.97
Retailers' excise taxes:			
Jewelry, etc.....	69,900,000	74,200,000	41,500,948.74
Furs.....	38,200,000	35,300,000	19,743,864.96
Toilet preparations.....	28,900,000	33,900,000	18,922,310.76
Total retailers' excise taxes.....	137,000,000	143,400,000	80,167,124.46
Miscellaneous taxes:			
Telephone, telegraph, radio, and cable facilities, leased wires, etc.....	110,600,000	84,700,000	48,231,338.63
Local telephone service.....	93,600,000	74,300,000	26,791,432.95
Transportation of oil by pipe line.....	16,700,000	14,100,000	13,474,822.61
Transportation of persons.....	98,100,000	84,200,000	21,378,895.32
Transportation of property.....	208,200,000	77,000,000	.....
Admissions.....	160,600,000	154,800,000	115,032,268.75
Club dues and initiation fees.....	6,500,000	6,800,000	6,791,899.71
Cases of safe deposit boxes.....	5,500,000	5,400,000	3,662,535.73
Use of motor vehicles and boats.....	125,400,000	150,400,000	72,853,875.90
Coconut and other vegetable oils processed <sup>2</sup> .....	4,300,000	3,100,000	7,160,701.07
Oleomargarine, etc., including special taxes and adulterated butter.....	2,800,000	2,500,000	2,275,838.71
Bituminous coal tax <sup>3</sup> .....	.....	5,600,000	5,478,908.89
Sugar tax.....	54,800,000	47,900,000	68,229,803.06
Coin-operated amusement and gaming devices.....	11,900,000	12,000,000	6,484,999.54
Bowling alleys and billiard and pool tables.....	1,900,000	1,900,000	1,698,394.37
All other, including repealed taxes <sup>4</sup> .....	1,900,000	800,000	5,850,279.60
Total miscellaneous taxes.....	902,900,000	725,500,000	405,895,994.84
Total miscellaneous internal revenue (collection basis).			
Adjustment to daily Treasury statement basis (unrevised).....	4,936,180,000	4,515,510,000	3,837,669,890.37
Total miscellaneous internal revenue (daily Treasury statement basis, unrevised).....	4,936,180,000	4,515,510,000	+9,408,347.84

See footnotes at end of table.

TABLE 105.—*Receipts and expenditures of general and special accounts, actual for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, in detail—Continued*

General and special accounts	Estimated, 1944	Estimated, 1943	Actual, 1942 <sup>1</sup>
RECEIPTS—Continued			
1. Internal revenue—Continued.			
(3) Employment taxes:			
Taxes on employment by other than carriers:			
Federal Insurance Contributions Act.....	\$1,555,800,000	\$1,105,000,000	\$895,618,838.82
Federal Unemployment Tax Act.....	170,600,000	147,900,000	119,944,146.04
Total.....	1,726,400,000	1,252,900,000	1,015,562,984.86
Taxes on carriers and their employees (Ch. 9, Subch. B of Internal Revenue Code).....	244,500,000	209,200,000	170,011,691.46
Total employment taxes.....	1,970,900,000	1,462,100,000	1,185,574,676.32
Total internal revenue.....	34,551,880,000	23,548,710,000	12,993,117,887.52
2. Railroad unemployment insurance contributions.....	11,300,000	10,200,000	8,472,212.10
3. Customs.....	204,300,000	252,600,000	388,948,426.88
4. Miscellaneous receipts:			
(1) Miscellaneous taxes:			
General accounts:			
Immigration head tax.....	337,000	337,000	337,873.50
Tonnage tax.....	1,150,000	1,150,000	1,150,355.22
Taxes, Canal Zone.....	100,000	125,000	157,793.81
Special accounts:			
Federal intermediate credit banks franchise tax.....	400,000	475,000	315,168.28
Tax on hydraulic mining in California.....	25,000	22,000	17,550.49
Total, miscellaneous taxes.....	2,012,000	2,109,000	1,978,741.30
(2) Assessments:			
General accounts:			
Balance of funds collected from Federal Reserve and national banks for cost of redemption of their notes.....	100,000	130,000	185,986.69
Immigration overtime service.....			22,632.97
On Federal and joint stock land banks, and Federal intermediate credit banks for expenses of examinations, Farm Credit Administration.....			395,960.79
On land banks, Federal intermediate credit banks and production credit corporations for expenses of examinations and supervision, Farm Credit Administration.....		803,800	
On land banks, Federal intermediate credit banks, production credit corporations and banks for cooperatives for expenses of examinations and supervision, Farm Credit Administration.....	2,086,300		
Overtime service, Federal Communications Commission.....	2,500	2,000	1,473.57
Overtime service, marine inspection and navigation.....	100,000	100,000	82,210.69
Special accounts:			
Assessments upon Federal home loan banks and receipts from other sources for administrative expenses, Federal Home Loan Bank Board.....		1,375,000	1,613,687.77
Revenues, Colorado River Dam fund, All-American Canal, act Dec. 21, 1928 (45 Stat. 1057).....	5,000	5,000	5,438.79
Revenues, Colorado River Dam fund, Boulder Canyon project, act Dec. 21, 1928 (45 Stat. 1057).....	6,000,000	6,000,000	6,499,994.87
Total, assessments.....	8,293,800	8,415,800	8,807,386.14

See footnotes at end of table.

TABLE 105.—*Receipts and expenditures of general and special accounts, actual for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, in detail—Continued*

General and special accounts	Estimated, 1944	Estimated, 1943	Actual, 1942
<b>RECEIPTS—Continued</b>			
<b>4. Miscellaneous receipts—Continued.</b>			
(3) Fees:			
General accounts:			
Admission fees.....	\$2,000	\$2,500	\$6,021.98
Admission of attorneys to practice before executive departments and establishments.....	750	750	153,203.40
Agricultural Commodities Act.....	200,000	200,000	23,014.30
Alaska game laws.....	30,000	30,000	289.85
Alaska Road Commission.....	200	200	41,576.30
Board of Tax Appeals.....	50,000	45,000	3,664.29
Canal Zone.....	3,000	3,500	1,384,750.35
Clerks, United States courts.....	1,600,000	1,500,000	16,322.00
Commodity Exchange Act.....	16,300	16,300	
Commissions on telephone pay stations in Federal buildings and rented post offices.....	331,660	330,560	228,959.47
Consular and passport.....	1,270,300	1,270,300	1,885,234.72
Copying.....	64,250	64,310	67,767.11
Copyright.....	300,000	300,000	350,078.80
Court of Claims.....	4,500	4,500	4,086.30
Certifying railroad tariffs.....	3,000	3,000	2,988.80
Court of Customs and Patent Appeals.....	5,000	5,000	4,644.40
Customs.....	15,600	15,600	15,811.55
Fees, sale of timber (Indians).....	150,000	150,000	144,837.46
Federal Firearms Act.....	24,000	24,000	23,397.40
Filing fees, Trust Indenture Act of 1939, Securities and Exchange Commission.....	2,700	2,700	2,300.00
Food, Drug, and Cosmetics Act, fees, sec. 706.....	48,500	48,500	48,910.65
Inspection and grading of farm products.....	105,000	105,000	87,237.28
Inspection of tobacco.....	1,500	1,500	1,280.86
Immigration (registration, earned).....	366,000	366,000	181,400.00
Land offices (including commissions).....	10,000	10,000	8,952.76
Marshals, United States courts.....	113,000	113,000	94,798.11
Migratory-bird hunting stamps.....	1,000,000	1,000,000	1,430,568.00
Naturalization (earned).....	2,900,000	2,900,000	2,626,947.21
Naval stores grading.....	2,000	2,000	1,811.38
Navigation.....	50,050	50,050	164,020.94
Patent (earned).....	4,000,000	3,800,000	3,678,028.07
Purchases of discharges, Navy and Marine Corps.....			100.00
Registration, securities, and exchanges.....	350,000	350,000	349,749.08
Registration under Neutrality Act.....	60,000	60,000	58,600.00
Services performed for Indians.....	95,000	95,000	92,652.85
Testing.....	139,000	123,000	117,760.90
Testing fees, enforcement of Tea Importation Act.....	32,500	32,500	32,640.31
United States Court for China and fees for China Trade Act.....	500	500	1,281.40
Vending machines.....	1,820	920	316.04
Warehouse Act.....	27,000	27,000	25,307.00
Other.....	410	1,290	1,326.36
Special accounts:			
Fees and commissions, land offices, act June 17, 1902 (32 Stat. 388).....	35,000	35,000	33,483.09
Fees, Federal Credit Unions, Federal Deposit Insurance Corporation.....		23,174	174,999.38
Proceeds from purchases of Army discharges.....		1,000	3,632.24
Total, fees.....	13,410,540	13,113,654	13,574,758.39
(4) Fines and penalties:			
General accounts:			
Canal Zone.....	50,000	61,500	61,650.40
Customs Service.....	109,000	109,000	94,107.07
Antinarcotic laws.....	6,000	6,000	6,415.63



TABLE 105.—Receipts and expenditures of general and special accounts, actual for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, in detail—Continued

General and special accounts	Estimated, 1944	Estimated, 1943	Actual, 1942
RECEIPTS—Continued			
4. Miscellaneous receipts—Continued.			
(4) Fines and penalties—Continued.			
General accounts—Continued			
Enforcement of National Prohibition Act.....	\$7,700	\$10,500	\$11,713.56
Immigration and Naturalization Service.....	400,700	400,700	208,677.64
Internal revenue.....	3,700	3,700	9,133.44
Interstate Commerce Act.....	10,000	10,000	26,827.00
Liquidated damages.....	130,500	131,870	135,686.54
Navigation.....	55,000	55,000	41,091.40
Penalties, cotton marketing quotas, Agricultural Adjustment Act of 1938.....	1,200,000	1,300,000	1,030,930.62
Penalties, tobacco marketing quotas, Agricultural Adjustment Act of 1938.....	192,000	577,200	30,079.19
Penalties, wheat marketing quotas, Agricultural Adjustment Act of 1938.....	1,500,000	2,000,000	613,970.08
Penalties for delinquencies of licenses under Federal Power Act.....	150	150	179.72
Public lands and reservations.....	110	110	888.20
Recovery of value of oil in case of the United States against the Standard Oil Company of California.....			7,137,574.72
Violations, air-traffic regulations.....	5,000	5,000	17,234.00
Violating regulations and 8-hour law of 1912.....	450	450	3,300.00
Violations, Federal Alcohol Administration Act.....	14,000	14,000	19,605.00
Violations, Fair Labor Standards Act of 1938.....	100,000	100,000	90,336.38
Violations, Public Contracts Act.....	16,000	16,000	22,429.39
Violating regulations.....	337,400	337,400	284,591.71
Other.....	2,350,100	2,351,000	2,259,219.91
Total, fines and penalties.....	6,487,810	7,489,580	12,105,641.60
(5) Forfeitures:			
General accounts:			
Bonds of aliens, contractors, etc.....	74,100	74,150	62,669.22
Bonds under Narcotic Act.....	800	800	789.64
Bonds under National Prohibition Act.....	401,500	501,500	489,712.15
Bribes to United States officers.....	1,200	1,200	1,245.00
Excess proceeds of withheld Veterans' Administration foreign checks.....		208,000	275,958.58
Customs Service.....	425,000	425,000	445,157.15
Under enforcement of National Prohibition Act.....			178.64
Forfeitures, effects of deserters.....	325	325	128.54
Immigration forfeitures.....			• 667.60
Unclaimed funds.....	420	1,000	1,020.16
Unclaimed and abandoned merchandise.....	120,000	120,000	121,650.30
Unclaimed moneys and wages remaining in registry of courts.....	135,000	135,000	129,852.25
Unexplained balances in cash accounts.....	5,070	5,070	2,042.63
Forfeitures from espionage activities.....	15,000	15,000	16,467.90
Other.....	58,190	58,195	44,741.33
Special accounts:			
Forfeitures, bonds of aliens (U. S. securities).....	10,000	10,000	5,000.00
Total, forfeitures.....	1,246,605	1,555,240	1,595,945.99
(6) Gifts and contributions:			
General accounts:			
Donations to the United States.....	60,000	60,000	• 123,194.55
Donations to the United States for war activities.....	5,000	705,000	623,107.01

See footnotes at end of table.

TABLE 105.—*Receipts and expenditures of general and special accounts, actual for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, in detail—Continued*

General and special accounts	Estimated, 1944	Estimated, 1943	Actual, 1942
RECEIPTS—Continued			
4. Miscellaneous receipts—Continued.			
(6) Gifts and contributions—Continued.			
General accounts—Continued.			
Moneys received from persons known.....	\$27,900	\$27,910	\$12,764.93
Moneys received from persons unknown.....	15,210	15,340	16,701.97
Return of grants, Farm Security Administration.....	5,000	15,000	75,382.01
Special accounts:			
Deposits, war contributions, act Mar. 27, 1942:			
Aircraft.....		1,775,000	886,683.69
Buildings and appurtenances.....		85,000	62,188.85
Guns and ammunition.....		35,000	11,197.65
Vessels.....		100,000	20,456.00
Welfare and recreation.....		15,000	4,601.00
Total, gifts and contributions.....	113,110	2,833,250	1,584,888.56
(7) Interest, exchange, and dividends:			
General accounts:			
Dividends on shares of Federal savings and loan associations.....	483,300	562,900	697,205.86
Earnings from payments to Federal Reserve Banks for industrial loans.....	50,000	50,000	141,241.11
Gain by exchange.....	36,010	36,010	38,664.48
Federal control of transportation systems (repayments to appropriations).....			44,741.96
Interest earned on Commodity Credit Corporation securities.....	18,000,100	9,000,000	1,372,432.30
Interest collections of Farm Security Administration.....			250,354.09
Interest earned on Home Owners' Loan Corporation bonds.....	3,000,000	3,195,745	395,745.86
Interest earned on Tennessee Valley Authority securities.....	570,900	570,900	429,540.62
Interest earned on United States Housing Authority notes.....	4,900,000	3,250,000	1,669,956.84
Interest from Central Branch, Union Pacific Railroad.....	12,000	12,000	13,703.25
Interest on advances to Colorado River Dam fund, Boulder Canyon project.....	3,000,000	1,500,000	1,974,368.42
Interest on construction costs of public works in Colon and Panama, War Department.....		36,500	37,609.85
Interest on advance payments to contractors.....	3,500,000	3,500,000	29.78
Interest on deferred collections or payments.....	179,769	134,696	319,592.09
Interest on emergency crop loans, Farm Credit Administration.....	10,000	12,500	29,356.20
Interest on farm loans, Farm Tenant Act.....			490.46
Interest on farmers' seed and feed loans.....	100,000	150,000	271,073.13
Interest on funded obligations of foreign governments held by the United States under re-funding agreements.....			19,656.32
Interest on homestead loans, Virgin Islands.....	2,000	2,000	2,168.70
Interest on Government-owned securities.....	77,250	102,250	180,110.42
Interest on loans; U. S. Housing Corporation.....			4,103.67
Interest on loans for Indian rehabilitation.....	1,000	1,000	1,071.71
Interest on loans, Puerto Rico Reconstruction Administration.....	14,000	21,000	4,979.76

See footnotes at end of table.

TABLE 105.—Receipts and expenditures of general and special accounts, actual for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, in detail—Continued

General and special accounts	Estimated, 1944	Estimated, 1943	Actual, 1942
RECEIPTS—Continued			
4. Miscellaneous receipts—Continued.			
(7) Interest, exchange, and dividends—Con. General accounts—Continued.			
Interest on loans, relief in stricken agricultural areas.....	\$350,000	\$450,000	\$745,315.81
Interest on loans, Rural Electrification Administration.....	6,400	7,600	2,918.69
Interest on loans to States, municipalities, etc., Federal Works Agency.....	1,675,068	1,688,937	1,377,969.76
Interest on public deposits.....	4,460	4,960	4,487.48
Loans to railroads after termination of Federal control (repayments to appropriations).....	91,550	91,550	368,287.28
Interest on obligations of Reconstruction Finance Corporation purchased by the Secretary of the Treasury.....	50,000,000	43,000,000	1,299,979.37
Military and naval insurance, Veterans' Administration, premiums on term insurance (repayments to appropriations).....	400,000	400,000	410,441.91
Interest on securities received from Reconstruction Finance Corporation.....	1,400	2,000	24,956.90
Interest on bonds of Maryland National Capital Park and Planning Commission.....			1,550.89
Interest and profits on Federal Farm Mortgage Corporation bonds.....	1,107,000	1,405,000	1,331,077.34
Other.....	1,600	1,700	1,679.23
Special account:			
Interest and profits on investments, Pershing Hall Memorial fund.....	5,043	5,043	5,042.72
Total, interest, exchange, and dividends.....	87,578,850	69,194,291	13,470,923.34
(8) Mint receipts:			
General accounts:			
Profits on coinage, bullion, deposits, etc.....	976,000	1,826,000	2,329,179.68
Seigniorage.....	70,000,000	72,000,000	87,566,724.37
Total, mint receipts.....	70,976,000	73,826,000	89,895,904.05
(9) Permits, privileges, and licenses:			
General accounts:			
Alaska fund.....	300,000	275,000	244,727.08
Business concessions.....	218,875	244,725	254,471.06
Immigration reentry permits (earned).....	64,000	64,000	83,274.00
Licenses under Federal Power Act.....	161,572	162,076	160,891.79
Permits to operate motor vehicles.....	12,000	12,000	9,168.25
Permits to enter national parks.....	500,000	700,000	1,635,537.97
Permits, fishing and hunting.....	1,000	1,000	1,025.06
Pipe-line water rights.....	25	25	55.00
Power permits.....	16,450	16,450	16,878.81
Revenues, Washington National Airport.....	400,000	400,000	370,865.66
Rights-of-way on and occupancy of public lands.....	28,600	28,600	25,111.12
Other.....	100	100	72.00
Special accounts:			
Licenses under Federal Power Act.....	213,698	215,064	211,086.94
Receipts due States under Grazing Act, June 28, 1934.....	600,000	600,000	549,374.00
Revenues, Indian Arts and Crafts Board.....	250	250	250.00
Total, permits, privileges, and licenses.....	2,516,570	2,719,290	3,562,788.74

TABLE 105.—*Receipts and expenditures of general and special accounts, actual for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, in detail—Continued*

General and special accounts	Estimated, 1944	Estimated, 1943	Actual, 1942
RECEIPTS—Continued.			
4. Miscellaneous receipts—Continued.			
(10) Reimbursements:			
General accounts:			
Auditing accounts of American Red Cross.....	\$8, 100	\$8, 100	\$8, 147. 82
Bankruptcy Act, Interstate Commerce Commission	23, 000	18, 000	54, 634. 26
By States for emergency conservation work, profits on sales of lands or its products.....		1, 025	19, 374. 91
Cable and radio messages.....	1, 000	1, 000	1, 048. 77
Collections under Cotton Standards Act.....	190, 000	190, 000	190, 069. 78
Collections under Grain Standards Act.....	81, 000	81, 000	80, 182. 77
Compensation received by Federal employees from private sources.....			2, 624. 04
Construction charges (Indian Service).....	20, 000	20, 000	19, 234. 34
Coos Bay Wagon Road grant lands, Douglas County, Oreg.			2, 020. 23
Cost of administration, Federal Power Act.....	452, 000	437, 600	384, 462. 68
Costs from estates of deceased Indians.....	50, 000	50, 000	46, 796. 67
Court costs.....	80, 500	75, 500	66, 176. 59
Deductions from awards of Mixed Claims Commission, United States and Germany.....		9, 500	201. 43
By District of Columbia for advances for acquisition of lands under sec. 4, act May 29, 1930, as amended.....	300, 000	300, 000	300, 000. 00
Maintenance of District of Columbia inmates in Federal penal and correctional institutions.....	110, 000	110, 000	191, 985. 10
Expenses of international service of ice observations and patrol.....	50, 000	50, 000	9, 507. 00
Expenses, miscellaneous.....	24, 350	23, 500	375, 163. 32
Expenses of redeeming national currency.....	68, 565	60, 285	52, 819. 50
Excess cost over contract price.....	40, 097, 560	40, 103, 900	353, 545. 37
Excessive profits on renegotiated contracts.....	250, 000, 000	350, 000, 000	
Excess witness fees.....	515	515	631. 79
Government property lost or damaged.....	3, 753, 500	3, 817, 600	3, 587, 106. 73
Government property lost or damaged, National Guard.....		5, 000	41, 524. 91
Hospitalization charges and expenses.....	440, 000	440, 000	435, 219. 85
Inspection of perishable food and farm products.....	277, 000	277, 000	272, 841. 65
Jury service.....	12, 930	13, 315	14, 341. 85
Loss of continuous discharge books, etc.....	12, 000	12, 000	5, 674. 15
Maintenance and irrigation charges, irrigation systems, Indian Service.....	560, 000	560, 000	566, 629. 27
Of appropriations made for Indian tribes.....	211, 000	231, 000	299, 369. 72
Refund on enlistment allowances and clothing bounties.....	500	500	198. 69
Refund, State and local taxes.....	2, 805	2, 590	16, 091. 25
Refunds on empty containers.....	18, 745	19, 780	26, 779. 47
Revenues, power system, Flathead Reservation, Mont.....	180, 000	180, 000	173, 647. 15
Repairs of Rock Island Bridge, Rock Island, Ill.....	8, 500	10, 000	8, 706. 01
Salaries (unauthorized services).....	350	31, 350	38, 159. 61
Settlement of claims against various depositors.....	3, 550	3, 550	4, 466. 39
Transportation.....	828, 000	828, 275	504, 006. 14
Other.....	15, 037, 530	15, 056, 115	212, 055. 63

TABLE 105.—Receipts and expenditures of general and special accounts, actual for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, in detail—Continued

General and special accounts	Estimated, 1944	Estimated, 1943	Actual, 1942
RECEIPTS—Continued.			
4. Miscellaneous receipts—Continued			
(10) Reimbursements—Continued.			
Special accounts:			
Collections, reclamation fund.....	\$10,000,000	\$8,000,000	\$5,990,096.20
Reimbursements, defense aid:			
Agricultural, industrial, and other commodities.....	2,000,000	2,000,000	292.71
Tanks and other vehicles.....	500,000	500,000	200,240.70
Vessels and other watercraft.....	100,000	100,000	10,916.80
Total, reimbursements.....	325,503,000	423,628,000	14,566,994.25
(11) Rents and royalties:			
General accounts:			
Ground rent.....	4,000	4,000	4,322.99
Pipe-line rentals.....	15,050	15,050	16,294.00
Receipts from potash deposits, royalties, and rentals.....	37,300	37,300	47,293.07
Receipts under mineral leasing acts.....	600,000	600,000	684,918.61
Receipts for range improvements.....	300,000	300,000	273,358.79
Rent of docks, wharves, and piers.....	6,000	6,000	6,242.78
Rent of equipment.....	1,828,000	1,831,500	870,159.25
Rent of camp and house sites.....	5,500	5,500	49,652.04
Rent of land.....	639,980	635,480	611,231.19
Rent of public buildings, grounds, etc.....	518,950	514,050	276,048.85
Rent of telegraph and telephone facilities.....	63,720	63,720	59,204.38
Rent of water-power sites.....	155,000	155,000	156,083.97
Rentals on leases covering gas rights.....	100	100	113.15
Rentals on films leased.....	100	500	1,491.02
Rentals of tenant farms, Puerto Rico Reconstruction Administration.....	65,000	65,000	45,013.92
Royalties on oil, gas, etc.....	20,500	21,500	8,462.61
Royalties on coal leases in Alaska.....	10,000	10,000	10,883.20
Royalties, naval petroleum reserves, California.....	600,000	600,000	590,375.31
Other.....	3,500	3,500	1,888.99
Special accounts:			
Deposits, rents, national defense housing projects (emergency fund for the President), Navy.....	3,000,000	3,000,000	2,081,799.60
Potash deposits, royalties and rentals, act of Oct. 2, 1917.....	45,000	45,000	46,412.27
Receipts from leases of flood control lands.....	80,000	80,000	60,802.24
Receipts under mineral leasing acts.....	5,400,000	5,400,000	6,164,267.46
Receipts from potash deposits, royalties and rentals.....	336,000	336,000	425,637.71
Maintenance, etc., defense housing, temporary shelter (emergency fund for the President), The Alley Dwelling Authority.....	110,000	40,000	-----
Total, rents and royalties.....	13,843,700	13,769,200	12,492,047.40
(12) Sales of Government property, products:			
General accounts:			
Agricultural products, including livestock and livestock products.....	691,800	699,980	247,816.38
Card indexes, Library of Congress.....	300,000	300,000	329,703.94
Dairy products.....	59,000	59,000	76,572.66
Electric current, power plant, Coolidge Dam, Ariz.....	250,000	250,000	229,638.85
Electric current.....	91,100	101,100	88,704.60
Heat, light, power, and water.....	81,160	80,360	71,291.81
Ice.....	56,200	50,200	44,740.56

TABLE 105.—Receipts and expenditures of general and special accounts, actual for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, in detail—Continued

General and special accounts	Estimated, 1944	Estimated, 1943	Actual, 1942
RECEIPTS—Continued.			
4. Miscellaneous receipts—Continued.			
(12) Sales of Government property, products—Continued.			
General accounts—Continued.			
Migratory Bird Conservation Act, receipts credited to the General Fund.....	\$68,600	\$68,600	\$69,435.44
Occupational therapy products.....	41,520	41,520	45,280.51
Old, condemned surplus property, Navy Department.....	2,000,000	2,000,000	1,909,599.13
Photo duplications.....	37,080	38,150	37,187.43
Proceeds, activities fund, United States naval prisons.....	12,000	12,000	9,110.49
Public documents, charts, maps, etc.....	1,193,095	1,051,470	874,334.66
Public timber.....	12,000	12,000	25,504.12
Scrap and salvaged materials, condemned stores, waste paper, refuse, etc.....	18,587,350	13,001,956	5,547,404.50
Seal and fox skins, and furs.....	705,900	834,500	1,142,770.46
Stores.....	103,770	104,270	4,641.74
Donated scrap aluminum.....			543,755.39
Steam.....	1,900	1,900	1,909.07
Subsistence (meals, rations, etc.).....	95,650	178,270	174,946.15
Unserviceable Civilian Conservation Corps property.....		21,975	295,479.35
Water.....	50,400	60,400	98,166.56
Other.....	389,775	415,235	346,354.04
Special accounts:			
Deposits from sale and transmission of electric energy, Bonneville project, Oregon.....	17,000,000	12,500,000	4,849,185.79
Receipts from production and sale of helium, etc., Bureau of Mines.....	90,000	105,000	106,313.74
Receipts under Migratory Bird Conservation Act.....	36,300	36,300	37,519.36
Sale of historical and educational material, U. S. Constitution Sesquicentennial Commission.....			1,497.84
Sale of water, sec. 40 (d), Mineral Leasing Act of 1920.....	500	500	202.00
Total, sales of Government property, products.....	41,949,100	32,024,686	17,209,066.57
(13) Sales of services:			
General accounts:			
Copies of hearings.....	1,360	1,360	2,476.90
Earnings by United States transports.....	251,500	501,500	40,012.71
Earnings from business operations.....	750,000	796,850	1,023,210.11
Fumigating and disinfecting.....	32,040	32,040	28,130.80
Laundry and dry-cleaning operations.....	30,006,000	25,006,000	9,311,703.94
Medical, dental, and hospital services.....	15,400	15,520	17,198.22
Livestock breeding service.....	600	600	555.50
Overhead charges on sales of services or supplies (War, Navy, and Civilian Conservation Corps).....	325,000	325,000	193,289.96
Professional and scientific.....	1,000	1,000	4,564.54
Quarantine charges (including fumigation, disinfection, inspection, etc., of vessels).....	158,800	158,800	165,854.59
Quarters, subsistence, and laundry service.....	64,300	68,970	67,272.98
Radio service.....	78,550	78,550	58,396.25
Storage and other charges.....	82,500	82,500	79,917.31
Telephone and telegraph.....	1,124,915	930,325	418,658.78
Tolls, Panama Canal.....	5,500,000	5,500,000	9,765,364.76
Transportation service.....	2,050	1,100	725.09
Work done for individuals, corporations, et al.....	130,725	130,875	126,428.03
Other.....	279,240	278,240	22,116.91

TABLE 105.—Receipts and expenditures of general and special accounts, actual for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, in detail—Continued

General and special accounts	Estimated, 1944	Estimated, 1943	Actual, 1942
RECEIPTS—Continued.			
4. Miscellaneous receipts—Continued.			
(13) Sales of services—Continued.			
Special accounts:			
Alaska Railroad fund receipts....	\$5,000,000	\$6,000,000	\$5,841,872.53
Collections for laundry service, Naval Academy.....	200,000	200,000	171,279.90
Total, sales of services.....	44,003,980	40,109,230	27,339,029.81
(14) Sundry receipts:			
General accounts:			
Forest reserve fund.....	4,482,092	4,342,113	4,019,130.57
Surplus from postal operations....	3,472,485		
Special accounts:			
Deposits, postal funds, Canal Zone.....	696,600	711,600	1,059,934.00
Forest reserve fund.....	898,207	238,186	488,472.81
Forest reserve fund, roads and trails for States (10 percent)....	668,018	668,018	613,167.54
Forest reserve fund, payments to States (25 percent).....	1,670,043	1,670,043	1,532,968.33
Receipts for acquisition of lands. United States revenues from District of Columbia sources..	461,640	461,640	479,278.85
Total, sundry receipts.....	12,379,085	8,121,600	8,224,595.74
(15) Compensation for foreign merchant vessels:			
Special accounts:			
Deposits, compensation for for- eign merchant vessels.....	500,000	1,263,500	3,600,000.00
(16) Defense aid deposits by foreign govern- ments:			
General accounts:			
General expenses, Marine Corps, 1941 (repayments to appropri- ation).....			95,564.42
(17) Repayments of investments:			
General accounts:			
Collections of insured loans, Federal Housing Administra- tion.....		35	• 399.06
Construction costs of public works in Colon and Panama.....		56,381	56,381.50
Principal on securities received from R. F. C. under act Feb. 24, 1938.....		20,000	1,974,000.00
Principal payments on loans, Puerto Rican Hurricane Relief Commission.....	160,000	160,000	159,690.61
Principal payments on low-cost houses, Virgin Islands.....	1,500	1,500	1,361.85
Repayment of principal on loans for Indian rehabilitation.....	5,000	5,000	5,632.31
Repayment of principal on emergency crop loans, Farm Credit Administration.....	50,000	75,000	115,926.61
Repayment of principal on ac- count of farm loans, Farm Tenant Act.....			• 173.84
Repayment of principal on ac- count of loans, Rural Electrifi- cation Administration.....	38,400	36,300	8,034.97
Repayment of principal on ac- count of loan, Puerto Rico Reconstruction Administra- tion.....	50,000	77,000	46,349.68
Repayment of principal on ac- count of loans, Farm Security Administration.....			• 292,113.57
Representation of interests of foreign governments growing out of hostilities in Europe....	1,832	1,832	1,832.68
Return of advances by Eastern Massachusetts Street Railway..	1,000	1,000	310.83

See footnotes at end of table.

TABLE 105.—*Receipts and expenditures of general and special accounts, actual for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, in detail—Continued*

General and special accounts	Estimated, 1944	Estimated, 1943	Actual, 1942
RECEIPTS—Continued.			
4. Miscellaneous receipts—Continued.			
(17) Repayments of investments—Con.			
General accounts—Continued.			
Sale of chattels, Farm Security Administration.....		\$200	\$866.50
Repayment of advances to Maryland National Capital Park and Planning Commission.....			106,000.00
Repayment and recoveries, emergency relief, act Dec. 17, 1941.....	\$650	26,308	37,213.79
Repayment of subscriptions to preferred shares and income, Federal savings and loan associations.....	2,500,000	2,700,000	4,228,300.00
Repayment of principal on orchard rehabilitation loans.....		9,900	
Special accounts:			
Crop production loan funds, act Jan. 22, 1932.....	275,000	425,000	1,171,268.44
Receipts from submarginal land program, Farm Tenant Act.....			* 161,087.80
Receipts due counties from submarginal land program, Farm Tenant Act.....	66,500	61,500	104,080.06
Repayment of principal on account of loans to States, municipalities, etc.....	692,758	2,502,384	635,558.18
Deposit of excess capital, Commodity Credit Corporation.....		9,815,514	* 18,000,000.00
Total, repayments of investments.....	3,842,640	15,974,854	26,199,034.34
(18) Sales of public lands:			
General accounts:			
Sales of public lands.....	40,000	40,000	* 2,735.10
Special accounts:			
Sale of public land (by States) (reclamation fund 80 percent).....	90,000	90,000	92,340.28
Total, sales of public lands.....	130,000	130,000	89,605.18
(19) Sales of Government property:			
General accounts:			
Capital equipment (includes trucks, horses, cars, machinery, furniture and fixtures, and other capital equipment).....	1,524,540	1,509,275	613,307.53
Land and buildings.....	1,346,320	1,388,950	877,942.85
Lands, etc., on account of military post construction fund.....	3,000	3,250	108,510.55
Office material, etc.....	25,000	25,000	5,103.39
Ordinance material (War).....	75,000	100,000	270,449.70
Proceeds from submarginal land program, Farm Tenant Act.....	199,500	184,500	312,240.33
Proceeds of Fort Hall irrigation and water system, Idaho.....	500	500	235.43
Proceeds of sales, Coast Guard stations.....	200	200	281.97
Proceeds of sales of vessels for the Coast Guard.....	150	150	7,533.01
Sale of town lots, Alaska.....			60.00
Standing timber (Alaska).....	9,000	9,000	9,806.36
Surplus war supplies.....		2,000	100,540.37
Special accounts:			
Coos Bay Wagon Road grant fund.....	240,000	240,000	210,198.35
Oregon and California land grant fund.....	1,000,000	1,000,000	958,285.97
Sale of reserve lands, reclamation projects, act May 20, 1920.....			58.74
Deposits for defense aid, sec. 6 (b), act Mar. 11, 1941.....		20,000,000	22,738,336.38

See footnotes at end of table.



TABLE 105.—Receipts and expenditures of general and special accounts, actual for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, in detail—Continued

General and special accounts	Estimated, 1944	Estimated, 1943	Actual, 1942
<b>RECEIPTS—Continued</b>			
<b>4. Miscellaneous receipts—Continued.</b>			
(19) Sales of Government property—Con.			
Special accounts—Continued.			
Proceeds of town sites, lots,			
Reclamation Service.....	\$5,000	\$5,000	\$6,452.25
Total, sales of Government property.....	4,428,210	24,467,825	26,219,343.18
Total, miscellaneous receipts.....	639,215,000	740,745,000	282,612,259.00
Adjustment to daily Treasury statement basis.....			-5,235,961.66
Total, miscellaneous receipts, general and special accounts.....	639,215,000	740,745,000	277,376,297.34
Total receipts, general and special accounts.....	35,406,695,000	24,552,255,000	13,667,914,823.84
Deduct:			
Net appropriation for Federal old-age and survivors insurance trust fund.....	1,525,450,000	1,076,180,000	868,853,202.82
Net receipts, general and special accounts, on basis of daily Treasury statement (unrevised).....	33,881,245,000	23,476,075,000	12,799,061,621.02
Deduct:			
Post-war credits for excess profits tax and Victory tax <sup>1</sup> .....	800,000,000	500,000,000	
Net receipts <sup>1</sup> .....	33,081,245,000	22,976,075,000	12,799,061,621.02
<b>EXPENDITURES</b>			
<b>WAR ACTIVITIES</b>			
Navy Department.....	22,000,000,000	17,500,000,000	8,579,588,975.68
War Department (includes Panama Canal).....	62,000,000,000	44,000,000,000	14,097,466,381.82
<b>Executive Office of the President:</b>			
Executive Office proper.....		48,501	33,691.38
Bureau of the Budget.....	825,000	775,000	374,146.22
National Resources Planning Board.....	700,000	380,000	501,690.46
War agencies.....	2,520,291,200	1,604,914,476	289,762,671.24
Total, Executive Office of the President.....	2,521,816,200	1,606,117,977	290,672,199.30
<b>Emergency funds appropriated to the President.....</b>	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
<b>Independent establishments:</b>			
Civil Service Commission.....	10,500,000	11,039,000	6,425,915.26
Employees' Compensation Commission.....	170,000	201,000	30,954.42
Federal Communications Commission.....	5,800,000	5,010,000	2,879,220.53
Federal Deposit Insurance Corporation.....		2,700	
Federal Power Commission.....	500,000	500,000	222,271.07
General Accounting Office.....		2,410,000	240,085.58
Interstate Commerce Commission.....	290,000	228,000	107,952.68
Maritime Labor Board.....			7,999.13
National Labor Relations Board.....	600,000	600,000	131,060.00
National Mediation Board.....		30,000	
Railroad Retirement Board.....		24,000	39,358.00
Securities and Exchange Commission.....		5,000	29,837.00
Selective Service System.....			32,943,304.50
The Alley Dwelling Authority.....	135,000	18,530,000	200,780.00
United States Maritime Commission.....	1,300,000,000	2,000,000,000	929,451,092.14
Veterans' Administration.....		50,000	66.00
Total, independent establishments.....	1,317,995,000	2,038,629,700	972,709,896.31
<b>Federal Security Agency:</b>			
Office of the Administrator.....		4,200,000	661,404.97
National Youth Administration.....			41,693,140.72
Office of Education.....	143,650,000	157,175,000	106,117,071.65
Public Health Service.....	13,005,000	13,380,000	3,698,771.53
Social Security Board.....		630,000	1,386,837.51
Total.....	156,655,000	175,385,000	153,557,226.38
Adjustment to daily Treasury statement basis.....			-854,470.28
Total, Federal Security Agency.....	156,655,000	175,385,000	152,702,756.10

See footnotes at end of table.

TABLE 105.—*Receipts and expenditures of general and special accounts, actual for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, in detail—Continued*

General and special accounts	Estimated, 1944	Estimated, 1943	Actual, 1942
<b>EXPENDITURES—Continued</b>			
<b>WAR ACTIVITIES—continued</b>			
<b>Federal Works Agency:</b>			
Office of the Administrator.....	\$53,480,000	\$218,826,700	\$34,013,634.75
Public Buildings Administration.....	1,600,000	14,500,000	9,667,798.36
Public Roads Administration.....	135,500,000	111,539,000	15,517,340.38
Total.....	190,580,000	344,865,700	59,198,773.49
Adjustment to daily Treasury statement basis.....			+2,404,081.04
Total, Federal Works Agency.....	190,580,000	344,865,700	61,602,854.53
<b>National Housing Agency:</b>			
Office of the Administrator.....	4,626,000	14,846,000	299,040,260.72
Federal Home Loan Bank Administration.....	49,000	10,600	40,369.71
Federal Public Housing Authority.....	171,850,000	785,143,400	4,916,910.60
Total.....	176,525,000	800,000,000	294,164,719.83
Adjustment to daily Treasury statement basis.....			+2,871,563.84
Total, National Housing Agency.....	176,525,000	800,000,000	297,036,283.67
<b>Department of Agriculture:</b>			
Office of the Secretary.....	732,000	3,474,000	2,637,986.78
Emergency rubber project.....	50,000,000	23,000,000	2,466,438.00
Farm Security Administration.....	400,000	14,673,000	18,795,006.88
Agricultural Marketing Administration:			
Emergency supplies for Territories and possessions.....	16,275,000	15,900,000	4,692,595.63
Defense aid (lend-lease).....	1,300,000,000	1,700,000,000	671,334,219.31
Total.....	1,367,407,000	1,757,047,000	699,926,244.60
Adjustment to daily Treasury statement basis.....			-3,659,361.67
Total, Department of Agriculture.....	1,367,407,000	1,757,047,000	696,266,882.93
<b>Department of Commerce:</b>			
Office of the Secretary.....	125,000	263,400	178,731.07
Loan agencies (Commerce).....		3,878,000	20,057,083.88
Office of the Administrator of Civil Aeronautics.....	160,000,000	229,972,000	96,905,181.18
Bureau of Foreign and Domestic Commerce.....		175,000	20,590.65
Total.....	160,125,000	234,288,400	117,161,586.78
Adjustment to daily Treasury statement basis.....			+4,738,986.68
Total, Department of Commerce.....	160,125,000	234,288,400	121,900,573.46
<b>Department of the Interior:</b>			5
Office of the Secretary.....	200,000	1,180,000	8,535.57
Office of Petroleum Coordinator for War.....			1,268,995.63
Office of Solid Fuels Coordinator for War.....	920,000	964,800	90,341.48
Bureau of Indian Affairs.....	87,000	100,000	30,974.31
Bureau of Reclamation.....	650,000	650,000	312,615.79
Geological Survey.....	625,000	625,600	284,191.13
Bureau of Mines.....	7,728,800	17,928,000	2,992,323.89
National Park Service.....		53,000	11,063.85
Government in the Territories.....	7,000,000	25,690,000	4,168,651.47
Total.....	17,210,800	47,191,400	9,164,693.12
Adjustment to daily Treasury statement basis.....			-3,128,982.70
Total, Department of the Interior.....	17,210,800	47,191,400	6,035,710.42
<b>Department of Justice:</b>			
Legal activities and general administration.....	890,000	707,000	304,142.60
Federal Bureau of Investigation.....	35,000,000	30,900,000	17,947,344.46
Immigration and Naturalization Service.....		90,000	208,715.36
Total.....	35,890,000	31,697,000	18,460,202.42
Adjustment to daily Treasury statement basis.....			-652,769.80
Total, Department of Justice.....	35,890,000	31,697,000	17,807,432.62
<b>Department of Labor:</b>			
Office of the Secretary.....	1,106,000	1,160,000	515,028.71
Bureau of Labor Statistics.....	825,000	836,000	311,064.55

See footnotes at end of table.

TABLE 105.—*Receipts and expenditures of general and special accounts, actual for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, in detail—Continued*

General and special accounts	Estimated, 1944	Estimated, 1943	Actual, 1942
<b>EXPENDITURES—Continued</b>			
<b>WAR ACTIVITIES—continued</b>			
<b>Department of Labor—Continued.</b>			
Children's Bureau.....		\$25,000	\$9,390.53
Wage and Hour Division.....	\$140,000	160,000	57,886.07
Total.....	2,071,000	2,181,000	893,369.86
Adjustment to daily Treasury statement basis.....			-64,347.80
Total, Department of Labor.....	2,071,000	2,181,000	829,022.06
<b>Department of State:</b>			
Defense aid.....			39,362.67
Emergency fund for the President, national defense.....	1,000,000	5,211,000	3,727,381.62
National defense activities.....			39,105.77
Foreign intercourse.....	2,725,000	2,043,000	
Total.....	3,725,000	7,254,000	3,805,850.06
Adjustment to daily Treasury statement basis.....			-612,715.88
Total, Department of State.....	3,725,000	7,254,000	3,193,134.18
<b>Treasury Department:</b>			
Office of the Secretary.....	50,000,000	109,030,923	200,158,462.61
Division of Research and Statistics.....			2.40
Office of Chief Clerk.....		1,500	11,881.53
<b>Fiscal Service:</b>			
Bureau of Accounts.....		17,800	7,271.24
Office of the Treasurer of the United States.....			2,333.69
Total, Fiscal Service.....		17,800	9,604.93
<b>Secret Service Division</b> .....			12,981.62
<b>Procurement Division</b> .....		1,246,292,600	534,314,204.27
Total.....	50,000,000	1,355,342,823	734,507,137.36
Adjustment to daily Treasury statement basis.....			-15,052,672.07
Total, Treasury Department.....	50,000,000	1,355,342,823	719,454,465.29
Total.....	90,000,000,000	69,900,000,000	26,017,266,568.37
<b>Supplemental items</b> .....	7,000,000,000	4,100,000,000	
Adjustment to daily Treasury statement basis.....			-6,201,478.98
Total, war activities.....	97,000,000,000	74,000,000,000	26,011,065,089.39
<b>INTEREST ON THE PUBLIC DEBT.</b>	3,000,000,000	1,850,000,000	1,260,085,336.46
<b>OTHER ACTIVITIES</b>			
<b>Legislative establishment:</b>			
Senate.....	3,948,900	3,953,700	3,982,757.33
House of Representatives.....	9,332,900	9,481,900	9,677,619.12
Miscellaneous.....	4,000	4,000	4,000.00
Architect of the Capitol.....	2,339,000	2,177,000	2,213,273.73
Botanic Garden.....	107,000	108,000	102,658.08
Library of Congress.....	4,011,800	3,607,200	3,705,505.54
Government Printing Office.....	7,712,000	7,712,500	7,707,516.24
Total.....	27,455,600	27,042,300	27,393,330.04
Adjustment to daily Treasury statement basis.....			-124,356.85
Total, legislative establishment.....	27,455,600	27,042,300	27,268,973.19
<b>The Judiciary:</b>			
United States Supreme Court.....	612,000	614,100	600,471.22
Other Federal courts.....	11,771,500	11,257,000	10,395,699.32
Administrative Office of the United States Courts.....	280,000	247,000	243,635.23
Total.....	12,663,500	12,118,100	11,239,805.77
Adjustment to daily Treasury statement basis.....			+297,931.05
Total, The Judiciary.....	12,663,500	12,118,100	11,537,736.82

TABLE 105.—Receipts and expenditures of general and special accounts, actual for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, in detail—Continued

General and special accounts	Estimated, 1944	Estimated, 1943	Actual, 1942
<b>EXPENDITURES—Continued</b>			
<b>OTHER ACTIVITIES—continued</b>			
<b>Executive Office of the President:</b>			
Executive Office proper.....	\$547,190	\$526,085	\$498,707.44
Bureau of the Budget.....	1,877,000	1,507,000	1,138,188.01
National Resources Planning Board.....	625,000	535,000	660,727.55
<b>Total.....</b>	<b>3,049,190</b>	<b>2,568,085</b>	<b>2,297,623.00</b>
Adjustment to daily Treasury statement basis.....			+49,408.83
<b>Total, Executive Office of the President.....</b>	<b>3,049,190</b>	<b>2,568,085</b>	<b>2,347,031.83</b>
<b>Civil departments and agencies:</b>			
<b>Independent establishments:</b>			
American Battle Monuments Commission.....	45,000	75,000	125,529.58
Bituminous Coal Consumers' Counsel.....		132,500	179,025.24
Board of Investigation and Research—			
Transportation.....	5,000	600,000	193,204.15
Civil Service Commission.....	5,667,500	6,330,000	5,605,807.81
Employees' Compensation Commission.....	7,447,000	6,812,000	4,268,672.44
Federal Communications Commission.....	2,019,000	2,020,035	2,364,840.28
Federal Deposit Insurance Corporation.....	10,000	152,300	194,202.39
Federal Power Commission.....	2,096,000	2,150,500	2,367,483.51
Federal Trade Commission.....	2,050,000	2,050,000	2,294,726.23
Foreign service pay adjustment.....	(3)	(5)	(8)
General Accounting Office.....	26,148,000	16,675,000	10,852,464.15
Interstate Commerce Commission.....	9,040,000	9,074,000	8,970,260.08
Maritime Labor Board.....			24,040.58
Mineral Act of Oct. 5, 1918.....			174,606.42
National Advisory Committee for Aeronautics.....	15,016,000	8,023,600	4,579,720.64
National Archives.....	907,000	1,012,000	1,047,235.62
National Capital Park and Planning Commission.....	50,000	1,300,000	1,036,464.19
National Labor Relations Board.....	2,720,000	2,730,000	2,891,640.59
National Mediation Board.....	444,500	481,500	494,269.55
Protection of interest of the United States in matters affecting oil lands on former naval reserves.....		17,000	8,026.52
Railroad Retirement Board.....	16,180,000	14,407,000	13,996,309.66
Securities and Exchange Commission.....	4,440,000	4,555,000	4,902,988.93
Smithsonian Institution.....	1,680,000	1,680,000	1,379,809.22
Tariff Commission.....	835,000	836,000	823,680.10
Temporary National Economic Committee.....			* 2,165.00
The Alley Dwelling Authority.....	12,000	12,000	* 4,058.76
The Tax Court of the United States.....	587,000	579,500	561,768.99
Thomas Jefferson Memorial Commission.....	24,500	74,600	266,304.22
United States Commission for the Celebration of the Two-hundredth Anniversary of the birth of Thomas Jefferson.....		3,000	1,769.76
United States Constitution Sesquicentennial Commission.....		4,000	10,383.20
United States Coronado Exposition Commission.....			379.25
United States Golden Gate International Exposition Commission.....		900	14,326.43
United States New York World's Fair Commission.....			56,547.74
Other independent establishments and unclassified items.....		48,501	* 661,633.17
<b>Total.....</b>	<b>97,423,500</b>	<b>81,785,936</b>	<b>69,018,350.54</b>
Adjustment to daily Treasury statement basis.....			+5,217,041.42
<b>Total, independent establishments.....</b>	<b>97,423,500</b>	<b>81,785,936</b>	<b>74,235,391.96</b>
<b>Federal Security Agency:</b>			
Office of the Administrator.....	3,832,000	4,577,500	3,569,562.08
American Printing House for the Blind.....	115,000	115,000	115,000.00
Columbia Institution for the Deaf.....	155,000	170,000	141,408.74
Food and Drug Administration.....	2,334,000	2,334,000	2,334,767.05
Freedmen's Hospital.....	225,700	220,500	214,577.51
Howard University.....	740,000	755,000	742,332.00
Office of Education.....	30,387,000	29,611,000	28,951,398.84
Public Health Service.....	31,271,000	28,318,000	24,653,043.40

See footnotes at end of table.

TABLE 105.—Receipts and expenditures of general and special accounts, actual for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, in detail—Continued

General and special accounts	Estimated, 1944	Estimated, 1943	Actual, 1942
<b>EXPENDITURES—Continued</b>			
<b>OTHER ACTIVITIES—continued</b>			
<b>Civil departments and agencies—Continued.</b>			
Federal Security Agency—Continued.			
St. Elizabeths Hospital.....	\$1,985,000	\$1,455,000	\$1,433,797.86
Miscellaneous.....			4,953.39
Total.....	71,044,700	67,556,000	62,160,870.87
Adjustment to daily Treasury statement basis.....			+1,411,359.41
Total, Federal Security Agency.....	71,044,700	67,556,000	63,572,230.28
Federal Works Agency:			
Office of the Administrator.....		388,800	414,788.25
Public Buildings Administration.....	36,488,000	37,634,000	26,500,342.22
Public Roads Administration.....	7,500,000	12,491,000	2,598,802.46
Other.....			132,205.86
Total.....	43,988,000	50,513,800	29,646,138.79
Adjustment to daily Treasury statement basis.....			+2,193,356.01
Total, Federal Works Agency.....	43,988,000	50,513,800	31,839,494.80
National Housing Agency:			
Federal Home Loan Bank Administration.....		1,375,000	1,464,936.32
Federal Housing Administration.....	3,000,000	4,000,000	5,975,482.97
Federal Public Housing Authority.....	11,860,000	11,018,300	10,041,988.82
Miscellaneous.....			5,320.57
Total.....	14,860,000	16,393,300	17,487,728.68
Adjustment to daily Treasury statement basis.....			+21,240.32
Total, National Housing Agency.....	14,860,000	16,393,300	17,508,969.00
Department of Agriculture:			
Office of the Secretary of Agriculture:			
Office of the Secretary.....	1,665,000	1,802,500	670,437.38
Office of the Solicitor.....	1,800,000	1,890,000	2,137,417.13
Office of Information.....	2,180,000	2,600,000	2,375,576.98
Library, Department of Agriculture.....	450,000	450,000	155,401.71
Extension Service.....	19,578,650	19,508,650	19,606,924.13
Bureau of Agricultural Economics.....	3,460,000	3,211,700	3,535,317.42
Office of Foreign Agricultural Relations.....	400,000	300,000	219,409.23
Total, Office of the Secretary of Agriculture.....	29,533,650	29,762,850	28,700,483.98
Agricultural Research Administration:			
Office of Administrator.....	60,000	54,000	11,882.41
Special research fund.....	1,130,000	1,140,000	1,209,860.87
Office of Experiment Stations.....	7,238,208	7,168,608	7,170,580.25
Bureau of Animal Industry.....	15,920,000	15,885,000	14,869,926.74
Bureau of Dairy Industry.....	748,000	670,000	688,703.34
Bureau of Plant Industry.....	4,757,000	5,086,000	5,235,372.38
Bureau of Entomology and Plant Quarantine.....	4,800,000	6,969,000	9,314,189.67
Bureau of Agricultural Chemistry and Engineering.....	828,000	860,000	843,098.29
Regional Research Laboratories.....	3,000,000		
Bureau of Home Economics.....	360,000	361,300	329,328.84
Beltsville Research Center.....	385,000	411,000	463,207.56
Total, Agricultural Research Administration.....	39,226,208	38,604,908	40,136,150.35
White pine and blister rust control.....	1,800,000	1,810,000	1,048,398.14
Forest Service.....	22,335,700	26,439,700	24,998,895.94
Cooperative Farm Forestry.....	691,000	653,000	599,625.24
Agricultural Conservation and Adjustment Administration, Soil Conservation Service.....	21,374,000	20,173,000	21,886,235.84
Agricultural Marketing Administration, Marketing Service.....	5,901,000	6,269,000	6,210,156.50

TABLE 105.—Receipts and expenditures of general and special accounts, actual for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, in detail—Continued

General and special accounts	Estimated, 1944	Estimated, 1943	Actual, 1942
EXPENDITURES—Continued			
OTHER ACTIVITIES—continued			
Civil departments and agencies—Continued.			
Department of Agriculture—Continued.			
Rural Electrification Administration.....	\$4,700,000	\$5,500,000	\$9,124,097.93
Miscellaneous.....	77,000	2,212,600	524,787.85
Total.....	125,638,558	131,425,058	132,179,256.07
Adjustment to daily Treasury statement basis.....			+1,074,778.00
Total, Department of Agriculture.....	125,638,558	131,425,058	133,254,034.07
Department of Commerce:			
Office of the Secretary.....	1,108,000	1,122,500	1,221,031.96
Loan agencies (Commerce):			
Administrative expenses.....			436.37
Electric Home and Farm Authority.....			2,987.12
Export-Import Bank of Washington.....			
Reconstruction Finance Corporation.....			
Bureau of the Census.....	2,350,000	6,429,000	8,703,575.49
Bureau of Marine Inspection and Navigation.....			2,425,450.82
Office of Administrator of Civil Aeronautics.....	28,950,000	44,179,000	29,237,130.66
Civil Aeronautics Board.....	1,115,000	1,193,000	1,111,347.53
Coast and Geodetic Survey.....	3,965,000	3,654,000	3,723,924.11
Bureau of Foreign and Domestic Commerce.....	1,400,000	1,854,300	2,106,708.60
Patent Office.....	4,385,000	4,538,000	4,660,794.09
National Bureau of Standards.....	2,390,000	2,355,000	824,148.46
Weather Bureau.....	8,550,000	8,504,900	7,560,034.03
Miscellaneous.....		6,000	52,914.07
Total.....	54,213,000	73,835,700	61,629,610.57
Adjustment to daily Treasury statement basis.....			-4,108,964.51
Total, Department of Commerce.....	54,213,000	73,835,700	57,520,646.06
Department of the Interior:			
Office of the Secretary.....	5,029,600	7,540,700	9,312,263.98
Commission of Fine Arts.....	10,000	10,000	11,503.70
United States High Commissioner to Philippine Islands.....	100,000	130,000	159,774.01
General Land Office.....	4,988,000	5,263,800	4,988,872.02
Bureau of Indian Affairs.....	26,288,100	25,853,550	26,036,037.46
Bureau of Reclamation.....	4,263,500	3,419,000	3,074,249.51
Geological Survey.....	3,865,000	4,303,100	4,515,816.50
Bureau of Mines.....	5,465,000	4,751,100	3,554,037.84
National Park Service.....	4,733,900	5,325,370	6,472,820.58
Fish and Wildlife Service.....	6,833,875	7,107,400	8,065,835.67
Government in the Territories.....	7,318,100	7,887,000	7,514,078.64
Miscellaneous.....			23,765.97
Total.....	68,895,075	71,591,020	73,729,055.88
Adjustment to daily Treasury statement basis.....			+1,256,394.10
Total, Department of the Interior.....	68,895,075	71,591,020	74,985,449.98
Department of Justice:			
Legal activities and general administration.....	19,385,000	18,505,000	18,985,324.76
Federal Bureau of Investigation.....	7,900,000	7,600,000	7,283,577.65
Immigration and Naturalization Service.....	24,000,000	19,000,000	21,944,078.90
Federal Prison System.....	18,990,000	16,395,000	16,823,328.25
Miscellaneous.....			7,457.65
Total.....	70,275,000	61,500,000	65,043,767.21
Adjustment to daily Treasury statement basis.....			-1,019,120.70
Total, Department of Justice.....	70,275,000	61,500,000	64,024,646.51
Department of Labor:			
Office of the Secretary.....	3,462,500	3,545,000	4,345,010.50
Bureau of Labor Statistics.....	1,050,000	1,058,695	1,413,239.03
Children's Bureau.....	560,000	570,000	623,595.94

See footnotes at end of table.

TABLE 105.—Receipts and expenditures of general and special accounts, actual for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, in detail—Continued

General and special accounts	Estimated, 1944	Estimated, 1943	Actual, 1942
EXPENDITURES—Continued			
OTHER ACTIVITIES—continued			
Civil departments and agencies—Continued.			
Department of Labor—Continued.			
Women's Bureau.....	\$160,000	\$158,000	\$154,825.38
Wage and Hour and Public Contracts Divisions.....	4,578,700	4,815,000	4,922,216.60
Miscellaneous.....		1,439	225.52
Total.....	9,811,200	10,148,134	11,459,112.95
Adjustment to daily Treasury statement basis.....			-370,782.10
Total, Department of Labor.....	9,811,200	10,148,134	11,088,330.85
Department of State:			
Office of the Secretary.....	6,739,000	5,828,000	4,391,741.75
Foreign intercourse.....	24,086,000	22,832,000	21,357,878.45
Miscellaneous.....			548,749.19
Total.....	30,825,000	28,660,000	26,298,369.39
Adjustment to daily Treasury statement basis.....			-36,773.79
Total, Department of State.....	30,825,000	28,660,000	26,261,595.60
Treasury Department:			
Office of the Secretary.....	2,450,000	3,942,000	2,786,900.55
Foreign Funds Control.....	4,350,000	5,500,000	4,676,000.09
Division of Research and Statistics.....	184,000	182,000	200,883.26
Office of General Counsel.....	149,000	145,000	141,554.82
Division of Personnel.....	175,000	174,500	126,727.30
Office of Chief Clerk.....	624,000	667,700	1,158,492.93
Custody of Treasury buildings.....	977,000	910,000	794,796.46
Division of Printing.....			902,256.04
Fiscal Service:			
Bureau of Accounts.....	5,863,000	5,672,600	4,445,282.04
Bureau of Public Debt.....	60,674,000	52,402,200	20,337,007.22
Office of the Treasurer of the United States.....	4,008,000	2,361,100	2,189,067.15
Total, Fiscal Service.....	70,545,000	60,435,900	26,971,356.41
Bureau of Customs.....	22,089,000	22,058,000	21,315,079.40
Office of Comptroller of the Currency.....	260,000	270,000	237,484.10
Bureau of Internal Revenue.....	95,147,000	92,913,500	74,258,624.54
United States Processing Tax Board of Review.....		63,900	97,029.53
Bureau of Narcotics.....	1,104,000	1,274,000	1,263,642.87
Bureau of Engraving and Printing.....	9,905,000	10,005,000	8,528,449.41
Secret Service Division.....	1,827,000	1,826,000	1,496,041.56
Bureau of the Mint.....	4,148,000	4,105,100	4,964,438.18
Procurement Division.....	2,052,000	2,047,400	1,271,883.60
Miscellaneous.....			841,251.39
Total.....	215,986,000	206,520,000	152,032,892.44
Adjustment to daily Treasury statement basis.....			+1,101,795.16
Total, Treasury Department.....	215,986,000	206,520,000	153,134,687.60
War Department (civil functions):			
Corps of Engineers.....	35,925,500	48,406,900	29,607,976.68
Panama Canal.....	23,875,200	44,645,800	37,540,017.85
Total, War Department (civil functions).....	59,800,700	93,052,700	67,147,994.53
Total, civil departments and agencies.....	862,760,733	892,981,648	774,573,471.24
Post Office deficiency.....		3,789,712	17,729,774.85
District of Columbia (United States share).....	6,000,000	6,000,000	6,000,000.00
General public works program:			
National Advisory Committee for Aeronautics.....	4,060,000	22,236,100	7,206,186.31
Tennessee Valley Authority.....	54,000,000	140,000,000	126,986,550.27

**TABLE 105.—Receipts and expenditures of general and special accounts, actual for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, in detail—Continued**

General and special accounts	Estimated, 1944	Estimated, 1943	Actual, 1942
<b>EXPENDITURES—Continued</b>			
<b>OTHER ACTIVITIES—continued</b>			
<b>General public works program—Continued.</b>			
Veterans' Administration.....	\$6,000,000	\$3,200,000	\$3,983,220.41
Federal Security Agency, St. Elizabeths Hospital.....	480,000	825,000	.68,946.52
Federal Works Agency:			
Public Buildings Administration.....	3,764,200	15,975,250	31,582,266.58
Public Roads Administration.....	69,000,000	105,848,000	150,010,954.74
Total, Federal Works Agency.....	72,764,200	121,823,250	181,593,221.32
Department of Agriculture, Forest Service.....	6,500,000	7,000,000	7,491,170.59
Department of Commerce:			
National Bureau of Standards.....			199,018.81
Weather Bureau.....			29,910.04
Office of Administrator of Civil Aeronautics.....		270,000	2,092,618.70
Total, Department of Commerce.....		270,000	2,321,547.55
Department of the Interior:			
Bonneville Power Administration.....	33,065,100	24,000,000	24,481,986.94
Bureau of Indian Affairs.....	1,603,000	3,578,500	5,771,497.82
Bureau of Reclamation.....	52,228,000	74,038,500	88,052,076.28
National Park Service.....	1,050,000	2,575,000	7,839,771.39
Total, Department of the Interior.....	87,946,100	104,192,000	126,145,332.43
Department of Justice:			
Penal and correctional institutions.....	130,000	230,000	321,433.97
Federal Bureau of Investigation.....			.64
Total, Department of Justice.....	130,000	230,000	321,434.61
Department of State:			
Foreign intercourse.....	500,000	500,000	562,733.96
International Boundary Commission, United States and Mexico.....	400,000	1,327,000	2,087,814.46
Total, Department of State.....	900,000	1,827,000	2,650,548.42
War Department (civil functions), Corps of Engineers.....	121,832,000	175,149,000	160,893,721.62
Total, general public works program.....	354,612,300	576,752,350	619,661,880.05
<b>Veterans' pensions and benefits.....</b>	<b>879,360,000</b>	<b>613,756,000</b>	<b>551,885,121.65</b>
<b>Aids to agriculture:</b>			
Department of Agriculture:			
Agricultural Conservation and Adjustment Administration:			
Conservation and use of agricultural land resources.....	415,000,000	415,000,000	473,711,048.25
Parity payments.....	185,000,000	190,000,000	190,954,333.65
Administration of Sugar Act.....	54,000,000	45,000,000	38,531,112.51
Administration of Federal Crop Insurance Act.....	2,200,000	17,800,000	9,327,273.30
Administrative expenses, Agricultural Adjustment Agency.....	16,000,000	16,000,000	
Land utilization and retirement of sub-marginal land.....	1,290,000	1,870,000	2,457,700.62
Miscellaneous.....	73,000	211,500	317,346.84
Total, Agricultural Conservation and Adjustment Administration.....	673,563,000	685,881,500	715,298,815.17
Agricultural Marketing Administration:			
Exportation and domestic consumption of agricultural commodities, sec. 32, act of Aug. 24, 1935.....	135,019,000	163,238,000	198,218,683.07
Farm Security Administration.....	39,385,000	45,807,000	68,747,008.60
Farm Credit Administration.....	11,152,000	31,196,000	72,033,110.66
Total, Department of Agriculture.....	859,119,000	926,122,500	1,054,297,617.50



TABLE 105.—Receipts and expenditures of general and special accounts, actual for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, in detail—Continued

General and special accounts	Estimated, 1944	Estimated, 1943	Actual, 1942
<b>EXPENDITURES—Continued</b>			
<b>OTHER ACTIVITIES—continued</b>			
<b>Aids to agriculture—Continued.</b>			
Treasury Department:			
Office of the Secretary:			
Federal land banks:			
Reductions in interest rate on mortgages.....	\$22,000,000	\$25,000,000	\$26,501,503.1
Subscription to capital stock.....		50,340,620	144,720.01
Subscriptions to paid-in surplus.....			136,252.23
Federal Farm Mortgage Corporation:			
Reductions in interest rate on mortgages.....	8,200,000	9,000,000	9,607,575.24
Commodity Credit Corporation:			
Restoration of capital impairment.....			1,637,445.51
Total, Treasury Department.....	30,200,000	84,340,620	37,738,056.09
Total, aids to agriculture.....	889,319,000	1,010,463,120	1,092,035,673.50
<b>Aids to youth:</b>			
Federal Security Agency:			
Civilian Conservation Corps.....		16,000,000	162,670,199.39
National Youth Administration.....			87,842,459.73
Total, aids to youth.....		16,000,000	250,512,659.12
<b>Social security program:</b>			
Administrative expenses:			
Federal Security Agency, Social Security Board.....	25,050,000	25,340,000	24,752,160.70
Department of Commerce, Bureau of Census.....	245,000	454,500	114,548.33
Department of Labor, Children's Bureau.....	370,000	365,000	363,072.12
Total, administrative expenses.....	25,665,000	26,159,500	25,229,781.15
<b>Grants to States:</b>			
Federal Security Agency:			
Public Health Service.....	11,000,000	11,000,000	11,390,374.99
Social Security Board.....	454,000,000	472,410,000	448,357,574.17
Total, Federal Security Agency.....	465,000,000	483,410,000	459,747,949.16
Department of Labor:			
Children's Bureau.....	12,040,000	12,480,000	11,496,993.60
Total, grants to States.....	477,040,000	495,890,000	471,244,942.76
Total, Social Security program.....	502,705,000	522,049,500	496,474,723.91
<b>Work relief:</b>			
Federal Works Agency:			
Public Works Administration.....		35,125,200	39,844,808.51
Work Projects Administration.....		300,000,000	882,443,460.43
Total, Federal Works Agency.....		335,125,200	922,288,268.94
Employees' Compensation Commission.....	4,000,000	5,615,000	6,236,294.96
General Accounting Office.....		615,000	1,455,914.12
Department of the Interior, Government in the Territories.....	1,400,000	1,500,000	929,955.81
<b>Treasury Department:</b>			
Fiscal Service:			
Bureau of Accounts.....	34,000	787,900	3,148,841.64
Office of the Treasurer of the United States.....			358,300.15
Total, Fiscal Service.....	34,000	787,900	3,507,141.79
Secret Service Division.....	2,000	65,300	123,478.26
Procurement Division.....		1,055,800	2,559,783.19
Miscellaneous.....			171,573.73
Total, Treasury Department.....	36,000	1,909,000	6,361,976.97
Total, work relief.....	5,436,000	344,764,200	937,272,410.80

See footnotes at end of table.

TABLE 105.—*Receipts and expenditures of general and special accounts, actual for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, in detail—Continued*

General and special accounts	Estimated, 1944	Estimated, 1943	Actual, 1942
<b>EXPENDITURES—Continued</b>			
<b>OTHER ACTIVITIES—continued</b>			
<b>Refunds:</b>			
Treasury Department:			
Bureau of Customs.....	\$19,000,000	\$21,297,800	\$19,495,861.08
Bureau of Internal Revenue.....	108,522,000	80,703,300	74,903,698.98
<b>Total.....</b>	<b>127,522,000</b>	<b>102,001,100</b>	<b>94,399,560.06</b>
Adjustment to daily Treasury statement basis.....			+392.73
<b>Total, refunds.....</b>	<b>127,522,000</b>	<b>102,001,100</b>	<b>94,399,952.79</b>
<b>Retirement funds:</b>			
Government employees' retirement funds:			
Civil Service Commission:			
Civil service retirement and disability appropriated fund.....	175,104,000	105,258,000	100,911,562.00
Canal Zone retirement and disability appropriated fund.....	1,177,000	1,177,000	1,177,000.00
Alaska Railroad retirement and disability appropriated fund.....	175,000	175,000	175,000.00
State Department:			
Foreign service retirement and disability fund.....	865,600	630,800	621,700.00
<b>Total, Government employees' retirement funds.....</b>	<b>177,321,600</b>	<b>107,240,800</b>	<b>102,885,262.00</b>
Railroad retirement appropriated account.....	262,720,000	214,801,000	140,850,000.00
<b>Total, retirement funds.....</b>	<b>440,041,600</b>	<b>322,041,800</b>	<b>243,735,262.00</b>
<b>Public debt retirement (statutory).....</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>94,722,300.00</b>
<b>Other supplemental items (regular).....</b>	<b>13,000,000</b>	<b>130,000,000</b>	<b>-----</b>
<b>Total, other activities.....</b>	<b>4,128,924,923</b>	<b>4,587,327,915</b>	<b>5,220,156,971.84</b>
<b>Total expenditures, general and special accounts.....</b>	<b>104,128,924,923</b>	<b>80,437,327,915</b>	<b>32,491,307,397.69</b>

\* Excess credits (deduct).

<sup>1</sup> Details of income taxes and miscellaneous internal revenue on collection basis with totals adjusted to basis of the daily Treasury statement (unrevised). Details of employment taxes on basis of the daily Treasury statement (unrevised).

<sup>2</sup> Collections for credit to trust funds are not included.

<sup>3</sup> Amounts shown are net of post-war credits claimed for current use.

<sup>4</sup> Estimate based on assumption that present act expires April 26, 1943.

<sup>5</sup> Includes collections from: Tobacco floor stocks taxes (1940 Revenue Act); taxes on narcotics; taxes under the National Firearms Act; and tax on hydraulic mining, all of which are effective currently. In addition includes collections from repealed taxes not reinstated by the Revenue Act of 1941. In 1944 includes collections from taxes repealed by the Revenue Act of 1942.

<sup>6</sup> Represents advance payment made before final appraisal of \$27,815,514 completed and warranted in 1943.

<sup>7</sup> Figures under these captions for 1943 and 1944 are as reported in Budget for 1944.

<sup>8</sup> Actual and estimated expenditures included under various agencies.

TABLE 106.—*Receipts and expenditures of trust accounts, etc., actual for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, as exhibited in the Budget for 1944*

Trust accounts, etc.	Estimated, 1944	Estimated, 1943	Actual, 1942
<b>RECEIPTS</b>			
<b>Unemployment trust fund:</b>			
Deposits by States (net).....	\$1, 167, 670, 000	\$1, 165, 027, 000	\$1, 095, 990, 713. 42
Railroad unemployment insurance account:			
Deposits by Railroad Retirement Board.....	101, 700, 000	91, 800, 000	76, 265, 850. 75
Transfers from railroad unemployment insurance administration fund (act Oct. 10, 1940).....	11, 830, 000	5, 973, 000	3, 909, 667. 00
Interest on investments.....	94, 936, 500	81, 761, 993	67, 420, 985. 97
Total, unemployment trust fund.....	1, 376, 136, 500	1, 344, 561, 993	1, 243, 587, 217. 14
<b>Federal old-age and survivors insurance trust fund:</b>			
Interest on investments.....	109, 145, 206	87, 549, 039	71, 006, 562. 23
Net appropriation from General Fund receipts.....	1, 525, 450, 000	1, 076, 180, 000	868, 853, 202. 82
Total, Federal old-age and survivors insurance trust fund.....	1, 634, 595, 206	1, 163, 729, 039	939, 859, 765. 05
<b>Federal employees retirement funds:</b>			
Civil service retirement and disability fund, Civil Service Commission:			
Deduction from salaries, etc.....	285, 000, 000	237, 500, 000	86, 503, 730. 68
Voluntary contributions.....	480, 000	450, 000	423, 475. 00
Interest and profits on investments.....	51, 000, 000	47, 600, 000	29, 692, 854. 78
Interest on investments, voluntary contributions.....	75, 000	60, 000	29, 537. 83
Transfers from General Fund (United States share).....	175, 104, 000	105, 258, 000	100, 911, 562. 00
District of Columbia share.....	889, 037	879, 575	849, 640. 00
Total (collection basis).....	512, 548, 037	391, 747, 575	218, 410, 800. 29
Adjustment to daily Treasury statement basis.....			-874, 193. 72
Total, civil service retirement and disability fund (daily Treasury statement basis).....	512, 548, 037	391, 747, 575	217, 536, 606. 57
Alaska Railroad retirement fund, Civil Service Commission:			
Contributions.....	310, 000	265, 000	161, 615. 08
Interest on investments.....	95, 000	75, 000	48, 293. 15
Transfers from General Fund (United States share).....	175, 000	175, 000	175, 000. 00
Total, Alaska Railroad retirement fund.....	580, 000	515, 000	384, 908. 23
Canal Zone retirement and disability fund, Civil Service Commission:			
Deductions from salaries, etc.....	1, 300, 000	1, 230, 000	1, 169, 818. 44
Interest on investments.....	320, 000	280, 000	253, 156. 37
Transfers from General Fund (United States share).....	1, 177, 000	1, 177, 000	1, 177, 000. 00
Total, Canal Zone retirement and disability fund.....	2, 797, 000	2, 687, 000	2, 604, 974. 81
Foreign service retirement and disability fund, Department of State:			
Deductions from salaries, etc.....	300, 000	300, 000	299, 336. 39
Interest on investments.....	275, 000	275, 000	215, 472. 55
Transfers from General Fund (United States share).....	865, 600	630, 800	621, 700. 00
Total, foreign service retirement and disability fund.....	1, 440, 600	1, 205, 800	1, 136, 508. 94
Total, Federal employees retirement funds.....	517, 365, 637	396, 155, 375	221, 662, 998. 55
<b>Railroad retirement account:</b>			
Interest on investments.....	6, 500, 000	5, 200, 000	3, 143, 058. 91
Transfer from General Fund.....	241, 945, 745	235, 575, 255	140, 850, 000. 00
Total, railroad retirement account.....	248, 445, 745	240, 775, 255	143, 993, 058. 91
<b>Commodity stamp trust fund:</b>			
Sale of commodity stamps.....		108, 000, 000	205, 240, 633. 75
Transfers from General Fund.....		60, 000, 000	126, 208, 000. 00
Total, commodity stamp trust fund.....		168, 000, 000	331, 448, 633. 75

TABLE 106.—Receipts and expenditures of trust accounts, etc., actual for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, as exhibited in the Budget for 1944—Continued

Trust accounts, etc.	Estimated, 1944	Estimated, 1943	Actual, 1942
<b>RECEIPTS—Continued</b>			
<b>Other trust accounts:</b>			
Legislative establishment:			
Library of Congress gift fund.....	\$42,250	\$116,580	\$149,278.63
Library of Congress trust fund investment account.....	16,184	21,181	27,538.75
Library of Congress trust fund permanent loan account.....		3,915	17,721.13
Government Printing Office, Superintendent of Documents, unearned proceeds of sale of publications.....	1,300,000	1,300,000	1,346,772.30
Oliver Wendell Holmes Memorial fund, deposits.....	6,364	6,770	229,372.01
Total, legislative establishment.....	1,364,798	1,448,446	1,770,682.82
The Judiciary:			
Deposits of collections:			
Clerks of the United States District Courts.....	4,300,000	4,000,000	3,801,847.23
Clerks of the United States Circuit Court of Appeals.....	300,000	285,000	269,951.04
Clerk of the United States Court of Appeals for the District of Columbia.....	8,500	8,000	7,675.38
Clerk of Emergency Court of Appeals.....	2,000	1,200	85.00
Total, The Judiciary.....	4,610,500	4,294,200	4,079,558.65
Executive Office and independent establishments:			
Canal Zone Biological Area fund, deposits.....		3,000	3,137.00
Employees Compensation Commission, relief and rehabilitation, and interest on investments, Longshoremen's and Harbor Workers' Compensation Act.....	30,000	30,000	27,951.19
Federal Communications Commission, receipts, international telecommunication settlements.....	34,000	34,000	33,889.23
Federal Power Commission, licenses under Federal Power Act from Indian reservations.....	197,800	198,970	170,132.12
General Accounting Office, withholdings from contractors for wage adjustments, act of Aug. 30, 1935.....	5,000	2,194	1,475.39
Interstate Commerce Commission:			
Deposits, unearned permit fees.....	400	400	3,085.25
Deposits, unearned fees, admission of attorneys.....	900	900	
National Archives:			
National Archives trust fund donations.....			30,500.00
Franklin D. Roosevelt Library income account, deposits.....	10,000	10,000	9,991.79
Securities and Exchange Commission, deposits, unearned fees.....	25,000	25,000	19,831.62
The Alley Dwelling Authority:			
Loan by United States Housing Authority for low-rent housing fund.....		5,814,276	2,102,517.68
Langston Management, deposits.....	103,500	103,499	85,462.08
Completed properties, deposits.....	646,000	405,582	290,275.88
United States Maritime Commission, national defense housing projects, deposits, rents (emergency fund for the President).....			148,028.01
Veterans' Administration:			
Government life insurance fund:			
Premiums and other receipts.....	49,309,200	51,220,700	57,373,361.50
Interest and profit on investments.....	37,914,800	37,143,300	34,240,054.39
Total, Government life insurance fund.....	87,224,000	88,364,000	91,613,415.89
Adjusted service certificate fund, interest on loans and investments.....	550,000	600,000	648,856.04
National service life insurance fund:			
Premiums.....	358,898,000	209,244,441	44,880,246.62
Interest and profits on investments.....	31,572,000	6,334,000	433,551.37
Transfers from General Fund.....	250,000,000	47,161,559	608,441.06
Total (collection basis).....	640,470,000	262,740,000	45,922,239.05

TABLE 106.—Receipts and expenditures of trust accounts, etc., actual for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, as exhibited in the Budget for 1944—Continued

Trust accounts, etc.	Estimated, 1944	Estimated, 1943	Actual, 1942
<b>RECEIPTS—Continued</b>			
<b>Other trust accounts—Continued.</b>			
Executive Office and independent establishments—Continued.			
Veterans' Administration—Continued.			
National service life insurance fund—Con.			
Adjustment to daily Treasury statement basis.....			+ \$438,616.59
Total, national service life insurance fund (daily Treasury statement basis).....	\$640,470,000	\$262,740,000	46,360,855.64
Miscellaneous trust accounts:			
Funds due incompetent beneficiaries, deposits.....	125,000	125,000	118,921.94
General post fund, National Homes, deposits.....	80,000	80,000	85,252.73
Personal funds of patients, deposits.....	2,400,000	2,500,000	2,982,431.64
Total, Veterans' Administration.....	730,849,000	354,409,000	141,809,733.88
Welfare and Recreational Association of Public Buildings and Grounds, receipts.....	12,000,000	10,500,000	7,625,374.32
Total, Executive Office and independent establishments.....	743,901,600	371,536,821	152,361,385.44
Federal Security Agency:			
Civilian Conservation Corps:			
Deposit account.....		850,000	11,654,931.92
Proceeds, estates of deceased and mentally incompetent enrolled members.....		8,000	23,692.05
Food and Drug Administration:			
Deposits, seafood inspection fees.....	13,000	13,418	16,057.75
Deposits, insulin certification fees.....	6,000	6,000	5,771.94
Deposits, coal tar colors, certification fees.....	200	200	613.17
Public Health Service:			
Contributions and interest on investments, National Institute of Health conditional gift fund.....	5,000	11,300	13,357.50
Narcotic farm, deposits of personal funds and earnings of inmates.....	65,000	75,000	89,907.44
Proceeds from effects and moneys of former patients.....	4,000	3,843	3,491.99
United States Marine Hospital, Carville, La., collections, leper patients' benefit fund.....			300.00
Deposits, erection or support of hospitals for sick or disabled seamen.....			900.00
St. Elizabeths Hospital.			
Personal funds of patients.....	170,000	160,000	222,444.53
Pension money.....	85,000	95,000	90,857.00
Total, Federal Security Agency.....	348,200	1,222,761	12,121,098.95
Federal Works Agency:			
Public Roads Administration:			
Grand River Dam project, Oklahoma, deposits:			
Operating revenues.....	2,000,000	1,878,154	4,092,118.30
Public Works Administration loan and grant funds.....	6,000	12,000	312,153.94
Contributions from States, etc., cooperative work, strategic network of highways.....			39,000.00
Brazos River Conservation and Reclamation District, withholdings of payments from contractors.....			136.91
Work Projects Administration, proceeds, sale of materials acquired under scrap-collection program.....			1,385.69
Total, Federal Works Agency.....	2,006,000	1,890,154	4,444,794.84
National Housing Agency:			
Deposits, unearned collections, Title I, National Housing Act, as amended.....	500,000	1,100,000	2,434,372.65

•Excess credits (deduct).

TABLE 106.—*Receipts and expenditures of trust accounts, etc., actual for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, as exhibited in the Budget for 1944—Continued*

Trust accounts, etc.	Estimated, 1944	Estimated, 1943	Actual, 1942
<b>RECEIPTS—Continued</b>			
<b>Other trust accounts—Continued.</b>			
National Housing Agency—Continued.			
Deposits, recoveries on real properties acquired under insurance granted prior to July 1, 1939, Title I, National Housing Act.	\$70,000	\$50,000	\$28,130.06
Total, National Housing Agency.....	570,000	1,150,000	2,462,502.71
Department of Agriculture:			
Forest Service, cooperative fund.....	2,000,000	2,000,000	2,162,457.84
Agricultural Conservation and Adjustment Administration:			
Grain moisture content and grade determination for Commodity Credit Corporation, deposits by producers.....	1,925,000	1,950,000	824,000.00
Deposits of undistributed cotton price adjustment payments.....	1,000	1,500	1,611.54
Farm Security Administration:			
Resettlement and rural rehabilitation projects, deposits.....	890,000	1,175,000	2,520,265.72
Assets of State rural rehabilitation corporations, deposits.....	3,600,000	3,500,000	3,616,021.91
Drainage district assessments on acquired lands, deposits.....			17,500.00
Reserve for maintenance and repair, lease and purchase agreements, deposits.....	15,500	10,250	5,246.96
Deposits toward purchase price, lease and purchase contracts.....	125,000	100,000	70,025.45
Agricultural Marketing Administration:			
Deposits of fees, inspection and grading of farm products.....	2,474,260	2,474,260	1,150,065.16
Deposits by producers, expenses, grading of agricultural commodities for Commodity Credit Corporation.....	125,000	125,000	300,000.00
Miscellaneous trust accounts:			
Deposits of miscellaneous contributed funds.....	134,900	127,100	100,519.59
Deposits, unearned fees and other charges, sec. 8a (4), Commodity Exchange Act.....	500	500	648.50
Deposits to secure payments for reproductions of photographs, mosaics, and maps.....	31,200	31,200	61,887.94
Deposits, indemnity fund, county associations.....			93.36
Total, Department of Agriculture.....	11,322,360	11,494,810	10,830,343.97
Department of Commerce:			
Bureau of the Census, deposits, special statistical work.....	644,000	541,860	162,438.68
Bureau of Foreign and Domestic Commerce, deposits, special statistical work.....	12,500	12,500	6,975.50
Patent Office, deposits, unearned fees.....	50,000	50,000	47,503.50
Miscellaneous trust accounts, proceeds from effects of deceased employees.....			* 10.91
Total, Department of Commerce.....	706,500	604,360	216,906.77
Department of the Interior:			
Office of the Secretary:			
Contributions, grazing districts.....	200,000	200,000	77,916.02
Deposits, unearned proceeds, lands, etc., grazing service.....			* 108,271.61
General Land Office:			
Deposits, public survey work.....	10,000	10,000	10,543.70
Trustee funds, Alaska town sites.....	2,000	2,000	284.80
Deposits, unearned proceeds, lands, etc.....	475,000	475,000	494,436.36
Bureau of Indian Affairs:			
Proceeds of sales and leases of Indian lands, etc.....	4,500,000	4,500,000	4,262,414.44
Annette Islands reserve, Alaska, deposits, leases, etc.....	180,000	180,000	186,752.11
Proceeds of labor (act June 13, 1930).....	2,000,000	2,000,000	1,968,598.78
Proceeds of labor, Indian moneys, agencies, schools, etc.....	450,000	450,000	444,450.79
Quapaw Agency, Okla., deposits, proceeds from damages to land.....			10,514.15

\* Excess credits (deduct).

TABLE 106.—Receipts and expenditures of trust accounts, etc., actual for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, as exhibited in the Budget for 1944—Continued

Trust accounts, etc.	Estimated, 1944	Estimated, 1943	Actual, 1942
RECEIPTS—Continued			
<b>Other trust accounts—Continued.</b>			
Department of the Interior—Continued.			
Bureau of Indian Affairs—Continued.			
Indian ceded lands, receipts due to Indi- and under Grazing Act June 28, 1934.....			• \$2,548.03
Contributions of funds for Indian projects.....			25.00
Bureau of Reclamation, contributions to rec- lamation fund.....		\$43,000	285,303.72
National Park Service:			
Donations for lands, etc.....	\$20,000	20,000	76,264.31
Preservation of birthplace of Abraham Lincoln, interest on endowment fund.....	2,030	2,030	2,000.16
Contributions to National Park trust fund.....	16,100	16,100	1,078.50
Income on investments.....	650	650	607.47
Fish and Wildlife Service:			
Deposits, contributed funds.....	20,000	20,000	26,908.27
Fox and fur seal industries, Pribilof Is- lands, advances.....			75,000.00
Deposits, unearned proceeds, sales of furs.....	5,000	5,000	4,661.48
Government in the Territories:			
Funds contributed for improvement of roads, bridges, and related works, Alaska.....	100,000	100,000	169,910.86
Total, Department of the Interior.....	7,980,780	8,023,780	7,986,851.28
Department of Justice:			
United States marshals, deposits of collections.....	637,000	637,000	454,267.70
Immigration and Naturalization Service:			
Deposits of funds of aliens who became public charges.....	3,000	3,000	1,910.75
Deposits to secure payment of fines and passage money.....	5,000	15,000	191,508.81
Deposits, unearned immigration (reentry) permit fees.....			• 19,312.05
Deposits unearned immigration (registry) fees.....			182,128.00
Deposits, unearned naturalization fees.....			135,853.59
Federal Prison System:			
Deposits of funds of Federal prisoners.....	700,000	620,000	866,005.39
Deposits of commissary funds, Federal prisons.....	350,000	325,000	386,020.97
Total, Department of Justice.....	1,695,000	1,600,000	2,198,383.16
Navy Department:			
Naval Reservation, Olongapo, proceeds, civil fund.....			20,760.61
Profit from sale of ships' stores.....	555,000	555,000	387,701.16
Navy fines and forfeitures, deposits.....	2,172,000	939,000	619,199.99
Pay of the Navy, deposits.....	1,128,500	481,700	220,439.44
Navy hospital fund, deposits.....	4,000,000	2,000,000	1,070,999.66
Pay of the Marine Corps, deposits.....	2,185,000	1,528,000	298,422.47
Proceeds from wages and effects of American seamen.....			• 988.10
Property requisitioned for national defense, deposits, compensation awards.....			49,881.37
National defense housing projects, deposits, rents.....			227,528.92
Total, Navy Department.....	10,040,500	5,503,700	2,893,950.52
State Department:			
Settlement of agrarian claims against Mexico since 1927.....	1,000,000	1,000,000	1,000,000.00
Settlement of claims, Special Claims Com- mission, under art. 2 of convention, Apr. 24, 1934, between the United States and Mexico.....	509,480	514,480	519,480.20
Settlement of claims, Special Claims Com- mission, under art. 1 of agreement, Oct. 25, 1934, between the United States and Turkey.....	100,000	100,000	100,000.00
Collections from shipping companies for repatriation of American seamen.....	15,000	15,000	2,101.45
Wages due American seamen.....	200	200	• 8,767.63
Estates of decedents.....	500	500	• 146,228.68
Deposits, unearned passport and application fees.....			236,844.40

• Excess credits (deduct).

TABLE 106.—*Receipts and expenditures of trust accounts, etc., actual for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, as exhibited in the Budget for 1944—Continued*

Trust accounts, etc.	Estimated, 1944	Estimated, 1943	Actual, 1942
RECEIPTS—Continued			
<b>Other trust accounts—Continued.</b>			
State Department—Continued.			
Deposits, claims of Frederick Allain Morris and the Compania Reparto Alturas de la Universidad, S. A., against Cuba.....			\$248,462.73
Deposits by American Republics, the Philippines, and Liberia for expenses of detail of United States employees.....			1,770.00
Funds due the late Robert Fulton Cutting, executor of estate of McEvers Bayard Brown.....			3,455.79
Total, State Department.....	\$1,625,180	\$1,630,180	1,957,128.46
<b>Treasury Department:</b>			
Fiscal Service:			
Proceeds from redemption of undelivered Liberty Loan bonds belonging to subscribers whose whereabouts are unknown.....			* 6,259.22
Proceeds of assets of Liberty Loan associations of banks and trust companies of New York.....			* 392,307.53
Deposits from redemption of Government bonds, interest coupons, etc., found and owners unknown.....			* 969.49
War Finance Corporation, deposits for retirement of bonds and interest coupons.....			* 10,575.00
Proceeds of Government obligations held for rightful owners.....			* 502.70
Proceeds from redemption of definitive certificates of indebtedness to cover interim receipts, Federal Reserve Bank, Kansas City.....			* 4,187.50
Proceeds from redemption of First Liberty Loan 3½% coupon bonds, Federal Reserve Bank, Kansas City.....			* 163.00
Proceeds from effects of deceased employees.....			* 17.23
Bureau of Customs:			
Import duties on fish, animal, and vegetable oils, Philippine Islands.....			13,663.37
Tonnage tax.....			6,318.33
Bureau of Internal Revenue:			
American Samoa, coconut-oil tax, internal revenue.....	5,000	5,000	5,576.40
Philippine Islands, internal revenue collections.....		5,000	400,500.14
Philippine Islands, coconut-oil tax, internal revenue.....	150,000	2,000,000	17,405,910.32
Puerto Rico, internal revenue collections.....	2,800	2,900	141,253.12
Puerto Rico and Virgin Islands, deposits for expenses, Treasury Department, enforcement Title III, National Prohibition Act, as amended.....	29,700	27,540	24,775.00
Processing Tax Board of Review, deposits, unearned fees and costs.....			* 114.50
Total, Treasury Department.....	187,500	2,040,440	17,582,900.71
<b>War Department:</b>			
Pay of the Army, deposit fund.....	25,000,000	18,000,000	2,796,696.44
Proceeds from effects of mentally incompetent soldiers.....	8,000,000	8,000,000	90,172.43
Proceeds from estates of deceased personnel.....	200	200	1,469.86
Proceeds from estates of deceased Regular Army reserves.....			28.93
Proceeds from estates of deceased soldiers.....	75,000	75,000	124,276.61
Interest on investments, bequest of Maj. Gen. Fred C. Ainsworth to Walter Reed General Hospital.....	279	279	278.87
Proceeds from redemption of undelivered Liberty Loan bonds belonging to subscribers whose whereabouts are unknown.....			* 4,747.18
Soldiers' Home, permanent fund.....	2,250,000	2,550,000	2,986,318.48
Fort Monroe, Va., contributions for sewerage system.....	18,573	19,573	18,772.25

\* Excess credits (deduct.).



TABLE 106.—Receipts and expenditures of trust accounts, etc., actual for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, as exhibited in the Budget for 1944—Continued

Trust accounts, etc.	Estimated, 1944	Estimated, 1943	Actual, 1942
<b>RECEIPTS—Continued</b>			
<b>Other trust accounts—Continued.</b>			
<b>War Department—Continued.</b>			
National defense housing projects (Federal Public Housing Authority), deposits, rents.	\$400,000	\$400,000	\$6,084.66
Deposits of funds advanced for flood control, rivers and harbors.....			3,352,285.00
Contributions for river and harbor improvements.....	57,500	107,500	224,000.00
Contribution of funds for flood control.....	212,000	93,100	164,525.00
Total, War Department.....	36,013,552	29,244,652	9,760,161.35
<b>District of Columbia:</b>			
Revenues.....	59,703,427	65,535,662	58,206,104.00
Transfer from General Fund (United States share).....	6,000,000	6,000,000	6,000,000.00
Total.....	65,703,427	71,535,662	64,206,104.00
Adjustment to daily Treasury statement basis.....			-1,300,005.96
Total, District of Columbia.....	65,703,427	71,535,662	62,906,098.04
<b>Miscellaneous trust accounts:</b>			
Deposits, miscellaneous and excess collections.	6,000	8,000	2,502.73
Deposits of unclaimed moneys of individuals whose whereabouts are known.....	500	500	2,116.36
Unclaimed moneys of individuals whose whereabouts are unknown.....	421,665	417,065	581,912.62
Unclassified items.....			3,443,509.15
Total, miscellaneous trust accounts.....	428,165	425,565	4,030,040.86
Increment resulting from reduction in the weight of the gold dollar.....	150,000	200,000	298,559.69
Seigniorage.....	1,000,000	1,000,000	13,581,830.38
Total, other trust accounts.....	889,654,062	514,845,531	311,483,178.60
Adjustment to daily Treasury statement basis.....			-1,150,752.29
Total, other trust accounts (daily Treasury statement basis).....	889,654,062	514,845,531	310,332,426.31
Total receipts, trust accounts.....	4,666,197,150	3,828,067,193	3,190,884,099.71
<b>EXPENDITURES</b>			
<b>Unemployment trust fund:</b>			
Investments.....	1,132,486,500	1,047,391,144	866,000,000.00
<b>State accounts:</b>			
Withdrawals by States.....	237,000,000	290,000,000	368,070,499.28
Transfer to railroad unemployment account.....			
Railroad unemployment insurance account, benefit payments.....	6,650,000	7,250,000	9,071,828.92
Total, unemployment trust fund.....	1,376,136,500	1,344,641,144	1,243,142,328.20
<b>Federal old-age and survivors insurance trust fund:</b>			
Investments.....	1,429,595,206	1,017,411,949	821,034,250.00
Benefit payments.....	205,000,000	155,000,000	110,280,702.20
Total.....	1,634,595,206	1,172,411,949	931,314,952.20
<b>Federal employees' retirement funds:</b>			
<b>Civil service retirement and disability fund:</b>			
Annuities and refunds.....	110,000,000	100,000,000	76,197,957.98
Investments.....	390,000,000	280,000,000	137,365,000.00
<b>Alaska Railroad retirement and disability fund:</b>			
Annuities and refunds.....	175,000	160,000	107,801.96
Investments.....	390,000	340,000	295,000.00
<b>Canal Zone retirement and disability fund:</b>			
Annuities and refunds.....	1,520,000	1,410,000	1,205,867.52
Investments.....	1,077,000	1,077,000	1,290,000.00
<b>Foreign service retirement and disability fund:</b>			
Annuities and refunds.....	525,000	475,000	422,472.77
Investments.....	916,600	730,800	729,000.00
Total.....	504,603,600	384,192,800	217,613,100.23

• Excess credits (deduct).

TABLE 106.—Receipts and expenditures of trust accounts, etc., actual for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, as exhibited in the Budget for 1944—Continued

Trust accounts, etc.	Estimated, 1944	Estimated, 1943	Actual, 1942
<b>EXPENDITURES—Continued</b>			
<b>Railroad retirement account:</b>			
Investments.....	\$111,000,000	\$110,000,000	\$17,500,000.00
Benefit payments.....	136,000,000	132,000,000	126,243,910.67
Total.....	247,000,000	242,000,000	143,743,910.67
<b>Commodity stamp trust fund:</b>			
Redemption of order stamps.....	7,500,000	173,000,000	336,759,089.20
<b>Other trust accounts:</b>			
Legislative establishment:			
Library of Congress gift fund.....	73,574	102,147	189,160.93
Library of Congress trust fund, income from investment account.....	19,244	24,608	32,141.20
Library of Congress, contributions, permanent loan fund.....			• 11,484.70
Library of Congress, special deposit account.....			
Unearned proceeds of sale, etc., of publications, Superintendent of Documents, Government Printing Office.....	1,300,000	1,300,000	1,093,499.62
Special deposit account.....			• 123.47
Architect of the Capitol, special deposit account.....			• 625.40
Total, legislative establishment.....	1,392,818	1,426,755	1,302,568.18
<b>The Judiciary:</b>			
Fees and other collections, clerks of courts, including United States circuit courts of appeals, United States district courts, and United States Court of Appeals for the District of Columbia.....	4,000,000	3,988,000	3,856,952.40
Special deposit account.....			• 17,788,640.61
Total, The Judiciary.....	4,000,000	3,988,000	• 15,981,688.21
<b>Executive Office and independent establishments:</b>			
Executive Office of the President, special deposit accounts.....			• 16,797,440.53
Board of Economic Warfare, special deposit account.....			45,010.00
American Battle Monuments Commission, special deposit account.....			• 8.25
Bituminous Coal Consumers' Counsel, special deposit account.....			• 412.50
Canal Zone biological area fund.....		3,000	3,896.10
Special deposit account.....			• 500.00
Board of Investigation and Research, special deposit account.....			905.65
Civil Service Commission, special deposit account.....			• 6,242.91
<b>Employees' Compensation Commission:</b>			
Employees' Compensation Commission, relief and rehabilitation, Longshoremen's and Harbor Workers' Compensation Act.....	25,000	25,000	27,432.71
Employees' Compensation Commission, special deposit account.....			6,899.73
Total, Employees' Compensation Commission.....	25,000	25,000	34,332.44
<b>Federal Communications Commission, special deposit account.....</b>			3,581.26
International telecommunications settlements.....	34,000	34,000	30,800.40
<b>Federal Emergency Relief Administration, special deposit account.....</b>			456.31
<b>Federal Power Commission, special deposit account.....</b>			1,549.21
<b>Federal Trade Commission, special deposit account.....</b>			• 877.31
<b>General Accounting Office, special deposit account.....</b>			8,131.59
Wages of employees of contractors.....	5,000	2,000	1,027.85

• Excess credits (deduct).

TABLE 106.—Receipts and expenditures of trust accounts, etc., actual for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, as exhibited in the Budget for 1944—Continued

Trust accounts, etc.	Estimated, 1944	Estimated, 1943	Actual, 1942
<b>EXPENDITURES—Continued</b>			
<b>Other trust accounts—Continued.</b>			
Executive Office and independent establishments—Continued.			
Interstate Commerce Commission, special deposit account.			\$1,033.30
Unearned permit fees.	\$400	\$400	217.25
National Advisory Committee for Aeronautics, special deposit account.			* 16,830.16
National Capital Park and Planning Commission, contributed fund.		66,100	36,860.58
National Gallery of Art, special deposit account.			26.50
National Labor Relations Board, special deposit accounts.			* 10,642.40
National Mediation Board, special deposit account.			* 1,008.18
National Archives, special deposit account.			* 956.57
Franklin D. Roosevelt Library.	3,800	1,400	307.90
National Archives trust fund, donations.	1,200	2,800	833.87
Railroad Retirement Board, special deposit account.			300.01
Securities and Exchange Commission, unearned fees.	25,000	25,380	33,234.94
Special deposit account.			40,463.33
Selective Service System, special deposit account.			* 51.40
Smithsonian Institution, special deposit account.			1,531.11
<b>The Alley Dwelling Authority:</b>			
Low-rent housing fund, construction loan by U. S. Housing Authority.	180,000	8,500,000	2,387,782.22
Special deposit account.			* 6,320.34
Langston management.	100,000	130,000	69,265.03
Operation and maintenance, completed projects.	400,000	280,000	148,749.69
Total, The Alley Dwelling Authority.	680,000	8,910,000	2,600,476.60
<b>The Tax Court of the United States, special deposit account.</b>			
U. S. Maritime Commission, special account.			* 2,251.98
U. S. Tariff Commission, special deposit account.			1,091,963.62
			* 285.27
<b>Veterans' Administration:</b>			
Government life insurance fund:			
Loans to policyholders and losses on converted insurance.	46,087,394	48,085,785	44,987,523.06
Investments.	41,136,606	41,074,689	47,166,914.15
Total, Government life insurance fund.	87,224,000	89,160,474	92,154,437.21
<b>Adjusted service certificate fund:</b>			
Investments.			* 865,000.00
Benefit payments and refunds.	3,000,000	3,000,000	1,625,180.52
<b>National service life insurance:</b>			
Investments.	570,369,000	250,251,231	34,815,000.00
Other.	70,101,000	20,010,400	863,751.77
<b>Other trust accounts:</b>			
Funds due incompetent beneficiaries.	125,000	125,000	123,995.39
General post fund.	78,900	88,900	135,063.35
Personal funds of patients.	2,400,000	2,779,547	2,701,711.20
Special deposit account.			* 18,454.77
Unclaimed moneys of individuals whose whereabouts are known.		783	
Total, other trust accounts.	2,603,900	2,994,230	2,942,315.17
Total, Veterans' Administration.	733,297,900	365,416,335	131,535,684.67
<b>Welfare and Recreational Association of Public Buildings and Grounds.</b>			
	11,600,000	10,200,000	7,402,257.67

\* Excess credits (deduct).

TABLE 106.—*Receipts and expenditures of trust accounts, etc., actual for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, as exhibited in the Budget for 1944—Continued*

Trust accounts, etc.	Estimated, 1944	Estimated, 1943	Actual, 1942
<b>EXPENDITURES—Continued</b>			
<b>Other trust accounts—Continued.</b>			
Executive Office and independent establishments—Continued.			
Federal Security Agency:			
Office of the Administrator, special deposit account.....			*\$82.42
Civilian Conservation Corps:			
Savings fund.....		\$3,900,000	14,787,887.75
Estates of deceased and mentally incompetent enrolled members.....		54,000	17,030.29
Special deposit account.....		65,400	*5,787.04
Total, Civilian Conservation Corps.....		4,019,400	14,799,131.00
National Youth Administration, special deposit account.....			41,908.56
To promote the education of the blind, interest.....	\$10,000	10,000	10,000.00
Personal funds and earnings of inmates of narcotic farms, Public Health Service.....	65,000	79,000	88,721.14
Sea-food inspection fees, Food and Drug Administration.....	13,000	13,000	26,847.56
Coal-tar colors certification fees, Food and Drug Administration.....	200	200	120.58
Moneys and effects of former patients, Public Health Service.....	1,000	1,000	1,012.40
National Institute of Health, conditional and unconditional gift fund.....	5,000	22,000	16,609.95
Leper patients' benefit funds, U. S. Marine Hospital, Carville, La.....	100	100	300.00
St. Elizabeths Hospital, pension money.....	35,030	75,000	65,547.21
St. Elizabeths Hospital, personal funds of patients.....	160,000	150,000	180,363.38
Miscellaneous, special deposit account.....			*185,370.30
Total, Federal Security Agency.....	289,300	4,369,700	15,045,129.06
Federal Works Agency:			
Office of Administrator, special deposit account.....			*8,624.38
Grand River Dam project, Oklahoma.....	2,000,000	3,309,600	1,218,461.54
Public Buildings Administration:			
Steam connection, National Academy of Sciences.....			901.04
Special deposit accounts.....			*35,026.63
Public Roads Administration:			
Working fund, Federal Works Agency			*154,648.19
Special deposit account.....			*45,354.41
Cooperative work, strategic network of highways.....		39,000	
Public Works Administration:			
Special deposit account.....			5,021.15
Revolving fund (act of June 21, 1938).....		2,024,000	7,376,780.31
Work Projects Administration:			
Payments to contractors, Brazos River conservation and reclamation districts.....			1,169.49
Working fund.....			*397,819.31
Special deposit account.....			*1,643,403.32
Total, Federal Works Agency.....	2,000,000	5,372,600	6,317,457.20
National Housing Agency:			
Federal Housing Administration, special deposit account.....			103,746.29
Office of Administrator, special deposit account.....			*26,031.63
Federal Home Loan Bank Administration, special deposit account.....			14,325.39
Title I, National Housing Act, as amended, unearned collections, Federal Housing Administration.....	7,500	7,000	303,669.45
Title I, National Housing Act, as amended, expenses on real properties acquired under insurance granted prior to July 1, 1939, Federal Housing Administration.....	3,000	4,200	582.07

\* Excess credits (deduct).

TABLE 106.—Receipts and expenditures of trust accounts, etc., actual for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, as exhibited in the Budget for 1944—Continued

Trust accounts, etc.	Estimated, 1944	Estimated, 1943	Actual, 1942
<b>EXPENDITURES—Continued</b>			
<b>Other trust accounts—Continued.</b>			
Executive Office and independent establishments—Continued.			
National Housing Agency—Continued.			
U. S. Housing Corporation, special deposit account.....			• \$262.79
U. S. Housing Authority, special deposit account.....			• 940,254.31
Total, National Housing Agency.....	\$10,500	\$11,200	• 544,225.43
Department of Agriculture:			
Agricultural Conservation and Adjustment Administration:			
Agricultural Adjustment Agency, undistributed cotton price adjustment payments, Agricultural Adjustment Administration, permanent appropriation.....	6,000	40,000	1,200.03
Agricultural Marketing Administration:			
Farm products inspection.....	2,300,000	2,000,000	934,170.04
Classification of cotton for Commodity Credit Corporation.....	150,000	220,000	297,655.21
Working fund, Agricultural Marketing Service.....			583.49
Farm Credit Administration, special deposit account.....	500,000	4,500,000	• 714,259.67
Farm Security Administration:			
Drainage district assessments on acquired lands.....	8,000	24,000	18,973.95
Excess deductions from Agricultural Adjustment Program payments.....			35.85
Farm Security Administration: State Rural Rehabilitation Corporation funds.....	8,000,000	5,700,000	8,341,435.02
Liquidation of deposits, lease and purchase of contracts.....	50,000	42,000	161.03
Operation and maintenance of resettlement and rural rehabilitation projects.....	1,400,000	1,600,000	2,568,790.82
Farm Tenant Act:			
Special deposit account, Farm Security Administration.....			• 6,003,331.32
Forest Service:			
Cooperative work.....	2,000,000	2,000,000	1,782,964.69
Working fund, Agriculture, Forest Service trust fund.....			• 1,663.39
Miscellaneous accounts:			
Indemnity fund, county associations, Department of Agriculture.....		11,000	1,816.22
Unearned fees and other charges, sec. 8a (4), Commodity Exchange Act.....			44.50
Miscellaneous contributed funds, Department of Agriculture.....	134,000	127,000	43,996.25
Return of excess deposits for reproductions of photographs, mosaics, and maps.....	2,500	2,500	3,117.81
Unclaimed moneys of individuals whose whereabouts are known, Agriculture.....			108.80
Special deposit account.....			• 5,089,992.97
Total, Department of Agriculture.....	14,550,500	16,266,500	2,185,806.36
Department of Commerce:			
Special statistical work, Foreign and Domestic Commerce.....	12,500	12,500	5,490.84
Working fund, Commerce, Standards.....			• 65,664.26
Special statistical work, Census.....	704,000	541,860	122,780.51
Unearned fees, Patent Office.....	30,000	30,000	19,291.38
Working fund, Patent Office.....			• 10,000.00
Special deposit accounts, miscellaneous.....			84,532.36
Working fund.....			• 62.30
Total, Department of Commerce.....	746,500	584,360	156,368.53
Department of the Interior:			
Expenses, public survey work.....	10,000	10,000	9,356.46
Trustee funds, Alaska townsites.....	2,000	2,000	35.10

• Excess credits (deduct).

TABLE 106.—Receipts and expenditures of trust accounts, etc., actual for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, as exhibited in the Budget for 1944—Continued

Trust accounts, etc.	Estimated, 1944	Estimated, 1943	Actual, 1942
<b>EXPENDITURES—Continued</b>			
<b>Other trust accounts—Continued.</b>			
<b>Department of the Interior—Continued.</b>			
Contributions for administration, protection, and improvement of grazing districts.....	\$200,000	\$200,000	\$95,686.10
Refund of deposits, unearned fees from public lands under Grazing Act, June 28, 1934.....			654.62
Unearned proceeds, lands, etc.....	100,000	100,000	90,243.53
Fox and fur-seal industries, Pribilof Islands.....	5,000	80,000	95,430.79
Expenses, sale of furs, Fish and Wildlife Service.....	500	700	574.90
Funds contributed for feeding deer, Alaska.....	70	200	76.38
Miscellaneous trust funds of Indian tribes, etc.....	6,625,000	6,500,000	5,920,107.65
Indian moneys, proceeds of labor, agencies, schools, etc.....	400,000	375,000	339,182.25
Special deposit accounts, Bureau of Indian Affairs.....	100,000	200,000	1,006,561.40
Reclamation, contributed funds.....	80,000	400,000	47,743.07
National Park Service, donations.....	40,000	40,000	34,229.76
Jefferson National Expansion Memorial, contribution.....	200,000	350,000	385,667.80
Preservation, birthplace of Abraham Lincoln, National Park Service.....	7,500	7,500	1,794.72
National parks trust funds.....	16,100	16,100	998.96
Funds contributed for improvement of roads, bridges, and trails, Alaska.....	100,000	100,000	116,440.67
Special deposit accounts, miscellaneous civil.....			* 130,306.65
Fish and Wildlife Service, contributed funds.....	20,000	50,000	24,107.78
<b>Total, Department of the Interior.....</b>	<b>7,906,170</b>	<b>8,431,500</b>	<b>8,038,585.29</b>
<b>Department of Justice:</b>			
Fees and other collections, United States marshals.....	637,000	699,976	409,130.04
Funds of Federal prisoners.....	700,000	783,735	820,950.61
Commissary fund, Federal prisons.....	320,000	342,172	344,406.12
Special deposit account.....			6,767,338.94
Working fund, Office of the Attorney General.....	50,000	50,000	* 7,803.73
Unearned immigration (registry) fees.....		13,812	23,918.00
Unearned immigration (reentry) permit fees.....		3,420	5,640.69
Unearned naturalization fees.....		10,007	54,098.85
Disposition of deposits of aliens who become public charges.....	1,600	1,116	588.60
Returns of deposits to secure payment of fines and passage money, Immigration and Naturalization Service.....	10,000	10,000	98,639.72
<b>Total, Department of Justice.....</b>	<b>1,718,600</b>	<b>1,914,238</b>	<b>8,516,907.84</b>
Department of Labor, special deposit account.....			* 39,028.60
Navy Department.....	8,477,482	2,279,393	2,545,963.32
Post Office Department, special deposit account payable from Treasury.....			* 117.56
Department of State, miscellaneous trust accounts.....	1,625,180	1,630,180	1,024,812.32
<b>Treasury Department:</b>			
Payment of unclaimed moneys (annual appropriation).....	15,000	20,000	15,447.80
Return of proceeds of undelivered Liberty Loan bonds belonging to subscribers whose whereabouts are unknown.....			81.50
Return of proceeds of assets of Liberty Loan associations of banks and trust companies of New York.....		1,200	942.93
Return of miscellaneous and excess collections.....			258.00
Philippine trust fund (import duties).....	600	600	604.36
Philippine trust fund (customs duties).....			* 544.56
Philippine trust fund, Customs Service.....			8,174.48
Philippine trust fund (internal revenue).....	5,000	1,262,200	18.52
Philippine trust fund, coconut oil tax (internal revenue).....	2,000,000	2,320,300	20,941,777.56

\* Excess credits (deduct).

**TABLE 106.—Receipts and expenditures of trust accounts, etc., actual for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, as exhibited in the Budget for 1944—Continued**

Classification	Estimated, 1944	Estimated, 1943	Actual, 1942
<b>EXPENDITURES—Continued</b>			
<b>Other trust accounts—Continued.</b>			
<b>Treasury Department—Continued.</b>			
American Samoa trust fund, coconut oil tax (internal revenue).....	\$5,000	\$5,500	-----
Puerto Rico trust fund (internal revenue).....	2,900	206,800	\$225.13
Expenses, Treasury Department, enforcement Title III, National Prohibition Act, as amended, Puerto Rico and Virgin Islands.....	30,500	31,300	27,991.04
Special deposit account, Bureau of Customs.....	-----	-----	° 925,255.53
Special deposit account, Bureau of Internal Revenue.....	-----	-----	° 1,122,639.20
Matured obligations of the District of Columbia.....	-----	-----	101,881.39
Outstanding liabilities.....	-----	-----	° 832,400.88
Special deposit accounts, miscellaneous.....	-----	-----	° 15,763,237.45
<b>Total, Treasury Department.....</b>	<b>2,059,000</b>	<b>3,847,900</b>	<b>2,453,325.09</b>
<b>War Department:</b>			
Pay of the Army, deposit fund.....	2,000,000	2,000,000	1,114,895.42
Proceeds from estates of deceased Regular Army Reserves.....	-----	-----	19.26
Expenses, U. S. Soldiers' Home (annual appropriation).....	975,000	1,014,000	926,801.85
Proceeds from estates of deceased personnel.....	200	200	750.06
Estates of deceased soldiers, United States Army.....	75,000	75,000	36,711.90
Unclaimed moneys of individuals whose whereabouts are known.....	50	50	271.10
Proceeds from effects of mentally incompetent soldiers.....	75,000	75,000	25,003.30
Funds contributed for flood control, rivers and harbors.....	212,000	1,316,300	1,455,139.26
Funds contributed for river and harbor improvements.....	57,500	459,500	405,507.05
Funds advanced for flood control, rivers and harbors.....	-----	2,843,000	573,473.15
Funds advanced for improvement of rivers and harbors.....	-----	223,600	141,903.82
Military trust funds.....	21,670	8,060,400	° 8,043,526.29
<b>Total, War Department.....</b>	<b>3,416,420</b>	<b>16,067,050</b>	<b>° 3,363,050.12</b>
District of Columbia (net expenditures from revenues of the District of Columbia).....	67,702,039	72,395,139	57,629,831.78
Chargeable against increment on gold, melting losses, etc.....	-----	-----	1,878.73
<b>Total, other trust accounts.....</b>	<b>861,566,809</b>	<b>523,270,930</b>	<b>213,438,201.08</b>
<b>Total.....</b>	<b>4,631,402,115</b>	<b>3,839,516,823</b>	<b>3,086,011,581.58</b>
Adjustment to daily Treasury statement basis.....	-----	-----	-14,346,786.04
<b>Total, trust accounts.....</b>	<b>4,631,402,115</b>	<b>3,839,516,823</b>	<b>3,071,664,795.54</b>
<b>Transactions in checking accounts of Government corporations and credit agencies (net).....</b>	<b>4,774,123,000</b>	<b>5,041,995,000</b>	<b>3,624,724,254.35</b>
<b>Total, trust accounts and Government corporations, etc.....</b>	<b>9,405,525,115</b>	<b>8,881,511,823</b>	<b>6,696,389,049.89</b>

• Excess credits (deduct).

TABLE 107.—*Summary of cash operations of the United States Treasury for the fiscal year 1942 and estimated for the fiscal years 1943 and 1944, as exhibited in the Budget for 1944*

Classification	Estimated, 1944	Estimated, 1943	Actual, 1942
<b>GENERAL FUND BALANCE</b>			
<b>Treasury balance at beginning of year</b> .....	\$2,889,147,215.77	\$2,991,147,215.77	\$2,633,174,062.11
<b>Receipts:</b>			
General and special accounts.....	35,406,695,000.00	24,552,255,000.00	13,667,914,823.84
Deduct:			
Net appropriation for Federal old-age and survivors insurance trust fund....	1,525,450,000.00	1,076,180,000.00	868,853,202.82
Post-war credits for excess profits tax and Victory tax.....	800,000,000.00	500,000,000.00	-----
Net receipts, general and special accounts.....	33,081,245,000.00	22,976,075,000.00	12,799,061,621.02
Trust accounts (including appropriation and transfers from general and special accounts).....	4,666,197,150.00	3,828,067,193.00	3,190,884,099.71
Total receipts.....	37,747,442,150.00	26,804,142,193.00	15,989,945,720.73
<b>Borrowings (net increase in public debt)</b> .....	75,719,007,888.00	62,407,697,545.00	23,461,001,580.51
Total, balance, receipts and borrowings.....	116,355,597,253.77	92,202,986,953.77	42,084,121,363.35
<b>Expenditures:</b>			
General and special accounts.....	194,128,924,923.00	80,437,327,915.00	32,491,307,397.69
Less statutory public debt retirements.....	5,000,000.00	5,000,000.00	94,722,300.00
Subtotal, general and special accounts.....	104,123,924,923.00	80,432,327,915.00	32,396,585,097.69
Government corporations and agencies, etc. (net transactions in checking accounts with U. S. Treasurer).....	4,774,123,000.00	5,041,995,000.00	3,624,724,254.35
Trust accounts:			
Investments in United States obligations.....	3,676,970,912.00	2,748,276,813.00	1,925,330,164.15
Other expenditures.....	954,431,203.00	1,091,240,010.00	1,146,334,631.39
Subtotal, trust accounts.....	4,631,402,115.00	3,839,516,823.00	3,071,664,795.54
Total expenditures.....	113,529,450,038.00	89,313,839,738.00	39,092,974,147.58
<b>Treasury balance at end of year</b> .....	2,826,147,215.77	2,889,147,215.77	2,991,147,215.77
<b>EFFECT OF OPERATIONS ON THE PUBLIC DEBT</b>			
<b>Public debt at beginning of year</b> .....	134,830,142,661.22	72,422,445,116.22	48,961,443,535.71
<b>Net increase in public debt during year:</b>			
General and special accounts, excess of expenditures over receipts.....	71,047,679,923.00	57,461,252,915.00	19,692,245,776.67
Government corporations and agencies, net expenditures.....	4,774,123,000.00	5,041,995,000.00	3,624,724,254.35
Trust accounts, excess of receipts over expenditures.....	-34,795,035.00	+11,449,630.00	-119,219,304.17
Statutory public debt retirements.....	-5,000,000.00	-5,000,000.00	-94,722,300.00
Change in Treasury balance.....	-63,000,000.00	-102,000,000.00	+357,973,153.66
Net increase in public debt during year.....	75,719,007,888.00	62,407,697,545.00	23,461,001,580.51
<b>Public debt at end of year</b> .....	210,549,150,549.22	134,830,142,661.22	72,422,445,116.22



# I N D E X

[NOTE.—The year, except where otherwise indicated, refers to the fiscal year ended June 30]

## A

Accounts, Bureau of:	Page
Administrative report.....	85
Bonding of certifying officers, standards and conditions prescribed....	338
Bookkeeping and Warrants, Division of, administrative report.....	90
Budget Section:	
Administrative report.....	97
Foreign checks withheld, in special deposit account.....	101
Commissioner of Accounts, Office of:	
Budgetary administration and financial reporting, regulations under Executive order of Aug. 13, 1940, amended Mar. 3, 1942....	85
Surveys under Reorganization Plan No. III.....	87
Deposits, Division of:	
Administrative report.....	92
Depositary system, changes in.....	93
Designation of issuing agents for savings bonds, functions transferred to Bureau of Public Debt.....	94
Government Losses in Shipment Act operations.....	94
Disbursement, Division of:	
Administrative report.....	91
Bonding of certifying officers, discussion.....	92
Chief Disbursing Officer designated Bond Issuing Officer for pay-roll savings plan.....	92
Disbursements procedure prescribed.....	338
Expenditures by States.....	430
Pay-roll allotment plan ( <i>see also</i> Pay-roll savings plan).....	92
Emergency funds for administrative expenses.....	455
Emergency Relief Accounting Organization:	
Administrative report.....	118
Liquidation of emergency Treasury accounts offices.....	119
Preaudit of vouchers and pay rolls by emergency Treasury accounts offices discontinued.....	119, 338
Investments, Section of, administrative report.....	101
Surety Bonds, Section of.....	96
Accounts through which Treasury operations are effected, description of....	388
Adjusted service bonds. ( <i>See</i> Public Debt.)	
Adjusted service certificate fund.....	402, 422, 602
Administrative and staff officers of the Treasury Department Nov. 15, 1942.....	xvi
Admissions tax.....	4, 435, 439
Agencies, Government. ( <i>See</i> Contingent liabilities of United States, Securities guaranteed; Corporations and agencies, Government; also titles of certain specific agencies.)	
Agricultural adjustment taxes, claims allowed and refunds and repayments....	161
Agricultural programs, expenditures:	
1942 by months and 1941 and 1942 by years.....	410
1942 by States.....	668
Ainsworth Library fund, Walter Reed General Hospital.....	603
Airplanes and passengers entering United States 1941 and 1942.....	146
Alaska Railroad retirement and disability fund.....	402, 422, 603
Alcohol Tax Unit. ( <i>See</i> Internal Revenue Bureau.)	
Alcoholic beverages. ( <i>See</i> Liquor.)	
Alien property trust fund.....	97
Armenia, obligations owned by United States, status Nov. 15, 1942.....	600
Attorneys and agents enrolled and disbarred.....	191
Automobiles and boats use tax.....	4, 435
Automobiles entering United States 1941 and 1942.....	145
Automobiles, trucks, tires, inner tubes, etc., taxes.....	3, 435

	Page
<b>B</b>	
Back taxes. ( <i>See</i> Internal Revenue Bureau, Assessments; Receipts; Taxes, Income.)	
Banks, holdings of direct and guaranteed debt:	
1937-42, June 30, by issuer.....	657
1942, June 30.....	38, 39
By tax-exemption provisions of each issue June 30, 1942.....	588
Banks for cooperatives.....	598, 624, 631
Bases of tables, explanation of.....	387
Beer tax.....	434, 437
Belgium, obligations owned by United States. ( <i>See</i> Foreign government obligations owned by United States.)	
Blocked nationals acting for or exporting to Axis countries, list of to be prepared.....	295
Bonds, issues of capital stock, deeds of conveyance, etc., taxes.....	434, 438
Bowling alleys, pool tables, etc., taxes.....	435
Budget and Improvement Committee, administrative report.....	139
Budget estimates. ( <i>See</i> Expenditures; Receipts.)	
Budgetary administration and financial reporting.....	85, 341
Butter, adulterated, mixed flour, and filled cheese, taxes.....	435
<b>C</b>	
Canal Zone Postal Savings System, securities issued on credit of United States outstanding June 30, 1942.....	582
Canal Zone retirement and disability fund.....	402, 422, 604
Capital stock sales or transfer tax.....	434, 438
Capital stock tax ( <i>see also</i> Internal Revenue Bureau, Miscellaneous Tax Unit; Taxes).....	3, 161, 162, 434, 437
Carriers Taxing Act taxes ( <i>see also</i> Internal Revenue Bureau):	
1936-40 combined, 1941 and 1942 by months.....	462
1936-42 by years.....	439
1941 and 1942.....	4, 436
1942 by months.....	400
1942 and estimates for 1943 and 1944.....	61
Administration of taxes. ( <i>See</i> Internal Revenue Bureau, Accounts and Collections Unit.)	
Estimates for 1943 and 1944, discussion.....	72, 79
Refunds 1936-40 combined, 1941, and 1942 by months.....	468
Certificates of indebtedness. ( <i>See</i> Public debt.)	
Check forgery insurance fund established.....	341
Checking accounts of Government agencies, transactions, expenditures, receipts:	
1932-42 by years and 1942 by months.....	15, 393
1942 by months and 1941 and 1942 by years.....	426
Discussion.....	14
Excess of expenditures.....	17
Checks, drafts, or orders for payment of money, taxes.....	439
China:	
Aid to.....	2
Appropriation and expenditures for aid to.....	482
Financial aid agreement.....	43, 292
Cigar taxes.....	434
Cigarette papers and tubes, taxes.....	434
Cigarette taxes.....	434
Circulars, Department, Nos.:	
368, as amended Oct. 15, 1941, prescribing regulations relating to interim certificates.....	280
530, Fourth Revision, second amendment Apr. 20, 1942, to regulations governing U. S. savings bonds.....	246
530, Fifth Revision, June 1, 1942, regulations governing U. S. savings bonds.....	246
653, June 1, 1942, war savings bonds of Series E and war savings stamps.....	234
654, Revised, June 1, 1942, war savings bonds of Series F and G.....	240
657, amendments and supplements, Oct. 2 and Nov. 29, 1941, and June 1, 1942, prescribing regulations governing agencies for issue of U. S. savings bonds of Series E.....	262

## Circulars, Department, Nos.—Continued.

	Page
664, June 24, 1941, Reconstruction Finance Corporation notes Series W.....	282
665, July 10, 1941, Commodity Credit Corporation notes Series G.....	285
666, July 21, 1941, regulations for payment or redemption of United States transferable securities.....	273
667, July 22, 1941, tax savings notes A-1943 and B-1943.....	207
667, First amendment, Aug. 7, 1941, denominations and interest, tax savings notes A-1943 and B-1943.....	211
667, Second amendment, Oct. 21, 1941, general instructions, tax savings notes A-1943 and B-1943.....	212
669, Sept. 27, 1941, sixth call for partial redemption of mutual mortgage insurance fund debentures, Series B.....	287
670, Oct. 9, 1941, Treasury bonds of 1967-72.....	212
671, Oct. 23, 1941, Treasury notes Series A-1946.....	214
672, Dec. 4, 1941, Treasury bonds of 1967-72 (additional).....	216
673, Dec. 4, 1941, Treasury bonds of 1951-55.....	218
674, Dec. 15, 1942, tax savings notes A-1944 and B-1944.....	220
675, Dec. 15, 1941, regulations governing exchange of interim certificates of Treasury bonds of 1967-72 for definitive coupon bonds.....	280
675, First amendment, Jan. 2, 1942, prescribing regulations for exchange of interim certificates of Treasury bonds of 1967-72 for definitive coupon bonds.....	281
676, Jan. 13, 1942, Treasury bonds of 1949-51.....	224
677, Revised, May 13, 1942, establishing voluntary pay-roll savings plan for Government employees.....	346
677, Revised, amended July 9, 1942, to include war savings bonds of Series F and G in pay-roll savings plan.....	352
680, Feb. 16, 1942, prescribing standards and conditions with respect to bonds of certifying officers and administrative procedure of disbursements.....	338
681, Feb. 13, 1942, Treasury bonds of 1952-55.....	227
682, Mar. 27, 1942, seventh call for partial redemption of mutual mortgage insurance fund debentures Series B.....	289
683, Apr. 6, 1942, certificates of indebtedness Series A-1942.....	263
684, May 4, 1942, Treasury bonds of 1949-51.....	229
685, May 4, 1942, Treasury bonds of 1962-67.....	230
686, May 25, 1942, Treasury notes Series B-1946.....	232
688, June 18, 1942, certificates of indebtedness Series A-1943.....	265
Civil service retirement and disability fund.....	402, 422, 606
Civilian Conservation Corps.....	2, 11, 414, 428, 456, 668
Claims for relief on account of lost, stolen, destroyed, or mutilated securities.....	127
Coal tax.....	161, 162, 435, 439
Coast Guard, operating as part of Navy.....	57, 336
Coconut, etc., oils processed, taxes.....	435, 439
Coin-operated devices tax.....	435
Coins. (See Mint Service; Money.).....	
Colorado River Dam Fund.....	90
Commodity Credit Corporation:	
Allotments of notes on subscriptions among Federal Reserve districts, Series G, offered July 10, 1941.....	286
Assets and liabilities.....	87, 624
Capital impairment, payments for restoration of.....	87
Offering of notes July 10, 1941, Series G.....	284
Proprietary interest of United States in, by years, 1934-42.....	631
Securities guaranteed by United States outstanding June 30, 1942.....	580
Securities owned by United States.....	598
Commodity stamps for Agricultural Marketing Administration:	
Issued and redeemed 1939-42 by years and 1942 by months.....	674
Receipts 1942 by months.....	402
Comptroller of Currency, Bureau of, administrative report.....	140
Contingent liabilities of United States:	
Obligations issued on credit of United States outstanding 1935-42 by years.....	584

Contingent liabilities of United States—Continued.	Page
Outstanding June 30:	
1935-42 by years and agencies .....	584
1942 by Government corporations .....	624
1942 principal and interest .....	580
Securities guaranteed by United States:	
1935-42, June 30, by years .....	584
1942, June 30, in detail .....	580
Borrowing power of Government corporations and credit agencies and outstanding obligations held by Treasury and others June 30, 1942 .....	37
Description of .....	580
Discussion .....	33
Financing operations conducted by Treasury for agencies .....	34
Offerings, allotments, and redemptions .....	282-291
Outstanding June 30, 1941 and 1942, by agencies .....	35
Prices and yields of marketable securities June 30, 1942 .....	586
Sales in market discontinued .....	34
Contributed funds. ( <i>See</i> Social Security Act, Federal Insurance Con- tributions Act; Trust accounts; War Contributions fund.)	
Conversion bonds. ( <i>See</i> Public debt.)	
Corporation income tax. ( <i>See</i> Taxes.)	
Corporations and agencies, Government ( <i>see also</i> Contingent liabilities of United States):	
Assets and liabilities June 30, 1942 .....	624
Borrowing power:	
Changes in .....	35
Limitations and outstanding obligations .....	37
Capital stock and obligations of, held by Treasurer June 30, 1941 and 1942 .....	139
Capital stock owned by United States June 30, 1942 .....	624
Checking accounts with Treasurer, sales and redemptions of obliga- tions, etc., 1942 by months and 1941 and 1942 by years .....	426
Expenditures:	
1942 by months and 1941 and 1942 by years .....	412
1942 and estimates for 1943 and 1944 .....	687
Investments June 30, 1942 .....	624
Loans and subscriptions to capital stock June 30, 1942 .....	624
Proprietary interest of United States in:	
1930-42, June 30 .....	631
1942, June 30 .....	624
Discussion .....	41
Securities owned by United States:	
1942, June 30, by corporations, etc. ....	598
Discussion .....	40
Sources of funds by agencies:	
1942, details .....	636
1942 and to June 30, 1942, summary .....	16
To June 30, 1942, details .....	633
Tax-exempt and taxable securities outstanding, amount June 30:	
1918-42 by holders .....	647
1942 by holders .....	644
Uses of funds by agencies:	
1942, details .....	637
1942 and to June 30, 1942, summary .....	16
To June 30, 1942, details .....	635
War activities, appropriations, contract authorizations, and expendi- tures 1941-43 by years .....	482
Credit agencies. ( <i>See</i> Corporations and agencies, Government.)	
Cuba, indebtedness to United States, status Nov. 15, 1942 .....	600
Cumulative sinking fund. ( <i>See</i> Public debt, Operations.)	
Currency. ( <i>See</i> Money.)	
Customhouse brokers, licenses issued to .....	191
Customs, Bureau of ( <i>see also</i> Receipts):	
Administration cost .....	156
Administrative report .....	143
Appraisement Unit .....	155

## Customs, Bureau of—Continued.

	Page
Collections:	
1941 and 1942.....	144
Discussion.....	143
Other departments, bureaus, etc.....	447
Commodities imported free under proclamations.....	153
Cooperation of Customs Agency Service with other agencies.....	154
Customs Agency Service, summary of activities.....	153
Drawback:	
Payments on principal commodities 1941 and 1942.....	148
Transactions 1941 and 1942.....	147
Engineering and Weighing Division.....	155
Entries of merchandise 1941 and 1942, number.....	145
Expenditures:	
1942 by States.....	430
1942, summary.....	447
Fines, penalties, etc., discussion.....	151
Investigations by Customs Agency Service.....	154
Laboratories Division, analysis of samples of merchandise.....	156
Law enforcement activities.....	148
Legal proceedings.....	151
Marine administration.....	152
Ports and stations, changes in.....	156
Protests and appeals 1941 and 1942.....	148
Quota control.....	153
Refunds 1941 and 1942.....	144
School of Instruction.....	155
Seizures:	
1941 and 1942 by principal types.....	149
Boats, automobiles, airplanes, and horses 1941 and 1942.....	151
By Customs officers for other Government agencies.....	151
By Customs Service and other Government agencies, and number of arrests.....	150
Tariff administration.....	152
Transfer of certain functions to, from Department of Commerce.....	57, 152, 337
Vehicles and persons entering United States 1941 and 1942.....	145
War activities.....	52, 146
Czechoslovakia. (See Foreign government obligations owned by United States.)	

## D

## Daily Statement of U. S. Treasury:

Classification changes.....	86
Contingent liability details included in.....	86
Public debt details included in.....	86
Defense Homes Corporation.....	598
Defense Plant Corporation.....	598
Defense Savings Staff, name changed to War Savings Staff.....	336
Defense Supplies Corporation.....	598
Deficit. (See Surplus or deficit of receipts and expenditures.)	
Departments and establishments, regular governmental. (See Expenditures.)	
Depositories, Government:	
Federal Deposit Insurance Corporation members eligible for designation.....	94
Insured banks designated.....	344
Number, amount of deposits, by classes of depositories June 30, 1942.....	93
Number maintaining Treasury balances for State unemployment compensation benefit payments.....	94
Disaster Loan Corporation.....	598, 625, 631
Disbursing and certifying officers, standards and conditions prescribed for.....	338
Distilled spirits tax.....	161, 434, 437
District of Columbia:	
Expenditures.....	422
Receipts.....	402
District of Columbia teachers' retirement fund.....	139, 606
District of Columbia water fund.....	139, 608
District of Columbia workers' compensation fund.....	608
Dues, club and initiation fees, taxes.....	435, 439

## E

	Page
Ecuador, stabilization agreement with.....	42, 291
Electric, gas, and oil appliances taxes.....	435
Electric Home and Farm Authority.....	598, 625, 631
Electric light bulbs and tubes taxes.....	435
Electric signs tax.....	435
Electrical energy tax.....	3, 435
Emergency conservation work. (See Civilian Conservation Corps.)	
Emergency Relief Appropriation Acts:	
Accounts and disbursements system, discussion.....	118
Administrative expenses by States.....	430
Allocations, obligations, expenditures, and balances, by organiza- tions June 30, 1942.....	452
Appropriations account in detail.....	458
Expenditures Apr. 8, 1935, to June 30, 1942:	
By months, amount and number of payments.....	121
By object of expenditures.....	120
By organizations and by years.....	450
By States and by years.....	448
By type of work.....	120
Employees, Treasury Department. (See Personnel.)	
Employment taxes (see also Carriers Taxing Act taxes; Social Security Act):	
1936-42 by years.....	439
1941 and 1942.....	4
1942 by months.....	400
1942 by States.....	446
Assessments, additional by Bureau of Internal Revenue, 1941 and 1942.....	162
Estimates of receipts for 1943 and 1944 and actual for 1942.....	61
Engraving and Printing, Bureau of:	
Administrative report.....	156
Deliveries of finished work 1941 and 1942.....	157
Funds available and expenditures 1941 and 1942.....	159
Personnel, number.....	158
Postage stamp dies engraved.....	158
Estate tax (see also Internal Revenue Bureau, Miscellaneous Tax Unit; Taxes).....	3, 161, 162, 434, 437
Estimates of receipts and expenditures. (See Expenditures; Receipts.)	
Estonia, obligations owned by United States. (See Foreign government obligations owned by United States.)	
Exchange stabilization fund. (See Stabilization fund.)	
Excess profits tax (see also Taxes).....	3, 434, 437, 446
Expenditures (see also Federal aid to States; Surplus or deficit):	
1789-1942 by years.....	395
1932-42 by years and 1942 by months, summary.....	390
1934-42 by major functions and by years.....	428
1935-42 by major functions (chart 3).....	13
1941 and 1942 by major sources.....	2
1941 and 1942 summary.....	135
1942 by months and 1941 and 1942 by years, summary and details.....	406
1942 by months, summary.....	12
1942 and estimates for 1943 and 1944, details.....	687
Committee to study Federal expenditures established by Revenue Act of 1941.....	49
Debt retirements from ordinary receipts, 1942 by months and 1941 and 1942 by years.....	420
Departmental:	
1941 and 1942.....	2
1942 by months and 1941 and 1942 by years, classified.....	408
Emergency Relief Appropriation Acts. (See Emergency Relief Appropriation Acts.)	
Estimates for 1943 and 1944, details.....	687
Estimates for 1943 and 1944, summary.....	80

## Expenditures—Continued.

	Page
General and special accounts:	
1932-42 by years and 1942 by months, summary .....	391
1941 and 1942 by functions .....	11
1942 by months and 1941 and 1942 by years, details .....	408
Discussion .....	11
Gold increment, chargeable against. (See Gold.)	
Interest on public debt. (See Public debt.)	
Public debt by classes, 1942 by months and 1941 and 1942 by years ..	516
Public works 1934-42 by years .....	428
Railroads. (See Railroads, Federal control of.)	
Refunds:	
1941 and 1942, totals .....	2
1942 by months and 1941 and 1942 by years .....	416
Refunds, drawbacks, and stamp redemptions, Bureau of Internal Revenue, total by appropriations .....	161
Relief:	
1934-42 by years .....	428
1941 and 1942, totals .....	11
Transfers to trust accounts, etc.:	
1932-42 by years and 1942 by months .....	391
1942 by months and 1941 and 1942 by years .....	420
Treasury Department activities by States .....	430
Trust accounts. (See Trust accounts.)	
Unemployment trust fund. (See Unemployment trust fund.)	
War activities. (See War activities.)	
Export-Import Bank of Washington .....	598, 624, 631

## F

## Farm Credit Administration:

Assets and liabilities .....	624
Crop loans, emergency, status of allocation for .....	453
Expenditures .....	412, 420
Notes received by, owned by United States .....	599
Proprietary interest of United States in, by years 1933-42 .....	631
Revolving funds, expenditures .....	2
Farm Security Administration .....	412, 453, 599, 625, 631, 668
Farm Tenant Act .....	412
Federal aid to States, etc.:	
Appropriations for 1943, classified .....	660
Expenditures:	
1920, 1941, and 1942, by appropriations .....	660
1942 by States, classified .....	664
Federal Crop Insurance Corporation .....	598, 624, 631
Federal Deposit Insurance Corporation .....	139, 598, 624, 631
Federal Farm Mortgage Corporation:	
Assets and liabilities .....	624
Proprietary interest of United States in, by years 1934-42 .....	631
Reduction in interest rate on mortgages:	
Expenditures for .....	412
Period for payments extended .....	114
Securities guaranteed by United States outstanding June 30, 1942 ..	580
Securities held by Treasurer for, June 30, 1941 and 1942 .....	139
Securities owned by United States June 30, 1942 .....	598
Federal home loan banks:	
Assets and liabilities .....	624
Capital stock owned by United States .....	598
Proprietary interest of United States in, by years 1933-42 .....	631
Federal Housing Administration:	
Assets and liabilities .....	624
Proprietary interest of United States in, by years 1935-42 .....	631
Securities guaranteed by United States outstanding June 30, 1942 ..	580
Federal Insurance Contributions Act. (See Social Security Act.)	
Federal intermediate credit banks .....	598, 624, 631
Federal land banks (see also Corporations and agencies, Government):	
Assets and liabilities .....	624
Capital stock and paid-in surplus subscribed to by United States ..	412, 598

Federal land banks—Continued.	Page
Capital stock subscribed to by Secretary of Treasury, amount and shares repaid, by banks, June 30, 1942.....	115
Discussion.....	114
Paid-in surplus subscribed to by Secretary of Treasury, amount and repayments, by banks, June 30, 1942.....	116
Proprietary interest of United States in, by years 1930-42.....	631
Reduction in interest rates on mortgages:	
Expenditures for.....	412
Payments on account of.....	116
Period for payments extended.....	115
Federal National Mortgage Association.....	598, 624, 631
Federal old-age and survivors insurance trust fund:	
Appropriations and expenditures 1942 and total to June 30, 1942....	471
Discussion.....	89
Expenditures, investments, and benefit payments:	
1937-42 by years and 1942 by months.....	15, 393
1942 by months and 1941 and 1942 by years.....	422
Receipts, net appropriations:	
1937-42 by years and 1942 by months.....	15, 392
1942 by months.....	402
Status June 30, 1942.....	609
Federal Prison Industries, Inc.....	625, 631
Federal Public Housing Authority:	
Assets and liabilities.....	624
Expenditures.....	416, 670
Proprietary interest of United States in.....	631
Securities guaranteed by United States outstanding June 30, 1942....	580
Securities owned by United States.....	598
Federal Reserve Bank notes:	
In circulation June 30, 1916-42.....	641
Redeemed and outstanding.....	136
Stock June 30, 1916-42.....	640
Stock, held in Treasury, held by Federal Reserve Banks, and in circulation June 30, 1942.....	642
Federal Reserve Bank notes and national bank notes. (See National bank notes and Federal Reserve Bank notes.)	
Federal Reserve Banks:	
Advances to, for industrial loans, amounts and repayments, by banks, June 30, 1942.....	89
Holdings of direct and guaranteed debt June 30, 1942.....	38, 39
Money held by, June 30, 1915-42.....	638
Purchases of Government obligations limited.....	45, 273
Treasury bill rates established for purchases for Open Market Account..	25
Federal Reserve notes:	
Canceled, received from Federal Reserve Banks and branches.....	137
Contingent liability of United States June 30, 1942.....	582
In circulation June 30, 1915-42.....	641
Issued, redeemed, and outstanding.....	136
Received and issued by Division of Paper Custody.....	133
Stock June 30, 1915-42.....	640
Stock, held in Treasury, held by Federal Reserve Banks, and in circulation June 30, 1942.....	642
Federal savings and loan associations:	
Assets.....	625
Capital stock and income shares owned by United States.....	598
Discussion.....	117
Fiscal agents for collecting delinquent accounts, number eligible.....	94
Preferred and full-paid income shares subscribed to by Secretary of Treasury June 30, 1942.....	117
Proprietary interest of United States in, June 30, 1934-42.....	632
Federal Savings and Loan Insurance Corporation.....	139, 598, 624, 631
Federal Unemployment Tax Act. (See Social Security Act.)	
Federal Works Agency:	
Assets.....	624
War activities, appropriations, contract authorizations and expenditures.....	482



	Page
Fermented malt liquor tax. (See Beer tax.)	
Finland, obligations owned by United States. (See Foreign government obligations owned by United States.)	
Firearms, shells, and cartridges, tax	435
Fiscal Service. (See Accounts Bureau; Public Debt Bureau; Treasurer of United States.)	
Floor tax, liquors	434
Foreign check control, checks held in special deposit account	101
Foreign Funds Control:	
Administrative report	159
Blocked property subject to regulation by type and by nationality of owner	159
Discussion	56
Executive orders and proclamation relating to control of foreign funds and foreign-owned property	294-301
Financial and property controls of U. S. Government, administration	302
Transactions effected by licenses applied for	160
Foreign government obligations owned by United States:	
Amounts due and not paid Nov. 15, 1942, by countries	103
Amounts due and payable, by countries	102
Discussion	101
Indebtedness, total, and payments received by years 1928-42	601
Interest received 1942 by months	400
Payments, by countries, principal and interest, to Nov. 15, 1942	600
Public debt retirements from payments on	520, 543
Securities held by Treasurer for Secretary of Treasury June 30, 1941 and 1942	139
Foreign-owned property:	
Actions, regulations, etc., of Secretary of Treasury ratified by law	300
Discussion	56
Executive Order No. 9193, July 6, 1942, amending order establishing Office of Alien Property Custodian, defining its duties and duties of Secretary of Treasury	296
Regulations amendment July 26, 1941	295
Foreign service retirement and disability fund	402, 424, 610
France, obligations owned by United States. (See Foreign government obligations owned by United States.)	
Furs tax	435
<b>G</b>	
Gasoline tax	3, 435
General Fund:	
Assets and liabilities June 30, 1941 and 1942	594
Balance:	
1915-42, June 30	544
1941 and 1942, June 30	594
1942 by months	595
1942 and estimates for 1943 and 1944	710
Change in during 1942, analysis	40
Discussion	39
Increment from reduction in weight of gold dollar	595
Seigniorage	595
Working balance:	
1941 and 1942, June 30	595
1942 by months	595
Germany (see also Foreign government obligations owned by United States; Mixed Claims Commission):	
Awards of Mixed Claims Commission, amounts paid and balance due Sept. 30, 1942, summary	106, 672
Awards of War Claims Arbitrator, amounts paid and balance due Sept. 30, 1942	107
Indebtedness to United States, payments received and amounts not paid June 30, 1942	103
Special deposit account, statement Sept. 30, 1942	107
Gift tax	3, 68, 77, 161, 162, 165, 434, 437

Gold:	Page
Acquired by mints and assay offices.....	184
Assets and liabilities of Treasury June 30, 1941 and 1942.....	594
Bullion, in Treasury, stock of, including gold coin, June 30:	
1913-42.....	640
1942.....	185
Certificate fund, Board of Governors, Federal Reserve System, held in Treasury June 30, 1941 and 1942.....	594
Certificates:	
In circulation June 30, 1913-42.....	641
Liabilities of Treasury June 30, 1941 and 1942.....	594
Redeemed and outstanding.....	136
Stock, held in Treasury, held by Federal Reserve Banks, and in circulation June 30, 1942.....	642
Coin in circulation June 30, 1913-33.....	641
Electrolytically refined by Mint Service.....	185
Increment from reduction in weight of gold dollar:	
Expenditures chargeable to:	
1934-42 by years and 1942 by months.....	15, 393
1942 by months and 1941 and 1942 by years.....	424
In General Fund balance:	
1941 and 1942, June 30.....	595
1942 by months.....	595
Receipts:	
1934-42 by years and 1942 by months.....	15, 392
1942 by months.....	402
Industrial consumption, 1941 calendar year.....	185
Mint Service operations.....	184
Percentage of gold to total stock of money June 30, 1913-42.....	640
Production, domestic, 1941 calendar year.....	185
Receipts 1942.....	136
Reserve in Treasury against United States notes and Treasury notes of 1890, June 30, 1941 and 1942.....	594
Russian, agreements to purchase.....	42
Stock June 30, 1942.....	642
Treasury holdings, increase in.....	136
Government Actuary.....	198
Government life insurance fund:	
Expenditures.....	424
Investment procedure changed.....	118, 342
Investments June 30, 1942.....	623
Loans to veterans on policies, outstanding June 30, 1942.....	623
Receipts.....	402
Government Losses in Shipment Act:	
Discussion.....	94
Premium savings on shipments, 1941 and 1942 and total to June 30, 1942.....	95
Shipments reported lost, settled and unadjusted.....	95
Status of fund.....	96
Great Britain, obligations owned by United States. (See Foreign govern- ment obligations owned by United States.)	
Greece, obligations owned by United States. (See Foreign government obligations owned by United States.)	
Gross debt of United States. (See Public debt.)	
Guaranteed obligations of United States. (See Contingent liabilities.)	
<b>H</b>	
Hawaii, new currency series for.....	46
Highway expenditures.....	666, 670
Home loan banks. (See Federal home loan banks.)	
Home Owners' Loan Corporation:	
Assets and liabilities.....	624
Proprietary interest of United States in, by years 1933-42.....	631
Securities guaranteed by United States outstanding June 30, 1942.....	580
Securities owned by United States.....	598
Hungary (see also Foreign government obligations owned by United States):	
Awards of War Claims Arbitrator and amount paid.....	107
Tripartite Claims Commission awards entered against.....	108

## I

	Page
Iceland, stabilization agreement with.....	42, 292
Income tax. (See Internal Revenue Bureau; Receipts; Taxes.)	
Indebtedness of foreign governments to United States. (See Foreign gov- ernment obligations owned by United States.)	
Independent offices, boards, commissions, and corporations. (See Ex- penditures; and also titles of certain specific offices.)	
Indians, expenditures 1789-1942.....	477
Indian tribal funds:	
Expenditures.....	424
Receipts.....	402
Inland Waterways Corporation.....	598, 625, 631
Insurance companies, holdings of direct and guaranteed debt.....	38, 39, 588
Interest on public debt. (See Public debt.)	
Interest-bearing debt of United States. (See Public debt.)	
Internal Revenue, Bureau of (see also Receipts; Taxes):	
Accounts and Collections Unit:	
Carriers Taxing Act taxes:	
Claims allowed and refunds and repayments.....	161
Claims received and disposed of.....	174
Returns filed.....	174
Collections 1941 and 1942.....	160
Federal Insurance Contributions Act Taxes:	
Claims received and disposed of.....	172
Offers in compromise received and disposed of.....	172
Returns filed.....	171
Federal Unemployment Tax Act taxes:	
Claims received and disposed of.....	173
Offers in compromise received and disposed of.....	174
Returns received and disposed of.....	173
Revenue agents reports received and disposed of.....	173
Returns filed and investigated in collectors' offices.....	170
Social Security Act taxes, claims allowed and refunds and re- payments.....	161
Stamps issued and returned.....	171
Administration cost.....	162
Administrative report.....	160
Alcohol Tax Unit:	
Audit Division.....	169
Basic Permit and Trade Practice Division.....	169
Collections 1941 and 1942.....	160
Enforcement Division.....	167
Field Inspection Division.....	168
Laboratory Division.....	168
Producers and distributors of alcoholic beverages under supervision of.....	167
Chief Counsel, Office of:	
Alcohol Tax Division.....	176
Appeals Division.....	176
Chief Counsel's Committee.....	176
Civil Division.....	177
Claims Division.....	177
Penal Division.....	178
Review Division.....	179
Claims allowed, by class of tax, 1942 and totals for 1941.....	161
Collections, summary 1941 and 1942.....	160
Expenditures 1942:	
By States.....	430
From appropriations for prior years.....	444
Expenses, classified, by districts and appropriations, 1942.....	441
Income Tax Unit:	
Assessments, additional, made by Bureau 1941 and 1942.....	162
Claims allowed by Bureau and refunds and repayments.....	161
Collections 1941 and 1942.....	160
Returns filed, examined, investigated, etc.....	163
Revenue results of investigations.....	163

Internal Revenue, Bureau of--Continued.	Page
Intelligence Unit, investigations of tax fraud cases, etc.	179
Miscellaneous Tax Unit:	
Capital Stock Tax Division	165
Collections 1941 and 1942	160
Estate Tax Division	165
Miscellaneous Division, collections 1941 and 1942	166
Sales Tax Division, collections 1941 and 1942	165
Tobacco Division	165
Refunds and repayments ( <i>see also</i> Expenditures):	
1942 by class of tax and totals for 1941	161
Claims approved for payment from refunding appropriations	445
Securities received in settlement of tax liabilities, owned by United States	599, 632
Technical Staff:	
Compromise, extension of time, and final closing agreement cases, analysis of work on	175
Field divisions, operations	175
Italy, obligations owned by United States: ( <i>See</i> Foreign government obligations owned by United States.)	
<b>J</b>	
Jewelry tax	435
<b>L</b>	
Latvia, obligations owned by United States. ( <i>See</i> Foreign government obligations owned by United States.)	
Laws:	
Publics, Nos.:	
292, Nov. 15, 1941, transferring certain powers of Secretary of Treasury to Secretary of Navy	336
310, Nov. 21, 1941, establishing check forgery insurance fund	341
354, Dec. 18, 1941, sections 301, 302, and 303, ratifying actions, regulations, etc., of Secretary of Treasury under Trading With the Enemy Act	300
389, Dec. 29, 1941, to fix the responsibilities of disbursing and certifying officers	338
448, Feb. 10, 1942, expediting investments of funds of Government life insurance fund and National service life insurance fund	342
507, Mar. 27, 1942, Title IV, limiting purchases of Government obligations by Federal Reserve Banks	273
507, Mar. 27, 1942, Title XI, relating to war contributions fund	342
507, Mar. 27, 1942, Title XII, changing metallic content of 5-cent pieces	293
510, Mar. 28, 1942, increasing debt limit, providing for Federal taxation of shares, certificates of stocks, etc., issued by United States agencies and instrumentalities and discontinuing postal savings stamps	272
603, June 11, 1942, portions of, mobilizing productive facilities of small business	343
Legal Division, administrative report	180
Liberia, indebtedness to United States, status Nov. 15, 1942	600
Liberty bonds. ( <i>See</i> Public debt.)	
Library of Congress trust fund	611
Liquor taxes ( <i>see also</i> Internal Revenue Bureau, Alcohol Tax Unit)	3, 68, 77, 162, 434, 437
Lithuania, obligations owned by United States. ( <i>See</i> Foreign government obligations owned by United States.)	
Longshoremen's and harbor workers' compensation fund	614
Luggage tax	435
<b>M</b>	
Machines, business, store, and washing, taxes	435
Manufacturers' excise taxes	3, 61, 69, 78, 435, 438
Marihuana. ( <i>See</i> Narcotics Bureau.)	
Marihuana tax	435
Matches tax	435
Metals Reserve Company	598

Mexico:	Page
Special Mexican Claims Commission, awards and payments	109
Stabilization and silver purchase agreements with	42, 291
Minor coin:	
In circulation June 30, 1913-42	641
Stock June 30, 1913-42	640
Stock, held in Treasury, held by Federal Reserve Banks, and in circulation June 30, 1942	642
Mint Service:	
Administrative report	182
Bullion deposit transactions and transfers	183
Coin and monetary bullion stock in United States June 30, 1942	185
Coinage	183
Deposits of gold and silver, income, expenses, and number of employees, by institutions	186
Expenditures by States	430
Funds available and expenses	186
Gold operations	184
Industrial consumption of gold and silver, 1941 calendar year	185
Production, domestic, of gold and silver, 1941 calendar year	185
Refinery operations	185
Silver operations	184
Miscellaneous internal revenue. (See Internal Revenue Bureau; Receipts; Taxes.)	
Miscellaneous receipts. (See Receipts.)	
Miscellaneous Tax Unit. (See Internal Revenue Bureau.)	
Mixed Claims Commission, United States and Germany:	
Awards, amounts paid, and balance due, classified, Sept. 30, 1942	672
Awards, amount paid, balance due, summary, Sept. 30, 1942	106
Sabotage claims, awards and payments	104
Monetary developments:	
Discussion	42
Inter-American financial and monetary cooperation	43
Reserve requirements of member banks increased	44
Monetary Research, Division of, administrative report	186
Money (see also General Fund; Gold; Mint Service; Silver):	
Circulation, by kinds, June 30, 1913-42	641
Coin shipments between Treasury, mints, and Federal Reserve Banks, by kinds	137
Five-cent pieces, metallic content changed	45, 183, 293
Hawaii, new currency series for	46
Paper currency:	
Issued, redeemed, and outstanding, by classes	136
Shipments from Treasury	137
Stock, by kinds, June 30, 1913-42	640
Stock, held in Treasury, held by Federal Reserve Banks, and in circulation:	
1913-42, June 30, by years	638
1942, June 30, by kinds	642
Municipalities and States. (See States and municipalities.)	
Musical instruments and phonograph records, taxes	435
Mutual mortgage insurance fund debentures, Series B, partial redemption:	
Sixth call, Sept. 27, 1941	287
Seventh call, Mar. 27, 1942	289

## N

Narcotics, Bureau of:	
Administrative report	187
Drug exports	190
Drugs sold by manufacturers to domestic purchasers	190
Enforcement activities	187
Expenditures by States	432
Marihuana Tax Act:	
Activities under	187
Registrants	189
Violations of, and cases disposed of	189
Narcotic law, registrants	189
Violations of narcotic laws and cases disposed of	188

	Page
Narcotics tax.....	161, 435, 439
National bank notes:	
In circulation June 30, 1913-42.....	641
Redeemed and outstanding.....	136
Stock June 30, 1913-42.....	640
Stock, held in Treasury, held by Federal Reserve Banks, and in circulation June 30, 1942.....	642
National bank notes and Federal Reserve Bank notes:	
Deposits for retirement of, 1935-42 by years.....	510
Retirements 1942 by months and 1941 and 1942 by years.....	516
National banks ( <i>see also</i> National bank notes):	
Assets and liabilities on date of each report, June 30, 1941, to June 30, 1942.....	141
Condition, changes in.....	140
Membership and capital stock changes.....	143
National Cancer Institute gift fund.....	614
National defense. ( <i>See</i> War activities.)	
National Firearms Act tax.....	435, 439
National Housing Agency, expenditures 1941 and 1942, totals.....	2
National Institute of Health gift fund.....	615
National park trust fund.....	617
National service life insurance fund:	
Expenditures 1942 by months and 1941 and 1942 by years.....	424
Investment procedure changed.....	118
Investments.....	618
Investments of funds expedited.....	342
Receipts 1942 by months.....	402
Navy Department:	
Appropriations, contract authorizations, and expenditures for war activities, 1941-43 by years.....	482
Expenditures:	
1934-42 by years.....	428
1941 and 1942, totals.....	2
1942 by months and 1941 and 1942 by years.....	418
1942 and estimates for 1943 and 1944.....	687
Nicaragua, obligations owned by United States, status Nov. 15, 1942.....	600

## O

Obligations of foreign governments. ( <i>See</i> Foreign government obligations owned by United States.)	
Oil transportation by pipe line, tax.....	4, 435, 438
Oils, lubricating, tax.....	3, 435
Oleomargarine tax.....	435, 439
Optical equipment tax.....	435
Orders:	
Executive, Nos.:	
8832, July 26, 1941, relating to foreign funds control.....	294
8929, Nov. 1, 1941, directing Coast Guard to operate as part of Navy.....	336
8963, Dec. 9, 1941, relating to foreign funds control.....	294
8998, Dec. 26, 1941, relating to foreign funds control.....	294
9083, Feb. 28, 1942, sections 1, 2, and 4, transferring certain functions to Bureau of Customs from Department of Commerce, etc.....	337
9084, Mar. 3, 1942, pertaining to budgetary administration and financial reporting.....	341
9135, Apr. 16, 1942, establishing Interdepartmental Committee for Voluntary Pay-Roll Savings Plan.....	345
9193, July 6, 1942, amending order establishing Office of Alien Property Custodian and defining its duties and duties of Secretary of Treasury.....	296
Treasury Department, Nos.:	
41, Sept. 11, 1941, authorizing field officers to employ persons to fill vacancies.....	335
42, Sept. 30, 1941, transferring Division of Printing to Procurement Division.....	335

## Orders—Continued.

Page

## Treasury Department, Nos.—Continued.

43, Dec. 15, 1941, assigning responsibility for foreign affairs matters and management of stabilization fund to an Assistant to Secretary.....	335
44, Feb. 1, 1942, assigning Procurement Division, Bureau of Engraving and Printing, and Bureau of Mint to an Assistant to Secretary.....	336
45, Apr. 15, 1942, changing name of Defense Savings Staff to War Savings Staff.....	336

## P

## Panama Canal loan bonds. (See Public debt.)

## Panama Canal, receipts and expenditures:

1903-42.....	472
1941 and 1942, war activity expenditures.....	483
1942 by months.....	400, 416

## Panama Railroad Co.:

Assets and liabilities.....	625
Capital stock owned by United States.....	598
Proprietary interest of United States in.....	632

## Paper Currency. (See Money.)

Passengers and pedestrians entering United States 1941 and 1942.....	145
----------------------------------------------------------------------	-----

## Pay-roll savings plan:

Bond Issuing Officer for departments designated.....	92
Firms and agencies with, summary.....	28
Firms with, discussion.....	27
Government employees:	
Discussion.....	27
Establishment of plan.....	346
Interdepartmental committee established.....	27, 345
Treasury employees participating.....	28
War savings bonds Series F and G included as media.....	352

## Pay-roll taxes. (See Carriers Taxing Act; Employment taxes; Social Security Act.)

## Pensions, expenditures:

1789-1942.....	477
1934-42 by years.....	428

Pershing Hall Memorial fund.....	618
----------------------------------	-----

Personnel, Division of, administrative report.....	190
----------------------------------------------------	-----

## Personnel, Treasury Department:

Administrative and staff officers Nov. 15, 1942.....	xvi
Committees, departmental, Nov. 15, 1942.....	xvii
Laws affecting.....	335
Number, departmental and field services.....	190
Pay-roll savings plan, participation.....	28

Petroleum, processed, tax.....	439
--------------------------------	-----

## Philippine Islands:

Appropriation for public relief and civilian defense.....	99
Funds in Treasury:	
Deposits.....	98
Duties and taxes on articles from Philippines except coconut oil.....	98
Excise and import taxes.....	99
Export taxes deposited in supplementary sinking fund.....	100
Taxes on coconut oil from Philippines.....	98
Securities and funds, safekeeping program.....	88

Photographic apparatus tax.....	435
---------------------------------	-----

Pistols and revolvers tax.....	435
--------------------------------	-----

Playing cards tax.....	434, 438
------------------------	----------

## Poland, obligations owned by United States. (See Foreign government obligations owned by United States.)

## Postal savings stamps:

Issue replaced by war savings stamps, discussion.....	30
Outstanding 1942 by months and 1941 and 1942 by years, summary.....	560
Redemptions:	
1942 by months and 1941 and 1942 by years, summary.....	560
Exchanges for U. S. savings bonds.....	562

## Postal savings stamps—Continued.

Page

Sales:	
1942 by months.....	29
1942 by months and 1941 and 1942 by years:	
By denominations.....	561
By States.....	563
Summary.....	560
War savings stamps to replace.....	236
Postal Savings System:	
Funds due depositors June 30, 1942.....	582
Securities held by Treasurer to secure deposits of funds June 30, 1941 and 1942.....	139
Treasury notes issued. (See Public debt, Special issues.)	
Postal Service:	
Deficiencies, expenditures:	
1941 and 1942, totals.....	2
Advances from General Fund.....	474
Factors contributing to deficit.....	353
Expenditures 1789-1942 by years.....	474
Revenues 1789-1942 by years.....	474
Practice, Committee on, administrative report.....	190
Printing and binding expenditures. (See Procurement Division.)	
Printing, Division of, transferred to Procurement Division.....	335
Processing Tax Board of Review, administrative report.....	191
Processing tax refunds, 1942 by months and 1941 and 1942 by years.....	416
Procurement Division:	
Administrative report.....	192
Blind-made products purchased.....	194
Clothing, etc., purchased for refugee relief.....	55, 196
Contracts on behalf of Division of Printing authorized.....	336
Contracts with small business concerns, procedure.....	343
Defense housing, purchases for.....	55, 194
Expenditures by States.....	432
Lend-lease purchases.....	53, 192, 196
Printing and Binding Section:	
Engraving and printing requisitions.....	196
Establishment and functions.....	196
Funds and expenditures.....	196
Printing Division transferred to.....	196, 335
Purchases:	
Procedure.....	193
Summary, 1941 and 1942.....	192
Relief supply funds.....	455
Strategic materials:	
Contracts and purchases.....	196
Purchases.....	54
Surplus property disposition.....	195
Textiles purchased for Work Projects Administration.....	197
Typewriters procured for armed forces, etc.....	193
Produce for future delivery, sales of, tax.....	438
Production credit corporations.....	598, 624, 631
Proprietary interest of United States in Government corporations and credit agencies (see also Securities owned by United States):	
1930-42, June 30.....	631
Discussion.....	41
Public debt (see also Circulars, Department; Contingent liabilities of United States; Expenditures; Public Debt Service; Securities owned by United States; United States notes):	
Adjusted service bonds:	
Interest paid on, 1940-42.....	575
Issued, redeemed, and outstanding:	
1942, June 30, and description.....	493
Discussion.....	32
Issues 1942 by months and 1941 and 1942 by years.....	512
Retirements 1942 by months and 1941 and 1942 by years.....	516



## Public debt—Continued.

Page

## Certificates of indebtedness:

## Allotments on subscriptions among Federal Reserve districts:

Series A-1942, offered Apr. 6, 1942..... 265

Series A-1943, offered June 18, 1942..... 267

Discussion..... 20

Issued and outstanding..... 495

## Offerings:

April 6, 1942, Series A-1942, dated Apr. 15, 1942..... 263

June 18, 1942, Series A-1943, dated June 25, 1942..... 265

Tax and loan series (matured debt) outstanding..... 532

Composition of computed interest charge and interest rates, June 1934 to June 1942, by months (chart 4)..... 19

Conversion bonds..... 486, 509, 575

Deficit financing 1942 and estimates for 1943 and 1944..... 710

## Depository bonds:

Description and amount outstanding..... 492

Discussion..... 32

Interest paid on..... 575

Issued and redeemed..... 94

Issues 1942 by months..... 512

Retirements..... 517

Description of issues outstanding June 30, 1942..... 486

Discussion..... 17

Federal Reserve Bank holdings, amount June 30, 1915-42..... 650

Fractional currency..... 505, 537

Holders of increase in direct and guaranteed debt by classes of holders and by tax-exemption provisions of each issue June 30, 1942..... 588

Increase in 1942 and estimates for 1943 and 1944..... 710

## Interest:

Computed annual interest charge and computed rate of interest 1916-41 by years and 1942 by months..... 577

## Expenditures:

1789-1942 by years..... 395

1934-42 by years..... 428

1940-42 by issues..... 575

1941 and 1942..... 2, 11

1942 by months..... 12

1942 by months and 1941 and 1942 by years..... 416

1942 classified..... 136

1942 and estimates for 1943 and 1944..... 689

Payable, paid, and outstanding unpaid, 1942 by classes of issues..... 574

Interim certificates, regulations governing..... 280

## Issues:

1942 by months and 1941 and 1942 by years, and classes..... 512

Basis for subscriptions announced..... 22, 218

Liberty bonds..... 501, 509, 516, 530, 546, 576

Limitation increased by Pub. Law 510, Mar. 28, 1942..... 272

Obligations other than direct obligations..... 506

Obligations outstanding and reconciliation with daily Treasury statement..... 33

Old demand notes..... 505, 537

## Operations:

Financing, Treasury bonds, notes, and certificates of indebtedness, summary..... 20

## Interest-bearing:

Changes in, by issues..... 525

Transactions, summary..... 524

Issued, cumulated retirements, outstanding, by issues, June 30, 1942..... 486

Issues, maturities, and redemptions in detail, on dates of transactions..... 538

Noninterest-bearing transactions by issues..... 530

## Retirements (see also Sinking fund below):

1942 by months and 1941 and 1942 by years, and classes... 516

Cumulated, by issues, June 30, 1942..... 486

## Public debt—Continued.

Page

## Operations—Continued.

Retirements chargeable against ordinary receipts ( <i>see also</i> Sinking fund below):	
1918-42 by sources of receipts.....	397, 543
1932-42 by years and 1942 by months.....	391
1941 and 1942, totals.....	11
1942 by months.....	12
1942 by months and 1941 and 1942 by years.....	420
1942 by issues and cumulative totals from July 1917 to June 1941 and 1942.....	520
1942 and estimates for 1943 and 1944 by sources of receipts.....	696
Sinking fund:	
1942.....	545
1942 by months.....	420
1942 and estimates for 1943 and 1944.....	696
Appropriations available, debt retired, amount expended 1921-42.....	545
Discussion.....	32
Retirements from:	
1921-42.....	543
To June 30, 1942, by issues.....	546
Transactions, summary.....	522
Outstanding:	
1853-1942, June 30, interest-bearing, matured, noninterest-bearing, and gross.....	507
1915-42, June 30, gross debt.....	544
1916-42 by years and 1942 by months, interest-bearing.....	577
1916-42 by years and 1942 by months, interest-bearing by classes, matured, noninterest-bearing, and gross.....	511
1935-42, June 30, interest-bearing by classes and noninterest-bearing.....	509
1941 and 1942, June 30, interest-bearing by classes, matured, and noninterest-bearing.....	18
1942, June 30, description of issues.....	486
1942, June 30, interest-bearing, by issues.....	525
1942, June 30, interest-bearing, matured, and noninterest-bearing by issues.....	486
Limitation, statutory, increased.....	32
Per capita gross debt, June 30, 1853-1942.....	507
Tax-exempt and taxable features of various issues.....	506
Tax-exempt and taxable securities, amount by holders, June 30:	
1913-43.....	646
1937-42.....	656
1942.....	644
Panama Canal loan.....	486, 509, 575
Postal savings bonds.....	486, 509, 575
Postal savings stamps. ( <i>See</i> Postal savings stamps.)	
Prices and yields, public marketable securities, June 30, 1942.....	586
Purchases of Government obligations by Federal Reserve Banks limited.....	45, 273
Receipts as means of financing deficit.....	17
Regulations July 21, 1941, governing payment or redemption of United States transferable securities.....	273
Retirements. ( <i>See</i> Operations, above.)	
Second Liberty Bond Act, obligations issued under, acceptable in payment of taxes.....	50
Second Liberty Bond Act amendment:	
Discussion.....	32
Obligations outstanding and face amount issuable under limitation in effect June 30, 1942.....	33
Sinking fund. ( <i>See</i> Operations, above.)	
Special issues:	
Description and amount outstanding.....	495
Interest paid on, 1925-42 by years.....	578
Outstanding June 30:	
1925-42 by years and 1942 by months.....	511
1935-42 by issues.....	509

## Public debt—Continued.

Page

## Special issues—Continued.

Receipts 1942 by months and 1941 and 1942 by years, by classes.....	514
Retirements 1942 by months and 1941 and 1942 by years.....	518

## Tax savings notes:

Acceptable in payment of Federal income, estate, and gift taxes.....	31
Discussion.....	31

## Offerings:

July 22, 1941, A-1943 and B-1943, dated Aug. 1, 1941.....	207
Dec. 15, 1941, A-1944 and B-1944, dated Jan. 1, 1942.....	220
Outstanding 1942 by months and series.....	566

## Purchase price and tax-payment value:

Aug. 1941 to Aug. 1943, by months, A-1943 and B-1943....	210
Jan. 1942 to Jan. 1944, by months, A-1944 and B-1944....	223

## Redemptions:

1942 by months and series.....	566
For taxes and cash.....	572

## Sales:

Aug. 1, 1941, to June 30, 1942.....	31
1942 by months, denominations, and series.....	568
1942 by months and series.....	566
1942 by months, types of purchaser, and series.....	570
Sales and redemptions for cash and taxes 1942 by months.....	565

## Treasury bills:

Discussion.....	25
Offering of, dated July 2, 1941, press release.....	267
Rates established for purchases for Federal Reserve Open Market Account.....	25
Summary of information in press releases concerning Treasury bills offered during 1942.....	269
Tenders received and accepted for issue dated July 2, 1941, press release.....	268

## Treasury bonds:

Allotments on subscriptions among Federal Reserve districts:	
1949-51, offered Jan. 12, 1942.....	227
1949-51, offered May 4, 1942.....	232
1951-55, offered Dec. 4, 1941.....	219
1952-55, offered Feb. 13, 1942.....	229
1962-67, offered May 4, 1942.....	232
1967-72, offered Oct. 9, 1941.....	214
1967-72 (additional) offered Dec. 4, 1941.....	219
Discussion.....	20

## Offerings:

Oct. 9, 1941, 1967-72, dated Oct. 20, 1941.....	212
Dec. 4, 1941, 1967-72 (additional), dated Oct. 20, 1941.....	216
Dec. 4, 1941, 1951-55, dated Dec. 15, 1941.....	216
Jan. 12, 1942, 1949-51, dated Jan. 15, 1942.....	224
Feb. 13, 1942, 1952-55, dated Feb. 25, 1942.....	227
May 4, 1942, 1949-51, dated May 15, 1942.....	229
May 4, 1942, 1962-67, dated May 5, 1942.....	229

## Treasury notes:

Allotments on subscriptions among Federal Reserve districts:	
Series A-1946, offered Oct. 23, 1941.....	216
Series B-1946, offered May 25, 1942.....	234
Discussion.....	20

## Offerings:

Oct. 23, 1941, Series A-1946, dated Nov. 1, 1941.....	214
May 25, 1942, Series B-1946, dated June 5, 1942.....	232

## Treasury savings securities (matured debt)..... 505, 537

## United States savings bonds:

Description of issues outstanding June 30, 1942.....	487
Discussion.....	25
Held by Treasurer for depositors June 30, 1941 and 1942.....	139
Interest paid on 1940-42, by series.....	575
Issues 1942 by months and 1941 and 1942 by years.....	512
Issues and redemptions Mar. 1, 1935, to June 30, 1942, by years..	26
Issuing agents for Series E bonds, discussion.....	29
Outstanding 1935-42 by years and 1942 by months and by series.....	550

## Public debt—Continued.

## United States savings bonds—Continued.

	Page
Redemptions:	
1935-42 by years and 1942 by months and by series .....	550
1942 by months and 1941 and 1942 by years .....	516
1942 by months and cumulative total from Mar. 1, 1935, by series .....	547
By denominations and yearly periods .....	30
Regulations governing .....	246
Sales:	
1935-42 by years and 1942 by months .....	550
1942 by months and 1941 and 1942 by years:	
By denominations and series .....	543
By States and series .....	556
By types of purchaser and series .....	555
1942 by months and cumulative total from Mar. 1, 1935, and by series .....	547
1942 by months, denominations, and series .....	548
1942, Series E, number by months .....	27
Series E:	
Issuing agent functions transferred .....	94
Offering June 1, 1942 .....	234
Prices of issue, redemption values, and approximate invest- ment yield at beginning of each half-year period .....	239
Regulations governing agencies for the issue of .....	262
Series F and G:	
Offering June 1, 1942 .....	240
Prices of issue, redemption values, and approximate invest- ment yields at beginning of each half-year period .....	244, 245
Victory notes .....	502, 531, 546
War savings stamps. (See Postal savings stamps.)	
Yield, average, on bonds, by months, Jan. 1919 to June 1942 .....	585
Public Debt, Bureau of (see also Public debt):	
Administrative report .....	121
Destruction Committee, securities destroyed by .....	134
Expenditures by States .....	432
Loans and Currency, Division of:	
Accounts, registered securities, number and principal amount .....	126
Currency, redeemed, deliveries to Destruction Committee, by kinds .....	128
Safekeeping of securities .....	127
Securities lost, stolen, or destroyed, claims for relief .....	127
Transactions in securities .....	123
Paper Custody, Division of .....	133
Public Debt Accounts and Audit, Division of .....	131
Register of the Treasury, security transactions .....	129
Savings Bonds, Division of .....	132
Securities destroyed by Destruction Committee, number and value .....	134
Security transactions by Division of Loans and Currency .....	123
United States savings bonds, transactions, Division of Loans and Currency .....	123
Public lands, receipts from sales 1796-1942 .....	477
Public Roads Administration expenditures .....	414
Public Works Administration:	
Expenditures:	
1942 by months and 1941 and 1942 by years .....	414
1942 by States .....	670
Proprietary interest of United States in, by years 1934-42 .....	631
Revolving funds, expenditures 1941 and 1942, totals .....	2
Puerto Rico Reconstruction Administration .....	599, 625, 632

## R

Radio sets, phonographs, etc., taxes .....	435
Railroad retirement account:	
Expenditures, investments, and benefit payments:	
1938-42 by years and 1942 by months .....	15, 393
1942 by months and 1941 and 1942 by years .....	422

## Railroad retirement account—Continued.

Page

Receipts:	
1938-42 by years and 1942 by months	15, 392
1942 by months	402
Status	619
Railroad Retirement Act taxes. (See Carriers Taxing Act.)	
Railroad unemployment insurance account. (See Unemployment trust fund.)	
Railroad Unemployment Insurance Act, contributions 1941 and 1942	4
Railroads:	
Federal control of:	
Canadian Workmen's Compensation Board fund, status	113
Claims of employees, payments on	113
Compensation payments of employees	113
Discussion	112
Expenditures 1941 and 1942	112
Receipts 1941 and 1942	112
Tax refunds and other collections	113
Proprietary interest of United States in, June 30:	
1930-42	632
1942	625
Securities owned by United States:	
1942, June 30	599
Loans to carriers under sec. 210, Transportation Act	111
Originally held and payments received, by classes	110
Sec. 202, Transportation Act, acquired under	113
Sec. 204, Transportation Act, claims under	110
Sec. 207, Transportation Act, acquired under, by carriers	111
Sec. 210, Transportation Act, loans and repayments under	111
Tax on carriers and their employees. (See Carriers Taxing Act; Taxes.)	
Receipts (see also Customs Bureau; Internal Revenue Bureau; Surplus or deficit):	
1789-1942 by years	394
1932-42 by years and 1942 by months, summary	390
1935-42 by major sources (chart 2)	6
1941 and 1942 by major sources	1, 3
1941 and 1942, summary	135
1942 by months and major sources	400
1942 and estimates for 1943 and 1944	61, 675
1943 and 1944 (estimated) and 1942 (actual), percentage distribution of total receipts	60
Analysis, general and special accounts	2
Back taxes, 1941 and 1942	3
Carriers Taxing Act taxes. (See Carriers Taxing Act.)	
Customs:	
1789-1942 by years	394
1932-42 by years and 1942 by months	390
1941 and 1942	4
1942 by months	400
1942, summary	447
1942 and estimates for 1943 and 1944	61, 677
1943 and 1944 (estimated) and 1942 (actual), percentage of total receipts	60
Estimates for 1943 and 1944, discussion	72, 80
Employment taxes. (See Employment taxes.)	
Estimates:	
1943 and 1944 by sources	61, 675
1943 and 1944, discussion	58, 73
General and special accounts, 1932-42 by years and 1942 by months, summary	390
Income tax:	
1863-1942 by years	396
1916-42 by years	437
1941 and 1942	3, 434
1942 by months	400
1942 by States	446

Receipts—Continued.	Page
Income tax—Continued.	
1942 and estimates for 1943 and 1944.....	61, 675
1943 and 1944 (estimated) and 1942 (actual), percentage of total receipts.....	60
Increment from reduction in weight of gold dollar. ( <i>See</i> Gold.)	
Internal revenue taxes:	
1916-42 by years and by tax sources.....	437
1932-42 by years and 1942 by months.....	390
1941 and 1942 by sources.....	434
1942 by States.....	446
1942 and estimates for 1943 and 1944.....	675
Miscellaneous:	
1789-1942 by years.....	394
1942 by months.....	400
1942 and estimates for 1943 and 1944.....	677
Miscellaneous internal revenue taxes:	
1792-1942 by years.....	394
1916-42 by tax sources.....	437
1941 and 1942 by sources.....	3, 434
1942 by months.....	400
1942 by States.....	446
1942 and estimates for 1943 and 1944, classified.....	61, 675
1943 and 1944 (estimated) and 1942 (actual), percentage of total receipts.....	60
Public debt, 1942 by months and 1941 and 1942 by years, and classes..	512
Railroad securities.....	110
Railroads. ( <i>See</i> Railroads, Federal control of.)	
Social Security Act taxes. ( <i>See</i> Social Security Act.)	
Transfers (net) to Federal old-age and survivors insurance trust fund:	
1937-42 by years and 1942 by months.....	390
1942 by months.....	400
Trust accounts. ( <i>See</i> Trust accounts.)	
Unemployment trust fund. ( <i>See</i> Unemployment trust fund.)	
Reconstruction Finance Corporation:	
Allotments of notes on subscriptions among Federal Reserve districts, Series W, offered June 24, 1941.....	284
Assets and liabilities.....	624
Borrowing power, net increase.....	36
Commitments, receipts, and disbursements under war activities program, 1941 and 1942.....	485
Obligations canceled by Secretary of Treasury.....	41
Offering of notes June 24, 1941, Series W.....	282
Proprietary interest of United States in, by years 1932-42.....	631
Securities guaranteed by United States outstanding June 30, 1942.....	581
Securities owned by United States.....	598
Securities received from, by Treasury, 1938-42 by years.....	632
Redemptions, public debt. ( <i>See</i> Public debt.)	
Refrigerators, air-conditioners, etc., tax.....	435
Refunds. ( <i>See</i> Expenditures.)	
Regional agricultural credit corporations.....	598, 624, 631
Relief expenditures. ( <i>See</i> Expenditures.)	
Relief funds. ( <i>See</i> Emergency Relief Appropriation Acts.)	
Relief projects, allocations, obligations, expenditures, and balances, by departments, bureaus, etc.....	452
Repealed taxes.....	435
Research and Statistics, Division of:	
Administrative report.....	197
Government Actuary.....	198
Retailers' excise taxes.....	61, 435, 439
Revenue acts. ( <i>See</i> Taxes.)	
Revenue legislation, discussion.....	46
Revolving funds, expenditures:	
1932-42 by years and 1942 by months.....	391
1942 by months and 1941 and 1942 by year, classified.....	420
RFC Mortgage Company:	
Assets and liabilities.....	625
Capital stock owned by United States.....	598
Proprietary interest of United States in, by years 1935-42.....	632

	Page
Rubber articles tax.....	435
Rubber Reserve Company.....	598
Rumania, obligations owned by United States. (See Foreign government obligations owned by United States.)	
Rural Electrification Administration.....	412, 453, 599, 624, 631
Russia:	
Gold purchase agreements made with.....	42
Obligations owned by United States, status Nov. 15, 1942.....	600

## S

Safe deposit boxes tax.....	435, 439
Savings bonds, United States. (See Public debt.)	
Second Liberty Bond Act amendment, discussion.....	32
Secret Service Division:	
Administrative report.....	198
Arrests and cases disposed of, 1941 and 1942.....	201
Counterfeiting:	
Money seized 1941 and 1942.....	200
War savings stamp conspiracy.....	198
Educational campaign.....	198
Expenditures by States.....	432
Investigations of criminal and noncriminal activities 1941 and 1942.....	200
Secretary of Agriculture authorized to borrow money on credit of United States.....	582
Secretary of Treasury:	
Address Sept. 9, 1941, before Advertising Club of Boston on inflation..	356
Economy suggestions Nov. 14, 1941, to Joint Committee on Non-defense Expenditures.....	379
Foreign and domestic vessel movement powers transferred to Secretary of Navy.....	57, 336
Letter to President Apr. 9, 1942, recommending discontinuance of preaudit of vouchers, etc. relating to emergency relief program.....	338
Order Sept. 30, 1941, authorizing Procurement Division to enter into contracts on behalf of Division of Printing.....	336
Statements:	
Aug. 8, 1941, before Senate Finance Committee on taxes.....	353
Sept. 24, 1941, before House Committee on Banking and Currency on price control.....	360
Nov. 19, 1941, announcing signing of stabilization and silver purchase agreements with Mexico.....	291
Mar. 3, 1942, before House Committee on Ways and Means on public debt limitation.....	373
Mar. 3, 1942, before House Committee on Ways and Means on taxes.....	362
Mar. 21, 1942, announcing signing of agreement for financial aid to China.....	292
Apr. 8, 1942, regarding lend-leasing of Treasury's free silver stocks for use in war production.....	292
May 28, 1942, before Joint Committee on Internal Revenue Taxation.....	375
July 2, 1942, press release on Treasury finances.....	378
Secretaries, Under Secretaries, and Assistant Secretaries of Treasury Department, Mar. 4, 1933, to Nov. 15, 1942.....	xv
Securities (see also Public debt; Tax-exempt and taxable securities):	
Destroyed by Destruction Committee, number and value.....	134
Guaranteed by United States. (See Contingent liabilities of United States.)	
Held by Treasurer, classified according to purpose for which held, June 30, 1941 and 1942.....	139
Holders of direct and guaranteed debt:	
1942 amount by classes of holders.....	38, 39
1942 in detail.....	588
Interest paid on securities issued or guaranteed by U. S., 1913-42 by tax status.....	578
Investments held in trust and special funds, by funds, June 30, 1942....	118

Securities—Continued.	Page
Issued on credit of United States, outstanding June 30, 1942, description.....	582
Owned by United States:	
1941 and 1942, June 30, summary.....	41
1942, details.....	598
Discussion.....	40
Foreign government obligations. (See Foreign government obligations owned by United States.)	
Receipts 1942 by months.....	400
Reconstruction Finance Corporation obligations canceled.....	41
Safekeeping of, by Division of Loans and Currency.....	127
Transactions by Register of Treasury.....	129
Seed, feed, drought relief, and crop production loans, obligations of farmers for, owned by United States.....	599
Seigniorage. (See Silver.)	
Settlement of War Claims Act of 1928 (see also Mixed Claims Commission; Tripartite Claims Commission; War Claims Arbiter), pavments on awards.....	104
Silver (see also Money):	
Acquired by mints and assay offices, classified.....	184
Assets and liabilities of Treasury June 30, 1941 and 1942.....	594
Bullion:	
1934-42, June 30, stock.....	640
1942, June 30, held in Treasury.....	642
1942, June 30, stock.....	185
Tax on sales and transfers.....	162, 434, 438
Certificates:	
In circulation June 30, 1913-42.....	641
Issued, redeemed, and outstanding.....	136
Stock, held by Federal Reserve Banks, and in circulation June 30, 1942.....	642
Coin, stock June 30, 1942.....	185
Dollars:	
In circulation June 30, 1913-42.....	641
Stock June 30, 1913-42.....	640
Stock, held in Treasury, held by Federal Reserve Banks, and in circulation June 30, 1942.....	642
Electrolytically refined by Mint Service.....	185
Industrial consumption, 1941 calendar year.....	185
Lend-leasing of free silver stocks for use in war production announced.....	45, 292
Mexican silver, agreement Nov. 19, 1941, to purchase.....	42, 291
Mint Service operations.....	184
Prices 1942.....	185
Production, domestic, 1941 calendar year.....	185
Seigniorage:	
In General Fund balance:	
1941 and 1942, June 30.....	595
1942 by months.....	595
Receipts:	
1935-42 by years and 1942 by months.....	15, 392
1942 by months.....	400, 402
Subsidiary coin:	
In circulation June 30, 1913-42.....	641
Stock June 30, 1913-42.....	640
Stock, held in Treasury, held by Federal Reserve Banks, and in circulation June 30, 1942.....	642
Sinking fund. (See Public debt, Operations.)	
Small business, productive facilities mobilization authorized.....	343
Smaller War Plants Corporation, capital stock subscription by Secretary of Treasury authorized.....	41
Snuff tax.....	434
Social Security Act (see also Internal Revenue Bureau, Accounts and Collections Unit):	
Appropriations and expenditures to June 30, 1942.....	471
Depositories of public moneys designated to handle benefit payment accounts and clearing accounts.....	94



## Social Security Act—Continued.

	Page
Expenditures:	
1936-40 combined, 1941, and 1942 by months.....	464
1942 and total to June 30, 1942.....	471
Grants to States and administrative:	
1936-42 by years.....	428
1941 and 1942, totals.....	11
1942 by months and 1941 and 1942 by years.....	414
Federal Insurance Contributions Act taxes:	
1936-40 combined, 1941, and 1942 by months.....	462
1941 and 1942.....	4, 435
1942 by months.....	400
1942 and estimates for 1943 and 1944.....	61
Estimates for 1943 and 1944, discussion.....	72, 79
Federal Unemployment Tax Act taxes:	
1936-40 combined, 1941, and 1942 by months.....	462
1941 and 1942.....	4, 435
1942 by months.....	400
1942 and estimates for 1943 and 1944.....	61
Estimates for 1943 and 1944, discussion.....	72, 79
Refunds of taxes 1936-40 combined, 1941, and 1942 by months.....	468
Title VIII taxes. (See Federal Insurance Contributions Act above.)	
Title IX taxes. (See Federal Unemployment Tax Act above.)	
Unemployment trust fund. (See Unemployment trust fund.)	
Soft drinks tax.....	438
Sporting goods tax.....	435
Stabilization fund:	
1941 and 1942, June 30.....	594
Balance sheets, June 30, 1941 and 1942, and supporting schedules.....	596
Earnings.....	597
Ecuadoran sucre, agreement Feb. 27, 1942, to stabilize.....	42, 291
Expenses.....	597
Gold, location of.....	596
Icelandic krona, agreement May 5, 1942, to stabilize.....	42, 292
International monetary cooperation.....	42
Investments.....	597
Mexican peso, agreement Nov. 19, 1941, to stabilize.....	42, 291
Responsibility for management and operation of, assigned to an Assistant to Secretary.....	335
Stamp taxes.....	3, 69, 78, 434, 438
States and municipalities:	
Grants to, under Social Security Act, 1936-40 combined, 1941, and 1942 by months, classified.....	466
Loans and grants to.....	414
Tax-exempt securities, amount June 30:	
1913-42 by holders.....	651
Held in sinking funds 1942.....	645
Stationery supplies expenditures. (See Procurement Division.)	
Strategic and critical materials:	
Acquisitions of.....	54
Funds from sales of, deposited to credit of appropriation.....	55
Quartz crystals to be sold for war production purposes.....	55
Subsidiary silver coin. (See Silver.)	
Sugar tax (see also Internal Revenue Bureau, Miscellaneous Division).....	4, 161, 162, 435, 440
Surplus or deficit of receipts and expenditures:	
1789-42 by years.....	395
1916-42 by years.....	544
1932-42 by years and 1942 by months.....	391
1941 and 1942, general and special accounts.....	17
Financing of net deficit, by sources of funds.....	17
Surplus property, securities on account of sales of:	
Held by Treasurer June 30, 1941 and 1942.....	139
Owned by United States:	
1930-42.....	631
1942.....	599

## T

	Page
Tax Legislative Counsel, Office of, administrative report.....	201
Tax Research, Division of, administrative report.....	202
Taxable securities. (See Tax-exempt and taxable securities.)	
Taxes, discussion (see also Expenditures, Refunds; Internal Revenue Bureau; Receipts; titles of particular taxes):	
Admissions.....	48
Cabaret.....	48
Capital stock, estimates for 1943 and 1944.....	67, 76
Carriers Taxing Act. (See Carriers Taxing Act.)	
Corporation income tax, Revenue Act of 1941.....	47
Defense tax integrated with income tax and other taxes.....	46
Discount on obligations deemed to accrue at maturity.....	49
Estate:	
Estimates for 1943 and 1944.....	68, 76
Revenue Act of 1941.....	47
Estimates for 1943 and 1944.....	62, 73
Excess profits:	
Estimates for 1943 and 1944.....	61, 64, 74
Revenue Act of 1941.....	47
Gifts.....	47
Income:	
Back.....	67, 76
Estimates for 1943 and 1944.....	62, 73
Increases in revenue.....	5
Individual income tax:	
Filing of returns and payment of tax of members of armed forces postponed.....	50
Simplified return for certain incomes.....	48
Revenue Act of 1941.....	46
Laws, 1942, affecting internal revenue.....	50
Miscellaneous internal revenue, estimates for 1943 and 1944.....	67, 76
Obligations issued under Second Liberty Bond Act acceptable in payment of taxes.....	50
Public Debt Act of 1942.....	49
Revenue Act of 1941.....	46
Revenue legislation enacted in 1942.....	46
Scrap iron, steel, etc., import taxes and duties suspended.....	50
Shares, certificates of stock, etc., of United States agencies.....	49, 272
Social Security Act. (See Social Security Act.)	
Statements by Secretary of Treasury before Senate and House Committees.....	353
Sugar, termination of tax on June 30, 1945.....	50
Unjust enrichment, estimates.....	61
Victory tax estimates for 1943 and 1944.....	59, 61, 66, 76
Tax-exempt and taxable securities:	
Bank holdings, etc., June 30, 1937-42.....	657
Government funds investments by issuers, amount June 30:	
1913-42.....	648
1937-42.....	656
1942.....	644
Government issues, provisions of.....	506
Held by Federal Reserve Banks, amount June 30, 1915-42.....	650
Individual and fiduciary holdings June 30, 1937-42.....	659
Insurance company holdings June 30, 1937-42.....	657
Outstanding amount by issuers and holders June 30:	
1913-42.....	646
1937-42.....	656
1942.....	646
Privately held, amount June 30:	
1913-42.....	654
1937-42.....	657
1942.....	644
Sinking, trust, and investment funds of States, etc., holdings June 30, 1913-42 by issuers.....	651

	Page
Telegraph, telephone, cable, and radio facilities, etc., tax.....	4, 435, 438
Telephone, local, service tax.....	4, 71, 435
Tennessee Valley Associated Cooperatives, Inc.....	598, 625, 632
Tennessee Valley Authority:	
Assets and liabilities.....	624
Expenditures.....	2, 416
Proprietary interest of United States in, by years 1934-42.....	631
Securities guaranteed by United States, held by Treasury June 30, 1942.....	581
Securities issued on credit of United States outstanding June 30, 1942.....	582
Securities owned by United States.....	598
Territories and insular possessions, tax-exempt securities outstanding, amount by holders June 30:	
1913-42.....	647
1942.....	645
Tobacco manufacturers taxes ( <i>see also</i> Internal Revenue Bureau, Miscellaneous Tax Unit).....	3, 69, 77, 161, 162, 434, 438
Toilet preparations tax.....	435
Transportation of persons tax.....	435
Treasurer of United States:	
Administrative report.....	134
Check forgery insurance fund established.....	341
Currency Redemption Division.....	137
Emergency funds for administrative expenses.....	455
Expenditures by States.....	432
Treasury bills. ( <i>See</i> Public debt.)	
Treasury bonds. ( <i>See</i> Public debt.)	
Treasury, condition of, June 30, 1941 and 1942.....	594
Treasury Department ( <i>see also</i> Circulars, Orders; Personnel):	
Accounts, description of.....	388
Administrative and staff officers Nov. 15, 1942.....	xvi
Allocations to projects, obligations and expenditures to June 30, 1942, under Emergency Relief Appropriation Acts.....	455
Appropriation estimates submitted to Budget and Improvement Committee.....	139
Expenditures:	
1942 by months and 1941 and 1942 by years.....	408
1942 and estimates for 1943 and 1944.....	689, 693
Activities by States.....	430
Under Emergency Relief Appropriation Acts, Apr. 8, 1935, to June 30, 1942, by years.....	450
War activities 1942 by months and 1941 and 1942 by years.....	418
Organization (chart 1).....	xviii
Organization and procedure changes:	
Discussion.....	57
Orders relating to.....	335
War activities, appropriations and expenditures 1941 and 1942.....	482
Treasury notes. ( <i>See</i> Public debt.)	
Treasury notes of 1890:	
In circulation June 30:	
1913-42.....	641
1942.....	642
Redeemed and outstanding.....	136
Treasury savings securities (matured debt). ( <i>See</i> Public debt.)	
Tripartite Claims Commission, awards entered against Hungary.....	108
Trust accounts ( <i>see also</i> titles of particular funds):	
Credits of tax collections to.....	436
Discussion.....	14
Excess of receipts.....	17
Expenditures:	
1932-42 by years and 1942 by months.....	15, 393
1941 and 1942 summary.....	135
1942 by months and 1941 and 1942 by years, classified.....	422
1942 and estimates for 1943 and 1944.....	703
Explanation of.....	389
Investments held in, June 30, 1942, summary.....	118

## Trusts accounts—Continued.

Page

Receipts:	
1932-42 by years and 1942 by months	15, 392
1941 and 1942, summary	135
1942 by months, classified	402
1942 and estimates for 1943 and 1944	697
Securities held by Treasurer June 30, 1941 and 1942	139
Special Government issues for. (See Public debt.)	
Status of trust and special funds for which investments are made by Treasury	602-623
Tax-exempt securities held in. (See Tax-exempt securities.)	
Transfers to, from General Fund, 1941 and 1942, by major groups	2
Turkey, Special Claims Commission, United States and Turkey, awards and payments	109

## U

## Unemployment trust fund (see also Public debt, Special issues):

Amounts credited to each State agency and railroad unemployment insurance account and withdrawals June 30, 1942	622
Deposits by States 1936-42 by years and 1942 by months	15
Expenditures:	
1936-42 by years and 1942 by months	15, 393
1942 by months and 1941 and 1942 by years	422
Railroad unemployment insurance account:	
1943 and 1944 (estimated) and 1942 (actual), percentage of total receipts	60
Estimates for 1943 and 1944, discussion	72, 80
Expenditures 1942 by months and 1941 and 1942 by years	422
Receipts:	
1936-40 combined, 1941, and 1942 by months	462
1942 by months	400, 402
Status June 30, 1942	622
Receipts:	
1936-42 by years and 1942 by months	392
Deposits by States 1942 by months	402
Interest on investments 1942 by months	402
Status June 30, 1942	620
U. S. Commercial Company	598
U. S. Government life insurance fund. (See Government life insurance fund.)	
U. S. Housing Authority. (See Federal Public Housing Authority.)	
U. S. Housing Corporation	598, 631
U. S. Maritime Commission:	
Appropriations, contract authorizations, and expenditures for war activities 1941-43	482
Assets and liabilities	624
Expenditures:	
1934-42	428
1942 by months and 1941 and 1942 by years	418
Proprietary interest of United States in	631
Securities guaranteed by United States	581
U. S. notes:	
In circulation June 30, 1913-42	641
Issued, redeemed, and outstanding	136
Stock June 30, 1913-42	640
Stock, held in Treasury, held by Federal Reserve Banks, and in circulation June 30, 1942	642
U. S. notes and Treasury notes of 1890, gold reserve against, in Treasury June 30:	
1913-42	638
1941 and 1942	594
U. S. Railroad Administration	631
U. S. savings bonds. (See Public debt.)	
U. S. Spruce Production Corporation	598, 631
Unjust enrichment tax	3, 434, 437, 446

## V

Veterans' Administration expenditures:	Page
1942 by months and 1941 and 1942 by years.....	416
Pensions and benefits 1941 and 1942.....	11
Victory notes. (See Public debt.)	

## W

War activities:	
Appropriations and contract authorizations pending June 30, 1942, by laws.....	484
Appropriations and net contract authorizations, acts authorizing and appropriating since Mar. 25, 1940.....	479
Appropriations, contract authorizations, and expenditures 1941-43 by years and agencies.....	482
Contract for amortization purposes, procedure changed.....	50
Customs Service participation.....	52, 146
Expenditures:	
1932-42 by years and 1942 by months.....	391
1934-42 by years.....	428
1941 and 1942 by agencies.....	2
1941 and 1942, summary.....	11
1942 by months.....	12
1942 by months and 1941 and 1942 by years and agencies.....	418
1942 by States, housing and public works.....	670
Selective service 1941 and 1942.....	428
War housing 1941 and 1942.....	428
Lend-lease purchases.....	53
Persons acting for or exporting to Axis countries, list of to be prepared.....	295
Reconstruction Finance Corporation, commitments, receipts, and disbursements 1941 and 1942.....	485
Strategic materials acquired.....	54
Treasury activities, foreign funds and foreign-owned property control, executive orders and proclamation relating to.....	294-301
War Claims Arbitrator, awards on account of claims of German and Hungarian nationals.....	106
War contributions fund:	
Conditional gifts, acceptance authorized.....	342
Discussion.....	51
Donations, unconditional.....	52
Gifts of money to, Mar. 27 to June 30, 1942, classified by purpose.....	51
War Corporations.....	625, 631
War Department:	
Appropriations, contract authorizations, and expenditures 1941-43 by years.....	482
Expenditures:	
1934-42 by years.....	428
1941 and 1942, totals.....	2
1942 by months and 1941 and 1942 by years.....	418
1942 and estimates for 1943 and 1944.....	687
War emergency corporations.....	625, 631
War savings bonds. (See Public debt, United States savings bonds.)	
War Savings Staff, administrative report.....	203
Wines tax.....	434
Work Projects Administration expenditures:	
1942 by months and 1941 and 1942 by years.....	414
1942 by States.....	670

## Y

Yugoslavia, obligations owned by United States. (See Foreign government obligations owned by United States.)
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