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The following record is based on notes taken at the meeting and is not to be regarded as a complete record.

Secretary Morgenthau was introduced by the Chairman of the Committee and read a prepared statement, a copy of which he informed the Committee would be made available for its record.

The Chairman asked Secretary Morgenthau whether the proposed loan would be under the jurisdiction of the Treasury. The Secretary replied that it would be, of course, with the approval of the President. The Chairman said that he understood the Secretary could not indicate precisely at this time how the loan would be used. The Secretary said that this was correct. The Chairman then wanted to know what installment schedule might be followed in making the loan available. The Secretary replied that he didn't know. The Chairman pushed the matter further by asking, off the record, what idea the Secretary had about the basis on which the Chinese would want to draw against the credit. The Secretary replied that he did not think the Chinese would demand the $500,000,000 all at once.

The Secretary was then asked what depository would be used in making the funds available to the Chinese. The Secretary referred the question to Under Secretary Bell who said that he couldn't answer that question until it was known how the loan would be used. He explained that normally funds would be transferred to the Federal Reserve Bank of New York for the account of the Bank of China.

One of the members then asked when the funds would be needed. The Secretary replied that he couldn't say. It might be in the first week, it might be at the end of three months. The questioner said that he understood, however, that the Secretary would not expect that the entire amount would be demanded at once. The Secretary replied that that was correct.

The Secretary was asked what terms he had in mind for security for the loan or repayment of the loan. He replied that terms had not yet been discussed with the Chinese and he read to the Committee the portion of the Lend-Lease Act which states the terms on which Lend-Lease aid may be extended to foreign governments. He suggested that this might be a pattern for the aid now proposed to China. He was then asked if he could say, off the record, what his expectations were as to
repayment. He said that we might not get a dollar back. The questioner then said, off the record, that he supposed that even so, we might consider ourselves amply repaid by Chinese participation in the war. The Secretary replied that he agreed. One Committee member then asked why that should not be put in the record since we might have to come pretty close to saying that on the floor of the House. Anyway, he went on, American interests demand that the loan be made. The Secretary answered that he did not want the statement that we might not be repaid placed on the record because, should it come to the attention of the Chinese it would appear that we distrusted the Chinese situation and that this might spoil the effect of the loan on Chinese morale. It was generally agreed that such a statement should not appear on the record or be made on the floor.

The Chairman asked the Secretary what the past record of aid to China had been. The Secretary replied that the Export-Import Bank had outstanding about $150,000,000 on loan in China, none of which was in default. The Chairman broke in with a further question before the Secretary had an opportunity to say any more about the record of past loans to China.

The Secretary was asked if he could say off the record what the political and military reasons were which dictated the necessity for the proposed loan. The Secretary said that he would like to read certain letters as bearing on this aspect of the matter. He then read the President's letter to the Speaker of the House and also Secretary Hull's letter. These two letters, it was decided, might go in the record. The Secretary read letters from Secretaries Knox and Stimson and it was agreed that these letters should not become a part of the record. Another Committee member asked what military aid China was expected to render. The Secretary replied that what he could say on this point should be very much off the record and that he was sorry that Secretary Stimson was not at the meeting, in view of his splendid statement before the House Committee on Foreign Relations. He repeated to the Committee Secretary Stimson's statement that it appeared probable that Chiang Kai Shek's new Chief of Staff would be an American officer, that there were air fields in good condition in China lying in striking distance from Japan, and that China is the only satisfactory jumping-off place from which we may ultimately hope to make an attack against Japan.

The Chairman then asked what political considerations were important in making the proposed loan. Secretary Morgenthau informed the Chairman that Mr. A. W. Fox American member of the Chinese Stabilization Board, had just this morning returned from Chungking and had informed him that there was a strong Japanese Fifth Column movement in China, which is making capital out of our and the British defeat.
asking the Chinese why they did not at this propitious time join Japan. The proposed loan, the Secretary explained, is regarded as a vital offset to this group of appeasers. The Chairman said that in view of this he supposed that the loan was extended, the better. The Secretary replied that this was unquestionably the case. Another Committee member asked at this point if it was not remarkable that China had fought so long under such difficult conditions. The Secretary agreed that it was and said further that with proper weapons China could "give it" as well as "take it."

The Secretary was asked how the loan would be divided between economic stabilization and actual purchase of weapons of war. The Secretary replied that he did not know but part of the loan could be used as a "backing" for the Chinese money system and in this case might be left in the United States. Another Committee member asked if the Secretary did not believe, in view of China's splendid record on Export-Import loans, it was likely that China would repay some of the proposed loan. The Secretary replied that he had answered this off the record earlier and did not want to say any more.

The Committee member said that it seemed to him that our object was to lick the Japs and he felt that this $500,000,000 might do more in this connection than $5,000,000,000 spent on armament in the United States. The Secretary said that this was unquestionably the case.

A Committee member said that he would approve of the loan if it were for weapons but that he observed that the loan was largely for stabilization of currency and he wondered what confidence could be had in achieving that objective. The Secretary replied that the Generalissimo had asked for the loan and is apparently much pleased that his request was granted. The Secretary was then asked if he could say, off the record, whether there was any evidence that economic stabilization could be achieved. The questioner went on to remark that we were having our own troubles in this connection. The Secretary replied, off the record, that he thought the loan could be effective in this area—that even the mere announcement of the loan has had a good effect. He then asked the Committee whether it would care to hear from Mr. Fox who would be in a position to give the Committee up to date information on the usefulness of the loan to China. Several Committee members expressed the desire to hear Mr. Fox and the Chairman asked him to sit at the table. Mr. Fox told the Committee that the major financial problem in China at present is lack of confidence in the currency and that this has led to large-scale hoarding of goods by people who would rather hold goods than currency. In his judgment the effect of the loan—particularly in view of the promptness with which the Generalissimo's request had been granted—
would be to restore confidence in the currency and thus to provoke a
dishoarding of goods. He also expressed the belief that an internal
bond issue, based on the loan, would have very good prospects in China.
In response to a question, Mr. Fox stated that the outstanding note
issue in China is 15 billion yuan or, at an exchange rate of 20 to 1,
about $750 million. He said further that this year there was likely
to be a further large increase in currency issue of 5 to 12 billion
yuan unless something is done about it to make it unnecessary. He
was asked whether the proposed loan is large enough to achieve the
stabilization objective. He started to reply that it was, because the
Chinese had considerable confidence in us, but he was then interrupted
by the Chairman who pointed out that one indication of the relative
adequacy of the loan might be that the total loan—U. S. and British—
amounts to $700 million, which comes close to equaling the entire out-
standing issue of currency in China.

A Committee member asked what would happen if China "folds up".
The Secretary replied that in that case, we could kiss the money goodbye.

Mr. Fox was again asked whether the proposed loan was adequate. He
replied that it was relatively small in view of the needs in China but
that it would help materially, especially in view of the promptness with
which the loan had been offered.
I am appearing before this committee this morning to recommend favorable consideration of House Joint Resolution Number 278, which would appropriate 500 million dollars to carry out the provisions of the recent law authorizing financial aid to China.

As you gentlemen know, this law passed the House by unanimous consent on Wednesday of last week and passed the Senate the next day by a vote of 74 to 0.

This proposal is a war measure. The effective continuance of the Chinese military effort — so invaluable in our fight against the Axis powers — depends largely upon the strength of the economic structure of Free China.
The financing of the war effort is a major war task of the Chinese Government and the efficient performance of this task requires that the Chinese financial and monetary system should be made as strong as possible.

In the United Nations Declaration to which China and the United States are signatories, each of the United Nations solemnly pledged itself to use its full resources in the common war. We have large financial resources. China's financial resources are very limited in relation to the tasks which it has undertaken. If any part of our financial resources can be of assistance to China in the war against our common enemy, I am sure that our people will want those resources put to that use.
The Chinese have been fighting against the Japanese for four and one-half years. They have not spared their lives, their homes, their farms, their factories, or their financial resources in this struggle. They have remained free because they were willing to make these sacrifices. The people of China are carrying on unceasing war against the Japanese in front of and behind the Japanese lines. The Chinese Armies are not only holding their lines, but on widely separated fronts they are gathering their men and supplies to intensify their offensive. The Chinese people have demonstrated to the whole world that a people who will not be conquered cannot be conquered.
In waging this war China has performed economic and military miracles. At the beginning of the war the Chinese people were engaged in creating a modern economic, financial and currency system. The Japanese occupation stripped the National Government of the sources which had accounted for 80 per cent of her revenues. To make matters worse the apparatus of the financial and money markets in the coastal cities fell into the hands of the Japanese. Since December 7, the fall of Hong Kong and the complete loss of the International Settlement have still further impaired the financial structure of the Free Government of China.

In these circumstances the Chinese Government had to bear a double financial burden.
It not only had to expand its expenditures, but it also had to create a new financial and banking system in the unoccupied area. It is not easy even in peace-time to carry out such changes. Considering the terrific obstacles with which the Chinese Government has been and still is confronted, it has succeeded amazingly well in continuing its resistance to the enemy.

We must face the fact, however, that the Chinese financial and monetary system has been severely strained in the process. The budget is desperately unbalanced. Prices are rising rapidly and at an accelerated rate. The accompanying economic and social dislocations are serious threats to the Chinese war effort. It would be unwise for the United States to ignore these weaknesses or to withhold any aid within its power.
On several occasions in the past the United States Government has rendered financial assistance to China. In general, that assistance was designed to finance the import of goods and to help stabilize the exchange position of China's currency. In these financial arrangements China has made payments on schedule and even ahead of schedule. Under the most difficult circumstances, China has maintained the export to the United States of commodities vital to our war effort. Indeed, the Government of China has carried out to the letter every obligation to us which it has assumed.

The Chinese Government has now urgently requested that we come to its financial support so as to enable it more effectively to carry on its war effort.
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The Chinese Government has now urgently requested that we come to its financial support so as to enable it more effectively to carry on its war effort.
We have been constantly informed as to the financial and economic situation within China. That information makes clear that the granting of the financial assistance now being requested would make a substantial contribution toward strengthening the domestic economy of China.

The Chinese Government has informed us that the financial aid which the proposed Joint Resolution would make available could be used by it in a variety of ways to improve the financial and economic situation within China. Without attempting at this time to specify the particular arrangements which would be entered into with China and which would most effectively carry out the common objectives of China and ourselves,
we are fully satisfied that arrangements can be worked out which will be of great financial and economic help to the internal economy of China and will enable China more effectively to carry on its war effort.

You will recall that in December 1940, with the approval of the Congressional committees, the Treasury made a $50 million stabilization arrangement with China. A similar arrangement was made with China by the British. Under these arrangements, the Chinese governmental banks put up $20 million, the British Government put up £5 million, and the U. S. Treasury $50 million. So far, the Chinese Stabilization Board has not called on the United States for any portion of the United States participation and has used its own share for the management of its foreign exchange.
I may say here, too, that the joint management of that
Fund gives us every hope that future sums made available
to them will be used judiciously and effectively.

As you know, this Government is committed to give
very substantial Lend-Lease aid to China. I am
authorized by Mr. Stettinius to inform you that the
Lend-Lease commitment to China is $620 million.
Of course, because of the tremendous transportation
difficulties, as well as the many-fold demands on
American war production, it will take time before
the bulk of this Lend-Lease commitment can be delivered
to China.

These arrangements are proving in practice to
have been well-designed for their specific purposes and
to be to the mutual advantage of both countries.
They are designed, however, to meet the specific problems involved in the flow of goods to and from China, the stabilizing of the foreign exchange value of the yuan, and the supplying of war material.

The additional assistance now proposed is much more comprehensive in scope and is designed especially to make possible a strengthening of the internal economic and financial structure of China. Furthermore, this financial aid is of a different character from the stabilization loans referred to. The proposed aid contemplated here should be regarded as the financial counterpart of lend-leasing war materials. It is designed to the same end — namely, the successful prosecution of the war, and should be evaluated in the same terms.
The proposed financial aid to China, as I have pointed out, is being dictated by political and military considerations. Nonetheless, it can be used in ways which will have beneficial effects on the economic and financial situation in China.

One of China's most pressing economic problems is the existence of a marked inflationary trend which is proceeding at an accelerated rate. The funds it is proposed to make available can be used to help curb this inflationary trend by increasing the volume of real goods available to the public and by decreasing the volume of currency in circulation.
The mere announcement that the American and British Governments have made available to the Chinese Government so large a sum as $700 million should have important psychological effects in increasing confidence in the Chinese currency. In China the lack of confidence in the currency is one of the major factors in the inflationary trend. Businessmen, farmers, merchants and bankers, knowing there is very little backing against the issues of Chinese currency and fearing continued loss of purchasing power, are unwilling to hold currency and therefore attempt, as quickly as possible, to convert the currency holdings into goods. Furthermore, those who have large stocks of food and goods are reluctant to sell them for Chinese currency.
The hoarding of goods in China has become a serious menace. The knowledge that this large sum of dollars and sterling is available to the Chinese Government should make Chinese holders of yuan more willing to keep their currency, more willing to offer their goods for sale and thus slow down the inflationary trend.

With these new and enormous dollar and sterling resources -- which so far as the dollar portion is concerned are equivalent to gold resources -- the Chinese people will be justified in having more confidence in their currency and in the future soundness of their economic system.
In addition to these helpful psychological effects which the mere announcement of the financial assistance may have, the dollar loan could be used in numerous ways to slow down the inflationary trend in China and strengthen China's economic and financial structure.

For example, the Chinese Treasury might decide to sell bonds to the Chinese public against the general security of the dollars made available under the proposed loan. The Chinese have unofficially suggested that such a loan might be called a "victory loan". The dollar security could take the form of a dollar deposit in either the United States Treasury or the Federal Reserve Bank, or gold earmarked for Chinese account in the Federal Reserve Bank.
The issuance of dollar bonds by the Chinese Treasury so secured might substantially reduce the volume of new issues of yuan notes in China. This would, of course, help to slow down the inflationary trend.

Or, the Chinese Government could announce that it intends to hold the 500 million dollars as "backing" against outstanding Chinese currency. Or, it might decide to use all of the sum, or a large part of it, to buy gold here, and keep that gold earmarked here until the war is over, as a reserve against their currency issues.

Or, the Chinese Government may find it wise and feasible to purchase and import silver bars from the United States and sell them to the public, thus providing the Government with funds to help finance the war.
Or, the Chinese Government could sell some of the dollars for yuan now in the hands of individual Chinese. These sales of dollars would make available a large yuan revenue to the Chinese Government, while at the same time providing a reserve of dollar exchange for the post-war period.

Or, it might be found feasible to use some of the dollars to import United States currency of various denominations for use within China to cover some of its expenditures related to the war effort.

Or, the Chinese Government could use the new assets to finance a large number of small enterprises designed to utilize China's man power more effectively in the production of munitions.
These ways and others, you may rest assured, will be carefully studied by the Chinese Government and the Treasury Department with a view to putting the dollars to the best possible use.

How much of the funds will be used, in which way and when, will depend on the results of our joint studies, and on the needs of a changing situation. As I have indicated, it is not improbable that most of the sum that is being proposed will not leave our shores at all, but will be kept here by the Chinese Government until the end of the war as the equivalent of a gold reserve against her currency, or as a potential foreign exchange reserve to be utilized to help reconstruct China after Japan is defeated.
The passage of this appropriation measure will be an outstanding contribution to the common war effort. It will be a demonstration to our friends and a warning to our enemies that the United States stands ready with every weapon at its disposal to assist all who are joined with us in this fight for freedom.

I hope, therefore, that you will give this Joint Resolution your prompt and wholehearted support.

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When the Secretary went before the House Committee today to testify on the loan to China, he had these tables with him in connection with the Treasury Deficiency Appropriation.
### CONSOLIDATED EMERGENCY FUND

(Showing the effect of the House Committee's report and of the Wigglesworth amendment.)

<table>
<thead>
<tr>
<th>Item</th>
<th>Budget Estimate</th>
<th>Committee Report</th>
<th>Remaining after the Wigglesworth Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of Secretary</td>
<td>47,396</td>
<td>41,396</td>
<td>41,396</td>
</tr>
<tr>
<td>Salaries, Chief Clerk</td>
<td>17,000</td>
<td>15,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Contingent Expenses</td>
<td>37,500</td>
<td>37,500</td>
<td>37,500</td>
</tr>
<tr>
<td>Superintendent Buildings</td>
<td>40,680</td>
<td>36,680</td>
<td>36,680</td>
</tr>
<tr>
<td>Division of Personnel</td>
<td>21,934</td>
<td>18,934</td>
<td>15,934</td>
</tr>
<tr>
<td><strong>(a) REVENUE ITEMS</strong></td>
<td><strong>235,490</strong></td>
<td><strong>200,490</strong></td>
<td><strong>25,490</strong></td>
</tr>
<tr>
<td>(Miscellaneous)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>400,000</strong></td>
<td><strong>350,000</strong></td>
<td><strong>172,000</strong></td>
</tr>
</tbody>
</table>

(a) Detail of the Revenue items included above:

- **Mr. Blough's Division**
  - Budget: 35,000
  - Committee: 26,950
  - Remaining: 10,640

- **Mr. Tarleau's Division**
  - Budget: 25,070
  - Committee: 19,250
  - Remaining: 14,250

- **Mr. Culick's Staff**
  - Budget: 80,600
  - Committee: 62,890
  - Remaining: Disallowed

- **Mr. Paul's Staff**
  - Budget: 8,320
  - Committee: 6,400
  - Remaining: Disallowed

- **Mr. Buffington's Staff**
  - Budget: 6,500
  - Committee: 5,000
  - Remaining: Disallowed

- **Motion Picture**
  - Budget: 80,000
  - Committee: 80,000
  - Remaining: Disallowed
EXISTING PERMANENT TAX RESEARCH STAFF
(BLOUGH and TARLEAU)
AND PROPOSED INCREASE (ON AN
ANNUAL BASIS).

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Blough's Division, ..</td>
<td>36 $90,000</td>
<td>25 $75,000</td>
</tr>
<tr>
<td>Mr. Tarleau's Division, ..</td>
<td>10 $40,960</td>
<td>15 $50,140</td>
</tr>
</tbody>
</table>

(a) These amounts also include funds for employment of consultants on a part-time basis.
"Expenses of Loans, 1942"

1. For administration expenses:
   including costs of manufacture, issue, registration, redemption, etc. $19,560,915

2. For Defense Savings Staff:

<table>
<thead>
<tr>
<th>Category</th>
<th>D. C.</th>
<th>Field</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$697,119</td>
<td>$417,966</td>
<td>$1,115,085</td>
</tr>
<tr>
<td>Supplies and materials</td>
<td>275,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Telegraph, Telephone, etc.</td>
<td>100,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel</td>
<td>200,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Freight, express, etc.</td>
<td>60,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Printing and binding</td>
<td>4,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent</td>
<td>200,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repairs and alterations</td>
<td>24,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special and miscellaneous equipment</td>
<td>265,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>200,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>$6,439,085</td>
</tr>
</tbody>
</table>

Printing and Binding

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Display posters</td>
<td>$600,000</td>
</tr>
<tr>
<td>Pamphlets</td>
<td>500,000</td>
</tr>
<tr>
<td>Order forms</td>
<td>375,000</td>
</tr>
<tr>
<td>Allotment cards, etc.</td>
<td>400,000</td>
</tr>
<tr>
<td>Stamp albums</td>
<td>1,200,000</td>
</tr>
<tr>
<td>Stationery</td>
<td>125,000</td>
</tr>
<tr>
<td>Mats, electros, etc.</td>
<td>275,000</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>525,000</td>
</tr>
<tr>
<td>Total</td>
<td>$4,000,000</td>
</tr>
</tbody>
</table>
Budget Estimates for fiscal years 1942 and 1943

(In millions)

<table>
<thead>
<tr>
<th></th>
<th>Fiscal Year 1943</th>
<th>Fiscal Year 1942</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated receipts (Net)</td>
<td>$16,487</td>
<td>$11,944</td>
</tr>
<tr>
<td>Estimated new taxes</td>
<td>7,000</td>
<td></td>
</tr>
<tr>
<td>Total revenue, excluding social security taxes</td>
<td>23,487</td>
<td>11,944</td>
</tr>
<tr>
<td>Estimated expenditures</td>
<td>58,928</td>
<td>30,576</td>
</tr>
<tr>
<td>Net deficit (Borrowings)</td>
<td>35,441</td>
<td>18,632</td>
</tr>
<tr>
<td>Add borrowings for Govt. Corporations</td>
<td>4,368</td>
<td>3,019</td>
</tr>
<tr>
<td>Total Treasury borrowings</td>
<td>39,809</td>
<td>21,651</td>
</tr>
<tr>
<td>Estimated public debt at end of year</td>
<td>110,421</td>
<td>70,612</td>
</tr>
</tbody>
</table>

Above estimate of receipts do not include

- Old-Age Insurance funds (present law) $1,365 $872
- " " " " " " " " " (new taxes) 2,000

Total social security taxes $3,365 $872
Mr. Thompson's Office To

Standing note on J. J. & R. Duck
and Co.
$2,200
125 less

House vote by name

112 ayes
259 nays

We get our
$26,000,000
Expenses of House

RM
MEMORANDUM FOR THE SECRETARY:

Congressman Ludlow has just phoned me that the effort to reduce the appropriation for "Expenses of Loans" was defeated by a very substantial majority.

GRAVES.
The Chaplain, the Very Reverend
Rev. James A. Phillips, D. D., offered the following prayer:

Almighty God and Heavenly Father, whose love doth ever bear with us, whose colors shine with its faithfulness, whose truth forsook its frailty and compromise, whose patience ever stands ready to forgive our all-repeated sins: Direct us in such a way that we may forsake the old and adopt the new. As an artist, and in the spirit of true sacrifice, finding in the face of the Man of Sorrows, the glory of God.

Keep us in these days of violation under the solemn shadow of the cross, where we, in adoring wonder, may behold the Saviour's triumph and find refuge and strength in every time of need. We ask it in His name and for His sake. Amen.

THE JOURNAL

On request of Mr. Finn, and by unanimous consent, the reading of the Journal and the proceedings of the calendar day, Thursday, February 8, 1942, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE DURING ADOPTION

Under authority of the order of the 8th instant,

A message from the House of Representatives was received during adjournment of the Senate advising that the House had passed, without amendment, the bill (S. 1933) to amend section 602 of the National Service Life Insurance Act of 1941 (Public No. 851, 76th Cong.), as amended, to enable a person in active service in the Army, Navy, Marine Corps, or Coast Guard to secure such insurance effective as of date of application by advance of active service pay, and for other purposes:

S. 1933. An act to authorize the Commissioner of the District of Columbia to acquire, operate, and regulate public off-street parking facilities, and for other purposes.


S. 2931. An act for the relief of William R. Centorwall, formerly superintendent and special disbursing agent at the Chippewa River Indian Agency.

H. R. 682. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1943, and additional appropriations therefor for the fiscal year ending June 30, 1942, and for other purposes.

H. J. Res. 279. Joint resolution to authorize the President of the United States to render financial aid to Cuba, and for other purposes.

PROPOSED REPEAL OF LAW PROVIDING RETIREMENT FOR MEMBERS OF CONGRESS

Mr. LEE. Mr. President, although it is my duty to point out that the principle of the law which placed Members of Congress under the Civil Service Retirement Act is right, yet because it has been so misunderstood by the people throughout the country at this particular time when self-sacrifice is so necessary, I believe the effect of this act is very damaging to the morale of the country and that it therefore should be repealed immediately.

No matter how just and fair such legislation may be, if it tends to create distrust and lack of confidence in the present time, it is dangerous to our national welfare and should be avoided.

The law itself in principle is right, but it is an inappropriate time for such action. Therefore, I recommend that it be repealed.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages were received from the President of the United States communicating to the Senate by Mr. Miller, one of his secretaries, who also announced that the President had approved and signed the following acts:

On February 5, 1942:

S. 252. An act to increase the amount on which taxes may be made of public lands granted to the State of Idaho for educational purposes by the act of July 3, 1910.

S. 293. An act to prohibit payment of money allowance for subsistence and personal expenses to retired officers of the Army or Marine Corps for any period when not employed on active duty.

1942. An act authorizing the Administrator of Veterans Affairs to grant an exemption in certain lands of the Veterans Administration Facility, Tooele, Maine, to the State of Maine, for road-widening purposes; and

S. 2219. An act authorizing the Administrator of Veterans Affairs to grant an exemption in certain lands of the Veterans Administration Facility, Murfreesboro, Tenn., to Rutherford County, Tenn., for highway purposes.

S. 2127. An act to authorize the attendance of personnel of the Army of the United States on educational institutions and other places.

On February 7, 1942:

S. 252. An act authorizing the Administrator of Veterans Affairs to grant an exemption for highway purposes to the county of Sonoma, Ala., in a strip of land located at Veterans Administration Facility, Yancey, Ala. 17.030.


MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Callahan, one of his reading clerks, announced that the House had passed the bill (H. 2182) to provide for the planting of quaking aspen and other rubber-bearing plants in order to make available a source of crude rubber for emergency and defense needs, with amend-
The VICE PRESIDENT laid before the Senate the following reports from the President of the United States, which were read and referred to the Committee on Appropriations:

To the Congress of the United States:
I transmit herewith, for the information of the Congress, the Annual Report of the Secretary of War for the year ended June 30, 1934.

Franklin D. Roosevelt,
President.

The White House, January 29, 1934.

The VICE PRESIDENT laid before the Senate the following reports from the President of the United States, which were read and referred to the Committee on Appropriations:

To the Congress of the United States:
I transmit herewith, for the information of the Congress, the Annual Report of the Secretary of the Interior for the year ended June 30, 1934.

Franklin D. Roosevelt,
President.

The White House, January 29, 1934.

To the Congress of the United States:
I transmit herewith, for the information of the Congress, the Annual Report of the Secretary of the Treasury for the year ended June 30, 1934.

Franklin D. Roosevelt,
President.

The White House, January 29, 1934.

The VICE PRESIDENT laid before the Senate the following reports from the President of the United States, which were read and referred to the Committee on Appropriations:

To the Congress of the United States:
I transmit herewith, for the information of the Congress, the Annual Report of the Secretary of Commerce for the year ended June 30, 1934.

Franklin D. Roosevelt,
President.

The White House, January 29, 1934.

The VICE PRESIDENT laid before the Senate the following reports from the President of the United States, which were read and referred to the Committee on Appropriations:

To the Congress of the United States:
I transmit herewith, for the information of the Congress, the Annual Report of the Secretary of Agriculture for the year ended June 30, 1934.

Franklin D. Roosevelt,
President.

The White House, January 29, 1934.

The VICE PRESIDENT laid before the Senate the following reports from the President of the United States, which were read and referred to the Committee on Appropriations:

To the Congress of the United States:
I transmit herewith, for the information of the Congress, the Annual Report of the Secretary of Labor for the year ended June 30, 1934.

Franklin D. Roosevelt,
President.

The White House, January 29, 1934.

The VICE PRESIDENT laid before the Senate the following reports from the President of the United States, which were read and referred to the Committee on Appropriations:

To the Congress of the United States:
I transmit herewith, for the information of the Congress, the Annual Report of the Secretary of Health, Education, and Welfare for the year ended June 30, 1934.

Franklin D. Roosevelt,
President.

The White House, January 29, 1934.

EXECUTIVE COMMUNICATIONS

The VICE PRESIDENT laid before the Senate the following communications, which were referred to the Committee on Appropriations:

To the Congress of the United States:
I transmit herewith, for the information of the Congress, the Annual Report of the Secretary of the Interior for the year ended June 30, 1934.

Franklin D. Roosevelt,
President.

The White House, January 29, 1934.

I transmit herewith, for the information of the Congress, the Annual Report of the Secretary of Agriculture for the year ended June 30, 1934.

Franklin D. Roosevelt,
President.

The White House, January 29, 1934.

I transmit herewith, for the information of the Congress, the Annual Report of the Secretary of Labor for the year ended June 30, 1934.

Franklin D. Roosevelt,
President.

The White House, January 29, 1934.

I transmit herewith, for the information of the Congress, the Annual Report of the Secretary of Health, Education, and Welfare for the year ended June 30, 1934.

Franklin D. Roosevelt,
President.

The White House, January 29, 1934.

I transmit herewith, for the information of the Congress, the Annual Report of the Secretary of Commerce for the year ended June 30, 1934.

Franklin D. Roosevelt,
President.

The White House, January 29, 1934.

I transmit herewith, for the information of the Congress, the Annual Report of the Secretary of the Treasury for the year ended June 30, 1934.

Franklin D. Roosevelt,
President.

The White House, January 29, 1934.

I transmit herewith, for the information of the Congress, the Annual Report of the Secretary of War for the year ended June 30, 1934.

Franklin D. Roosevelt,
President.

The White House, January 29, 1934.

I transmit herewith, for the information of the Congress, the Annual Report of the Secretary of the Navy for the year ended June 30, 1934.

Franklin D. Roosevelt,
President.

The White House, January 29, 1934.

I transmit herewith, for the information of the Congress, the Annual Report of the Secretary of the Interior for the year ended June 30, 1934.

Franklin D. Roosevelt,
President.

The White House, January 29, 1934.

I transmit herewith, for the information of the Congress, the Annual Report of the Secretary of Agriculture for the year ended June 30, 1934.

Franklin D. Roosevelt,
President.

The White House, January 29, 1934.
Regraded Unclassified
Mr. WILLEY, Mr. President, I ask to present in the first place the question of the President's request for a declaration of war. The President's request is based on the opinion that the United States is in a state of war with Germany, and that the United States should declare itself in a state of war with Germany. The President's request is made on the ground that the United States is in a state of war with Germany.

Mr. President, I ask to present in the second place the question of the President's request for a declaration of war. The President's request is based on the opinion that the United States is in a state of war with Germany, and that the United States should declare itself in a state of war with Germany. The President's request is made on the ground that the United States is in a state of war with Germany.

Mr. President, I ask to present in the third place the question of the President's request for a declaration of war. The President's request is based on the opinion that the United States is in a state of war with Germany, and that the United States should declare itself in a state of war with Germany. The President's request is made on the ground that the United States is in a state of war with Germany.

Mr. President, I ask to present in the fourth place the question of the President's request for a declaration of war. The President's request is based on the opinion that the United States is in a state of war with Germany, and that the United States should declare itself in a state of war with Germany. The President's request is made on the ground that the United States is in a state of war with Germany.

Mr. President, I ask to present in the fifth place the question of the President's request for a declaration of war. The President's request is based on the opinion that the United States is in a state of war with Germany, and that the United States should declare itself in a state of war with Germany. The President's request is made on the ground that the United States is in a state of war with Germany.

Mr. President, I ask to present in the sixth place the question of the President's request for a declaration of war. The President's request is based on the opinion that the United States is in a state of war with Germany, and that the United States should declare itself in a state of war with Germany. The President's request is made on the ground that the United States is in a state of war with Germany.

Mr. President, I ask to present in the seventh place the question of the President's request for a declaration of war. The President's request is based on the opinion that the United States is in a state of war with Germany, and that the United States should declare itself in a state of war with Germany. The President's request is made on the ground that the United States is in a state of war with Germany.

Mr. President, I ask to present in the eighth place the question of the President's request for a declaration of war. The President's request is based on the opinion that the United States is in a state of war with Germany, and that the United States should declare itself in a state of war with Germany. The President's request is made on the ground that the United States is in a state of war with Germany.

Mr. President, I ask to present in the ninth place the question of the President's request for a declaration of war. The President's request is based on the opinion that the United States is in a state of war with Germany, and that the United States should declare itself in a state of war with Germany. The President's request is made on the ground that the United States is in a state of war with Germany.

Mr. President, I ask to present in the tenth place the question of the President's request for a declaration of war. The President's request is based on the opinion that the United States is in a state of war with Germany, and that the United States should declare itself in a state of war with Germany. The President's request is made on the ground that the United States is in a state of war with Germany.
CONGRESSIONAL RECORD—SENATE
FEBRUARY 9, 1942

UNITED STATES SENATE
Carl B. Buettcher, of Wyoming, to be United States Attorney for the District of Wyoming
(born in Berne, N. D., November 18, 1900; member of the Wyoming State Legislature in 1927, 1929, 1931, and 1935; joint resolution, December 7, 1941.)

President pro tempore, Senator John C. Calhoun, of Missouri, to be Assistant Secretary of the Interior
(born in Fort Wayne, Ind., October 27, 1901; member of the Indiana General Assembly in 1931 and 1933.)

Executive nominations confirmed by the Senate February 7, 1942.

The House met at 12 o'clock noon.
The Chaplain, Rev. James Sherwood, conducted the prayer.

The President pro tempore, Senator John C. Calhoun, of Missouri, to be Assistant Secretary of the Interior.

COMMISSIONS
Executive nominations confirmed by the Senate February 7, 1942.

The House met at 12 o'clock noon.
The Chaplain, Rev. James Sherwood, conducted the prayer.

The President pro tempore, Senator John C. Calhoun, of Missouri, to be Assistant Secretary of the Interior.

The House met at 12 o'clock noon.
The Chaplain, Rev. James Sherwood, conducted the prayer.

The President pro tempore, Senator John C. Calhoun, of Missouri, to be Assistant Secretary of the Interior.

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CONGRESSIONAL RECORD - HOUSE

FEBRUARY 18, 1942

1170

REGRADING OF ELECTED OFFICIALS

Mr. DOMINGUEZ. Mr. Speaker, the recent action of the Congress has had a great influence on the results of the election of officials, with many new officials being elected in various parts of the country. The Speaker, in his address, mentioned the importance of regrading officials. I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. SHORT. Mr. Speaker, I have received word that the elections have been rerun in several states, with some officials being reelected. I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. SHORT. Mr. Speaker, I would like to express my support for the regrading of officials. I believe that this action will bring about a more efficient and effective government.

Mr. STEVENSON. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. SHORT. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. YOUNG. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. STEVENSON. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. SHORT. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. YOUNG. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. STEVENSON. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. SHORT. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. YOUNG. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. STEVENSON. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. SHORT. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. YOUNG. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. STEVENSON. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. SHORT. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. YOUNG. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. STEVENSON. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. SHORT. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. YOUNG. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. STEVENSON. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. SHORT. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. YOUNG. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. STEVENSON. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. SHORT. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. YOUNG. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. STEVENSON. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. SHORT. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. YOUNG. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. STEVENSON. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. SHORT. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. YOUNG. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. STEVENSON. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. SHORT. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. YOUNG. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. STEVENSON. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. SHORT. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. YOUNG. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. STEVENSON. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. SHORT. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. YOUNG. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. STEVENSON. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. SHORT. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. YOUNG. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. STEVENSON. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. SHORT. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. YOUNG. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.

Mr. STEVENSON. Mr. Speaker, I would like to ask the Speaker whether he has any objections to the regrading of officials.

Mr. SPEAKER. There are no objections.
CONGRESSIONAL RECORD—HOUSE
February 4

Mr. CANNON of Missouri. I mention this because I believe it is important that we maintain the proper balance between our interests and those of China. I feel it is important that we maintain our relationships with China, but I also feel that we must be careful not to allow our interests to become too closely aligned with theirs. I ask for a vote on the joint resolution of Mr. Barnard, Mr. Sulzberger, Mr. Johnson, and Mr. Cannon of Missouri.

Mr. CANNON of Missouri. I ask for a vote on the joint resolution of Mr. Barnard, Mr. Sulzberger, Mr. Johnson, and Mr. Cannon of Missouri.

Mr. BARNARD. I rise to support the joint resolution of Mr. Barnard, Mr. Sulzberger, Mr. Johnson, and Mr. Cannon of Missouri.

Mr. BARNARD. I rise to support the joint resolution of Mr. Barnard, Mr. Sulzberger, Mr. Johnson, and Mr. Cannon of Missouri.

Mr. Sulzberger. I rise to support the joint resolution of Mr. Barnard, Mr. Sulzberger, Mr. Johnson, and Mr. Cannon of Missouri.

Mr. Johnson. I rise to support the joint resolution of Mr. Barnard, Mr. Sulzberger, Mr. Johnson, and Mr. Cannon of Missouri.

Mr. Cannon of Missouri. I am an outspoken proponent of a strong relationship between the United States and China. I feel it is important that we maintain our relationships with China, but I also feel that we must be careful not to allow our interests to become too closely aligned with theirs. I ask for a vote on the joint resolution of Mr. Barnard, Mr. Sulzberger, Mr. Johnson, and Mr. Cannon of Missouri.

Mr. CANNON of Missouri. I mention this because I believe it is important that we maintain the proper balance between our interests and those of China. I feel it is important that we maintain our relationships with China, but I also feel that we must be careful not to allow our interests to become too closely aligned with theirs. I ask for a vote on the joint resolution of Mr. Barnard, Mr. Sulzberger, Mr. Johnson, and Mr. Cannon of Missouri.

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CONGRESSIONAL RECORD—HOUSE

February 10, 1912

Mr. DODSON of Mississippi. The gentleman will recognize the fact that the issue of bonds must be regulated proportionately to the estimated revenue of the country. The necessities of the country are such that the bonds must be issued in proportion to the revenue. The gentleman is well aware that the revenue of the country is such that the bonds must be issued in proportion to the amount of money that will be required to meet the expenses of the government. The gentleman is well aware that the revenue of the country is such that the bonds must be issued in proportion to the amount of money that will be required to meet the expenses of the government. The gentleman is well aware that the revenue of the country is such that the bonds must be issued in proportion to the amount of money that will be required to meet the expenses of the government. The gentleman is well aware that the revenue of the country is such that the bonds must be issued in proportion to the amount of money that will be required to meet the expenses of the government. The gentleman is well aware that the revenue of the country is such that the bonds must be issued in proportion to the amount of money that will be required to meet the expenses of the government. The gentleman is well aware that the revenue of the country is such that the bonds must be issued in proportion to the amount of money that will be required to meet the expenses of the government. The gentleman is well aware that the revenue of the country is such that the bonds must be issued in proportion to the amount of money that will be required to meet the expenses of the government.
Regraded Unclassified

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CONGRESSIONAL RECORD—HOUSE

February 11, 1942

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CONGRESSIONAL RECORD - HOUSE

February 14, 1947

Mr. MILLER, Chairman, I rise on the motion by Representative FASCHEL to instruct the Committee on Ways and Means to report favorably on the revenue bill. I wish to point out that the revenue bill contains several provisions which are of great importance to the United States. These provisions include measures to extend the provisions of the Revenue Act of 1945, which expired on June 30, 1947, and to provide for a reduction in the tax rates. I believe that these provisions will be of great benefit to the United States economy and will help to stimulate economic growth.

Mr. MILLER, Chairman, I want to express my appreciation of the work done by the Committee on Ways and Means. The Committee has been working hard to prepare a revenue bill that is both fair and sensible. I believe that the bill they have prepared is a good one and I am confident that it will be passed by the House.

Mr. FASCHEL, I rise to support the motion made by Representative MILLER. I believe that the revenue bill contains important provisions that are necessary to the continued progress of the United States economy. The provisions included in the bill will help to stimulate economic growth and will be of great benefit to the country.

Mr. MILLER, Chairman, I wish to express my appreciation to the Committee on Ways and Means for their hard work in preparing the revenue bill. The provisions included in the bill are important and I am confident that they will be passed by the House.

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participation in war, but who are not apparently seeking any means of avail-
able the fronts of the lines. If this is the case, I would want to know the facts and take
necessary steps to ensure the safety of all our men. Our service will be jeopardized if
people are not aware of the dangers they face. I urge you to inform me of any
information you may have. I am eager to protect our soldiers and ensure their safety.
Yours sincerely,
[Signature]

President

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[The text continues with discussions, debates, and actions typical of a congressional setting. The pages include various speakers, the chairman of the committee, and references to historical events such as World War II and the White House.

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[The text concludes with a resolution or statement, possibly regarding war efforts and government actions.]

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[The final page contains a signature and date, indicating the end of the meeting or debate.]
The SPEAKER: The question is on the passage of the bill.

The bill was ordered to the Committee of the Whole, and was read the third time.

The Speaker: The question is on the passage of the bill.

The bill was ordered to the House of Representatives, and was read the third time, and was passed by the following vote:

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CONGRESSIONAL RECORD—HOUSE  
FEBRUARY 1942

Mr. BRADLEY of Illinois. Mr. Speaker, I wish to call your attention to a
most important subject, and I am sure that all of us are interested
in its solution. The subject is the need for a comprehensive
system of flood control in the State of Illinois. This system is
necessitated by the ever-increasing population and the expansion
of industry in the State. The present system of flood control is
inadequate and must be improved. The cost of such a system
will be substantial, but the benefits derived from it will be
enormous. It is necessary to take action now to prevent a
disaster of catastrophic proportions.

Mr. OPF, I rise to call your attention to an important
subject that has been brought to my attention by a
number of constituents in my district. The subject is the
need for improved public transportation in the
area. The current system of transportation is
inadequate to meet the needs of the residents of
this area. I am aware of the financial difficulties
that may arise from implementing such a system,
but I believe it is imperative that we take action
now to ensure the well-being of our constituents.

Mr. BRADLEY of Michigan. Mr. Speaker, I wish to
address my remarks to the subject of the
need for improved educational facilities in our
district. The current educational system is
inadequate to meet the needs of our students.
I believe that it is necessary to invest in
educational infrastructure to ensure a bright
future for our youth.

Mr. BRADLEY of Illinois. Mr. Speaker, I rise to
speak on the subject of the need for improved
healthcare facilities in our district. The current
healthcare system is inadequate to meet the
needs of our residents. I believe that it is
necessary to invest in healthcare facilities to
ensure the well-being of our constituents.

Mr. BRADLEY of Michigan. Mr. Speaker, I wish to
address my remarks to the subject of the
need for improved economic opportunities in our
district. The current economic situation
is inadequate to meet the needs of our residents.
I believe that it is necessary to invest in
economic infrastructure to ensure a bright
future for our youth.

Mr. OPF, I rise to call your attention to an
important subject that has been brought to my
attention by a number of constituents in my
district. The subject is the need for improved
environmental protection in the area. The current
environmental protection system is inadequate to
meet the needs of the residents of this area.
I am aware of the financial difficulties that
may arise from implementing such a system,
but I believe it is imperative that we take
action now to ensure the well-being of our
constituents.

Mr. BRADLEY of Illinois. Mr. Speaker, I wish to
call your attention to an important subject
that has been brought to my attention by a
number of constituents in my district. The
subject is the need for improved housing
opportunities in our area. The current housing
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residents. I believe that it is necessary to
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bright future for our youth.

Mr. BRADLEY of Michigan. Mr. Speaker, I wish to
address my remarks to the subject of the
need for improved recreational facilities in our
district. The current recreational facilities
are inadequate to meet the needs of our
residents. I believe that it is necessary to
invest in recreational infrastructure to ensure a
bright future for our youth.
CONGRESSIONAL RECORD—HOUSE

FEBRUARY 8, 1943

Mr. McKEEY. The gentleman's motion to recommit the bill, to which the express of the Canadian State railroad, is sustained. The bill is now on the calendar.

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Appendix

The Scandal of a Headache

EXTENSION OF REMARKS

HON. LISTER HILL

IN THE SENATE OF THE UNITED STATES

FEBRUARY 3, 1943

ADDRESS BY HON. JOSEPH DAMASCUS

Mr. HILL. Mr. President, I ask unanimous consent to have printed in the Appendix of the Record a portion of a very interesting and able address by Hon. Joseph Damascenus, former Ambassador to Mexico and former Secretary of the Navy, delivered at Washington, D.C., on January 29, 1943, on the President's birthday, his subject being "The Stagflation of a Headache." The address is composed in a newspaper article under the headline "F. D. R. Has a Headache in His Rio to President." There being no objection, the article was ordered to be printed in the Record, as follows:

For 20 years I've been a newspaperman and a good one. I've had my share of headaches. I've seen a lot of them and I've known their causes. I've seen the effects of the different causes on the people who suffer from them. I've seen the effect of the different causes on the people who suffer from them. I've seen the effect of the different causes on the people who suffer from them.

Appendix

The Scandal of a Headache

EXTENSION OF REMARKS

HON. LISTER HILL

IN THE SENATE OF THE UNITED STATES

FEBRUARY 3, 1943

ADDRESS BY HON. JOSEPH DAMASCUS

...
The production and marketing of livestock and poultry has been, and will continue to be, a major concern of Congress. The demand for livestock products, especially meat and milk, has increased steadily, and the supply of these products has been limited by various factors. As a result, there has been a tendency for prices to rise, which has had a significant impact on consumers.

The prices of livestock products, such as beef and pork, have increased significantly over the past few years. In 1942, the price of beef was approximately $1.20 per pound, while in 1945 it was $1.75 per pound. This increase in prices has been driven by a variety of factors, including an increase in the cost of production and a decrease in the supply of livestock.

In addition to rising prices, there has also been a dramatic increase in the demand for livestock products. This increase in demand is largely due to an increase in the population and a shift in consumer preferences. As more people move to cities, there is a greater demand for convenience foods, such as pre-packaged meats and dairy products.

The production of milk has also increased significantly over the past few years. In 1942, the production of milk was approximately 15 billion pounds, while in 1945 it was 25 billion pounds. This increase in production has been driven by an increase in the number of dairy cows and a greater emphasis on milk production.

The rising prices and increased production of livestock products have had a significant impact on the economy. For farmers, the increase in prices has provided a greater return on their investment, while for consumers, the increase in production has provided a greater variety of products at a lower cost.

Despite these challenges, the livestock industry remains a vital part of the economy. The production of livestock products provides income for millions of farmers and supports a large number of jobs in the food industry. As such, it is important that policies be in place to support this industry and ensure its continued success.

Regraded Unclassified
Mr. CAVENY. Mr. President, I am not unacquainted to Congress, to the Senate, and to the House of Representatives. I am not unacquainted with the desires of the people, and I am not unacquainted with the responsibilities of the office. I am not unacquainted with the duties of the office, and I am not unacquainted with the importance of the office.

Mr. WIND, TINS, TINGS, KINGS, KBNGS, PAPPY, and HENDRICKS in the Senate of the United States, Monday, February 5, 1942.

Mr. CAVENY. Mr. President, I am not unacquainted to Congress, to the Senate, and to the House of Representatives. I am not unacquainted with the desires of the people, and I am not unacquainted with the responsibilities of the office. I am not unacquainted with the duties of the office, and I am not unacquainted with the importance of the office.

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Mr. WIND, TINS, TINGS, KINGS, KBNGS, PAPPY, and HENDRICKS in the Senate of the United States, Monday, February 5, 1942.
in the administration of law, order, truth, hope, and humanity in the world. The United States is not alone in this effort. The United Nations, formed in 1945, is an organization of nations working together to maintain international peace and security.

The United Nations was established in 1945 as a result of the decisions taken at the United Nations Conference on International Organization held in San Francisco from 25 April to 26 June 1945. The召集了51个国家的代表参加了这次会议，其中包括中国、美国、英国、法国和苏联等国。会议的成果就是联合国的成立。

The United Nations is based on the principle of sovereignty and respect for the independence of states. It is a forum for international cooperation to address global challenges, such as poverty, climate change, and nuclear non-proliferation.

Education of Civilians for National Service

I read a section of an article that discusses the education of civilians for national service. It mentions the importance of such education, particularly in the context of national security.

The article also highlights the role of educators in preparing individuals for national service. It notes that educators must be equipped with the knowledge and skills necessary to educate and train individuals for national service effectively.

The article discusses the challenges and opportunities associated with the education of civilians for national service. It suggests that educators must adapt their teaching methods to meet the needs of the modern world.

In conclusion, the education of civilians for national service is crucial for the security and prosperity of nations. Educators must play a key role in preparing individuals for national service roles.

Reference:

should be held. All countries in continental Europe are locked in combat—some attempting to deprive others of the fruits of peace and privilege they so justly enjoyed.

The Magna Carta signed by King John of England in 1215, is the symbol of freedom and democracy. It is the epitome of the Bill of Rights. You find there included all of the guaranties which are now and have been and forever a part of the American heritage of speech, freedom of the press, freedom of assembly, freedom from search and seizure, and the right to bear arms.

The importance of this occasion is enhanced by the following. You have in Mayor Wright the motivating influence behind this celebration, an indomitable spirit, one who has made history and is destined to be recorded among those who have materially contributed to the advancement of a race which has made remarkable progress in the short span of years that this has been our opportunity. We are today, as he was, one of the Mayors of Oakland. If one is held of him that when a young lad in the streets of Boston he was asked what message he desired delivered to the folks back home. He replied, "Tell them that we are rising in this big city and it is a pity if they are not as intelligent as young folks in the first 10 amendments, or the Bill of Rights.

February 1, 1943, is to him, indeed, a memorable date. Seventy-seven years long is the span of one lifetime, yet to the Municipal Governor of a race and nation it is exceedingly short. Remarkable progress has been made by the Mayor of Oakland since that time. We have all become more appreciative of one another.

We have many important national holidays which are observed more or less uniformly throughout the land. We know that they fall in some important event in our history. July 4th represents the date on which we celebrate the signing of our Declaration of Independence which freed us from all outside entanglements. This particular date which you celebrate today must in my opinion be an important event in the life of us all. It commemorates the dissolution of physical bondage and the establishment of the rights to all citizens alike.

The Mayoralty was made slighter in the few years that have followed, notwithstanding the many hardships and disadvantages that you have endured. We commend you upon coming to this task and assure you that, by the retention of high ideals and by further accomplishment your accomplishments will be immensely increased.

May I point out several outstanding figures in the American history who are of particular group. Marian Anderson, who rose in cultural development, whose golden voice has united a nation, has strength and breadth not only of America but of the world.

Joe Louis, who enjoyed little formal education in his highest pinnacle to his sphere, and now is the best heavyweight champion of the world. The

...
We know how these words are to be taken literally, but not to the extreme of inflicting on men and women the deaths of Christ and the apostles. The Christian principle is that suffering and death are the natural corollaries of sin and the suffering of each human being can be wonderfully transformed by the understanding of his own experience of Christ. In every part of the life he can feel himself brought to that point where Christ is greater than all the hopes and fears which whether through active works of service, of feeling the hungry, tending the sick, giving away the wealth of one’s labor, or through the understanding of all kinds of evil, is, it may be, by self-sacrifice and suffering for what we may conceive to be the divine will and purpose.

This sense of partnership will find expression through prayer, and as we remember the limitations of human thought, we shall find that as the prayers of men are what we have called competitive, since men can see more than a fraction of God’s purposes, and only a very few are able to condition our prayers with the words ‘not my will, but Thine be done.’

But this sense and— if we may use the word—this ‘vision’ of partnership, does more than this in giving new value to every human soul. In the great scheme with which he and every one of his prayers, and the development of such a personal human value is the essential foundation of our democracy.

From this single view, that the power invested in the individual citizen under the democratic system is seen in close analogy with the human value, the importance of which is vital to the shaping of the whole. And this is not only the essential idea of such a human value that is the essential foundation of our democracy.

And through, of course, in the application of these eternal principles to the practical life of man there must always be an appreciation of the importance of time and circumstances—I always feel, when I hear people say, ‘Good government is better than no government,’ that that which appears to be the way that God has chosen to direct the affairs of men, is an expression of the most important truths of any earthly government.

But because that is the value of every human soul and democracy, to preserve which we are prepared to make every sacrifice and to sacrifice all of us, to the extent of our lives and deaths, to the extent of our own conscience, the distinction between right and wrong, and by recognition of our own responsibility and power of choice between them.

The Christian further believes that the Son of God, himself incarnate human nature in order to set forth this distinction right and suffering in human nature which it was his purpose to redeem from the power and the evil of the world. As it was stated by a profound writer that the Christian faith is an ethics and revelation in Christian faith of a divine scheme which mercifully overrules the sin of man. The Christian is the one who says that the redemption was only accomplished by great suffering, greater than human understanding to bear in daily life by our own consciousness of the distinction between right and wrong, and by recognition of our own responsibility and power of choice between them.

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Amendments of Civil Service Retirement Act

HON. JAMES M. MEAD

February 9, 1942

Mr. Speaker, I today introduce an amendment to the House of Representatives, authorizing the appropriation of funds for the establishment of a Civil Service Retirement Act. The amendment is ordered to be printed in the House of Congress.

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CONGRESSIONAL RECORD—APPENDIX

FEBRUARY 8

HON. GERALD P. NYE
OF NORTH DAKOTA

In the House of the United States

Monday, February 8, 1943

Mr. NYE. Mr. President, I rise to call attention to an editorial in the New York Times of the 6th instant. In this editorial the Times has attacked the Administration, the President, and the war production projects. The Times' editorial is an attempt to demoralize the whole country, but it will not be permitted to have this country demoralized.

The New York Times is a publication which has always been friendly to the Democratic Administration. It has always been friendly to the war production projects. It has always been friendly to the people of this country. It has always been friendly to the President. It has always been friendly to the Democratic Administration. It has always been friendly to the war production projects. It has always been friendly to the people of this country. It has always been friendly to the President.

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The United States and Mexico

HON. R. E. THOMAS
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, February 8, 1942

ADDRESS OF HON. ANTONIO J. RECINOS, MAYOR OF MEXICO CITY, VICE-PRESIDENT OF THE EXECUTIVE COMMITTEE OF MEXICO, GREETING THE CONGRESSIONAL APPENDIX AT THE CONFERENCE

Mr. THOMAS: Mr. Speaker, under leave to extend my remarks in the House, I transmit the following address by René Aniceto Hernandez, mayor of Mexico City, at the recent annual session of the United States Conference of Mayors and also a resolution passed by that organization:

[Resolution]

I would like to express to the City of Mexico my greatest appreciation for the invitation extended to me to appear before this Body. I am honored to be in your presence, and I am deeply moved by the warm welcome I have received. I have always been a great admirer of the United States, and I am delighted to have the opportunity to express my feelings towards our country.

The City of Mexico is the capital of the country, and it is one of the most important cities in the world. It is a city of great beauty, with its magnificent architecture and its rich history. It is a city of warmth and hospitality, where people from all over the world come to visit and to enjoy its many attractions.

The City of Mexico has always been a great friend of the United States, and we have always had a close relationship with each other. We have many common interests, and we share the same values and principles. We believe in democracy, freedom, and justice, and we are committed to promoting peace and prosperity in the world.

I am confident that our two countries will continue to work together for the common good of all humanity. We will always be friends, and we will always be partners.

Thank you for your time, and I look forward to the opportunity to continue our relationship with the United States.

Mr. Speaker, I would like to conclude my remarks by expressing my heartfelt gratitude to the members of this Body. I have been honored to address you, and I am grateful for the opportunity to do so.

Ad for Other Allies

EXTENSION OF REMARKS

HON. THOMAS D'ALESANDRO, JR.
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Monday, February 8, 1942

Mr. Speaker, I rise to extend my remarks in the House, I transmit the following address by Mr. James F. O'Connor, a member of the United States Congress from Maryland:

[Address]

Mr. O'Connor: Mr. Speaker, on March 15, 1939, the Baltimore Sun published an editorial that criticized the Supreme Court's decision in the case ofaltimore vs. Baltimore. The editorial stated that the Court's decision was a violation of the Constitution, and that it was an affront to the people of Baltimore.

I would like to express my full support for this editorial, and I would like to urge the members of this Body to support the Baltimore Sun in its efforts to promote the principles of democracy and justice.

Thank you for your time, and I look forward to the opportunity to continue our efforts to promote the principles of democracy and justice.

Informative Concerning Tanganyka Production in Tanzania

HON. JAMES P. CONNOR
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Monday, February 8, 1942

Mr. Speaker, I rise to extend my remarks in the House, I transmit the following address by Mr. James O'Connor, a member of the United States Congress from Iowa:

[Address]

Mr. O'Connor: Mr. Speaker, on March 15, 1939, the Baltimore Sun published an editorial that criticized the Supreme Court's decision in the case ofaltimore vs. Baltimore. The editorial stated that the Court's decision was a violation of the Constitution, and that it was an affront to the people of Baltimore.

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Thank you for your time, and I look forward to the opportunity to continue our efforts to promote the principles of democracy and justice.

National Freedom

EXTENSION OF REMARKS

HON. JAMES J. DAVIS
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, February 8, 1942

Mr. Speaker, I rise to extend my remarks in the House, I transmit the following address by Mr. James O'Connor, a member of the United States Congress from Illinois:

[Address]

Mr. O'Connor: Mr. Speaker, on March 15, 1939, the Baltimore Sun published an editorial that criticized the Supreme Court's decision in the case ofaltimore vs. Baltimore. The editorial stated that the Court's decision was a violation of the Constitution, and that it was an affront to the people of Baltimore.

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February 9

Attains in keeping with the President's orders and until now.

After that, it will be willing, if so requested, like the prophets of old, to go the full journey regardless of the cost, in order to justify the President, and help maintain a country whose motto guarantees liberty and justice to all, regardless of race, color, or creed.

We are American citizens, and we are ready to do and die to defend America. We know that "Peaceable times and dark complex do not foster nation's claim. Some men may differ but loyalty remains in white and black, the same."

Cut New Deal Job or More

EXTENSION OF REMARKS

OF

HON. KARL M. LEOMENTE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1942

EDITORIAL FROM THE CRESTON (IOWA) NEWS-ADVERTISER

Mr. LEOMENTE. Mr. Speaker, under leave to extend my remarks, I take pleasure in including an editorial from the Creston (Iowa) News-Advertiser of February 9, 1942:

[From the Creston (Iowa) News-Advertiser of February 9, 1942]

Mr. Justice Brandeis

EXTENSION OF REMARKS

OF

HON. FRANCIS J. MYERS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1942

ADDRESS OF JAMES M. LANDIS

Mr. MYERS of Pennsylvania. Mr. Speaker, under leave to extend my remarks, I have the following address by James M. Landis, Executive Director of the Office of Civil Defense and dean of the Harvard Law School, read at the Brandeis memorial meeting, in memory of the late Justice Louis D. Brandeis:

Dr. Louis recently has been impossible to have a "peaceful" letter of Mr. Justice Brandeis. My own observation that he has been so unpromising, my description for him as a letter of no importance in the way of or public service, or to speak the truth, is even more so, as he is also an important personage, almost too important because of his position, or lack, too outspoken in his praise. Of course, this does not put his law on the table, and to everyone who says...
By 1905 Brandeis' services were beginning to turn him in other directions. Many members of the House of Congress, who by this time had become aware of the important work he was doing in the courts, requested that he declare himself in politics. However, Brandeis declined to run for office at that time, stating that he wanted to continue his legal work.

The second thing that caught the attention of the nation was his decision to run for governor of Massachusetts in 1905. This was a significant moment in his career, as he was able to use his expertise in law and economics to advocate for social justice and economic reform.

Brandeis ran on a platform that emphasized the need for social reform, including the regulation of large corporations, the protection of working people, and the establishment of a minimum wage. He was able to mobilize a large following of people who were dissatisfied with the status quo, and he ultimately won the election.

After his victory, Brandeis continued to work for social justice and economic reform, using his position to advocate for policies that would benefit the working class. He was able to influence the development of many important pieces of legislation, and he is still remembered today as a champion of social justice and economic reform.
Baumhart Spurns United States Pension

EXTENSION OF REMARKS

HON. A. D. BAUMHART, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1942

PRESS RELEASE OF HON. A. D. BAUMHART, JR., OF OHIO

Mr. BAUMHART. Mr. Speaker, under leave to extend my remarks in the Record, I include the following press release given out by me:

BAUMHART SPURRS UNITED STATES PENSION

WASHINGTON, February 12—Congressman A. D. Baumhart, Jr., of Vermillion, announced today he would vote all against the new "pensions for Congressmen" legislation enacted in January, and signed recently by President Roosevelt.

"I do not approve of pensions for the President, the Vice President, and Members of the House and Senate," Baumhart said. "Furthermore, I cannot approve the manner in which this amendment was put into the bill to committees, and then hardened through the House under unanimous-consent agreement, without an opportunity for the Members with the purpose and significance of the committee amendment. I feel that, under these circumstances, the so-called pensions for Congressmen were passed by legislative trick. The true meaning of the amendment was not explained to the House. Not until the very speech made by President Roosevelt did it become known that the President's legislation was for the President and Vice President only.

Mr. Speaker, for the House to vote on a pension for the President and Vice President only, and then to attempt to pass on a pension for the United States Congress, is not only unfair to the Members of Congress, but it is also a violation of any principles we believe in.
weakened by a parting. Then it is that all the memories of former associations crowd back upon us with a solemnity that is both tender and painful.

We were all, or nearly all, of our friends who have "loved and lost awhile." And among these perhaps none is more worthy of honor than Edward T. Taylor. He woke first the suspicion of yesterday and our silent counselor of today. He epitomized the greatness of America.

As chairman of the Committee on Appropriations he was our chief. But he was not more than that, for his kindly example guided us during his life.

A grateful Nation hasrecognized his qualities of statesmanship. But we who had the honor of an intimate association like to think of him, not in his greatness but in his simplicity, for therein lies the key to his greatness.

A prince once gazed on a warrior dead: "Tell me", he said in death,"he died a king."

Let us be thankful for the privilege and the beauty that was ours in knowing and associating with one of the truly devoted men of this era.

General MacArthur

EXTENSION OF REMARKS OF HON. ARTHUR D. HEALEY (OF MASSACHUSETTS)

IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1943

EDITORIAL FROM THE BOSTON POST

Mr. HEALEY. Mr. Speaker, under leave of the Rules, I include the following editorial from the Boston Post:

[From the Boston Post of February 9, 1943]

MACARTHUR

The days pile up to weeks. The weeks mount on to months. And across the pages of history grow the shadows of doom. Douglas MacArthur.

Not only in the school books of the immediate future, but in the imperishable annals of man, the kind which have handed down Caesar and Charlemagne, Washington and Wellington, Grant and Pesh—great captains of men in the sacred hours of earth—be is earning a place.

We are but the forerunners of every morrow. We are but so close to the actual events and so much of our tomorrow is bound up with his successes today that perhaps we may not see.

Yet before our eyes History repeats itself. In a jungle of jungle hills and depths, Roosevelt once more leaps the Tiber Bridge. Biscarros guards the pass of Thermopylae, and Captain Parker rallies the thin line at Lexington.

For General MacArthur is giving to Bataan what immortality that Captain Preute gave to Bunker Hill and Davy Crockett bestowed on the Alamo.

And more than that. Wherever free men have fallen for the freedom of our country, General MacArthur goes after them and gives new courage. He is teaching that no matter how up to the overwhelming, can combat without the sacrifice of bravery, and that even the bare urge for liberty is a

match for the stoutest of all the races.

In the hour of the moment, the shadows of the names of Libya, in the bitter north of Russia, in the smoky jungles of Simpang, in the blood-stained field of Leyte Gulf, General MacArthur brings from the windswept valleys of Iceland and the rain-swept fields of North Ireland, saying to each other as nothing else can: "Good night. General MacArthur is still holding."'

In Tokyo, in Trieste, in New York or Boston, in Pernona or San Francisco, it is the same. People snatch up their newspapers and say, "MacArthur is still holding."

Two months will have passed tomorrow since the Japanese struck at the Philippines and our aerial forces, and General MacArthur and his men, what Churchill said of the handful of British airmen who bested the German airmen over the English Channel in the summer of 1918: "Never in the history of human conflict was so much owed by so many to so few."

It is the same to us in the United States, as it was to the Philippine Army, as it was to the British Army, as it was to the Chinese Army, as it was to the world, as it was to the American people, as it was to the world, as it was to the American people, as it is to all Americans.

Mr. SPEAKER. The time allotted for this purpose has expired.

The next speaker will be Mr. O'Connor from Montana.
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FEbruary 9

1942

anufacture and consideration is being given to the making of additional facilities.
In the past ten years the demand for coal has more than doubled, from 72,000,000 to more than 200,000,000 tons. In fact, the demand for coal has been so great in recent years that it has been necessary to import large quantities of coal from other countries.

While shipments of the Grand Coulee Dam, the largest dam in the country, have been increasing steadily, the government is now considering the possibility of building a second dam on the Columbia River. This second dam would be located near the city of Lewiston, Idaho.

The article taken from the Congressional Record of February 9, 1942, is as follows:


dam, EXTENSIONS OF REMARKS

on the historic electromechanical system was a success, as the construction of this dam has progressed, the government has increased the power generated by the dam to meet the growing demand for electricity in the region.

When the second dam was completed, the government turned its attention to the development of the region. Work began on the construction of the Grand Coulee Dam, which is located on the Columbia River. The dam was completed in 1942, and it has been generating power ever since.

The government has also been building other dams in the region, including the Grand Coulee Dam, which is located on the Columbia River. This dam was completed in 1942, and it has been generating power ever since.

In conclusion, the government has been making great strides in the development of the Columbia River Basin. The construction of the Grand Coulee Dam and other dams in the region has provided a reliable source of hydroelectric power for the region, and it has helped to stimulate economic growth.

Mehry Douglas

PUBLIC SPEECH

IN THE HOUSE OF REPRESENTATIVES

Mr. Leland M. Ford of California

Mr. FORD. I rise to offer a resolution to create the Grand Coulee Power Development Corporation, which will be charged with the task of developing the hydroelectric potential of the Columbia River Basin.

This resolution is supported by the governor of the state of Washington, the mayor of the city of Seattle, and the president of the Columbia River Power Company. It is also supported by the Washington State Chamber of Commerce, the Washington State Farmers Union, and the Washington State Association of Counties.

The resolution would authorize the creation of the Grand Coulee Power Development Corporation, which would be empowered to develop the hydroelectric potential of the Columbia River Basin. The corporation would be authorized to issue bonds and other obligations in order to finance its operations.

In conclusion, the development of the Columbia River Basin is of utmost importance to the people of the state of Washington. The resolution I am offering today is a step in the right direction, and I hope it will be passed by the House of Representatives.

Regraded Unclassified
Mr. Douglass said:

The Committee at last attacked him when his activities were brought to light.

Mr. Douglass should have known that this was part of the Congressional process, when one of their members is caught by the House. They might have known that they would have had to do something. They might have known that the Committee would have had to do something. They might have known that the House would have had to do something. They might have known that the country would have had to do something. They might have known that the world would have had to do something.

An attempt was made to use the Decatur record. From the first sessions.

Mr. Douglass, your zeal and love for your country, your firmness, your integrity, your faith, your patriotism, your courage, are none of your enemies. But, Mr. Douglass, you must be careful in the use of the Decatur record. From the first sessions.

The House of Representatives, the Senate, the President, the Cabinet, the courts, the people, the world, are all looking to you to do your duty. You must be careful in the use of the Decatur record. From the first sessions.
The truth is simply and honestly stated. These are not mere speculations, but facts based on authentic information. The main point is that whatever happens in the future, we cannot guarantee that the same results will be achieved. The situation is always uncertain, and the future is unpredictable. Therefore, we must be prepared for any outcome.

When the N został approved on the day of the vote, the opposition immediately proceeded to impeach him for high crimes and misdemeanors. The House of Representatives voted in favor of the impeachment, and the Senate proceeded to try the case.

The Senate acquitted him on the grounds that the evidence was insufficient to prove the charges. The case was then referred to the Supreme Court, which upheld the Senate's decision. The President was thus acquitted of all charges.

The impeachment and trial are examples of the checks and balances system in the United States. The Constitution provides for these procedures to ensure that the government operates within the limits of the law.

In conclusion, the truth is simple:

- The President is innocent.
- The impeachment and trial were conducted according to the Constitution.
- The government operates within the limits of the law.

These are the facts, and they are the only facts.

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**Note:** The document contains a reference to a specific date and a number which appears to be a page number or a chapter number, but its context or relevance is unclear. It is difficult to determine if this is a reference to a specific event or a continuation of a larger discussion. The text is presented as a factual recount of events without any explicit interpretation or analysis.
CONGRESSIONAL RECORD—APPENDIX

February 9

Mr. STEVENSON. Mr. Speaker, at present these men are serving with more honor and more valor than any others we have ever seen. And the President will not allow that to stand for any reason.

Mr. STEVENSON. Mr. Speaker, we have a Constitution that says that the President shall not have power to his discretion to introduce this measure into the service of the State and to change the conditions of service.

Mr. STEVENSON. Mr. Speaker, it is the duty of the President to inform the Congress of his acts and of the reasons which have induced him to act, and the Congress has the power to control the President and the Executive.

Mr. STEVENSON. Mr. Speaker, the Constitution of the United States is the supreme law of the land, and the President is bound by it. If he exceeds his powers, the Congress has the power to impeach and remove him. If he does not exceed his powers, the Congress has no right to interfere with him.

Mr. STEVENSON. Mr. Speaker, the President should have power to his discretion to introduce this measure into the service of the State and to change the conditions of service.

Mr. STEVENSON. Mr. Speaker, I think it is the duty of the President to inform the Congress of his acts and of the reasons which have induced him to act, and the Congress has the power to control the President and the Executive.

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CONGRESSIONAL RECORD-APPENDIX

ARTICLE FROM THE CHRISTIAN SCIENCE MONITOR

Mr. GEARY, Mr. Speaker, as an extension of the work that has been done by the President and the Secretary of War in the past, I am glad to have the opportunity of introducing a bill which will provide for the establishment of a commission to study the problems of the small manufacturers and their ability to compete with large corporations.

The small manufacturers are, as a rule, not able to engage in extensive research and development work. They are often forced to rely on the technology of other companies, and they often have to pay higher prices for raw materials and supplies. This can make it difficult for them to remain competitive in the market.

The purpose of this bill is to establish a commission that will study the problems facing small manufacturers and recommend solutions to these problems. The commission will be comprised of individuals from various fields, including business, government, and academia.

The commission will be charged with the responsibility of identifying the factors that contribute to the challenges faced by small manufacturers and recommending strategies to address these challenges. Its recommendations will be made public and will be used as a basis for policy decisions.

I urge my colleagues to support this bill and encourage the establishment of a commission that will work to ensure the survival of small manufacturers and the continued economic growth of our nation.
TRANSPORTATION OF OIL BY THE OCEAN

EXTENSION OF RELIEF ON
HON. JOSEPH J. MANSFELD
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
MONDAY, FEBRUARY 9, 1914

MR. MANSFELD. Mr. Speaker, I do not think that the present crisis of the world's finances, which have now reached the point where it is necessary to consider the measures necessary for the relief of such States as are now threatened with famine, if it is not relieved, makes it possible for us to stand aside and allow every means to be taken to save the people of that State. We are all aware that the condition of the coffee and rubber industries in Brazil is so critical that the time has come when we must act and act promptly. The recent disaster in Brazil is a warning to the world that the time has come when we must all join together to save the people of that country. The hour has come when we must act and act with all the energy at our command to save the people of Brazil from the danger that threatens them. We cannot stand by and do nothing while the people of Brazil are in danger. We must act and act with all the energy at our command to save the people of Brazil from the danger that threatens them.
From The McNaught Syndicate, Greenwich, Conn.

New York Day by Day
By Charles B. Driscoll

Friday, Feb. 12, 1932

The McNaught Syndicate, Greenwich, Conn.

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By Charles B. Driscoll

Friday, Feb. 12, 1932

**Regraded Unclassified**
FROM: MR. SCHWARZ'S OFFICE

TO: The Secretary

I finally got one of the girls who attended Mrs. Roosevelt's press conference. She says the account on the ticker is practically a complete report of what was said. Her own impression on leaving, she said, was that Mrs. Roosevelt definitely will not resign from OCD under fire but that her continuance will depend to a large extent on whoever is named to succeed LaGuardia.
FINANCING

Present: Mr. Eccles
Mr. McKee
Mr. Leach
Mr. Sproul
Mr. Goldenweiser
Mr. Rouse
Mr. Fansom
Mr. Piser
Mr. Morris
Mr. Bell
Mr. Murphy
Mr. Hadley
Mr. Haas

February 9, 1942
2:50 p.m.

MR. BELL: When they get on the floor, out of the Committee, Cannon will ask for reinstatement of those items that have been eliminated by Wigglesworth. The only thing that could happen would be a motion by somebody, and it would have to be one of the representatives to recommit the bill for further study.

H.M. JR: The whole bill?

MR. BELL: Yes. Now, they said they could do that. Taber says he has no more amendments or suggestions, but he said of course he could have somebody else offer a motion to recommit, but they even think that will be defeated.

H.M. JR: Do they have enough votes for that?

MR. BELL: I should think so.
H. M. JR: You mean recommit the whole bill?

MR. BELL: Yes.

H. M. JR: This is the Post Office-Treasury bill isn't it?

MR. BELL: No, the deficiency bill. You see, the reason they might get it recommitted is because of this OCD emergency, but it takes in all these emergency funds for the other departments.

H. M. JR: Sam Rayburn said he was going to take the floor himself.

MR. BELL: Really? They expect it to pass tonight.

H. M. JR: What?

MR. BELL: The bill. They expect to defeat the Wigglesworth amendment on the floor and the amounts restored and pass the bill tonight.

H. M. JR: Who did you speak to?

MR. BELL: I spoke to John Pugh, who is the assistant. He went in and talked to Mark Shields on the floor.

H. M. JR: Wigglesworth made a new slogan. "Billions for defense, and not a buck for Donald Duck."

MR. HAAS: Donald Duck is very popular.

H. M. JR: That is what I told them today. If they are going to make a party issue on Donald Duck - now, how did he get in on that?

MR. BELL: Well, Mark said that they were talking all around the subject. He thought there would be another thirty or forty minutes debate, just spouting off.

H. M. JR: I see Roosevelt appointed Oscar Cox as Assistant Solicitor General.
MR. BELL: I just heard that.

H.M.JR: Well, you have got two minutes to tell me what I should do. I feel all washed up after that testimony this morning.

MR. BELL: Well, I don't think there is much you need to do today. You can listen to the Federal Reserve Board and get their story. I think George's report that he gave you is good.

H.M.JR: I read that.

MR. BELL: It looks as though everybody or most everybody is thinking about a two and a quarter in the '53-'56 area some place, and I think they all feel that you could put it there in one issue. There have been some suggestions that you split it into two issues, making a note and a two and a quarter or something a little longer. I think we all feel that you should not put the whole issue into the two and a half. That would take it out on the end there, and there is probably not that much money in that area.

H.M.JR: How much money did the insurance companies--

MR. HAAS: Six hundred. They made a special survey for me. Six hundred and seventy.

H.M.JR: Not very much, is it?

MR. HAAS: No, they were over a billion and something before.

H.M.JR: Do you know what has happened to the last issue, who has got it and all that?

MR. HAAS: Yes, sir. It is in that memo.

MR. BELL: It is in the report.

H.M.JR: I didn't read all of it.
MR. HAAS: It was a significant thing that happened on that last issue. It was the last cash issue, wasn't it? The last cash issue had corporations and subscribers other than banks and insurance companies who took quite a piece, a sharp increase in their taking, of the last past issue, the one in December.

MR. MORRIS: Just before Pearl Harbor.

MR. HAAS: Yes.

MR. BELL: New York didn't get any of that cash issue, did they?

MR. HAAS: Yes, they took a little bit.

(Mr. Eccles, Mr. Ransom, Mr. Piser, and Mr. Goldenweiser entered the conference.)

H.M.JR: Well, Marriner, what have you got to say? Those other fellows know what you are going to say?

MR. ECCLES: I don't know whether they do or not. To be good and sure they know what I said, they decided to put it down so the - they weren't going to take any chances on me, you see. (Laughter)

H.M.JR: They made you put it down? If you feel that draft there, I have got the window open to keep the air going.

MR. ECCLES: We met this morning. We had about a three hour session discussing the whole problem, not necessarily this financing except as it relates to the future job as well. We had Mr. Piser give us a memorandum last week with reference to the situation. This is just a brief statement of what we--

(Mr. McKee, Mr. Leach, Mr. Sproul, and Mr. Rouse entered the conference.)

MR. ECCLES: The Secretary had asked me to make a statement as to our position, and I said that - he said
that the rest of you all knew what I was going to say anyway, and I said, well, you didn't feel awfully sure about it, so you decided to put it down in black and white so there wouldn't be any question as to what I might say, so I had just reached the point of reading it.

"In the absence of knowledge of what the general long-term financing program is to be, it is difficult to have any recommendation about any particular issue of Government securities. We have suggested a general program, the core of which is to obtain the maximum amount of funds from investors other than banks, recognizing that there will still be a substantial volume of financing to be accomplished through the banking system.

"The alternative program is a reliance on bank credit for the major part of the new funds which would require the existence of excessive excess reserves and no special attempt to obtain funds from other sources except through the sale of Defense Savings Bonds. Until a general long-term financing program is worked out, a two and a quarter percent bond is indicated for this financing."

Now that is--

H.M.JR: Is that all?

MR. ECCLES: That is all.

MR. MCKEE: That is the shortest you have heard, isn't it? (Laughter)

H.M.JR: That isn't Marriner Eccles. (Laughter)

MR. ECCLES: Believe it or not, I--

H.M.JR: I just thought this was the introductory remarks.

MR. ECCLES: Well, it is. (Laughter) It may well be, before we get through, that that will be your conclusion.
MR. McKEE: That is where you (Secretary) made a mistake. You should have accepted it in conclusion.

H.M.JR: It isn't the first or the last, I hope. Let me read this over. I just thought you were warming up.

MR. ECCLES: You hadn't even started to listen, I will bet. (Laughter)

MR. BELL: He thought he would get the gist of it later on.

H.M.JR: My God, let me read this. The New Deal sure has hit the Federal Reserve.

MR. BELL: You are speaking of the one page now, I take it?

H.M.JR: Half a page.

Well, Dan, do you want to have George set up his ideas?

MR. BELL: What do you mean, what is set out in his report?

H.M.JR: Yes. I don't know whether they have seen it or not.

MR. BELL: Yes, I think George might tell in a general way how he approached the problem in his report. I don't know if it agrees with all of that.

H.M.JR: Go ahead, George, do your stuff and make it as snappy as the Chairman's.

MR. HAAS: We looked at it this way. We tried to consider all the different possible issues that might be used. There was a note. We eliminated that because the main market for notes is in New York City and reserves are tight there. The other possible issues were a two,
a two and a quarter, and a two and a half. If you issue a two, you have a stream-lined line to the banks, and we thought it would look bad. If you issue a two and a half, the funds to carry it all in the two and a half are rather low at this time. We had a survey made of the cash position of the insurance companies; and the cash, as of the end of the year, is down to six hundred seventy millions. A two and a quarter is - could all be carried on a two and a quarter or a two, or it could be carried in a two-way proposition of taking a two and a two and a half, and I think the - in our way of thinking, the issue is between those two propositions, all in the two and a quarter or a two-way proposition of a two and a two and a half, and I think the situation there is close. One disadvantage of - I think theoretically in our mind the two-way proposition is the best, but you have some psychological factors to consider. When you start pricing a two and a half, you have to move it back around nine or ten years, and that doesn't look so good, so that swings it somewhat toward a two and a quarter proposition such as Marriner mentioned and, in my own opinion right now, I think they are very close. I think if the Secretary asked me to make my mind up right at the moment, I would take a two and a quarter, all in one. That is much shorter than I have been used to saying.

H.M.JR: Let me ask a couple of questions to help me. How is that last financing - how has it been absorbed, the last one?

MR. ECCLES: Bob?

MR. ROUSE: The refunding?

H.M.JR: Yes.

MR. ROUSE: It has been pretty well absorbed. The big sellers are finished. The people who took them in exchange and wanted something else have pretty well liquidated them, and the market seems in good shape in respect to that.
MR. ECCLES: Was there much of that, or was it largely held by the owners?

MR. ROUSE: There were some owners of the short-term securities who didn't even want to go as long as the seven to nine years, and they have liquidated by and large.

MR. SPROUL: There is one thing I think perhaps you should know on that, Mr. Secretary. The largest holder of the issues to be refunded who held about ten percent of the maturing issues did not want the '49-'51 and was reluctant to exchange for the '49-'51 and had to be called in and have it suggested to them that it would be a good idea if they did exchange; and, in those circumstances, they went along, but reluctantly. It turned out well for them.

H.M.JR: Was it a group?

MR. SPROUL: That was one bank, Guaranty Trust Company.

MR. BELL: A hundred and twelve million.

H.M.JR: I didn't know that. That is the first time I had heard that.

MR. BELL: Did we put them on the list, Bob?

MR. ROUSE: No, I suggested it, but we wanted to see how this other ten worked out.

H.M.JR: What list?

MR. BELL: We talked about bringing this - representatives of this bank down tomorrow and discussing this financing with them and kind of asking them why this was done.

H.M.JR: Guaranty. Who is the president of that?

MR. ECCLES: Potter.
MR. SPROUL: Eugene Stetson is the president, Conway is the chairman, and William C. Potter is chairman of the executive committee.

H.M. JR: How about Davison?

MR. ROUSE: That is Central Hanover.

H.M. JR: I don’t think I would want to ask them. I think it would be a mistake to ask them. That is my offhand opinion.

MR. McKEE: It is sort of past history, isn’t it, Dan?

H.M. JR: They would say, "Morgenthau had us down on the carpet and said - " you know how they would interpret it. They would take it from you fellows, but they might not take it from me.

MR. SPROUL: I think if you had them down, the thing would be to get their views as to how they look at the market and the financing, not to go back to this last issue and discuss that with them at all.

MR. BELL: You see, you have had Bob Garner down all the time, and I don’t think that Bob may have been in full sympathy with this program. Is that right? We thought that this time you might have a little higher-ups come down and talk to them.

MR. ROUSE: If they had anything on their mind, they could get it off their mind.

MR. BELL: Yes.

H.M. JR: It is all right with me.

MR. ROUSE: I wouldn’t ask them anything about it, if I may offer the suggestion; but, if they had something they wanted to say, they would be given an opportunity to say it.
H.M.JR: Is there time enough to get them down?

MR. BELL: Yes. We have got that schedule pretty full. We have got the other ten people that were suggested.

H.M.JR: Can they all come?

MR. BELL: I haven't heard from Parkinson yet. The rest can come. He was out of the building, and I left a message with his secretary.

H.M.JR: I would like to have Parkinson.

MR. BELL: I told him you would especially like to have him this time.

MR. SPROUL: I would say also, when it was suggested to them, it would be a good idea. They said, "We realize financing has got to be done, and we will do whatever is the thing to do. This is just something we wouldn't take on our own business judgment."

H.M.JR: Do you know whether they kept it?

MR. SPROUL: They have sold them off.

MR. ROUSE: On a rising market and quite profitably to themselves. (Laughter)

MR. BELL: They didn't want to take them, but they sold them and got a nice profit on them.

MR. ROUSE: They averaged nearly a point.

H.M.JR: What would they have done if you hadn't sent for them?

MR. SPROUL: They were not going to turn in for exchange.

H.M.JR: Oh, get cash?
MR. ROUSE: That is right.

MR. BELL: Or sold the rights.

MR. ROUSE: Or turned in on the moderate--

H.M.JR: Potter is president?

MR. SPROUL: He is chairman of the executive committee. Conway is chairman of the board and Stetson is the president. Conway and Stetson are the ones who are on the job regularly. Potter is away part of the time.

H.M.JR: Who should I ask now?

MR. SPROUL: Conway and Stetson, I should say, or either one of them.

H.M.JR: Why not ask them Wednesday morning so it isn't rushing them so?

MR. BELL: All right.

H.M.JR: Why not tell them ten o'clock Wednesday morning?

MR. BELL: That might be a good thing.

H.M.JR: Ten o'clock Wednesday morning.

MR. BELL: Do you want Garner to come with them or just the two of them?

H.M.JR: I think two is enough, isn't it?

MR. ROUSE: Two of them. There will probably be one of them plus Garner, I should think, would be the way it would work out.

H.M.JR: I would give them ten o'clock.

MR. ECCLES: I don't imagine they would both come, do you?
MR. SPROUL: No.

H.M.JR: Well, so much for that issue. I didn't even know - no one told me about it. You gentlemen evidently feel you can go a billion and a half in one issue. Is that right?

MR. SPROUL: Yes.

MR. ROUSE: Yes.

MR. SPROUL: That is right.

H.M.JR: I think I will kind of have to argue against myself. That is what I have been saying right along, you can't split these issues up. Who is the two and a quarter going to please?

MR. ECCLES: Well, it isn't going to - it is a sort of a compromise issue, is really what it is.

The way we felt about it, it isn't going to particularly please the life insurance companies, but they would take it, I think. It isn't going to particularly please the banks. It is a little too long, but they would possibly take it.

We concluded that it was - it is a compromise issue, and it is an alternative to trying to split it up into two or three issues.

MR. BELL: It is something like the two, isn't it? The two is the same idea, that is, on the border line. Some banks would take it, and some insurance companies would take it.
MR. ECCLES: That is right.

MR. HAAS: The banks that are adding net to their portfolio are the ones that are outside of New York.

MR. ECCLES: Yes, I don't think the New York - I don't think the New York banks are going to take this long an issue and hold it. Likely, that is. There is no indication of the situation here, the banks are taking a lot of securities. That is, during the past year they have taken a lot. Take the banking system as a whole, they have taken over four billions, increased their holdings of governments in the last year alone over four billion dollars so that they are not really doing much financing outside of the banks in the aggregate, except through the Defense Savings. The market financing, what has been done in the past, has been going to the banks in quite a large scale.

MR. BELL: The last six months shows a better picture, though.

MR. ECCLES: Yes, the last six months in the New York banks, they have been taking practically none. In fact, on the balance they have taken none. The banks of the country, however, in the last six months have increased their holdings by close to a half billion over what they did the first six months. They took a little over a billion the first six months, and nearly a billion and a half the second six months.

MR. BELL: The outside people have taken more than they have in the past, corporations and individuals.

H.M.JR: What are the New York reserves now?

MR. SPROUL: A little over a billion.

MR. MCKEE: The excesses are about a billion, one hundred twenty-five thousand.

H.M.JR: What has happened the last couple of weeks?

MR. ROUSE: It went off about fifty million, I think, last week.
MR. McKEE: Well, they are up about four hundred million dollars since the last tax payment date. Isn't that right?

MR. SPROUL: Mr. Rouse, as a result of preliminary looks into the market and some talking with the market, had an estimate as to where various issues might fit in. You might give that estimate and show where the two and a quarter would be liked.

MR. ROUSE: Well, my guess was this, in trying to appraise the amounts that might be taken by different groups of different types of issues, that a note of a three or four year maturity of three hundred fifty to four hundred million--

H.M.JR: Say it again, Rouse.

MR. ROUSE: Taking a billion and a half and figuring what proportions might be taken in different groups, where the demand would be, I would say that perhaps three hundred and fifty million in a three or four year note, maybe four hundred million, and a two and a half percent bond of four hundred million, and a two or two and a quarter percent bond, seven hundred to seven hundred fifty million--

H.M.JR: Would go where?

MR. ROUSE: To the banks. That is where the demand is, banks and others.

H.M.JR: Really?

MR. ROUSE: We figure there is a demand largely by the banks outside of New York City. There would be some demand in New York City for them. Those would be about the proportions.

H.M.JR: Does this two and a quarter fit in all right?

MR. HAAS: On '53-'56.

MR. BELL: '53 is vacant.
MR. HADLEY: About eleven years.

MR. BELL: March '53 is vacant, and March '54 is vacant. '55 and '56 both have call dates.

MR. McKEE: Dan, how much--

H.M.JR: Excuse me. You have got a '53-'55.

MR. BELL: Yes.

MR. ECCLES: That is what we thought, '53-'55 or '52-'54. That might be a little sweet.

MR. BELL: '53-'55, the first call date is June 15.

MR. McKEE: I was wondering what your balance is going to be up to--

H.M.JR: Give him that, Dan.

MR. BELL: Well, the figures are at this time a little significant. As a matter of fact, we are looking strictly at the balance - if we were, we wouldn't have to borrow this month, but we thought it was better to borrow this month than to borrow in March, and certainly, we don't need a billion and a half, but we thought it was better to borrow a billion and a half now than to borrow two billion or more in April or May. We would go--with this billion and a half we will go out of February with two billion six, and we will go out of March with two billion, two hundred seventy-seven million, and we will go out of April with possibly a billion nine, with another billion and a half borrowing in April. This contemplates that we reduce the bills, three issues of bills, two hundred million dollars each, to a hundred and fifty million, that we retire four hundred fifty million of bills in the March tax dates, and we have another hundred and fifty there if we need to redeem them, and then we will pick those bills up beginning March 25, new cash, so that in that period there isn't any loss of bills other than that hundred and fifty million dollars which we would redeem, fifty million dollars, and three issues of two hundred million dollars each.
MR. McKEE: What if you accelerated tax payments for June to cut down on your two billion dollars in April?

MR. BELL: Well, you mean have a billion now and just cut it down five hundred million now until such time as you picked up your June bills. In three or four weeks you would pick them up. You could do that.

MR. McKEE: Whether a billion and a half now is going to have a secondary market that is going to confuse your bond market between now and tax payment date, that is the question.

MR. BELL: You don't think it would be pretty well disturbed by March 1?

MR. McKEE: Well, ask Bob on that. What would be the tail end of the secondary market in this issue? What dates would you place on it? About the tenth of March or twelfth of March?

MR. ROUSE: It should be pretty well done in three weeks. Your delivery date on the basis of the thirteenth would be the twenty-fifth.

MR. BELL: That is right.

MR. ROUSE: Around March five. I don't know what day of the week that is.

MR. BELL: That is Thursday.

MR. ROUSE: That would be about three weeks.

MR. BELL: That would be about two weeks. Oh, well, you are figuring on trading before the issuing date.

MR. ROUSE: Yes.

MR. BELL: Yes, that is right.

MR. MORRIS: Mr. Secretary, coming back to a remark by Mr. McKee, I was looking for the up-to-date figures.
and I haven't got them for the last couple of weeks, but the proportions are about the same on this excess reserve figure. While you can't do it absolutely logically, yet practically, I find a lot of people look at these excess reserves and take away from them the United States Government deposits. Now, when you do that, this figure is for January 7, the New York City reporting banks had excess reserves of nine hundred thirty six, less United States deposits, eight hundred forty two. And, therefore, what they might term good excess reserves of only ninety four million, which I think, has to be taken in mind, so that the reserve picture less United States deposits is a very different picture from the straight excess reserve picture. I just mentioned that as one factor.

MR. BELL: I don't see how anybody though, Dave, could figure it that way.

MR. MORRIS: A great many of them do.

MR. SPROUL: I think we have to do some educating there. In places where they do, that is a revolving fund that is paid out as fast as it is taken in. It may not go back to the same bank.

MR. MORRIS: That is one of the important points, that it doesn't go back to the same cities.

MR. ROUSE: Thinking in terms of pressure, practically all of the people who have substantial amounts in war loans in New York have now made provisions so that between their assets and short term maturities they can take care of themselves very comfortably.

MR. MORRIS: That is true, but it affects the situation. They think about it.

MR. SPROUL: It affects their thinking to some extent.

MR. MORRIS: That is what I mean.

MR. McKEE: It is certainly going to affect their thinking in the secondary market. They will subscribe, but what are they going to do in the secondary market?
They can't do any more than they are allotted, of course, but they can do that much in its entirety.

MR. BELL: Twenty percent of that, or a little better, twenty-six percent probably, is excess in the reserve picture, required reserves, so that when you draw it, you get down one-fourth of it in required reserves.

MR. SPROUL: The same situation exists with respect to the bank deposits. Take their excess reserves and set them against their two billion of inter-bank deposits, of banks outside of New York, and it would clean out the excess reserves entirely, but they just don't all go out at one time.

MR. ECCLES: Take that with reference to any deposits they have got, corporation deposits too. In that case they would have to be a hundred percent liquid.

MR. HAAS: Yes.

MR. MORRIS: I said it is not a mathematical exactitude, but it is just a factor.

H.M.JR: May I just interrupt? This is amazing. Donald Duck - we had two things happen today. In the first place, they tried to cut our appropriation six million on Defense Bonds. I appeared before the appropriations committee. I said, "Well, now, gentlemen, I want you to hold on. I want to hold a conference. I want you to take the entire appropriation away on defense bonds, or give me my twenty six. I want one or the other. I mean, either cut the whole thing -" a little earlier they voted - "or give me the twenty-six," so it is sort of a vote of confidence, you see. Then this fellow, Taber, you may have seen, they struck out my Donald Duck (Laughter)-- Well, this is what he has done. Taber spoke after Appropriations Chairman Cannon urged the House to reverse its action of last week in barring funds for eighty thousand dollars - Donald Duck picture, on payment of income taxes. He argued that appropriations were sound for the Treasury, and so forth and so on. In other words, Taber asked to have that put back.
MR. RANSOM: What has he done, seen the picture?

H.M.JR: No, this is interesting. He refused to see the picture. Fortunately, my wife went with me to the New York Tribune, and they had a marvelous review of it, and I gave it to him this morning, and I didn't say to him what I said to the others. I said, "Here is a Republican, please excuse this - but I said, "Here is a page from the Republican Bible," with apologies to any Republicans present. And I gave him this copy of the New York Tribune, which gave us a wonderful review. I said, "Just read it." And he did. He must have. I have got to call up Mr. and thank him. (Laughter) If that is correct--

MR. BELL: That is good.

H.M.JR: If that is correct, I get more kick out of that, because I told them up there - I said, "If you are going to have a straight party vote on Donald Duck, you are dumber than I think you are, because Donald Duck is going to win." (Laughter) If you are going to vote on Donald Duck, then you are just silly." What? I hope - I wonder if we can't--

MR. BELL: That looks as though it is off the floor of the House, and not the committee as a whole.
H.M.JR: Who is following this? I am more interested in this, in the billion and a half. Who is following this?

MR. BELL: Get Thompson to call the assistant clerk.

H.M.JR: Just one minute. You see, I got kind of sucked into the back-draft on this OCD business, you see.

MR. McKEE: I saw your picture for the first time yesterday. It is pretty good. It is very educational.

H.M.JR: It is a good picture isn't it? Did they applaud when you were there?

MR. McKEE: Yes, they had a good audience.

MR. BELL: I think it is the best Donald Duck picture I have ever seen.

H.M.JR: It is the best money we have ever spent. Now, the picture itself cost forty thousand dollars and the reels cost another forty, but the comment all over the country - it puts people in a good humor. Hell, we have got to rook them and if we can rook them with a smile-- (Laughter)

MR. McKEE: I think that particular part of it where he is waiting for the discussion of what the important news is and he hangs by his tail from the top of the radio-- (Laughter) he is just all in when he gets the bad news.

H.M.JR: Twelve billion dollars for the navy like this but we were out to collect from seven million new tax payers and try to reach them, you know - it is a straight propaganda picture. I didn't offend any Republicans here, did I? I am not looking at anybody. If I did, I apologize.

MR. BELL: There aren't any.

MR. RANSOM: Well, it is their bible, isn't it?
H.M.JR: Well, I don't want to get - I have always considered that in the East it is their mouth piece, let's put it that way. It is a good paper, too. The thing that you (Rouse) said amazes me, that you think that the banks would take more of the two and a quarter than anything else.

MR. ROUSE: That is looking at the banks in Philadelphia and Pittsburgh and Cleveland and that type of city.

H.M.JR: It is a change, isn't it?

MR. ROUSE: Well, they have always been for the higher rates in the notes. The notes are in New York, by and large.

H.M.JR: Is that what influenced you (Eccles) on the two and a quarter?

MR. ECCLES: Yes, that and the problem of issuing the two and a half. In other words, if you split it you would have a two and a half and then possibly a two or something shorter and there were two things that influenced me on it. One was that you have got nearly a billion and a half a month of financing to do pretty soon. That is the rate that is coming along.

H.M.JR: That is right.

MR. ECCLES: The idea of trying now to begin to split up issues, it seems to me we have got to get away from the idea of - of the volume that has got to be done of splitting issues. That was one thing. Another was that it was very difficult to price a two and a half percent bond in lieu of the '67-'72's of the long two and a half. You would have to make it a shorter issue than that and the inquiry then would be, would you let the '67-'72's go below par or would you peg the new two and a half at a premium? In other words, would you guarantee - would you underwrite the underwriters? That was another difficult factor.

H.M.JR: Can we do that after what you said about them?
MR. ECCLES: About the underwriters? Well, I don't know. I don't think anything I said about it would necessarily deter us if it was necessary. (Laughter) But I think that is one of the problems that you are confronted with if you issue the two issues.

H.M.JR: Dan, have you made any progress with the Federal Reserve on that issue where you had to hold it for five years.

MR. BELL: Yes. We have got reports from all the banks and one from the Board which we really expected to take up last week and then certain things came along and so forth but I expect to take it up just as soon as this financing is out of the way.

H.M.JR: Could you do that?

MR. BELL: Yes. We would have done it last week if it hadn't been for the China loan.

H.M.JR: With the Board?

MR. BELL: We have got the comments of the Board and all the banks on it.

MR. ECCLES: Did you have an opportunity to go over the memorandum that we sent over here about ten days ago?

H.M.JR: That has been circulated.

MR. BELL: We have all read it and that is another thing that should be taken up at the same time with the Board.

MR. ECCLES: That, of course, is rather a comprehensive approach to the whole problem, with some specific suggestions and reasons for them and it is the result of not just one conference but it is the result of the discussion of this whole subject of war financing over a period, I would say, of a year.
H.M.JR: It was a good memorandum.

MR. ECCLES: We have given it an awful lot of thought and an awful lot of consideration and study to the aspect of it and we feel that if the Treasury could use the reserve system to try out the getting of these funds outside of the banks, it is just like your Defense Savings. Now, the Defense Savings wouldn't be nearly as successful as it is if you just waited for people to come in.

H.M.JR: That is right.

MR. ECCLES: You have had to go out and sell it to them.

H.M.JR: That is right.

MR. ECCLES: Now, the same thing is true with a lot of other funds, business funds, all kinds of funds, because after all we do have a volume of bank deposits that is very, very large and they are not being used, I think, nearly as fully as they could be, but we have just got to go out and find out where they are and sell them, that the people should use - corporations and individuals whose funds are idle, they shouldn't be, they should use them, and if they use them in financing the Government, they are less likely to use them in speculative excesses later on. They are less likely to go into the real estate market or to run for money in something else and we think it is very important to get just as much as possible outside of the banks so as to get the people to hold government securities who are interested in the war program as it is to - that by doing that it tends to reduce the likelihood of shifting from money to things. People will be much less likely to cash their governments in to buy than they will be to use their money and we feel there is a lot of funds that will not go into a market issue because they don't want that type of an issue. They want to be sure they will get their principal. They want liquidity and I think what we need is some form of extension of the savings security and I believe that the Reserve banks,
particularly in the business field, in the branches, can do a very good job in really getting a lot of these funds out and we would like the opportunity to try it. There wouldn't be anything lost about it if it didn't work.

H.M.JR: Well, right after this I would like to sit down with you, as soon as we get this thing out, and talk to you about it. I would like very much to sit in on it myself. Who on the Board particularly looks after Defense Bonds, or what happens? Is there anybody?

MR. ECCLES: John has been working with the Defense Savings.

H.M.JR: Is he doing that for us?

MR. BELL: They have a committee.

MR. McKee: Alan is chairman of the Committee.

MR. BELL: And John is the liaison between the committee and the banks.

H.M.JR: We are getting splendid cooperation from the system on that. That is going fine. We took in two hundred fifty million last week. They tell me not to expect that. They think that a lot of people the end of January took their limit. They waited until the end of January and we only got the money in February.

MR. McKee: Have you made any calculations of the statements you have got on payroll reductions, what the total means, accumulated total will mean?

H.M.JR: Haas is working on that. Can you give any answer? Have you got far enough along?

MR. HAAS: We are just getting in the December reports, or rather an analysis of the December reports. The request for the January figures has gone out. The December - many of the companies were just getting under way. The state administrators reported eleven thousand firms of various
kinds. Many of these firms then we asked the firm to report their total payroll, how many people participating, and what percent of the payroll. Many of these firms in December didn't have their system under way. They were just starting it. But we made an analysis of fifteen hundred complete reports and we have analyzed them by the size of the company and of those firms, twenty-three percent and some odd fraction were participating and those employees which are having a deduction made from their salary, the deduction amounted to - the average about four percent, but when you take this deduction expressed in terms of the total payroll it is only about one percent.

MR. McKee: Well, George, what does it mean in accumulated dollars, as if you were getting that in? How much more would that add to your two hundred fifty million dollars?

MR. Haas: Well, you couldn't draw any conclusion from fifteen hundred on that, you see, because I think the amount of money being deducted monthly is only a couple of million dollars, you see.

H.M.Jr: You see, what we have done, we have got the company to put in the system. They have done that or they are in the process. The last figures I saw of companies with five hundred or over employees, sixty percent of them had the system. The next thing is, we have got to go to these workers and sell them the idea to use the system.

MR. McKee: Well, that part of it is accumulating a lot of issuance of bonds at some later date.

MR. Haas: That is right.

MR. McKee: And what I thought was that you might, from those reports, if you get them in in some complete form, know what you - how much you are selling on accumulative basis.

MR. Haas: Well, we will know that but it is too early.
MR. BELL: Well, it really just got under way at the end of January.

H.M.JR: He has got the statistics set up now so that we can do that but it is all too new to make any forecasts. I don’t think they would be worth anything.

MR. McKEE: Well, we have got another idea we want to sell. I am not going to bother you or this group. It is an idea of getting money to you on a savings plan, getting it to you quicker. It came from the field but we will put some refinements on it whereby short term bank loans may assist you to get your money in now in quantities coming from people such as physicians and women that have income or something else that want to buy on a time basis.

H.M.JR: Well, just as soon as this one is over I would like to sit down, because as the Chairman said, it is getting to be a big business and I think we have got to think up some new wrinkles.

MR. ECCLES: It is going to be continuous. It is just one of those continuous things and we have sort of got to get on a schedule, it seems to me, so that it becomes more routine than it is.

MR. McKEE: The more we can get in this way, the less you have got to do the market way.

MR. ECCLES: That is right. That is the point.

H.M.JR: Well, I am going to see these eight or ten people tomorrow. Then could you people save me some time on Wednesday?

MR. ECCLES: I could. I don’t imagine Alan and Bob could.

MR. SPROUL: Well, we will be on the phone.

H.M.JR: When would you like to get together on Wednesday?

MR. ECCLES: John?
MR. McKEE: I will be available.

MR. BELL: Eleven.

MR. ECCLES: Eleven Wednesday morning?

MR. BELL: I would like to get it on the wire.

H.M. JR: All right. We will meet at eleven, but I am not going to promise to make up my mind. I may. Is that all right, gentlemen?

MR. ECCLES: It is all right.

MR. McKEE: Yes.

H.M. JR: Thank you all.
FEbruary Cash Financing

The following are possible offerings for cash. I believe that the offering should be limited to one issue and from market indications a 2-1/4% bond appears to be best at this time. Although my original leanings were toward a 2-1/2%, I now feel we might have a better market later if we saved the 2-1/2% until April. I believe a 2% issue should not be attempted at this time, so soon after our last two issues. I also feel notes should be avoided. We may need them later.

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<th>Yield</th>
<th>Price</th>
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TO Secretary Morgenthau
FROM W. H. Hadley

TREASURY DEPARTMENT
INTER-OFFICE COMMUNICATION

DATE February 9, 1942

TREASURY NOTES

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Regraded Unclassified
1. In the absence of knowledge of what the general long-time financing program is to be, it is difficult to have any recommendation about any particular issue of Government securities.

2. We have suggested a general program the core of which is to obtain the maximum amount of funds from investors other than banks, recognizing that there will still be a substantial volume of financing to be accomplished through the banking system.

3. The alternative program is reliance on bank credit for the major part of new funds, which would require the existence of excessive excess reserves, and no special attempts to obtain funds from other sources except through the sale of Defense Savings Bonds.

4. Until a general long-term financing program is worked out, a 2-1/4 per cent bond is indicated for this financing.
TO Secretary Morgenthau
FROM Mr. White

DATE Feb. 9, 1942.

1. The Federal Reserve Bank of New York reported that they didn't have a copy of the speech which Prof. Montfort Jones made before the American Bankers Association, and upon checking with the American Bankers Association found that there is no printed copy available. They said it was not a set speech.

2. Mr. Jones is a Professor of Finance, University of Pittsburgh. A.B. and A.M., 1912-1914, University of Wisconsin. We have searched through the technical journals and all other sources and cannot find anything he has written either in the way of books, articles, or reviews. Nor have I been able to find anyone who knows of him. However, I am still trying to see if we can find anyone who knows him.

3. I have read the New York TIMES press account of his statement (appended) and confess I see nothing in it other than most elementary views on the problem. Of course, he may have made an excellent speech, but there is nothing in the appended press report which would indicate that the views expressed by Jones were in any way outstanding.

(Incidentally, "Who's Who" lists Professor Montfort Jones as a Republican.)

Attachment
Some Factors That Expanded Currency in Last Conflict at Work, Expert Says

NEW MEASURES APPLIED

Prof. Mortimer Jones Tells Bankers of Virtues of Taxes, Bonds, Price Control

Although factors that make for wartime inflation are at work, "physical and regulatory measures" in force now will prevent anything similar to the currency expansion of the last war, in the opinion of Montfort Jones, Professor of Finance at the University of Pittsburgh.

Professor Jones spoke yesterday at the conference of the trust division of the American Bankers Association in the Hotel Waldorf-Astoria. The three-day meeting was closed at a luncheon at which former Governor Clyde R. Hoey of North Carolina was the speaker.

Professor Jones remarked the tremendous expansion of Treasury-stimulated purchasing power arising out of government expenditures and its effect on "a decreasing volume of consumers' goods."

New Attack on Problem

"The factors which make for wartime inflation are the same as during the first World War," he said, "but we did not attack the problem then as we are attacking it now, through physical and regulatory means. The country was never so inflation-conscious. People have become so alarmed over inflation that they are willing to accept economic dictatorship if it is honestly and intelligently administered."

Professor Jones listed as physical measures against inflation taxation and "the policy and campaign of mopping up surplus purchasing power through the sale of Defense Bonds to the public." The regulatory measures, he said, were price control and rationing.

He also observed that after a year and a half of defense preparation the level of wholesale prices was not up to the peak of 1920.

As to higher taxes to finance the war, Professor Jones warned against an increase that would jeopardize "economic stability and public morale, which must be maintained." He suggested that "between 50 per cent and two-thirds of the cost of war" should come through taxation.
February 9, 1942
3:53 p.m.

HMJr: Hello.

Philip Murray: Hello, Mr. Secretary.

HMJr: Hello, Mr. Murray.

M: How are you?

HMJr: I'm fine.

M: That's good. I'm wondering if I couldn't drop over to see you sometime tomorrow.

HMJr: Well, now, I tell you - let me just see. Just a minute. I've got - I'm working on my financing.

M: I see, uh huh.

HMJr: I tell you, is nine o'clock too early?

M: No, that would be perfectly all right.

HMJr: What?

M: I can drop over to see you at nine, certainly.

HMJr: I'll be delighted to see you.

M: All right. I'll drop over there at nine o'clock then.

HMJr: Delighted to see you.

M: Very fine, sir. Thank you, Mr. Secretary.

HMJr: Good-bye.
OFFICIAL

DR. WALTER STEWART
INSTITUTE FOR ADVANCED STUDY
PRINCETON, NEW JERSEY

FEBRUARY 9, 1942

I WOULD APPRECIATE YOUR LETTING ME KNOW WHETHER YOU WILL BE
ABLE TO COME DOWN WEDNESDAY AS WELL AS THURSDAY. BELL,
VIBER AND WHITE ARE ALL FAMILIAR WITH THE PARTICULAR PROBLEM
I HAVE IN MIND THAT I WISH TO CONSULT YOU ABOUT.

HENRY MORGENTHAU JR.
February 10, 1942

TO: Mr. Bell
    Dr. White
    Dr. Viner

FROM: The Secretary

I have invited Walter Stewart to come down to advise us on Lend-Lease in reverse. He will be here Wednesday morning and remain until late Thursday afternoon.

Please give him anything and everything that he needs to prepare himself.
February 9, 1942

Honorable Henry Morgenthau
Secretary of the Treasury
Washington, D. C.

Dear Mr. Secretary,

Thank you for your letter of February 7 enclosing Mr. Mack's memorandum relative to Mr. Robson's proposal covering arrangements for freight forwarding on Lend-Lease shipments. We are immediately considering this further, and will keep you and Mr. Mack advised.

With best wishes,

Sincerely yours,

E. R. Stettinius, Jr.
February 9, 1942

Dear Bill:

I am glad that you sent me your comments on the McKellar bill, and glad also that you have taken such a strong position against it. From all that I hear, the bill flies right in the face of everything the President is trying to do to create cooperation among the United Nations in the war.

Sincerely,

(Signed) Henry

Colonel William J. Donovan,
Coordinator of Information,
Washington, D. C.
Received from Miss Chauncey. Secretary said refer to Mr. Kuhn. Has not been acknowledged.
Dear Henry:

Bob Sherwood has just told me of your interest in the McKellar bill. The Bureau of the Budget asked me for my view of it and I enclose a copy of my reply.

Sincerely yours,

William J. Donovan

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

Attachment
February 3, 1942

Mr. Harold D. Smith,
Director, Bureau of the Budget,
Washington, D.C.

Dear Mr. Smith:

In answer to your letter of January 30, 1942, asking for comments on H. R. 6269, I have the following objections to make to the approval of this bill:

The bill is apparently aimed at the dissemination of propaganda in the United States by foreign controlled groups, and with this aspect of it I have no quarrel.

But its provisions go beyond the purpose just stated and in so doing seem to me to lead to undesirable results.

Thus the bill, by its terms, includes foreign "information-service employees" engaged in "furnishing . . information . . with respect to the . . conditions of any country other than the United States . . .," with no limitation on to whom the information is furnished.

The bill would therefore seem to apply e.g. to the representatives located here of friendly or even allied governments where those representatives are engaged in furnishing to their own governments information on conditions in any other foreign, including Axis, countries.
Thus the British Security Coordination, which works in close cooperation with this and other departments of the United States Government and with the representatives of other allied governments, would seem to be included. The British Security Coordination here "collects" information on the activities of Axis agents in foreign countries outside the United States, and "furnishes" that information to others, viz. the British, American and Allied governments and their agencies.

Presumably other agencies such as the British Ministry of Shipping, which receives and furnishes reports on shipping and related matters, would also be included within the terms of the bill.

Compliance with the requirements laid down for the registration statements to be furnished, particularly since these statements are to be public, would be impossible for such representatives.

At a time when close cooperation between the United Nations in matters of intelligence, as well as in many other matters, is just being worked out, the enactment of a bill which might be interpreted as I have suggested seems most unwise. Not only would it jeopardize the splendid coopera-
tion which this office, for one, has been getting from representatives of many of our allied governments in this country, but it might subject us to retaliatory measures abroad which would hamper our own tasks there.

I believe that there should be some specific exemption in the bill giving legal sanction to activities of friendly nations here of the type I have mentioned. It is no answer to say that the bill will be administered in such a way as to protect the representatives of any given nation because that is to say, in effect, that we will permit or wink at a flaunting of the law, and makes its enforcement dependent upon the individual judgment of some given administrative officer. Administrative officers change; there would thus be no uniformity or certainty in that regard. No nation should put itself in that precarious position. The expediency of administrative action may be adopted to avoid the unjust application of an existing statute, but no such substitution of the rule of men for the rule of law should be resorted to in proposed legislation. Any legislation which, on its birth, requires the setting up of special regulations or administrative machinery to bring about its non-application in certain instances is not good
Mr. Harold D. Smith

legislation.

Very truly yours,

William J. Donovan

Feb. 3, 1942
TO: Secretary Morgenthau
FROM: Mr. Hase
Subject: Operation of Payroll Savings Plan in December 1941

1. The attached table summarizing the operations of payroll savings plans in 1,500 companies during December 1941 covers about one-half of the companies operating such plans in the middle of that month. The data shown have been submitted to the Treasury during the last two weeks in response to your letter of January 19, requesting periodic information on the sales of savings bonds under payroll savings plans.

2. The 1,500 companies included in the table employed 1,700,000 persons in December, some 367,000 or 21 percent of which participated in a payroll savings plan during that month. The extent of the participation in the various companies; it appears from the table, was inversely proportional to the size of the company; that is, the participation was greatest in the smaller companies and was smallest in the larger companies. This situation was accounted for by the fact that a great many of the companies reporting had just gotten their plans into operation in December and sufficient time had not elapsed to allow the completion of the mechanics required to obtain pledges from a large proportion of the employees. The mere passage of time should allow these companies to make a much better showing in January.

3. The employees participating in payroll savings plans in the 1,500 companies allowed $2,000,000 to be deducted from their pay in December for the purchase of defense savings bonds. This represents only 3 of one percent of the aggregate payroll of the 1,500 firms, but it represents about 2 percent of the payroll of the employees participating. The proportion of salaries deducted was probably enlarged in December, it should be pointed out, because of (1) Christmas bonuses; (2) the large proportion of the higher salaried employees participating the first month a plan is in operation; and (3) the lump sum purchases made by executives during the first month to help a company make a good showing.
4. As soon as more data arrive, I shall submit a table covering a larger number of companies operating payroll savings plans in December. The companies included in the attached table cover a sufficiently large proportion of the plans existing in December, however, to be entirely representative of operations during that month.
## Summary of the Operation of Payroll Savings Plans in December 1941

(As reported to the Treasury by 1,500 companies participating in the plan in that month)

<table>
<thead>
<tr>
<th>Size of company</th>
<th>Number of companies reporting</th>
<th>Aggregate number of employees exposed</th>
<th>Aggregate number of employees participating in payroll savings plans</th>
<th>Percentage of employees participating</th>
<th>Aggregate payroll of employees exposed</th>
<th>Aggregate amount of deductions from pay</th>
<th>Percentage of aggregate payroll of employees participating</th>
<th>Approximate aggregate payroll of employees participating</th>
<th>Percentage of aggregate payroll of employees participating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 100 employees</td>
<td>552</td>
<td>24,198</td>
<td>15,200</td>
<td>62.2</td>
<td>3,709,695</td>
<td>53,961</td>
<td>1.5</td>
<td>2,376,368</td>
<td>3.5</td>
</tr>
<tr>
<td>100 - 200 employees</td>
<td>406</td>
<td>60,387</td>
<td>31,967</td>
<td>52.5</td>
<td>9,982,557</td>
<td>195,974</td>
<td>2.0</td>
<td>4,551,608</td>
<td>4.3</td>
</tr>
<tr>
<td>200 - 500 employees</td>
<td>146</td>
<td>35,244</td>
<td>19,286</td>
<td>54.9</td>
<td>7,280,412</td>
<td>105,263</td>
<td>1.4</td>
<td>3,765,164</td>
<td>3.3</td>
</tr>
<tr>
<td>500 - 1,000 employees</td>
<td>173</td>
<td>124,003</td>
<td>70,092</td>
<td>56.3</td>
<td>13,004,700</td>
<td>210,750</td>
<td>1.6</td>
<td>5,778,330</td>
<td>3.9</td>
</tr>
<tr>
<td>1,000 - 5,000 employees</td>
<td>128</td>
<td>209,239</td>
<td>90,101</td>
<td>43.2</td>
<td>33,769,514</td>
<td>361,021</td>
<td>1.0</td>
<td>6,066,851</td>
<td>4.2</td>
</tr>
<tr>
<td>5,000 - 10,000 employees</td>
<td>36</td>
<td>180,496</td>
<td>81,192</td>
<td>45.2</td>
<td>61,590,076</td>
<td>301,197</td>
<td>0.7</td>
<td>4,679,577</td>
<td>8.1</td>
</tr>
<tr>
<td>10,000 - 20,000 employees</td>
<td>22</td>
<td>147,295</td>
<td>59,683</td>
<td>40.3</td>
<td>84,329,145</td>
<td>228,030</td>
<td>0.9</td>
<td>5,060,237</td>
<td>8.5</td>
</tr>
<tr>
<td>Over 20,000 employees</td>
<td>13</td>
<td>88,028</td>
<td>46,694</td>
<td>53.0</td>
<td>42,597,305</td>
<td>256,137</td>
<td>0.7</td>
<td>6,056,222</td>
<td>3.6</td>
</tr>
<tr>
<td>Total - all companies</td>
<td>1,500</td>
<td>1,713,260</td>
<td>667,825</td>
<td>39.4</td>
<td>2,524,173,574</td>
<td>32,810,764</td>
<td>1.2</td>
<td>368,833,146</td>
<td>8.1</td>
</tr>
</tbody>
</table>

Office of the Secretary of the Treasury, Division of Research and Statistics.  
February 9, 1942.
MEMORANDUM FOR THE SECRETARY:

You asked me the other day for a report showing the activity of the Defense Savings Staff, (a) in Washington, and (b) in the field, designed to increase the participation of employees in pay-roll savings plans.

I transmit such a report herewith.
ACTIVITY TO INCREASE PARTICIPATION

IN PAYROLL SAVINGS

(a) In Washington
(b) In the field

(a) Washington Activity

1. Statistical Study. The Division of Research and Statistics has circulated all firms where payroll savings is in effect and is receiving monthly reports of extent of participation. These reports will form basis for follow-up field activity (See Field Memorandum #18, attached, EXHIBIT J).

2. Savings Schedule. A savings schedule has been prepared which will reach nearly 50,000,000 persons of regular income. This schedule sets forth a suggested savings program for the various income groups based on a goal of payroll savings in excess of ten billion dollars. (See EXHIBIT "A" attached).

3. Certificate of Award. A certificate is being designed as an award to firms where 90% or more of employees participate in payroll savings. This certificate will entitle firms in this category to purchase and display a specially designed Minute-Man flag.

4. Press Activity:

(a) Clip Sheet. A clip sheet entitled "U.S. Defense Payroll Savings" has been and will be furnished all newspapers. This sheet sets forth advertising, editorial, and news copy for reprinting (EXHIBIT "B" attached).

(b) Mat and Cut Service. Free mat and cut service is being maintained for publications of all types. These mats and cuts set forth payroll savings messages: "Make Every Pay Day Bond Day" etc. (EXHIBITS "B" and "C" attached).

(c) House Organs. A committee has been set up to encourage installment and wide participation in payroll savings through House magazines. There are 3000 such magazines in the country with an estimated 15,000,000 readers. A news bulletin for the editors of these magazines and special material for their guidance has been made available. (EXHIBITS "D" and "E" attached). This committee consists of editors of four outstanding house magazines.
(d) Cartoons. A committee of nationally known cartoonists have been enlisted to provide a steady stream of timely cartoons. Those which will be provided house organs, trade papers and the labor press will emphasize payroll savings.

(e) Newspapers. All newspapers, news syndicates and syndicated writers have been contacted and supplied with material in support of payroll savings activity.

5. Radio Activity. The radio section is emphasizing payroll savings activity by circularizing local radio stations to bear down on spot announcements concerning the plan. There are being read over the air congratulatory letters from the Treasury to firms installing the plan. To this is to be added the reading of congratulatory letters concerning wide participation. A radio plug being used currently reads in part "------if there is a plan in your firm talk to the man next to you who has not as yet come in on the plan."

6. Study of Successful Plans. Successful payroll savings plans are being studied with a view to duplication. The material of an entire campaign conducted by General Electric Company is being printed for distribution to 39,000 firms. This campaign, in three weeks, resulted in an increase in payroll savings participation from 17% to 83%, with an average subscription of $150 per annum per employee. (EXHIBIT "I" herewith).

7. Promotional Material. Special material to increase payroll participation has been prepared. (This is in layout form ready for printing). This material consists of:

(a) A 16-page manual entitled "How to Install and Successfully Operate a Payroll Savings Plan." Much of this is devoted to proven "Do's" and "Don't's" gathered from a study of successful plans.

(b) folders for workers.

(c) "stuffers" for pay envelopes

(d) posters for bulletin boards

(e) a booklet entitled "Payroll Savings Promotion Manual—How Others are Reaching the Goal." This booklet is entirely devoted to material for firms with low participation and includes descriptions of successful plans and promotion ideas and lists, and describes available posters, folders, envelope stuffers, etc.
*The recipient is to plan the project operations and to improve project coordination with the key personnel in the organization. The main objectives of the project include:

1. **Project Organization**: The project director, project coordinator, and the project team will be responsible for coordinating the project activities. The project team will be handled by the project manager.

2. **Project Coordination**: Regular meetings are scheduled for Boston, Chicago, and San Francisco.

3. **Project Execution**: A personal computer of the project coordinator will be used.

4. **Project Support**: Support for the project will be provided by the organization.

5. **Project Management**: The project is expected to start in the next two weeks. The project team will be coordinated by the project manager. The project team will be divided into sub-teams for better coordination.

By the end of the project, the project will be completed and the final report will be submitted.
4. **Labor Activity.** Union locals are being approached by the Staff to increase participation. Local union radio broadcasts are being used.

5. **Local Radio Activity.** The field force is being encouraged to supplement national radio activity with local copy, lists of payroll savings plans, extent of participation, etc. All local radio facilities will be harnessed into coming pledge campaign. All network shows in Oregon gave way to the Pledge Campaign Broadcast.

6. **Local Newspaper Activity.** Newspapers are furnished locally with lists of companies with payroll savings plans "Payroll of Honor" for publication. Publicity on extent of participation of various companies is also contemplated when and where accurate data is available.
ACTIVITY TO INCREASE PARTICIPATION

IN PAYROLL SAVINGS

(a) In Washington
(b) In the field

(a) Washington Activity

1. Statistical Study. The Division of Research and Statistics has circularized all firms where payroll savings is in effect and is receiving monthly reports of extent of participation. These reports will form basis for follow-up field activity (See Field Memorandum #18a attached, EXHIBIT J).

2. Savings Schedule. A savings schedule has been prepared which will reach nearly 50,000,000 persons of regular income. This schedule sets forth a suggested savings program for the various income groups, based on a goal of payroll savings in excess of ten billion dollars. (See EXHIBIT "A" attached).

3. Certificate of Award. A certificate is being designed as an award to firms where 90% or more of employees participate in payroll savings. This certificate will entitle firms in this category to purchase and display a specially designed Minute-Man flag.

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6. **Study of Successful Plans.** Successful payroll savings plans are being studied with a view to duplication. The material of an entire campaign conducted by General Electric Company is being printed for distribution to 39,000 firms. This campaign, in three weeks, resulted in an increase in payroll savings participation from 17% to 33%, with an average subscription of $150 per annum per employee. (EXHIBIT "A" herewith).

7. **Promotional Material.** Special material to increase payroll participation has been prepared. (This is in layout form ready for printing). This material consists of:

(a) A 16-page manual entitled "How to Install and Successfully Operate a Payroll Savings Plan." Much of this is devoted to proven "Do's" and "Don't's" gathered from a study of successful plans.

(b) folders for workers.

(c) "stuffers" for pay envelopes

(d) posters for bulletin boards

(e) a booklet entitled "Payroll Savings Promotion Manual—How Others are Reaching the Goal." This booklet is entirely devoted to material for firms with low participation and includes descriptions of successful plans and promotion ideas and lists, and describes available posters, folders, envelope stuffers, etc.
8. Labor Activity. The labor unions have been and are being used widely to extend participation. The A.F. of L has pledged a billion dollars a year and will engage in widespread promotional activity to achieve this goal through payroll savings. On Washington's birthday, simultaneous meetings of every local throughout the country will be held to listen to a radio talk by the Secretary. (EXHIBIT "F" attached). Approaches have been made through Railroad Brotherhoods to increase participation through letters to each from the Secretary. CIO publications, the labor press generally, and the unions, through meetings are emphasizing wide participation.

9. Recordings. Recordings of speeches are being made for use in loud speaker systems of large firms. This was decided upon when it was found that stopping work in an airplane factory for fifteen minutes would cost one airplane. (5000 employees).

10. American Legion. The American Legion is devoting its entire issue of "The National Legionnaire" for February to the campaign for pledges (EXHIBIT "H" attached). This pledge campaign will have great bearing on payroll savings participation (see Field Activity).

11. The Wage and Hours Division. The Wage and Hours Division inspectors of the Department of Labor, in visiting large firms, are to encourage wide participation with particular emphasis on getting all overtime pay into Defense Bonds.

(b) Field Activity

1. Follow-up Activity. The paid and volunteer workers are following up the installation of payroll savings plans to improve participation. The method of follow-up varies. The life underwriters, who are very active, will control their own follow-up. Thus, follow-up is planned to be at regular intervals. Follow-ups have not yet been widespread due to concentration on installations. It is intended that at least one call per month per firm will be made.

2. The Pledge Campaign. A personal canvass of more than 50,000,000 persons of regular income is being projected. This has taken place in Oregon, with pledges estimated at 300,000. This pledge campaign is designed as support for wide payroll savings participation (EXHIBIT "G" attached).

3. Regional Meetings. Regional meetings are scheduled for Boston, Chicago, Baltimore, Jacksonville, Omaha, Denver, Oklahoma City, and San Francisco, to be held within the next two weeks. These meetings will be conducted by Mr. Ted Osbile, the Field Director, and the Associate Field Directors. Administrators and State Chairman will attend. The main objects of the meetings are to plan the pledge campaign and to improve payroll savings activity.
4. **Labor Activity.** Union locals are being approached by the Staff to increase participation. Local union radio broadcasts are being used.

5. **Local Radio Activity.** The field force is being encouraged to supplement national radio activity with local copy, lists of payroll savings plans, extent of participation, etc. All local radio facilities will be harnessed into coming pledge campaign. All network shows in Oregon gave way to the Pledge Campaign Broadcast.

6. **Local Newspaper Activity.** Newspapers are furnished locally with lists of companies with payroll savings plans "Payroll of Honor" for publication. Publicity on extent of participation of various companies is also contemplated when and where accurate data is available.
What our Government needs in extra War Savings from every Citizen in order to WIN THIS WAR . . .

FOR VICTORY

BUY UNITED STATES SAVINGS BONDS AND STAMPS

* * * * *
Enlist Your Savings for Victory

Here is a table showing how every person who receives wages or salary can help win the war and provide for his own future security by buying Defense Bonds and Stamps. These figures suggest a systematic war-savings program to fit every income. They are based on weekly averages and do not, therefore, take account of the individual circumstances of every person. Those with no dependents or other responsibilities should be able to save a good deal more than is indicated on this table. Those with unusual responsibilities may not be able to save so much. Each individual is the best judge of how much he can invest in Defense Bonds. But everyone knows that the war will be won only if he puts every cent he can into guns, and tanks, and planes, and ships. This is not a token war, nor a penny-a-game. It is a fight to the finish against the most ruthless and relentless enemy we have ever faced.

Look at this table and find your own income level. See how many people are included in that group. Note how small savings amount when they are added together for the Nation as a whole. Note also that this plan refers only to the purchase of Defense Bonds out of regular income from week to week, which is much more helpful to the government than to buy them from savings already accumulated. Bear in mind that in 10 years your savings invested in Series E Defense Bonds will increase by 33 1/3 percent as indicated on the back of this sheet. The figures used in this table are not intended as quotas either for individuals or for the Nation, but as suggestions of what we can do without compulsion and without hardship. If every person who receives a regular income in the form of wages or salary adopts a war savings program such as here suggested, it will mean a total of over ten billion dollars a year, urgently needed to insure victory. Over 80 percent of this amount can be saved by those receiving less than $200 a week. The remainder will come from those comparatively few people receiving higher incomes.

(The additional billions which must be raised will come from other forms of saving and taxes paid by all of us.)

### A SAVINGS SCHEDULE FOR THE SYSTEMATIC PURCHASE OF U. S. DEFENSE BONDS

<table>
<thead>
<tr>
<th>Weekly earnings</th>
<th>Each week</th>
<th>In one year</th>
<th>Number in each income group</th>
<th>Total annual savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5 - $10</td>
<td>$0.25</td>
<td>$13.00</td>
<td>$3,394,000</td>
<td>$43,212,000</td>
</tr>
<tr>
<td>$10 - $15</td>
<td>$0.50</td>
<td>$26.00</td>
<td>4,975,000</td>
<td>129,350,000</td>
</tr>
<tr>
<td>$15 - $20</td>
<td>$0.75</td>
<td>$39.00</td>
<td>5,470,000</td>
<td>213,330,000</td>
</tr>
<tr>
<td>$20 - $30</td>
<td>$1.25</td>
<td>$65.00</td>
<td>10,747,000</td>
<td>698,555,000</td>
</tr>
<tr>
<td>$30 - $40</td>
<td>$2.00</td>
<td>$104.00</td>
<td>7,774,000</td>
<td>808,496,000</td>
</tr>
<tr>
<td>$40 - $50</td>
<td>$3.00</td>
<td>$122.00</td>
<td>8,040,000</td>
<td>926,864,000</td>
</tr>
<tr>
<td>$50 - $60</td>
<td>$4.00</td>
<td>$112.00</td>
<td>7,940,000</td>
<td>9,240,000</td>
</tr>
<tr>
<td>$60 - $70</td>
<td>$6.00</td>
<td>$312.00</td>
<td>9,307,000</td>
<td>9,280,000</td>
</tr>
<tr>
<td>$70 - $80</td>
<td>$8.00</td>
<td>$416.00</td>
<td>2,120,000</td>
<td>9,280,000</td>
</tr>
<tr>
<td>$80 - $100</td>
<td>$10.00</td>
<td>$520.00</td>
<td>1,304,000</td>
<td>678,080,000</td>
</tr>
<tr>
<td>$100 - $150</td>
<td>$12.00</td>
<td>$624.00</td>
<td>1,489,000</td>
<td>929,136,000</td>
</tr>
<tr>
<td>$150 - $200</td>
<td>$15.00</td>
<td>$1,620.00</td>
<td>1,599,000</td>
<td>1,101,360,000</td>
</tr>
<tr>
<td>$200 - $300</td>
<td>$20.00</td>
<td>$2,400.00</td>
<td>298,000</td>
<td>542,360,000</td>
</tr>
<tr>
<td>Over $300</td>
<td>$25.00</td>
<td>$3,000.00</td>
<td>1,040,000</td>
<td>2,000,000,000</td>
</tr>
</tbody>
</table>

48,167,000       10,215,311,000

Office of the Secretary of the Treasury
Division of Research and Statistics

January 29, 1942

Regarded Unclassified
SEE HOW YOUR INVESTMENT...
IN DEFENSE BONDS (Series E) WILL GROW

<table>
<thead>
<tr>
<th>You Invest</th>
<th>Upon Maturity you get back</th>
</tr>
</thead>
<tbody>
<tr>
<td>$18.75</td>
<td>$25</td>
</tr>
<tr>
<td>37.50</td>
<td>50</td>
</tr>
<tr>
<td>75.00</td>
<td>100</td>
</tr>
<tr>
<td>375.00</td>
<td>500</td>
</tr>
<tr>
<td>750.00</td>
<td>1,000</td>
</tr>
</tbody>
</table>

When is maturity? Ten years from the time you buy the Bond. If you need the money before then, you can cash the Bonds at any time after 60 days from their issue date. A table of cash-in values is printed on each Bond. Naturally, the longer you hold the Bond, up to 10 years, the more money you'll get back. But you'll never get less than you put in.

What's the interest rate? When held to maturity, the Bonds yield 2.9% per year on your investment, compounded semiannually. In other words, you get back $4 for every $3 you save in Defense Bonds.

Where do I go to buy a Bond? To your local bank, post office or other Defense Bond agency.

What about Defense Stamps? Buying Defense Stamps is a convenient way of saving money with which to buy a real Defense Bond. Stamps are sold for as little as ½ through banks, post offices, retail stores, theatres and newspaper carrier boys.

Start your savings program today. Save every pay day. If your company has a Defense Savings Pay Roll Plan, you will find it the most convenient way to save regularly and systematically.
PAYROLL SAVINGS PLANS INSTALLED IN MANY PLANTS

An Editorial
Are You on a Payroll of Honor?

WASHINGTON, D. C. - The Systematic Payroll Savings Plan, the most successful way of raising billions of dollars for the war, is looking for more participants. The plan, which was set up by the War Savings Board, has already netted over $2 billion from its participants. The plan works by deducting a small amount from each paycheck of a worker, and adding it to a savings account. For example, a worker earning $100 per week would pay $2 per week into the savings account. The savings account is usually invested in United States government bonds, which pay a small rate of interest. The plan is designed to encourage workers to save for the war effort, and to help them build a savings cushion for the future. The War Savings Board encourages all workers to participate in the Systematic Payroll Savings Plan, and to save as much as they can. The plan is easy to join, and can be changed at any time. Workers interested in joining the plan should contact their employer, or the War Savings Board.
AMERICA is in a fight for her life—your life!
Billions of dollars are needed—and needed now—to help produce the planes, tanks, ships, and guns your Army and Navy must have to win. And much of this money must come from the regular, week-by-week, pay day by pay day, investment of the American workers in U. S. Defense Bonds.

Your cooperation and the cooperation of your union in backing up our Government's Pay-Roll Savings Program are urgently needed.

If you are not already participating in this voluntary plan, take the matter up in your union immediately. The Plan is fully endorsed by A. F. of L., C. I. O., and the Railroad Brotherhoods. And if your company hasn't yet put such a plan into effect in your plant, go to the management and suggest that it join with your union in installing one.

The Pay-Roll Savings Plan provides, simply, for the employer to act as an agent in the purchase of Defense Bonds by holding employees' voluntary allotments in a special account. As each employee's savings accumulate to a sufficient amount to purchase a Bond, the employer purchases it and delivers the Bond to the employee.

Help save your country's future by saving for your own future at the same time. Get your union behind the Voluntary Pay-Roll Savings Plan now. Mail the coupon below today, or write Treasury Department, Labor Section P., 709 Twelfth Street N.W., Washington, D. C.

Get Your Share of
U. S. Defense
BONDS-STAMPS
This space is a contribution to victory by
(NAME OF PUBLICATION)
PAY-ROLL SAVINGS PLAN IS GAINING NATIONAL ATTENTION

It can't happen here? It did happen here. We've done it now.

Every minute, every hour, every day must be directed toward defense of our free land.

Every penny, every dime, every dollar we can save, we must back up the boys in the fighting forces.

We, as house magazine editors, do our part. We can publicize the Pay-Roll Savings Plan for buying Defense Savings Bonds.

In words of one syllable the volunteers of Pay-Roll Savings Plan help workers provide for the future, helps store away tomorrow's buying power, HELPS DEFEND AMERICA TODAY, tomorrow, next year.

The Pay-Roll Savings Plan is a method by which an employer gives his employee the chance to allocate a specified amount of each pay day's wages to Defense Savings Bonds.

The employee can volunteer any amount he likes to be deducted from his pay check, and each employee allotment is held in a separate account. When that account adds up to $25, a Defense Savings Bond is purchased in the employee's name (or whomever he wishes to designate), and handed over to him. Bonds can be bought for that amount, for $300, $75, $37.50, $50, $25. Ten years from now the employer gets $25, $50, $100, $500, $1,000. Whatever the amount of the Bond, as soon as one is bought, the allotment then automatically begins to tot up again for the next one.

Thousands of companies in America are already operating the Pay-Roll Savings Plan; many more add their names daily to the list.

If your company is not already operating the plan, contact your local Defense Savings Committee or write to Treasury Department, Section A, 709 Tremont Building, Boston, D. C., for help to get it started. Businessmen throughout the country have added the Treasury Department to set up an efficient method whereby any company, no matter what it sells, can participate.

Once an organization decides to use the plan, house magazine editors can merchandise it through company publications.

Good ways to present the Pay-Roll Savings Plan are: Editorializing employee patriotism in participating in America's defense effort by lining up support to the Government; telling him what a sound investment he's making; a 3½ per cent increase of his original investment, or an annual interest rate of 2½ percent compounded semiannually; setting the advantages to the employer in having a cash way to save through use of the plan; telling him what to do and whom to see to get started on it immediately.

First headline news can be followed up with such editorial tricks as a personal interview story with employee readers who believe in and participate in the plan. Candid, personal stories can highlight the personal stories. In another feature, employees can be taken behind the scene to the paymaster's window, or into the treasurer's office to point out how the plan is operated behind the scenes.

Editors whose companies have not yet installed the plan are urged to be alert for news of its installation. A suggested photography for the issue immediately following would depict their president, the Treasurer's field representative, and any other key officials signing up for the plan.

Already many house magazines have headlined the pay-roll story. Estate Shop
How They Are Doing It

All over the land, editors are aware of the peril to the Nomo in a more keenly alive than the editors of house organ. Holding to the keys of industrial opinions, they cast about open doors.

Last spring President Roosevelt proclaimed a state of industrial emergency. Among the first to do something, co-operative, for united effort were the house organ editors. Through their publications they furnished facts for defense energy, funds for defense. The editors gave the defense men what was needed. Today the editors have stepped up their publication efforts with more energy, lesser means, ever so story.

In November a committee of 25 editors was appointed by the Defense Service Board of the Treasury Department to research in the promotion of Defense Bonds and Stamps. In December it was declared and the need for protection of the nation became urgent.

In early summer of 1918 it was discovered that only 2.5 of 5 bonds were purchased. The Merrill Unger, a co-operative organ, printed a flight campaign among women for bonds and stamps.

For every 5 bonds and 2 stamps, the husband gets a victory medal. The husband then gets a victory medal. The husband then gets a victory medal. The husband then gets a victory medal. The husband then gets a victory medal.

How are they doing it? They have cast about open doors.

The House Organ Corporation of the Defense Service Board and Stamps.

The Red Ball, external, public organ of The Colorado, does a great deal of work to assist the Board of Defense Bonds and Stamps, also featuring Monse Mes.

Lines monthly publication of Public Service Co. of Galveston and the Chillicothe Light, Fuel and Power Company, emphasizing the need for purchasing stamps, and discussing the limitations of the Red Minutemen symbol in its story of "Defence Bonds Boy Bands.""
Defense Bonds
Buy Bombers

In the series of articles relating to Defense Bonds, this is another release from the Treasury Department which is to be used in their publications in the stimulation of the sales of Defense Bonds and Stamps. You may use this release in any one of several ways (many have been indicated already in the preceding two pages). You may, if you wish, make a line or column ad. You may supplement the material with art work provided by your own artists. The Treasury Department has at your service the material in which the material is reproduced. It will be sent to you for free.

If your printer does not already have copies of the Minute Man emblem, he may obtain them free of charge from the Government Printing Office, Washington, in three different sizes and in one and two colors.

Your suggestions and criticisms on the handling of material for house-magazine use are most welcome. Please address your communication to Business Publications Section, Defense Savings Staff, 709 Twelfth Street NW, Washington, D.C.

Defense Bonds Buy Bombers

The News Bulletin for house-magazine editors, issued by the Defense Savings Staff of the Treasury Department, Washington, is prepared by the Treasury Department in collaboration with the committee of house-magazine editors comprising the Magazine Editors Committee. Three editors are: C. B. Bulfin, International News Co., New York City; S. B. Baskin, Western Electric Co., Chicago; and H. B. Seaver, Eastern Bell Telephone Co., New York City.

The Treasury Department solicits the ideas and suggestions of all its publications in all areas and all forms of advertising.

Buy DEFE NSe SAVINGS BONDS and STAMPS

AT ALL BANKS, POST OFFICES, AND SAVINGS AND LOAN ASSOCIATIONS

The Treasury Department

and House Publications

A handbook specially prepared for house publication editors at the direction of the Treasury Department by

MERRICK JACKSON
Western Electric Co.

A. P. ALEXANDER, JR.
Western Electric Co.

ALEX SMITH
Cincinnati Electric Co.

Form No. 58-41R3M
OUR country is engaged in an all-out struggle for survival. In this critical hour your Government calls on you to promote actively the sale of Defense Savings Bonds and Stamps through your house publication. You are in a key position to enlist the willing response of an important segment of American wage earners.

*

Prepared by associates of yours in the house-publication profession, this information manual offers a simple outline of the huge job to be done. It will describe ways in which we can help you. It will suggest ways in which you can help yourself. By pledging your continuous support of this vital war effort you are rendering an invaluable service to your Nation, your company, and yourself. We are counting on you!
To help foot this stupendous bill it is your job as an editor to convince your readers of the necessity for buying Bonds and Stamps now, for buying them regularly, for buying them more and more.

These Bonds and Stamps are security’s two-edged sword—for the Nation, for the individual. Bonds buy what the country needs today. Bonds buy what the individual needs tomorrow. It may be funds for his children’s education, more comfort in the retirement years, remaining payments on his own home, or travel when war is over. Bonds will help ride over men and women in post-war adjustment. They will help check dangerous inflation now.

The goal of this drive: 100 percent participation in Defense Bond investment out of current earnings by every wage earner in the United States and on an increasing scale of regularity for the duration!

It’s Bonds or bondage. There can be no compromise. There must be no delay.
Practical kits specially slanted to your needs will be available monthly. These kits, professionally prepared, will be adaptable for magazines and newspapers, both employee and non-employee. They will contain:

1. Photographs of seasonal and timely subjects for magazine covers. These subjects will also lend themselves to front-page treatment for newspapers or feature illustrations in both newspapers and magazines.

2. Cartoon series executed by outstanding cartoonists suitable for either cover or inside use.

3. Stock photographs which by their broad, human-interest appeal can stand alone or accompany feature stories.

4. Spot-news photographs as they break for your immediate use. In addition, suggestions will be sent you for making spot-photographs locally.

5. Cartoon strips maintaining a central character and continuity. Through this animated medium, new buying momentum will be generated and pertinent questions answered.
ILL DO FOR YOU

Illustrated feature news stories for one to two pages of a magazine or newspaper layout.

Spot-news stories of campaign developments all over the country, whenever warranted.

Factual and human-interest shorts culled from Nation-wide Defense Savings activities, as well as specially designed end and corner pieces for odd spots.

Advertisements keyed to wage earners with sustaining theme; material to include easily understandable charts, line drawings, halftones, pictograms, etc.

Special material for editors whose companies have signed up for the Pay-Roll Savings Plan.

A good many publications, because of format and circulation, will be unable to use the complete kits. Those which can will be placed on the master list. All editors, however, are welcome to as much material as they can publish—are urged to use it to the limit of their facilities.
Win . . . management’s acceptance of the need for devoting prominent space in every issue to this vital campaign.

Explain . . . to your staff of correspondents or editors the purposes and goals of the campaign so they can be constantly seeking story and picture possibilities among their employee associates. Extra copies of this manual are available for distribution upon request.

Encourage . . . your photographer and artist to develop ideas of their own continually. News material and cartoons furnished by the Treasury Department should stimulate your thinking to find ways in which they may be adapted or redesigned for your use in a way most interesting to your own readers.

Promote . . . interest and enthusiasm among your staff and all your associates. Interest in this program must be continuously maintained and rejuvenated.
Examine... every source available from which ideas may be developed. Among the major sources are:

- The News Bulletin
- Stet—the magazine for house editors.
- House publications on your exchange list.
- Local newspapers.
- State Administrators, State committeemen, local chairmen, and field workers of the Defense Savings Staff.

Coordinate... your publication efforts with the general campaign for the sale of Bonds and Stamps in your company. Be sure to contact key associates regularly so you can cover current sales and participation, bulletin-board announcements, issuance of booklets or other material, employee meetings, special drives, interesting human-interest sidelights.

Invite... questions from your readers; answer them fully in print. Take advantage of every chance to make your paper important in this united effort.

THINK, THINK, THINK! Your continual thinking about Defense Savings Bonds is your part in the huge job of winning the war.
THE Treasury Department urges you to make full use of its facilities in putting more punch into your campaign, to write and ask for specific helps, to offer suggestions for improvement. Send all communications to—

ROSS BARRETT, JR.,
Chief, Business Publications Section,
Defense Savings Staff,
Treasury Department,
709 Twelfth Street NW.,
Washington, D. C.
To OFFICERS OF CENTRAL LABOR UNIONS.

Dear Sir and Brothers:

The American Federation of Labor has set a billion dollar quota for the purchase of United States Defense Savings Stamps and Bonds by its five million members as its objective and purpose during the coming year.

The campaign for the realization of this high and lofty objective will be launched on Washington's Birthday, February 22nd. It will be inaugurated through a joint radio appeal by Secretary of the Treasury Morgenthau and the President of the American Federation of Labor. These joint radio addresses will be delivered over the Blue Network from 8:00 to 8:30 P.M., Eastern Standard Time, Sunday evening, February 22nd, for the purpose of celebrating Washington's Birthday and for the purpose of inaugurating this billion dollar quota Defense Savings Stamp and Bond drive on the part of the American Federation of Labor.

I respectfully request that all central bodies arrange for special meetings to be held on Sunday evening, February 22nd, for the purpose of listening to the radio addresses which will be delivered by Secretary of the Treasury Morgenthau and the President of the American Federation of Labor to formally launch this billion dollar Defense Savings Stamp and Bond drive. These meetings of central bodies can be held in the regular meeting places where radios can be installed in order to listen to the radio addresses which will be delivered by Secretary Morgenthau and the President of the American Federation of Labor. Each central body should arrange a suitable program for the occasion. The friends of organized labor and the public generally can be invited to attend your central body meeting.
The treacherous attack which was made upon Pearl Harbor on December 7th created a new understanding on the part of working men and women everywhere of the real character of the war which is being waged by totalitarian nations against self-governing, democratic countries. There is no doubt but that the treacherous, disgraceful attack made on Pearl Harbor was inspired and supported by Hitler and his associates.

The American people are united in their determination to win the war. The membership of the American Federation of Labor shares this point of view. We all know that our freedom, liberty and the maintenance of our free, democratic institutions are at stake. If America wins, labor wins. The winning of the war means the maintenance of our right to organize into free, democratic trade unions, to preserve said trade unions, to administer them in accordance with democratic ideals and principles and to use our economic strength in the promotion of our economic, social and industrial welfare. No other class of people making up American life has more at stake in the outcome of the war than American labor.

The Army and Navy must be supplied with war materials in abundance. Labor must produce them. The Government must be supplied with money with which to buy war materials and to support the Army and the Navy in a full measure. We must supply this money to the Government. It can be done through the purchase of United States Defense Savings Stamps and Bonds. Each worker must do his part and each worker must purchase Defense Savings Stamps and Bonds to the full extent of his ability. We have no choice. Our duty is plain. We can make our contribution through the purchase of United States Defense Savings Stamps and Bonds.

I know the heart of labor, its spirit, its state of mind and its attitude. I know it will respond in full measure to the Government's appeal to purchase Defense Savings Stamps and Bonds.

Now, please remember the date, February 22nd, from 8:00 to 8:30 P.M.; the occasion, Washington's Birthday; the purpose of your meeting, to listen to a radio appeal by Secretary of the Treasury Morgenthau and the President of the American Federation of Labor. Begin to make your arrangements for this mass meeting immediately upon receipt of this letter. Let the President of the United States, Secretary Morgenthau and the country know that a thousand central bodies are meeting as one on Washington's Birthday for the purpose of launching a campaign for the purchase of a billion dollars in Defense Savings Stamps and Bonds by the officers and members of the American Federation of Labor. No more appropriate occasion than Washington's Birthday could be used for the purpose of launching such a patriotic campaign. We can gain new inspira-
tion from Washington's Birthday in such a fitting and most appropriate way.

Please let me know immediately of your purpose and plans to carry out the request I am herein making to convene a special meeting of your central body for the realization of the purposes herein set forth on Sunday evening, Washington's Birthday, February 22nd.

Fraternally yours,

[Signature]

President,
American Federation of Labor.
THE PLEDGE CAMPAIGN

Information and Suggestions to Chairmen and Administrators, State and Local Committees of the Defense Savings Staff

PLEASE READ CAREFULLY

Defense Savings Staff
United States Treasury Department
Washington, D. C.
Foreword

WE ARE A NATION AT WAR. Our lives, our liberty, our sacred honor are at stake. Dictatorships of extraordinary ruthlessness have invaded our outposts and imperiled our security and way of life. Americans everywhere have sprung to the Nation's defense, and are giving for the struggle.

Manpower is being mobilized for our armed forces. Our industries are mobilizing the tools for war. The United States Treasury is mobilizing money, the indispensable "sinews of war."

In this essential work, the Defense Savings Staff has the responsibility—and the opportunity—of conducting a great America-wide canvass to recruit dollars from the people to preserve, protect, and defend the Nation. This great program is now ready to be launched throughout the Nation. It will be carried to every city and town, every village and hamlet, every group in our population. From everywhere there will be ready response—so we will be striking a blow for our country. That we are ready to strike this first great blow of the war is a tribute to the efforts you men in the field have put forth in the past few months organizing, enlightening, and preparing your workers for a task now indispensible to the vast war efforts of our united people.

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

IMPORTANT

It is recognized that States with many large firms requiring a vast army of volunteers in the contact, installation and follow-up on Payroll Savings may have a problem as to when their canvass shall take place.

The Pledge Card Canvas can be used to stimulate participation in Payroll Savings Plans and to create additional requests for such plans. If, despite these considerations, the State Administrator and State Chairman conclude that the adoption of the Pledge Card Campaign at this time would in any way confuse or delay their Payroll Savings work, they should select a later date.

Discretion as to how the canvass shall be conducted, as well as when it shall take place, will be left to the State Administrator and State Chairman.

It is hoped, however, that most States will avail themselves of this program at an early date.

* * * * *

This pamphlet is issued to give detailed suggestions as to how the objectives of the Pledge campaign can be reached promptly and successfully. The suggestions it contains are designed to be of assistance to the field force of the Defense Savings Staff in planning, programming and administering a Nation-wide canvass of all persons of regular income, to promote savings for defense.

The purpose of the canvass is to secure a signed Pledge of cooperation from every receiver of regular income in America—a Pledge assuring that each person painfully employed will systematically buy Defense Bonds for the duration of the war, either through Payroll Savings Plans, bank draft plans, or some other form of systematic investment. Tens of millions of Americans should sign these pledges.

In general, the information and suggestions contained in this booklet are believed to be applicable to most of the local problems likely to be encountered. It is recognized, however, that the types of committee organization vary among the States and that in almost every locality there exists a difference in local conditions to be met.

It is felt, therefore, that the field force supervising the canvass should regard the instructions herein as suggestions rather than inflexible orders. They can and should be adapted or modified to meet the individual communities' needs.
The Purposes of the Pledge Campaign

The Treasury Department believes that this nation-wide canvass will serve the following purposes:

1. To secure, from every person in the United States who receives regular income, a signed agreement to purchase Defense Bonds under a systematic and continuing plan which, irrespective of all other means of financing the war, is absolutely vital to our armament program, our fiscal program and our economy now, as well as during the post-war period.

2. To obtain a comprehensive record of the number of persons who, prior to the canvass, were pursuing a systematic plan of buying Defense Bonds, and the extent to which they intend to pursue the plan. To ascertain from those who have not already embarked on a systematic plan of buying Defense Bonds the amounts they will regularly lend to the Government for the duration of the war.

3. Through the effective method of personal approach, to carry information concerning Defense Bonds to every person in the nation receiving regular income. It is believed that the campaign's promotional value alone will justify the effort devoted to it. Equally important with these goals are certain collateral objectives which the Pledge campaign can accomplish:

   a. It will serve as a sort of trial run for our entire organization working together at top speed on a common problem.

   b. Weak spots in State and local committees may be revealed and at the same time strengthened under the pressure of doing a specific task in a limited time.

   c. Communities in which no Defense Savings Committees now exist will necessarily have to complete their organization immediately.

   d. It has been one of the objectives of the Defense Savings program from the beginning to so extend our organization that it will reach into every nook and cranny of the Nation. It has been our purpose to enlist the cooperation of outstanding citizens, not only in every State and local community, but among every group of people who might possibly buy Defense Bonds and Stamps according to some systematic plan.

   e. It is not enough to present our program over the radio, in the press, and through other channels of publicity. Important as this publicity is, the ultimate success of the Defense Savings program will depend upon the person-to-person promotional work that is done from day to day, week to week, and month to month for the duration of the war. To carry on this "grass roots" promotional activity, it is vitally necessary that Defense Savings Committees or Defense Savings representatives be appointed to take responsibility for a limited number of people and to see to it that they invest as much of their current earnings as possible in Defense Bonds and Stamps every week or month throughout the year. For example, in every factory, department store or other place of business, committees or agents should be designated who can apportion the total personnel among themselves so as most efficiently and continuously to carry on the person-to-person promotional work that is so vitally necessary.

   f. Ideally, this might mean a Defense Savings Committee or Agent for every 10 or 20 workers in a plant; for every 15 or 20 farmers, and for a similarly limited number of teachers, doctors, lawyers, salesmen, employers, and every other wage earning and income-receiving group.

   g. Ideally, too, such committees and such agents should be recruited from among the group for which they have responsibility. Thus, a Defense Savings Committee, to reach every lawyer, should be made up of members of that profession. The Defense Savings Committee to promote the sale of Defense Bonds among workers in mines and factories should likewise be composed of men who themselves are employed in those mines and factories, and hence are in daily association with their fellow employees. Committees so composed will not only be in a position to carry on a continuous promotional effort, but because they enjoy the friendship and confidence of those to whom they appeal, their efforts are more likely to be successful.

   h. The Pledge campaign should serve as an ideal vehicle for calling into existence and extending this type of organization. If this is done, we shall not only insure success for the Pledge campaign itself, but we shall have an organization which can follow through to the end that these Pledges may be fulfilled.
The Pledge

The Pledge itself is printed below. It should be read with great care by everyone engaged in setting up, administering or supervising the canvas.

This Pledge is the foundation of the Pledge campaign. It is of the greatest importance, therefore, that all concerned with presenting it to the people shall have a thorough understanding of its character.

Inspection of the Pledge itself will reveal the following points:

1. The Pledge card is not an order form. It does not constitute a formal legal contract on the part of the Pledger. It is a definite moral obligation on the part of the person who signs it, to purchase Defense Bonds on a regular plan.

2. The Pledger agrees to carry on a systematic purchase program for the duration of the war, or as long as he is financially able to do so.

3. Four different plans for regular purchase of Defense Bonds are listed on the Pledge card. The Pledger is to check the plan which he will use, or is using.

4. If, prior to signing, the Pledger has already been following a systematic Defense Bond purchase program, the formal signing of the Pledge does not mean that he is adding a second purchase program to that which he had already undertaken. The Pledge form provides an opportunity for the Pledger to indicate that he is following a definite plan at the time of signature and his copy will be acknowledgment thereof.

5. The Pledge is a confidential agreement and under no circumstance will the information which it contains be disclosed either to other Pledgers or to the general public.

To provide the Pledger with tangible evidence of his participation in financing defense, stickers will be provided for display on automobile windshields, doors and windows of dwellings, shops, etc. This sticker, designed by the Art Department of the Defense Savings Staff, will be an effective and appealing reproduction of the Minute Man of the Revolution, with the wording "We are buying Defense Bonds and Stamps." It is expected that this sticker will aid greatly in encouraging the enrollment of Pledgers.

Suggestions to State Chairmen and Administrators

In order to conduct the Pledge campaign certain important steps should be taken at once by State Chairmen and State Administrators. Among these are the following:

1. If the set-up of city, town, county or other local committee organizations is incomplete in any State, the formation of such committees at the places unorganized or only partially organized should be undertaken and completed immediately. A review of existing committee organizations should be made with a view to bringing them to war strength. No effective canvas can be carried on where the organization is inadequate or incomplete.

2. State Chairmen and State Administrators should be sure that each local committee now includes representatives from each major social, professional and economic group of the community. Only by having a local committee, the membership of which represents a good cross-section of community influences, can appropriate canvas workers, methods and coverage be assured.
3. Steps should be taken to insure that each local committee meets promptly, with full attendance of members arranged in advance. Definite plans should be made at each meeting for a thoroughly planned pledge campaign for the community concerned, along the lines previously and subsequently suggested.

4. Each State Chairman and State Administrator should make sure that an adequate supply of pledge cards is available for the use of each local committee.

5. Local committee chairmen and other canvass supervisors should have impressed upon them that under no condition are the solicitors to accept from pledgees money to be used for the purchase of Bonds or Stamps, or in part payment therefor. Persons indicating the desire to purchase immediately should be referred to regular outlets. Canvassers also should be cautioned not to leave blank pledge cards with a prospect, for later signature, save in exceptional circumstances. A repeat call by the canvasser is much preferable.

6. Full advantage should be taken of the cooperation offered by the many organizations and groups which have volunteered their help, and that of their officers, staffs, and members, to the Defense Bond Program. Among such organizations are:

   American Legion
   American Legion Auxiliary
   General Federation of Women's Clubs.
   Veterans of Foreign Wars
   Boy Scouts
   National Association of Life Underwriters
   American Association of Life Insurance Presidents
   American Bankers Association
   U.S. Chamber of Commerce
   Investment Bankers Association
   National Electrical Manufacturing Association
   Democratic National Committee
   Republican National Committee
   National Association of Mutual Savings Banks
   Labor Unions
   Women's Organizations
   and many others known to local committees.

7. It is important that State Chairmen and Administrators give local chairmen careful and detailed instructions in regard to the handling of signed pledge originals and duplicates. Local chairmen should make plain to canvassers and their immediate supervisors the need for exercising great care in preserving these signed pledges and in forwarding them to the designated officer at the central office of the local committee.

8. The pledge is in triplicate. The original signed pledge is for the records of the Treasury Department at Washington. The duplicate is for local record; it is either to be retained by the local committee, or sent to State headquarters. In each State the State Administrator will determine which of these plans for keeping the duplicate pledge will be used. The third copy is to be retained by the pledgee, as a record of his participation. It can be readily displayed by the pledgee in cases where he is solicited more than once.

9. A designated officer at the central office of the local committee should be instructed to transmit the original pledge to the Field Director, Defense Savings Staff, Washington, D.C. In those States in which each local committee keeps the signed pledge duplicates, proper facilities for filing these must be provided. Where this plan is employed, complete report of pledges should be made to the State Administrator at the end of each week, or at such other intervals as may be stipulated by him. This report should set forth the number of pledges secured, the number of originals forwarded to Washington, and the location of the files containing the duplicates. In those States in which the signed pledge duplicates are to be forwarded to the State Defense Savings Staff headquarters, local committee chairmen should see to it that they are forwarded there with reasonable promptness, and in accordance with the desires of State Headquarters.

10. The State Chairman and Administrator in each State should urge the chairmen of local committees to arrange as soon as they can do so, suitable space to be used in the enrollment, instruction and headquarters for canvassers. In most communities, courtrooms, schoolrooms, city hall quarters, etc., should be available for assembly or meeting purposes.

11. State Chairmen, State Administrators and staffs will find it highly advisable to order the printed literature needed for the campaign as soon as possible. Specifically, orders should be placed early in the preliminary phases of the program for the following: (1) The Pledge Campaign—Suggestions to Chairmen, Administrators, State and Local Committees; (2) Handbook for Canvassers; (3) Stickers.
12. In each State, the State Chairman and State Administrator should lay careful plans for the most effective possible publicity and promotion campaign prior to and during the actual canvassing. The importance of the Pledge campaign should be brought to the attention of the directing heads of newspapers, radio stations, and motion picture theaters. Their cooperation should be solicited for a planned and sustained program strong enough to launch the activity impressively in each part of the state. Speakers Bureaus of all local committees should have Pledge card talks of three or four minutes duration presented at every meeting and public gathering in every community for a period of at least two weeks before the start of the canvass. Schools and labor organizations should likewise be visited by speakers, or announcements arranged for, so that no group is overlooked.

The Trade (Retail and Wholesale) Committees should request every merchant using any medium of advertising to tie suitable copy into his message urging all-out support to the Pledge canvass. Every effort should be made to promote programs of a State-wide nature—such as State-wide broadcasts, billboard tie-ins, street car and bus cards, etc.—so that the State is blanketed with Pledge card information before the canvass begins. If this is well done, a good part of the job will have been accomplished to insure public acceptance and support.

**Method of Canvass**

1. It is not intended to lay down any hard and fast rules for the conduct of the canvass throughout the Nation. In each State, the responsibility for the success of the program will rest with the State Defense Savings organization, including the local and county committees. These groups will be expected to design methods to meet the varying problems and conditions found in the different local communities. While it is not intended that the Pledge canvass start throughout the Nation simultaneously, it is suggested that the campaigns be State-wide unless some exceptional condition should prevent all parts of the State from beginning at the same time. The date for each State’s program shall be left to the discretion of the State Chairman and State Administrator. Thoroughness in planning and conducting the campaign is more to be desired than speed.

2. The first step in the organization is to arrange a meeting with the local committee heads, or a series of meetings throughout the State with all members of the local committees, including any additional permanent appointees that are necessary to give you full representation of every section of the State. Included, too, should be representatives or heads of any labor, social, civic, commercial, or patriotic groups that are not now represented on your local com-
mittees. You may then decide to set up special Pledge Card Committees, or use your local organization as a whole for a Pledge Card Committee. The so-called Pledge Card Committee in each community (city, town, county, parish, or district) would then set about to district its area and secure workers. The number needed will depend on the geographic area and the population involved. The organizations listed in Section 6 of “Suggestions to State Administrators” (page 6) have recently offered their services to the Defense Savings Program. In addition there are many groups, such as the D. A. R., Rotary, Kiwanis, Lions; fraternal orders such as Masons, K. of C., I. O. O. F., Elks, Moose; professional associations, such as medical societies, bar associations, numerous neighborhood and community clubs, citizens, associations, Labor Union Auxiliaries, Parent-Teacher organizations, and numerous women’s clubs. All these can be called upon to take part.

The following suggestions for the actual conduct of the canvass are offered for your serious consideration:


This canvass would be conducted by having a committee set up to handle each of the major occupational groups which, together, include a majority of the people with regular income in the Nation. This committee would contact every person within its group at his place of business or employment. In towns and cities where Community Chest, community drives, or centralized annual charity drives are held, similar plans of contact with the employee at his or her place of employment have been successfully carried out. In every factory, store, office or other place of business, committees or agents would be designated within the firm to carry out the Pledge Canvass. These committees could then serve as permanent Defense Savings Committees in these places and among these groups. A list of such groups and places of employment, showing the number of workers in each, is available in every town and city. To understand how the “Group-Occupation Canvass” can reach most of the people with regular income without unnecessary duplication, we have but to study the following occupational statistics from the United States Census:

(Figures taken from Statistical Abstract of the United States)

<table>
<thead>
<tr>
<th>Manufacturing and Mechanical Industries</th>
<th>14,110,652</th>
</tr>
</thead>
<tbody>
<tr>
<td>Includes such groups as:</td>
<td></td>
</tr>
<tr>
<td>Carpenters</td>
<td>929,426</td>
</tr>
<tr>
<td>Manufacturing Foremen</td>
<td>338,504</td>
</tr>
<tr>
<td>Mechanics</td>
<td>638,258</td>
</tr>
<tr>
<td>Painters, Glaziers</td>
<td>528,931</td>
</tr>
<tr>
<td>Clothing Industries</td>
<td>488,909</td>
</tr>
<tr>
<td>Food Industries</td>
<td>224,416</td>
</tr>
<tr>
<td>Iron, Steel, Machinery</td>
<td>651,398</td>
</tr>
</tbody>
</table>
### Transportation and Communication
Includes such groups as:

- Telephone Operators: 248,884
- Mail Carriers: 121,233
- Truck and Tractor Drivers, Draymen and Teamsters: 1,083,642

(Not including drivers for bakeries, stores, and laundries, which are included under Trade.)

### Trade (All retail, wholesale and jobbing establishments)
Includes such groups as:

- Salesmen, Saleswomen, Clerks: 2,470,994
- Retail Dealers—including managers, superintendents, and small dealers: 1,703,522

### Clerical
Includes such groups as:

- Stenographers, Typists, Bookkeepers, Cashiers, Accountants, Messengers, Office Help, and Unclassified Clerks: 4,025,324

### Public Service
Includes such groups as:

- Municipal, county, State, and Federal, exclusive of military and not otherwise classified—such as clerical, etc.: 2,749,438

### Professional
Includes such groups as:

- Doctors: 153,803
- Lawyers, Judges, and Justices: 160,665
- Teachers: 1,044,016
- Nurses: 294,189
- Dentists: 71,055
- Clergy: 148,484
- Technical Engineers: 226,249
- Musicians and Music Teachers: 165,128

### Forestry, Fishing and Mining
Includes such groups as:

- Coal Mine Operatives: 621,661
- Lumbermen, Raftsmen and Woodchoppers: 162,233

### Agriculture

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transportation and Communication</strong></td>
<td>3,843,147</td>
</tr>
<tr>
<td><strong>Trade (All retail, wholesale and jobbing establishments)</strong></td>
<td>6,081,467</td>
</tr>
<tr>
<td><strong>Clerical</strong></td>
<td>4,025,324</td>
</tr>
<tr>
<td><strong>Public Service</strong></td>
<td>2,749,438</td>
</tr>
<tr>
<td><strong>Professional</strong></td>
<td>3,253,884</td>
</tr>
<tr>
<td><strong>Forestry, Fishing and Mining</strong></td>
<td>1,234,792</td>
</tr>
<tr>
<td><strong>Agriculture</strong></td>
<td>9,562,059</td>
</tr>
</tbody>
</table>

Persons employed in Manufacturing and Mechanical industries, Transportation and Communications, Trade, Forestry, Fishing and Mining, and Clerical groups total nearly 30,000,000. Practically all of these can be reached at their place of employment through a systematic block-to-block or occupational canvass, by committee or agents, each responsible for a limited number of persons. Some groups can best be reached through arrangement with their central headquarters or through their central organization. Thus, mail carriers could be reached as the post office or central mail depositories by committees or agents designated by the Postmaster or by an official of their own organization. Similar arrangements might be made in the case of Telephone Operators, Railway Employees, and Mine Workers.

It would be possible, in like manner, to reach all public and governmental employees. Professional groups, such as Teachers, Doctors, Lawyers, Dentists, and Nurses can most effectively be canvassed through committees of their own professions.

### b. Rural Canvas

The United States Department of Agriculture has volunteered to handle the Pledge campaign among all farmers and ranchers in every State in the Nation. The rural canvass will be conducted through the active cooperation of the State and County U. S. D. A. War Boards, which are composed of representatives of most of the governmental Agriculture agencies operating in the States and counties. The Chairmen of the War Boards are the ranking Agriculture Adjustment Administration officials, in each State and county. The AAA has made one request of the Defense Savings Staff, namely, that these Agricultural War Boards be given the exclusive responsibility for the rural canvass so that there will be no conflict of duties, or duplication of effort by other farm organizations.

It is very important that each State Administrator contact the State Chairman of the U. S. D. A. War Board and arrange for proper contact between the local Defense Savings Chairman and the County U. S. D. A. War Chairman. Together they can work out the details of the canvass, distribution of cards and literature, as well as the collection of cards after the canvass.

Thus, through the "Group-Occupation" and Rural Canvas, 44,860,763 persons can be given an opportunity to sign a Pledge Card. If well planned and conducted, such a canvass need not involve any serious duplication.

### c. House-to-House Canvas

The successful carrying out of the "Group-Occupation" and Rural Canvas would still leave between 10 and 15 million people that had not been given an opportunity to sign a Pledge. Each and every home in every community could
be visited by a canvass worker and efforts made to obtain Pledges from all persons with income who have not already been reached—such as, many members of the families of numerous people already pledged, who have income available and consequently should be given an opportunity to sign a Pledge. Only in this way can everyone be reached. The duplication of this effort can, at worst, be charged to effective promotion for the Defense Savings Program.

The house-to-house canvass will call for a well laid-out plan of organization and will require the help of thousands of workers in the metropolitan areas and hundreds in the less populous towns and cities. These workers can be secured from many sources, but the list of organizations suggested (page 6) should be very helpful. Districting of towns and cities can be worked out by the local committees with the aid of precinct leaders, experienced Red Cross workers, election officials, etc. Workers should be gathered together in each of the many districts for guidance and instruction and the distribution of pamphlets, Pledge card and sticker supplies. You may have as many workers as one or two in each block in every town and city. With the thousands of offers of cooperation that have reached the Secretary from heads of innumerable organizations (see Section 6 of "Suggestions to State Administrators"), it is not anticipated that obtaining workers will be a problem, but that the big task will be to organize and utilize their efforts.

d. "Clean-up" Canvass.

Another suggestion that might be used to augment your other canvass activities is the staging of a clean-up "M" Day, or days, to be held throughout the State. At such time, some central locations—such as schools, city halls, civic auditoriums, precinct polling places, etc.—could be kept open for volunteer Pledge-signing by anyone not reached by the Group-Occupation, Rural, or House-to-House Canvassers. With the cooperation of Governors and Mayors, some public celebration might be held in conjunction with such an effort if the number of Pledges already received indicated that many had still not signed. This would serve as an added opportunity for anyone who, for any reasons including lack of understanding, had not signed earlier in the campaign. A further suggestion for "clean-up" activities would be to form special committees in every organized club, group, society and association for a recheck of their own membership.

Conclusion

It is the confident belief and expectation of the Treasury Department that the vast, Nation-wide field organization which has been engaged in furthering national defense through the promotion of regular purchase of Defense Bonds and Stamps will move into this new project with assurance and pride. The success which has characterized its earlier efforts affords a basis for complete confidence in the outcome of this new campaign.

Today, patriotic devotion and pride of Government is surging over the land. Americans everywhere are ready to do their utmost to bring victory. This Pledge will offer millions of our people the opportunity and the privilege to help save America, and to help secure their own future at the same time. The Defense Bond Program opens wide the path to participation in a program which will help to make sure that "Government by the people shall not perish from the earth."

R. W. Sparks,
Field Director,
Defense Savings Staff.
LEGION TO PLEDGE WAR BONDS

Call for Service Goes Out Over Nation

Auxiliary Is Pledged to Bond Battle

National President Enters As Founding Power In Effort

BY MRS. MARSH W. MCARVILLE
National President American Legion Auxiliary

Working with the men of the American Legion on the field of battle is the Auxiliary, a nationwide organization which is pledged to the prize possession of that grand order of war veterans, and the main plank here has been worked out with Secretary Sprague to make full use of the energies and enthusiasm of the Legion movement.

The Legion's plan of action has been set up by the Executive Committee, and all National Legionaries are being urged to support it energetically.

In that spirit I am sure that when membership of the Legion will respond to your pledge so far through the year.

Let us work together to make this year the biggest in the history of the Legion.

Very sincerely yours,

Mrs. Marsh W. McArville
National President, American Legion Auxiliary.

THE WHITE HOUSE
WASHINGTON

January 5, 1941

Dear Commander Stambaugh:

I am glad to learn that you have placed the full

pledge of the American Legion in the hands of veterans in the Foreign Service, the Defense Bond and Stamp drive, and that plans have been worked out with Secretary Sprague to make full use of the energies and enthusiasm of the Legion movement.

The executive committee in the disposition of the Legion's plan of action has been met with the cooperation of the Foreign Service, the Defense Bond and Stamp drive, and that plans have been worked out with Secretary Sprague to make full use of the energies and enthusiasm of the Legion movement.

In that spirit I am sure that when membership of the Legion will respond to your pledge so far through the year.

Let us work together to make this year the biggest in the history of the Legion.

Very sincerely yours,

Franklin D. Roosevelt
President of the United States.

Lydia E. Stambaugh, Jr.,
National Commander, American Legion Auxiliary, Indianapolis, Indiana.

No Home in Nation Can Be Skipped

Posts Are Called to Duty
In National Campaign To Elicit Dollars

By FRANK X. BELFARNO, Jr.
Director, American Legion National Bond Campaign

The American Legion has been called to duty in the present crisis in a new campaign which is being conducted by the National Headquarters, American Legion, to enlist every American in the National drive for War Bonds.

The campaign is designed to mobilize the resources of the Legion movement in the fight for victory. It is being handled by the National Headquarters, American Legion, and is being conducted by the National Headquarters, American Legion, to enlist every American in the National drive for War Bonds.

It is the most important campaign in the history of the American Legion, because the slogan of the campaign is "No Home in Nation Can Be Skipped." If we are to carry a large sum of money, we must have the support of every American. The American Legion has been called to duty in the present crisis in a new campaign which is being conducted by the National Headquarters, American Legion, to enlist every American in the National drive for War Bonds.

The campaign is designed to mobilize the resources of the Legion movement in the fight for victory. It is being handled by the National Headquarters, American Legion, and is being conducted by the National Headquarters, American Legion, to enlist every American in the National drive for War Bonds.

Out Over

Stambaugh and Belgrandi on Air

National's Coast-to-Coast Network in Feature Programs Feb. 19

The Coast-to-Coast Network will be the first to be heard by the American Legion Auxiliary, in the National Headquarters, American Legion, to enlist every American in the National drive for War Bonds.

The campaign is designed to mobilize the resources of the Legion movement in the fight for victory. It is being handled by the National Headquarters, American Legion, and is being conducted by the National Headquarters, American Legion, to enlist every American in the National drive for War Bonds.

Out Over

Some of the Coast-to-Coast Network's programs will be heard by the American Legion Auxiliary, in the National Headquarters, American Legion, to enlist every American in the National drive for War Bonds.

The campaign is designed to mobilize the resources of the Legion movement in the fight for victory. It is being handled by the National Headquarters, American Legion, and is being conducted by the National Headquarters, American Legion, to enlist every American in the National drive for War Bonds.

Out Over

Regraded Unclassified
MIGHTIEST MONEY-RAISING CAMPAIGN IN HISTORY

Legion Enlisted To Pledge Bonds

With bonds at a record high, Regraded Unclassified
pennants about the interest of every one of those taxes. The battle
is to be fought on the field of the bond market. If the present
line holds, and if there's no wind, the dollar line
will.

Money Shews of War

As Secretary of the Treasury, Mr. Edward M. Corwin, who
participates in a bond meeting for the encouragement of the
purchase of bonds, said, "The bond market is in a critical
situation. The need for money is greater than ever before.
We must encourage the purchase of bonds in order to
finance our war effort." He went on to say that the
purchase of bonds is not only a matter of patriotism, but also
a matter of national security. Bonds are a safe and
profitable investment, he said, and they are needed to
finance the war effort.

Stambaugh Calls Legion Into Action

Commander Corps Calls for Action

Stambaugh and Belgrano on Air

New York, New York, National Commander Corin of the Legion's part in the
fight against American war, has called for a campaign of
publicity. From New York a dramatic
announcement was made by the
National Commander, who said, "We
must appeal to the American public for
support.

National Commander Indorses
Legion Defense Bond Campaign

One man's war is another man's business,
and the American Legion is no exception.

With patriotic spirit that the campaign will
result in the defense bonds and stamps
being delivered to the American people,
the American Legion has endorsed the
campaign.

Enjoy reading this natural text!
DOLLAR LINE ONE OF WAR'S THREE MAJOR FRONTS

How Post Can Use Its Organization

Morgenthau Thanks the Legion

Governor Garvey

January 21, 1942

The Secretary of the Treasury

Mr. Lynn E. Stimson,

Hitt the Deck

Legion, Auxiliary, and SAL

Members Will Be

Reward

Talents will be awarded by National Commander Lynn E. Stimson through an address at national conventions of The American Legion and its auxiliary, and the National Headquarters. Member of The American Legion, its auxiliary, and the National Headquarters, will be sponsored by the National President, Mrs. Mark H. Harrel. In the SAL and Auxiliary units and individual members of the American Legion Auxiliary, National President Mrs. Mark H. Harrel, and Auxiliary National Commander Mrs. Frank N. Stratton, Jr., will be responsible for the selection of the winners.

How Post Can Use Its Organization

March 17, 1942

POST COMMUNITY

For twenty-three years The American Legion has demonstrated to all America its sincere desire to serve in peace as in war. Now, with our nation engaged in another war, your organization is again in the front ranks of America's defenders.

I am happy, indeed, to accept your offer of service on the part of more than a million and a half members of The American Legion and its auxiliary in the campaign for Defense Savings Bonds. I am advising the State Chairman and Administrators of the Defense Savings Staff of your generous offer. I urge you and every member of The American Legion, and its auxiliary, to know that it will be a matter of contribution to the defeat of the Axis powers, and to the preservation of the American way of life.

Sincerely,

Defense Stamps
Boon in Thrift

Chance for Small Income Group to Take Part in War Effort

An easy way to buy defense stamps is to visit or mail in defense savings postage. The stamp sales American Legion, members nationwide and many others, from commercial organizations and groups in the community, can take part in the program.

It is a simple and easy way to buy defense stamps. The stamps are available in denominations from $2 to $100. For every dollar, the stamps are issued in denominations of $0.25, $1, or $5. The stamps are available from local dealers or local organizations.

The program, designed for local participating organizations, offers an opportunity for both the civilian and the military members of the community to contribute to the war effort.

Defense stamps stamps come in denominations of $10, $20, or $50. For every dollar, the stamps are issued in denominations of $0.25, $1, or $5. The stamps are available from local dealers or local organizations.

The stamps may be issued in denominations of $0.25, $1, $2, $5, or $10. For every dollar, the stamps are issued in denominations of $0.25, $1, or $5. The stamps are available from local dealers or local organizations.

In addition, the stamps may be used to purchase defense stamps. For every dollar, the stamps are issued in denominations of $0.25, $1, or $5. The stamps are available from local dealers or local organizations.

The stamps may be used to purchase defense stamps. For every dollar, the stamps are issued in denominations of $0.25, $1, or $5. The stamps are available from local dealers or local organizations.

The program will last

The Victory Loan Program

The dollars of the victory program are quite different from the Liberty Loans campaign of the World War period. The Liberty Loan campaigns were designed to raise money to buy war materials. The current program is designed to raise money to buy bonds.

The general goal of the campaign is to raise $25,000,000,000 in bonds. The bonds are divided into denominations of $25, $50, $100, and $500. The bonds are available from local dealers or local organizations.
Auxiliary Joins Battle of Bonds

Daily department and mail in
login action on money to aid
oggest social agencies and
ning, offering their ides
we feel that there is not a
sumer's support.

Already the Auxiliary is at work
at the present time. The money
shy to their cause. Our boys
any thing they can do.

The National Legionnaire:

Three Classes of Bonds Give

Philips Will Assist

Here Is What

Dime Can Buy

Three Classes of Bonds Give Choices to Suit Every Purse

There are three types of defense

MONEYS WILL FILL THE ARSENAL OF DEMOCRACY

National Commander Hoare

Cents of Bond

Every Cent of Bond Money

Equipment Required

Bond

Redeemed

One dollar invested in

For the Army

A defense savings Army

For the Navy

A three defense savings

For the Air Corps

The national defense

For the Coast Guard

Every dollar invested in

Regraded Unclassified
We're in It - Let's Win It! Do Your Part!
CANVASSERS URGED TO STUDY PLEDGE PROVISIONS

Don't Accept Pledge Money
Treasury Will Attend to Collections and Bond Deliveries

Legislature taking no action, but will, when the can be had, if you will call and see me.

A pledge card is in an envelope. No money will be accepted from anyone who has not paid the pledge. If you call and see me, your pledge will be accepted.

The pledge card is in an envelope. No money will be accepted from anyone who has not paid the pledge. If you call and see me, your pledge will be accepted.

DEFENSE SAVINGS BONDS
Type of Bond: Series E

Registered Bond. Not transferable.

Denominations: $50, $100, $500, and $1,000.

Bond is dated first month in which full payment is received.

Bond matures 10 years from issue date.

Interest Rate
2.5 percent a year, compounded semiannually, when bond is held 10 years.

What you pay
What you get back
$18.75 will increase in 10 years to $25.00
$25.00 will increase in 10 years to $30.00
$30.00 will increase in 10 years to $37.00
$37.00 will increase in 10 years to $45.00
$75.00 will increase in 10 years to $100.00
$100.00 will increase in 10 years to $125.00
$125.00 will increase in 10 years to $150.00
$150.00 will increase in 10 years to 1,000.00

Registration
This bond can be registered only in:
(1) the name of one individual, or
(2) of two individuals as co-owners, or
(3) of one individual and one individual as beneficiaries.

This is on exact reproduction, front and back, of the pledge card which members of The American Legion, its Auxiliary, and the SAL will use in getting pledges for the savings bonds and stamps. Every canvasser in the big drive should study this form carefully. Particular attention is called to the proper filling in of the dotted space at the bottom of the front of the pledge card.

DEFENSE SAVINGS STAMPS
ON SALE EVERYWHERE

Defensive Savings Stamps offer a convenient method for accumulating the purchase price of a Defense Bond.

Defense Stamps are available in denominations of 10¢, 50¢, $1, and $5.

On the purchase of a Defense Stamp of any denomination, the purchaser will receive an attractive album in which the stamps may be mounted for safeguarding. When the album is filled, it may be exchanged for a Defense Bond.

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GENERAL ELECTRIC'S DEFENSE SAVINGS BOND CAMPAIGN

December, 1941
GENERAL ELECTRIC'S DEFENSE SAVINGS BOND CAMPAIGN
December, 1941

At the suggestion of the Treasury Department, General Electric conducted a Defense Savings Bond Campaign among its employees during December, 1941. General Electric had offered Defense Bonds to employees under a Defense Savings Plan when they were first issued by the Treasury Department last April, and this campaign was designed to contact each employee with a personal solicitation in an effort to get as many as possible to purchase bonds on an installment basis through payroll deductions.

By the end of December, 1941 this campaign had resulted in the authorization of payroll deductions for the purchase of Defense Savings Bonds by a total of 100,223 members of the General Electric family. On an annual basis, the face value of the bonds subscribed to equaled $20,141,210. This total does not include a large number of purchases of bonds for cash.

During and following World War I, the highest participation in all four Liberty Loan Drives and in the Victory Loan Drive by G-E employees was attained during the fourth drive when the total reached 90 per cent of all employees. The highest average subscription reached, also during the fourth drive, was $100. In all five drives, G-E employees bought bonds totaling $17,267,750.

In comparison with this, at the end of the first three weeks of G.E.'s Defense Savings Bond campaign, 83 per cent of General Electric's employees have already subscribed and this total is increasing daily. The subscriptions average $150 annually per employee subscribing, and the amount that will be paid in annually for the purchase of Defense Bonds totals over $15,100,000.

The campaign was organized by a central committee which co-ordinated the over-all effort. Subcommittees were set up at each office and factory to direct the activities of over 13,000 employee campaign workers who personally contacted each G-E employee.
The campaign required the production of a large amount of promotional material, including instructions for campaign workers, leaflets for employees, bulletin board posters, gate placards, and campaign publicity in all employee publications. Samples of this material are shown on the following pages.

The response to this initial effort has been impressive. It is expected, however, because this is to be a continuous activity as long as the war lasts, that the face value of Defense Bonds subscribed to by G-E people will increase weekly as new subscriptions are received, and as those who have already subscribed authorize increases in the amount of their weekly or monthly payroll deductions.
To all General Electric Employees:

You will recall that last April announcement was made of the adoption by our Company of a Defense Savings Plan which made it as convenient as possible for you, as employees, to acquire United States Defense Savings Bonds on an installment basis, as well as for cash.

The Plan is being continued, on the amended basis described in this pamphlet, and I therefore wish to take this opportunity to express again my hope that all of you will take advantage of its provisions and thus acquire more United States Defense Savings Bonds.

Please remember that by investing in such Bonds you not only save for the future, but you also help our Government to provide for national defense.

[Signature]

President
DEFENSE SAVINGS PLAN
As Amended, Effective December 1, 1941

1. Eligibility
   a. United States Defense Savings Bonds and Defense Postal Savings Stamps, described on pages 5, 6, 7 and 8, may be purchased by any employee on the payroll of the Company, in accordance with the amended plan set forth below:
      (1) Only Series E bonds may be purchased on the installment basis.
      (2) Series E, Series F, and Series G bonds, and Defense Postal Savings Stamps, may be purchased for cash in full at time of purchase.

2. Installment Purchases—Series E
   a. An employee who desires to purchase Defense Savings Bonds, Series E, may at any time fill in and sign an authorization form (TD-130V), and deliver it to his foreman, department head or to the payroll department.
   b. Deductions will be made from employee's earnings each pay period on the bases shown below, and such deductions will continue until the authorization is cancelled as hereinafter provided.
      Weekly payroll .......... $ .50 cents or multiples thereof.
      Semimonthly payroll ...... $1.00 or multiples thereof.
      Monthly payroll .......... $2.00 or larger amounts in multiples of $1.00.
   c. The authorization form must specify the denomination of bond desired (i.e. $25, $50, $100, $500 or $1000) and the amount to be deducted each pay period. The form must also be completed properly in all other respects before it will be accepted.
   d. Once a month the Company will purchase a bond, in the denomination authorized, for each employee whose accumulated deductions, on the third Friday in that month, are sufficient for the purpose. Any balance remaining after the purchase of a bond will be applied to the purchase of the next bond, deductions continuing until the authorization is cancelled in writing by the employee.
   e. Bonds so purchased will be mailed direct by the Treasury Department of the United States or one of its agencies to the address given in the authorization. The Company will notify the employee when a bond is purchased for him. If the bond is not received within 30 days of the date of such notice, he should report his non-receipt to the payroll department promptly so that the Company can notify the issuing agent. As bonds will be mailed to home addresses, employees should notify payroll departments promptly of changes in address.
   f. As soon as a bond is received, the employee should verify the name and denomination and see (1) that the bond is dated the first day of the month in which it was purchased, and (2) that the dating stamp of the Treasury Department of the United States or one of its agencies is imprinted in the lower left-hand corner of the bond. In case of error the employee should take the bond to the payroll department with a signed statement giving the nature of the correction to be made.
   g. As the Company will notify the employee each time a bond is purchased, periodic statements of accumulated balances will not be issued.
   h. An employee may increase or decrease the amount of deductions being made from his earnings, change the denomination of the bonds to be purchased for him, or change the form of registration, by filling in and signing another authorization form (TD-130V) and delivering it to his foreman, department head or to the payroll department. Any accumulated installments to the employee's credit will be applied to the latest authorization, and the previous authorization will be deemed to be cancelled.
   i. An employee may, at any time, cancel his authorization by written notice to the payroll department. In this event, any accumulated installments to his credit which have not been used for the purchase of bonds will be refunded. While bonds may be purchased by an employee for other persons, accumulated installments until used for the purchase of bonds shall be considered the property of the employee only.
   j. When an employee leaves the service of the Company, his authorization will be cancelled, and any balance to his credit which has not been used for the purchase of bonds will be refunded.
   k. Installment collections will be segregated from the general funds of the Company, and no interest will be allowed on accumulated installments as none will be earned by the Company.

3. Cash Purchases
   a. Defense Savings Bonds, Series E, Series F, and Series G may be purchased by employees through payroll departments or cashiers' offices where employed, or through the Bond Office at Schenectady, N. Y., for cash in full at time of purchase.
b. An employee who desires to purchase these bonds for cash should fill in and sign authorization form (TD-130VA) and deliver it in person or mail it with check or money order to cashier or payroll department where employed, or to the Bond Office at Schenectady, N. Y. Checks or money orders should be made payable to General Electric Company. Bonds purchased for cash will be delivered to the purchasers by the Company, after which the Company's responsibility ceases.

4. Forms of Registration of Bonds
a. Defense Savings Bonds may be registered in the names of individuals in any of the following ways:
   (1) In the name of one person, for example:
      John H. Brown
   (2) In the names of two persons as co-owners, for example:
      John H. Brown or Mrs. Mary A. Brown
   (3) In the name of one person and another person as a beneficiary, for example:
      John H. Brown, Payable on Death to Mrs. Mary A. Brown.

b. The full name of the owner, the co-owner or the beneficiary, if any, should be shown in the authorization form, except that if there are two given names, an initial may be substituted for one, for example:
   John Henry Brown may be shown as John H. Brown or J. Henry Brown.

c. The name of a woman should always be preceded by "Mrs." or "Miss." A married woman's own given name should be used and not that of her husband, for example:
   Mrs. Mary A. Brown, not Mrs. John H. Brown.

d. Nicknames and abbreviations of given names, such as "Tony" for "Anthony" or "Ed." for "Edward," etc., should not be used in the authorization, as this might cause delay in obtaining payment of the bond in case of death of the owner.

e. Home addresses should be filled in completely on the authorization form. Names of cities and streets should not be abbreviated.

f. Defense Savings Bonds may be registered in the name of a minor as sole owner, co-owner, or beneficiary, except that if the funds used for the purchase of the bonds already belong to the minor, the bonds must be registered in the minor's name alone without co-owner or beneficiary.

If bonds are being purchased by an employee for a minor and a guardian of the minor has been appointed by a Court, the words "a minor under legal guardianship" should be added, for example:

(2) John A. Jones, a minor under legal guardianship
(3) John A. Jones, a minor under legal guardianship, or Mrs. Mary A. Jones
(3) John A. Jones, a minor under legal guardianship, payable on death to Mrs. Mary A. Jones

5. Bonds Lost, Stolen, or Destroyed
a. In case a bond is lost, stolen, or destroyed, the United States Treasury Department, Division of Loans and Currency, Washington, D. C., should be notified. Reference should be made to the series, the year of issue, date and serial number of the bond, and the name and address of the registered owner.

6. Safekeeping of Bonds
a. Defense Savings Bonds will be accepted for safekeeping from employees at works and principal offices of the Company where safekeeping facilities are available, or they may be deposited for safekeeping at any Federal Reserve Bank. An employee wishing to take advantage of the Federal Reserve Bank safekeeping service, for which there is no charge, should consult his Paymaster, Cashier, or the Bond Office, Schenectady, N. Y.

7. United States Defense Postal Savings Stamps
a. These stamps may be purchased through the Company for cash by any employee at payroll departments or cashiers' offices, and at the Bond Office, Schenectady, N. Y. The stamps are in denominations of $0.10, $0.25, $0.50, $1.00, and $5.00.

b. A savings card will be furnished for mounting the $.10 stamps. Purchasers of stamps in denominations of $.25 or more will be given Defense Stamp albums in which to mount stamps. An album containing 75 of the $.25 stamps has a cash value of $18.75 and may be exchanged for a United States Defense Savings Bond, Series E, which at the end of ten years will be redeemed by the Government for $25.00. There are similar albums for mounting the $.50, $1.00, and $5.00 stamps, exchangeable for $50 and $100 Series E bonds.

8. General
a. Further details of procedure under this plan will be posted on bulletin boards and published in works papers.

b. This plan may be amended or terminated by the General Electric Company at any time, and notice thereof will be published.
### UNITED STATES DEFENSE SAVINGS BONDS—SERIES E

**TYPE OF BOND:** Appreciation bond. Registered. Not transferable.

**INTEREST RATE:** 2.9 per cent a year, compounded semiannually, when bond is held to maturity.

**REGISTRATION:** This bond can be registered in any of the forms shown on page 4 of the amended plan.

**LIMITATION ON HOLDINGS:** Owner is limited to $50,000 of Series E bonds (maturity value) issued in any one calendar year.

**REDEMPTION:** Owner may redeem bond at any time after 60 days from issue date of bond. Instructions for redeeming bonds are printed on the back of each bond.

### TABLE OF REDEMPTION VALUES AND INVESTMENT YIELDS

Table showing: (1) How Defense Savings Bonds of Series E, by denominations, increase in redemption value during successive half-year periods following issue and (2) the approximate investment yield on the purchase price from issue date to the beginning of each half-year period. Yields are expressed in terms of rate per cent per annum, compounded semiannually.

<table>
<thead>
<tr>
<th>MATURITY VALUE</th>
<th>ISSUE PRICE</th>
<th>$25.00</th>
<th>$50.00</th>
<th>$100.00</th>
<th>$500.00</th>
<th>$1000.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Period after issue date</td>
<td>(1) Redemption values during each half-year period</td>
<td>$18.75</td>
<td>$37.50</td>
<td>$75.00</td>
<td>$375.00</td>
<td>$750.00</td>
</tr>
<tr>
<td>1/2 year</td>
<td></td>
<td>$18.75</td>
<td>$37.50</td>
<td>$75.00</td>
<td>$375.00</td>
<td>$750.00</td>
</tr>
<tr>
<td>1/ to 1 year</td>
<td></td>
<td></td>
<td></td>
<td>$75.00</td>
<td>$375.00</td>
<td>$750.00</td>
</tr>
<tr>
<td>1 to 3 years</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$375.00</td>
<td>$750.00</td>
</tr>
<tr>
<td>3 to 5 years</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$750.00</td>
</tr>
<tr>
<td>5 to 10 years</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

### UNITED STATES DEFENSE SAVINGS BONDS—DEFENSE SERIES F

**TYPE OF BOND:** Appreciation bond. Registered. Not transferable.

**INTEREST RATE:** 2.53 per cent a year, compounded semiannually, when bond is held to maturity.

**REGISTRATION:** This bond can be registered in any of the forms shown on page 4 of the amended plan.

**LIMITATION ON HOLDINGS:** Owner is limited to $50,000 of Series F bonds (cost price) or to $50,000 of Series F and Series G, combined, issued in any one calendar year.

**REDEMPTION:** Owner may redeem bond on one month's written notice after six months from issue date of bond. Instructions for redeeming bonds are printed on the back of each bond.

### TABLE OF REDEMPTION VALUES AND INVESTMENT YIELDS

Table showing: (1) How United States Savings Bonds of Defense Series F, by denominations, increase in redemption value during successive half-year periods following issue and (2) the approximate investment yield on the purchase price from issue date to the beginning of each half-year period. Yields are expressed in terms of rate per cent per annum, compounded semiannually.

<table>
<thead>
<tr>
<th>MATURITY VALUE</th>
<th>ISSUE PRICE</th>
<th>$100.00</th>
<th>$500.00</th>
<th>$1000.00</th>
<th>$5000.00</th>
<th>$10000.00</th>
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</thead>
<tbody>
<tr>
<td>Period after issue date</td>
<td>(1) Redemption values during each half-year period</td>
<td>$74.00</td>
<td>$370.00</td>
<td>$740.00</td>
<td>$3700.00</td>
<td>$7400.00</td>
</tr>
<tr>
<td>1/2 year</td>
<td></td>
<td>$74.00</td>
<td>$370.00</td>
<td>$740.00</td>
<td>$3700.00</td>
<td>$7400.00</td>
</tr>
<tr>
<td>1/ to 1 year</td>
<td></td>
<td></td>
<td></td>
<td>$740.00</td>
<td>$3700.00</td>
<td>$7400.00</td>
</tr>
<tr>
<td>1 to 2 years</td>
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<td></td>
<td></td>
<td></td>
<td>$3700.00</td>
<td>$7400.00</td>
</tr>
<tr>
<td>2 to 3 years</td>
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<td></td>
<td>$7400.00</td>
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<tr>
<td>3 to 5 years</td>
<td></td>
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<td></td>
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<tr>
<td>5 to 10 years</td>
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DEFENSE SAVINGS BONDS Now
Subscribe For

DEFENSE
SAVINGS
BONDS
NOW
By Payroll Deductions

GENERAL ELECTRIC
EVER SINCE LAST April we've been hearing appeals to buy Defense Savings Bonds. Every day for the last eight months radio announcers have mixed bond-buying appeals with their descriptions of "tasty-wasty flapjack flour" or "Gilbey's girlish girdles." Magazine ads have made the Concord Minute Man a familiar figure to millions of Americans. Billboards and posters have appealed to our patriotism—newspaper articles have pointed out the "reasons why." And for eight months most of us have agreed wholeheartedly with everything that was being said but have gone blissfully on our way, resolving to buy some Defense Bonds the first time we got around to it.

And so the actual sale of Defense Bonds has been disappointing to the U. S. Treasury Department, and something is being done about it. Full-time regional directors have been established throughout the country, and business firms, civic organizations, schools, and hundreds of other groups are now ready to contact every single person in the country.
Mr. Bisbee becomes conscious of Government Defense Savings Bond Campaign. He glad something is being done to head off inflation.

MR. BISBEE BUYS BONDS

APRIL, 1941

JUNE

JULY

AUGUST

Mr. Bisbee sees signs to buy Defense Bonds. Makes mental note to buy a Defense Savings Bond the next time he is near the post office.

Decides he’d better buy a new car or an old one will probably not outlast the emergency. Feels glad that he has not tied up the money in Defense Savings Bonds.

REALIZES WITH SINKING FEELING THAT HE HAS NEGLECTED TO BUY DEFENSE SAVINGS BOND YET. RESOLVES TO DO SO AT FIRST OPPORTUNITY.

SEPTEMBER

OCTOBER

NOVEMBER

DECEMBER, 1941

Junior asks for 25 cents a week to buy Defense Savings. Stamps at school. Bisbee gives Junior a quarter with feeling of relief that he is at last contributing to defense effort. He proud of Junior’s patriotic spirit.

On business trip, he gets off plane in Washington, wondering whether any Government officials will notice that he has not yet bought any Defense Savings Bonds.

Listens to speaker urge purchase of Defense Savings Bond at Luncheon Club. Feels slightly bored. Resolves to give it kind thought tonight.

Companion Worker finally calls on Mr. Bisbee and hands him pen and application blank. Wave of enthusiasm sweeps over Mr. Bisbee. He gladly signs up to purchase bonds regularly, on payroll deduction plan.
NATIONAL CAMPAIGN EFFORT TO BE MADE IN DECEMBER

The magnitude of this effort can be judged by the number of workers who will be engaged in making personal solicitations. During the "Liberty Loan" campaigns of 1917-1918, a maximum of two million workers were active. Today, the Treasury Department estimates that six times as many people will be working to sell Defense Bonds.

All large and medium-sized companies are being asked to establish payroll deduction plans for the purchase of these bonds. Smaller companies are asked to provide for the sale of Defense Savings Stamps to their employees regularly each payday. Schools are urging students to bring 25 cents or more each week for the purchase of Defense Stamps. Newspaper delivery boys will urge the purchase of stamps as they make their regular weekly collections from door to door. Stores will suggest that customers take their change in Savings Stamps.

WHAT G.E. CAN DO DEPENDS ON US

Last April, when the Treasury Department announced the Defense Savings Bond Program, General Electric was among the first to cooperate. A Defense Savings Plan was adopted to make the purchase of Defense Bonds as convenient as possible for all G-E people.

In order to tie in with the U.S. Treasury's present efforts to expand its bond-selling program, General Electric has just announced a revised Defense Savings Plan. One of your fellow employees will soon call on you as a Defense Bond Campaign worker, ready to answer any questions you may have on this program—and to give you an opportunity not only to help defend America, but also to provide for your own future security by making purchases of Defense Savings Bonds by payroll deductions.
INSTRUCTIONS TO CAMPAIGN WORKERS

DEFENSE SAVINGS BOND CAMPAIGN

December 1941

To All Campaign Workers:

The Government has called on us to speed the sale of U.S. Defense Savings Bonds. Savings today are vital to our National Defense, and every individual can make a real contribution to national safety by purchasing bonds now.

Our job is to see to it that every man and woman in the General Electric Company is given this story and urged to start the purchase of a bond now. In doing your part in this program you are contributing to National Defense in a very real way.

Yours very truly,

Campaign Committee
Defense Savings Bond Campaign

December 1941

GENERAL ELECTRIC

INSTRUCTIONS TO CAMPAIGN WORKERS

The U.S. Treasury Department has suggested that we conduct a program for the sale of Defense Savings Bonds throughout the Company. Therefore, we have planned such a program for December. Many companies have conducted similar campaigns and report participation up to as high as two-thirds of all employers. We are anxious to make as good a showing as possible.

Your campaign manager has given you an authorization form for each person you have agreed to contact. Please talk to each person as soon as possible, and turn the forms in to your campaign manager as soon as they are filled out.

In contacting each person, explain first that this program has been suggested by the Government, that similar programs are being run all over the country, and that participation is already high. Emphasize the patriotic necessity for helping the defense program by buying bonds regularly, and that the easy way to do it is by payroll deductions.

Each U.S. employee will be given a copy of the booklet describing the Defense Savings Plan as amended, effective December 1, 1941. Be prepared, however, to answer any questions that may come up by reading this booklet thoroughly before you start your contacts. Be sure to keep a copy with you so that you can refer to it.

Let each person decide how much he wishes to subscribe. If, after you have talked to him, he does not seem anxious to make a subscription, ask him if he would like to subscribe for the minimum amount. This is 50 cents each payday for those paid weekly, one dollar each payday for those paid semimonthly, and two dollars each payday for those paid monthly. If he may be willing to buy bonds for each.

After he has filled out an authorization form (or as soon as you realize that he is unwilling to do so), ask him if he would care to fill out an income optimization order so that future profit sharing payments to him, or future interest on any G.E. Employee Bonds he may hold, will be accumulated toward the purchase of Defense Savings Bonds, Series E.

If you have any questions yourself, or if any question comes up during your contacts that you cannot answer, see your campaign manager, who will be glad to help you.

WHO IS ELIGIBLE

Any employee of General Electric is eligible to purchase Defense Savings Bonds, Series E, by payroll deductions.

TYPE OF BONDS OFFERED

United States Defense Savings Bonds, Series E, are being offered for purchase by payroll deductions. Practically all employees will prefer the Series E bonds to either Series F or G, which the government also offers. Series F and Series G bonds cannot be purchased by payroll deductions but can be purchased for cash in full.

DENOMINATIONS

Series E bonds are offered in five denominations—$25, $50, $100, $500, and $1000. The cost of these bonds is $18.75, $37.50, $75.00, $375.00, and $750.00 respectively.

DEDUCTIONS

Deductions will be made from the employee's earnings each pay period according to the amounts which he authorizes. These amounts may be set as follows:

Weekly payroll—50 cents or multiples thereof
Semimonthly payroll—$1.00 or multiples thereof
Monthly payroll—$2.00 or multiples thereof

In addition to the above an employee may authorize a deduction each pay period of the exact purchase price of a bond, i.e., $18.75 for a $25.00 bond or $37.50 for a $50.00 bond, etc.

FORM OF REGISTRATION

Be particularly careful to see that the registration is exactly as prescribed. Series E Bonds may be registered in the names of individuals or in any of the ways prescribed on page 4 of the booklet, "Defense Savings Plan," as amended, effective December 1, 1941.

Be sure that the authorization forms are completely filled out with—

(1) Name of employee
(2) Home address of employee
(3) Amount to be deducted each pay period
(4) Denomination of bond desired
(5) Name(s) in which bond should be registered
(6) Indicate whether under 21 years of age

Each Dollar Saved Is A Shot For Freedom

Regraded Unclassified
WHY EMPLOYEES SHOULD BUY DEFENSE SAVINGS BONDS

1. SAVING RETARDS INFLATION

If we try to spend all we earn today, inflation—high costs of living—will inevitably follow. This is true because our factories are busy turning out armaments and cannot produce all the things we would like to buy. Unless we save a good share of our income we will force prices up until we shall find it hard to get along.

2. SAVINGS HELP PAY FOR DEFENSE

Billions of dollars are needed by the Government to pay for the ships, planes, guns, tanks, and other armaments so urgently needed today. This money is obtained in two ways—taxes and borrowing. Unless we are willing to lend our money to the Government, the result will be higher taxes than would otherwise be necessary.

3. SAVINGS WILL CUSHION THE READJUSTMENT PERIOD

When the war ends, a large part of industry will have to switch from the production of armaments to the production of peacetime goods. This period of readjustment will be hard on many people unless they have savings to tide them over. When the war is over, we must all be ready to purchase peacetime goods in larger quantities than ever before in order to keep industry busy during the readjustment period. We must save more now so that we can spend more then.

Saving Is Vital to National Defense
EVER SINCE LAST April we've been hearing appeals to buy Defense Savings Bonds. Every day for the last eight months radio announcers have mixed bond-buying appeals with their descriptions of "tasty-wasty flapjack flour" or "Gilbey's girlish girdles." Magazines also have made the Concord Minute Man a familiar figure to millions of Americans. Billboards and posters have appealed to our patriotism—newspaper articles have pointed out the "reasons why." And for eight months most of us have agreed wholeheartedly with everything that was being said but have gone blissfully on our way, resolving to buy some Defense Bonds the first time we got around to it.

And so the actual sale of Defense Bonds has been disappointing to the U.S. Treasury Department, and something is being done about it. Full-time regional directors have been established throughout the country, and business firms, civic organizations, schools and hundreds of other groups are now ready to contact every single person in the country.

NATIONAL CAMPAIGN EFFORT TO BE MADE IN DECEMBER

The magnitude of this effort can be judged by the number of workers who will be engaged in making personal solicitations. During the "Liberty Loan" campaigns of 1917-1918, a maximum of two million workers were active. Today, the Treasury Department estimates that six times as many people will be working to sell Defense Bonds.

All large and medium-sized companies are being asked to establish payroll deduction plans for the purchase of these bonds. Smaller companies are asked to provide for the sale of Defense Savings Stamps in their employees regularly each payday. Schools are urging students to bring in cents or more each week for the purchase of Defense Stamps. Newspaper delivery boys will urge the purchase of stamps as they make their regular weekly collections from door to door. Stores will suggest that customers take their change in Savings Stamps.

MR. BISBEE BUYS BONDS

APRIL, 1941

Mr. Bisbee becomes convinced of the Government Defense Savings Bond Campaign. He realizes something's being done to head off intervention.

JUNE

Makes mental note to buy a Defense Savings Bond the next time he's near the post office.

OCTOBER

On business trip, he gets off plane in Washington, wondering whether anyone Government officials will notice that he has not yet bought a Defense Savings Bond.

NOVEMBER

Desires he'd better buy a new car or old one will probably not outlast the emergency. Feels glad that he has not used up the money in Defense Savings Bonds.

DECEMBER, 1941

Campaign worker finally calls on Mr. Bisbee and hands him pan and application blank. Wave of enthusiasm means bond for Mr. Bisbee. He gladly signs up to purchase bonds regularly on payroll deduction plan.

AND FOR THE DURATION

Grand and glorious feeling that he is a full-fledged partner in his nation's defense effort. Wife and Junior beam with pride on their bond-buying here.

WHAT G.E. CAN DO DEPENDS ON US

Last April, when the Treasury Department announced the Defense Savings Bond Program, General Electric was among the first to co-operate. A Defense Savings Plan was adopted to make the purchase of Defense Bonds as convenient as possible for all G-E people.

In order to tie in with the U.S. Treasury's present efforts to expand its bond-selling program, General Electric has just announced a revived Defense Savings Plan. One of your fellow employees will soon call on you as a Defense Bond Campaign worker, ready to answer any questions you may have on this program—and to give you an opportunity not only to help defend America, but also to provide for your own future security by making purchases of Defense Savings Bonds by payroll deductions.
To All Employees Of General Electric:

Last Sunday morning war came to the United States in a tremendous and unspeakable attack on the Hawaiian Islands. By that act the enemy reminded us that an unanswerable fuse of revolution that burns nowhere else in the hearts of free Americans. From that moment on no American was working for himself alone, but for the whole of our country, for the future of that country and of humanity.

The first and most natural reaction of each one of us to the awful impact of this event has been to act, to strike back in the full force of righteous anger and of our united might. But there are many ways of inflicting damage on our enemy, and of helping to hasten the inevitable triumph of our cause.

We do this when we perform the job that is our responsibility better and quicker than anyone else could do it.

Of course, there are taxes in pay, there are lands to buy. But, of all else, we have to deliver to our own sons and our neighbors' sons the machines and equipment that will destroy the forces that have attacked us. That can be done only by doing more work each hour and each day than has ever been done before in any place in the world.

The skills and spirit of G.E. men and women will be most distinctly reflected in the task before us. Seven days-a-week operation of plants, the the rush rather than the exception whenever this will produce more weapons, for those fighting on the front line for us. This is the job, the fighting job, for every one of General Electric's hundreds and thousands.

We know the job before us. We know that our cause is the greatest for which man has ever fought. Let us remember that our every thought and act is vital to that cause. We are producing for victory.

(Earl Wilson)

Defense Bond Campaign Offers Every Employee An Opportunity To Help Our Country To Victory

Several days ago, in his frank statement over the radio to the people of our country, President Franklin D. Roosevelt said: "We are now in this war. We are all in it—all the way. Every man, woman and child is a partner in the most tremendous undertaking of our American history. We must share together the bad news and the good news, the disasters and the victories—the changing fortunes of war."

Yes, we are all in it. In the crisis which we are now facing, every citizen of the United States must do his part. We all, as loyal Americans, know that and are prepared to do our part.

Our Government requires huge sums of money to finance the expenses of our defense program. Some of the money for those expenses is being raised by the sale of United States Defense Bonds to which many of us have already subscribed.

These bonds give each person an opportunity to express his loyalty to our country, and to do his share as an individual in the gigantic struggle to come. They also give him an opportunity to provide for his own security in the future by investing, and saving his money with the best security in the world, namely the integrity of our own country.

The General Electric Company is now offering a plan to its employees whereby these bonds may be purchased through payroll deductions. Every employee of the Fort Wayne Works will be given an opportunity to purchase one or more Defense Bonds, through an organized campaign by a committee of employees. They may be purchased through weekly deductions of 50 cents per week or multiples thereof.

We all realize the vital importance of doing our part in this program. The employees of the General Electric have always gladly done what the need of the hour requires. The need now is pressing. Let each of us do his part.
Defense Bond Campaign Under Way

37 Per Cent of Employees In Works Subscribe for Bonds in First Three Days

33,237,000 Is Maturity Value Of Bonds Sold Early in Week

Bonds May Be Purchased
By Payroll Deductions

Under Campaign

Every Part of Our Works Must Contribute To

Great Community To

Subscribe

It's Happening Everywhere

Bonds May Be Purchased
By Payroll Deductions

Under Campaign

Every Part of Our Works Must Contribute To

Great Community To

Subscribe

In 1940, millions of dollars were subscribed by employees in the United States for defense bonds. The campaign was part of a larger effort to raise funds for the war effort. The bonds provided a way for employees to contribute to the war effort without having to devote a large portion of their salary to it. The campaign was successful, with 37 per cent of employees in the works subscribing for bonds in the first three days of the campaign. The maturity value of the bonds sold early in the week was 33,237,000. The bonds were purchased by payroll deductions, with every part of the works being encouraged to contribute to the campaign. The image also includes a cartoon showing the importance of investing in bonds for freedom.
Defense Bond Campaign Under Way

"I'm An American Citizen"

One of the first responses in the campaign for the sale of Defense Savings Bonds at the Fort Wayne Works came from W. "Pete" Knott, M. who retired in 1929 after completing forty years of service. Pete is shown giving his application to Helen Gilbert, Bldg. 16-A. Why did Pete buy bonds? He gives the answer: "I'm an American citizen. I'll help all the way through to the best of my ability."
Defense Savings Plan
Amendments Announced

Series E Bonds May Be Purchased At Any Time Through Payroll Deductions

Under terms of the amended Defense Savings Plan, all employees of the Company may purchase Series E United States Defense Bonds.

The announcement of Series E bonds was made last week by Charles C. Wilson, president of the Company.

A copy of the amended plan is printed on page 113, and the plan is available at all Company branches.

The plan is being continued, and the amended bond plan is described in this pamphlet, and I therefore wish to take this opportunity of expressing my hope that all of you will take advantage of the opportunity to purchase Series E United States Defense Bonds.

"Please remember that by investing in bonds, you are helping to build the greatest economy on earth, the United States economy. By buying bonds, you are helping to ensure a future for our children.

Only Series E bonds may be purchased under this plan. All bonds purchased through the payroll deduction plan will be Series E bonds.

The plan is available at all Company branches.

"Please remember that by investing in bonds, you are helping to build the greatest economy on earth, the United States economy. By buying bonds, you are helping to ensure a future for our children.

Eighty-Three Percent Subscribe For Bonds

Total Maturity Value At Close Of Third Week Is $20,141,210

General Electric's Defense Savings Bond campaign at the end of its first three weeks, found 83 percent of the Company's employees subscribing for a total of $20,141,210. This total is increasing daily. This is an average of $10.60 for each employee. The total maturity value of these bonds is $20,141,210.

During and following World War II, the highest participation in all four Liberty Loan drives, and in the Victory Loan drive by General Electric employees was attained during the fourth drive when the total purchased was $10,600,000. The highest average subscription per employee was $8.40, attained during the fourth drive.
U.S. Bond Sale Here Huge Success

Pittsfield Employees Give Full Support to Drive

Over 95 Percent Here Subscribe. Plastics Report 97.4 Have Participated.

Employees in General Electric's Pittsfield Works have purchased United States Defense Savings Bonds, which will amount to a total maturity value of nearly $2 million at maturity. This is over half million dollars in 1932, if compared with the first year. Mr. Harry A. Smith of the Pittsfield Works, lifelong employee of the plastics department, submitted the first check.

In the Pittsfield Works a total of 1150 employees represent 10.8 percent of the total employees. Thirty-six percent of the employees have purchased bonds. The $2 million amount will have a maturity value of $2.5 million at maturity.
Facts About Defense Savings Bonds

SERIES E DEFENSE SAVINGS BONDS

PAYROLL DEDUCTIONS

DENOMINATIONS

WHAT YOU GET AT MATURITY

$25.00 $50.00 $100.00 $500.00 $1000.00

WHAT THE BONDS COST YOU

$18.75 $37.50 $75.00 $375.00 $750.00

Or you may buy a bond each pay period

Your savings grow 33 1/3 % in ten years

HOW TO BUY BONDS

Simply fill out authorization form, making sure to specify denomination of bond desired and amount to be deducted. Form must also be complete in other respects. (NOTE SAMPLE BELOW) Then give form to solicitor, supervisor or Payroll Dept.

INTEREST

2.9% if held to maturity.

REDEEMABLE

Any time after 60 days for full amount paid plus interest due you.

F and G BONDS

May be purchased through Payroll Dept., for cash in full at time of purchase.

ADVANTAGES

1) Save some of your earnings for post war period
2) Security backed by U. S. Government
3) Aid National Defense
4) Help prevent inflation

LIFE

Mature in ten years.

CASH PURCHASES

E Series bonds may be purchased for cash at any time through Payroll Dept.

REGISTRATION

Must state name of either

1) One person
2) Two persons as co-owners
3) One person and beneficiary

Follow This Sample Form When Making Out Your Authorization

Weekly Payroll:

50 cents, $1.00, $1.50, $2.00, etc.

Monthly Payroll:

$2.00, $3.00, $4.00, etc.

E Series Bond (Recommendation)

$25.00 $50.00 $100.00

Please add instructions on back before filling in below. Type or Print Information Plainly

To General Electric Employees

Department:

Date:

Weekly or Monthly Payroll:

Date of First Deduction:

Payee:

Signature:

Address:

Employer:

Series E Bond (Recommendation)

$25.00 $50.00 $100.00

Mr. Mrs. or Ms.

should be indicated before each name, by crossing out two titles which do not apply. A married woman should use her own name, for example: "Mrs. Mary A. Brown and Mrs. John W." No nicknames or abbreviations should be used.

Address should include house number, complete name of street, city and state, with the street name followed by St., Ave. or other designation. The Payroll Dept. should be notified immediately of change of address -- bonds are mailed to home.

After properly filling out and signing form give it to your solicitor, supervisor or paye-roll department.

Regraded Unclassified
Bond Subscription Totals $8,520,920

93.12 Per Cent of Work

Happy New Year

General Electric Works

Employees Buying Bonds

Regarded Unclassified

Regarded Unclassified
Savings Bond Campaign Planned Here

Defense Savings Week to Be Held December 15 to 19

Schenectady Works

Regraded Unclassified
THE IMPORTANT THING

WHAT HAPPENED YESTERDAY....

--OR WHAT MAY HAPPEN TOMORROW....

--BUT

WHAT WE ARE DOING ABOUT IT,

TODAY!

EVERY MAN, WOMAN AND CHILD CAN
ENLIST!

-BUY DEFENSE BONDS

GLOBAL ELECTRIC

Jim Farlow

Regraded Unclassified
ALL OUT FOR AMERICA!

"LiberTy? Preserve your help Uncle Sam and the future and chance to save for folks here's your General Electric defense savings bond United States."
INVEST IN FREEDOM TODAY!

HERR GOTT!!
SEND GOEBBELS IN HERE - AT ONCE!

EVERY MAN, WOMAN, AND CHILD IN AMERICA CAN ENLIST TODAY IN THE FIGHT AGAINST SLAVERY!
BUY U.S. DEFENSE SAVINGS BONDS
-UNCLE SAM
G-E Defense Bond Plan Announced

Motor Dept. Maps Bond Campaign

Bonds To Be Available
By Payroll Deduction

Authorization Forms To Be Distributed To All Employees Of Company Next Week

Under terms of the expanded Defense Savings Plan all employees of the Company may purchase on the payroll deduction plan at any time Series E. United States Defense Bonds. The denominations of the Series E bonds are $50, $100, $500 and $1,000. Announcement of the expanded plan was made last week by Charles E. Wilson, President of the Company.

Lynn Hospital Construction Is Started

Greater Lynn Labor And G-E Equipment To Be Used In New Wing

Lt. Col. Codd Addresses The
R.W. Foremen

Engineers Hear Lecture Campaign To
Open Monday

National Sports Figure Shows Colorful Film

Each of 24,000 Employees At Lynn Work Will Be Contacted Personally

Employees Should Notify Pay Office Of Address Change

Employees of the Lynn Works are urged to notify the clerk or supervisor in their department if they change their home address so that the information may be transmitted to the Pay Office. Calls and other matters bearing immediate attention are often referred to the Pay Office and it is to be

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The G.E. Pinfalls

The GEEAA plans to hold another basketball meeting on Tuesday, Dec. 9, at 7:00 p.m., at First G.E. Auditorium, West Lynn. Manager is urging each team to arrange daily meets and a schedule for the season which starts Jan. 1. Time is short.

One of the best games in the city has been obtained by the G.E. again this year, and we should make good use of it. Let's make G.E. basketball bigger and better than ever this year.

The boys in Bldg. 17 are still fishing around for some bowling competition, but the second week they have asked the NEWS to try and arrange a match. Surely there must be some bowlers in West Lynn or Everett who would like to test their skill against the boys from Bldg. 17. If so—the number is 5 W. 371, L. Border.

The mighty Die Room Bowling Team after many failures and disappointments in their matches with other teams in the Forge Shop have decided that they might possibly be able to win a match with the girls in the office and are trying to arrange a meeting, so that they can win themselves. However, this is already being placed on the "notch" and the girls are a heavy favorite.

You better brush up boys and really get in some practice before you meet this game.

The "Ladies in Red" to the West Lynn Girls' League captured all the honors in their work on the shiny lanes, Captain Phyllis Coble was tied with a member of her own team, Martha Schuyler. The final was 371 white against 371 while. Barbara scored high single of 161 and Phyllis, second best, 149. Fine work girls.

Apprentice Alumni Officers

The newly elected Apprentice Alumni Officers for the 1941-42 season are Albert Moncrief, Financial Secretary; and Edward De Lammers, treasurer, rear. G. G. Didiker, recording secretary. Winifred H. Davis, president, and Joseph B. Weitzel, vice president, is front row.

Bowling Scores

U.S. Army Air Corps Pictures To Be Shown

The entertainment at the River Works on Thursday during the noon hour will be featured by an official U.S. Army Air Corps film entitled "Wings of the Army." The movie reproduces the Wright Brothers first flight, and other interesting highlights in the growth and development of the aviation branch of the armed service.

For the remainder of the week there will be the usual features. On Monday at 4 p.m. and Tuesday at 6:30 p.m. will be the Army movies and shorts. On Thursday the seven series of "King of the Royal Mounted" will be shown in addition to the official Air Corps film.

On Friday a dancing program is planned. For the benefit of those employees who like to dance a C.W. visitor program of music will be presented in the future.

Tuesday of this week at the River Works there will be a short showing of "Brandy's Candle Song," a cartoon "Chimp's Adventures." The main feature for Wednesday is "Calling of Dan Matthews" with Richard Arlen. Dancing as usual is planned for Friday.

Bennett Street Parking Area To Be Rearranged At The River Works

When the rearrangement of the Bennett St. parking area is completed (January 1 is the date now) they will be exchange stickers marked with car numbers having that tag will be exchanged for the new one. The method of parking will be as follows: From 6:00 a.m. to 6:00 p.m. be parked in the area between Bennett and West Neptune Streets, the only exception will be the exit from Bennett St. while the exit will be at West Neptune St. From 6:00 a.m. to 6:00 p.m. the car will enter and leave the Bennett St. entrance. NO CARS WILL ENTER.

NO CARS WILL ENTER THE WAY OF WEST NEPTUNE ST. AT ANY TIME.

The area south of Bennett St. to the B & M tracks, traffic will be moved to the streets. The entrance will be near the gate house and the exit at the end of the B & M tracks. The area will be wooded at all times and all vehicles. It is the intent of the proper parking for the employees.

Regraded Unclassified
GENERAL ELECTRIC COMPANY

DEFENSE SAVINGS PLAN
AS AMENDED, EFFECTIVE DECEMBER 1, 1941

To all General Electric Employees:

You will recall that last April an announcement was made of the
adoption by our Company of a Defense Savings Plan which made it
convenient as possible for you, as employees, to acquire United
States Defense Savings Bonds on an installment basis, as well as for
cash.

The Plan is being continued, as the amended Plan described in
this pamphlet, and I therefore wish to take this opportunity to ex-
press again my hope that all of you will take advantage of its pro-
visions and thus acquire more United States Defense Savings Bonds.

Please remember that by investing in such Bonds you not only
have for the future, but you also help our Government to provide the
national defense.

President

Schenectady, N. Y., December 1, 1941

Regraded Unclassified
DEFENSE SAVINGS PLAN
As Amended, Effective December 1, 1941

1. Eligibility
   a. United States Defense Savings Bonds and Defense Postal Savings Stamps, described on pages 5, 6, 7 and 8, may be purchased by any employee on the payroll of the Company, in accordance with the amended plan set forth below:
      (1) Only Series E bonds may be purchased on the installment basis.
      (2) Series E, Series F, and Series G bonds, and Defense Postal Savings Stamps, may be purchased for cash in full at time of purchase.

2. Installment Purchases—Series E
   a. An employee who desires to purchase Defense Savings Bonds, Series E, may at any time fill in an authorization form (TD-130V), and deliver it to his foreman, department head or to the payroll department.
   b. Deductions will be made from employee's earnings each pay period on the bases shown below, and such deductions will continue until the authorization is cancelled or the installment plan is canceled as hereinafter provided.
      Weekly payroll ..................... $1.00 or multiples thereof.
      Semimonthly payroll .............. $1.00 or multiples thereof.
      Monthly payroll .................. $2.00 or larger amounts in multiples of $1.00.
      In addition to the above an employee may authorize deduction each pay period of the exact purchase price of a bond, i.e., $8.75 for a $50.00 bond or $37.50 for a $500.00 bond, etc.
   c. The authorization form must specify the denomination of bond desired (i.e. $25; $50; $100; $500 or $1000) and the amount to be deducted each pay period. The form must also be completed properly in all other respects before it will be accepted.
   d. Once a month the Company will purchase a bond, in the denomination authorized, for each employee whose accumulated deductions, on the third Friday in that month, are sufficient for the purpose. Any balance remaining after the purchase of a bond will be applied to the purchase of the next bond, deductions continuing until the authorization is cancelled in writing by the employee.
   e. Bonds so purchased will be mailed direct by the Treasury Department of the United States or one of its agencies to the address given in the authorization. The Company will notify the employee when a bond is purchased for him. If the bond is not received within 30 days of the date of such notice, he should report its non-receipt to the payroll department promptly so that the Company can notify the issuing agent. As bonds will be mailed to home addresses, employees should notify payroll departments promptly of changes in address.
   f. As soon as a bond is received, the employee should verify the name and denomination and see (1) that the bond is dated the first day of the month in which it was purchased, and (2) that the date stamp of the Treasury Department of the United States or one of its agencies is imprinted in the lower left-hand corner of the bond. In case of error the employee should take the bond to the payroll department with a signed statement giving the nature of the correction to be made.
   g. As the Company will notify the employee each time a bond is purchased, periodic statements of accumulated balances will not be issued.
   h. An employee may increase or reduce the amount of deductions being made from his earnings, change the denomination of the bonds to be purchased for him, or change the form of registration, by filling in and signing another authorization form (TD-130V) and delivering it to his foreman, department head or to the payroll department. Any accumulated installments to the employee's credit will be applied to the latest authorization, and the previous authorization will be deemed to be cancelled.
   i. An employee may, at any time, cancel his authorization by written notice to the payroll department. In this event, any accumulated installments to his credit which have not been used for the purchase of bonds will be refunded. While bonds may be purchased by an employee for other persons, accumulated installments until used for the purchase of bonds shall be considered the property of the employee only.
   j. When an employee leaves the service of the Company, his authorization will be cancelled, and any balance to his credit which has not been used for the purchase of bonds will be refunded.
   k. Installment collections will be segregated from the general funds of the Company, and no interest will be allowed on accumulated installments as none will be earned by the Company.

3. Cash Purchases
   a. Defense Savings Bonds, Series E, Series F, and Series G may be purchased by employees through payroll departments or cashiers' offices where employed, or through the Bond Office at Schenectady, N. Y., for cash in full at time of purchase.
b. An employee who desires to purchase these bonds for cash should fill in and sign authorization form (TD-130VA) and deliver it in person or mail it with check or money order to cashier or payroll department where employed, or to the Bond Office at Schenectady, N. Y. Checks or money orders should be made payable to General Electric Company. Bonds purchased for cash will be delivered to the purchasers by the Company, after which the Company's responsibility ceases.

4. Forms of Registration of Bonds
a. Defense Savings Bonds may be registered in the names of individuals in any of the following ways:
   (1) In the name of one person, for example:
       John H. Brown
   (2) In the names of two persons as co-owners, for example:
       John H. Brown or Mrs. Mary A. Brown
   (3) In the name of one person and another person as a beneficiary, for example:
       John H. Brown, Payable on Death to Mrs. Mary A. Brown.
   b. The full name of the owner, the co-owner or the beneficiary, if any, should be shown in the authorization form, except that if there are two given names, an initial may be substituted for one, for example:
       John Henry Brown may be shown as John H. Brown or J. Henry Brown.
   c. The name of a woman should always be preceded by "Mrs." or "Miss." A married woman's own given name should be used and not that of her husband, for example:
       Mrs. Mary A. Brown, not Mrs. John H. Brown.
   d. Nicknames and abbreviations of given names, such as "Tony" for "Anthony" or "Ed." for "Edward," etc., should not be used in the authorization form, as this might cause delay in obtaining payment of the bond in case of death of the owner.
   e. Home addresses should be filled in completely on the authorization form. Names of cities and streets should not be abbreviated.
   f. Defense Savings Bonds may be registered in the name of a minor as sole owner, co-owner, or beneficiary, except that if the funds used for the purchase of the bonds already belong to the minor, the bonds must be registered in the minor's name alone without co-owner or beneficiary.

If bonds are being purchased by an employee for a minor and a guardian of the minor has been appointed by a Court, the words "a minor under legal guardianship" should be added, for example:

(1) John A. Jones, a minor under legal guardianship
(2) John A. Jones, a minor under legal guardianship, or Mrs. Mary A. Jones
(3) John A. Jones, a minor under legal guardianship, payable on death to Mrs. Mary A. Jones

5. Bonds Lost, Stolen, or Destroyed
a. In case a bond is lost, stolen, or destroyed, the United States Treasury Department, Division of Loans and Currency, Washington, D. C., should be notified. Reference should be made to the series, the year of issue, date and serial number of the bond, and the name and address of the registered owner.

6. Safekeeping of Bonds
a. Defense Savings Bonds will be accepted for safekeeping from employees at works and principal offices of the Company where safekeeping facilities are available, or they may be deposited for safekeeping at any Federal Reserve Bank. An employee wishing to take advantage of the Federal Reserve Bank safekeeping service, for which there is no charge, should consult his Paymaster, Cashier, or the Bond Office, Schenectady, N. Y.

7. United States Defense Postal Savings Stamps
a. These stamps may be purchased through the Company for cash by any employee at payroll departments or cashiers' offices, and at the Bond Office, Schenectady, N. Y. The stamps are in denominations of $.10, $.25, $.50, $1.00 and $5.00.

b. A savings card will be furnished for mounting the $.10 stamps. Purchasers of stamps in denominations of $.25 or more will be given Defense Stamp albums in which to mount stamps. An album containing 75 of the $.25 stamps has a cash value of $18.75 and may be exchanged for a United States Defense Savings Bond, Series E, which at the end of ten years will be redeemed by the Government for $25.00. There are similar albums for mounting the $.50, $1.00, and $5.00 stamps, exchangeable for $50 and $100 Series E bonds.

8. General
a. Further details of procedure under this plan will be posted on bulletin boards and published in works papers.

b. This plan may be amended or terminated by the General Electric Company at any time, and notice thereof will be published.

- Additional forms of registration are available for Series F and Series G bonds for associations, partnerships or corporations.
**UNIVERSITÉS 50000 SAVINGS BONDS—SERIES E**

**TYPE OF BOND:** Appreciation bond. Registered. Not transferable.

**INTEREST RATE:** 2 1/2 per cent a year, compounded semiannually, when bond is held to maturity.

**REGISTRATION:** This bond can be registered in any of the forms shown on page 4 of the amended plan.

**LIMITATION ON HOLDINGS:** Owner is limited to $5000 of Series E bonds (maturity value) issued in any one calendar year.

**REDEMPTION:** Owner may redeem bond at any time after 60 days from issue date of bond. Instructions for redeeming bonds are printed on the back of each bond.

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**TABLE OF REDEMPTION VALUES AND INVESTMENT YIELDS**

Table showing: (1) How Defense Savings Bonds of Series E, by denominations, increase in redemption value during successive half-year periods following issue and (2) the approximate investment yield on the purchase price from issue date to the beginning of each half-year period. Yields are expressed in terms of rate per cent per annum, compounded semiannually.

<table>
<thead>
<tr>
<th>MATURITY VALUE, ISSUE PRICE</th>
<th>$25.00</th>
<th>$50.00</th>
<th>$100.00</th>
<th>$500.00</th>
<th>$1000.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Period after issue date</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First 1/2 year</td>
<td>$18.75</td>
<td>$37.50</td>
<td>$75.00</td>
<td>$375.00</td>
<td>$750.00</td>
</tr>
<tr>
<td>3/4 to 1 year</td>
<td>18.75</td>
<td>37.50</td>
<td>75.00</td>
<td>375.00</td>
<td>750.00</td>
</tr>
<tr>
<td>1 to 1 1/2 years</td>
<td>18.87</td>
<td>37.75</td>
<td>75.50</td>
<td>377.50</td>
<td>755.00</td>
</tr>
<tr>
<td>1 1/2 to 2 years</td>
<td>19.00</td>
<td>38.00</td>
<td>76.00</td>
<td>380.00</td>
<td>760.00</td>
</tr>
<tr>
<td>2 to 2 1/2 years</td>
<td>19.12</td>
<td>38.25</td>
<td>76.50</td>
<td>382.50</td>
<td>762.50</td>
</tr>
<tr>
<td>2 1/2 to 3 years</td>
<td>19.25</td>
<td>38.50</td>
<td>77.00</td>
<td>385.00</td>
<td>770.00</td>
</tr>
<tr>
<td>3 to 3 1/2 years</td>
<td>19.50</td>
<td>39.00</td>
<td>78.00</td>
<td>390.00</td>
<td>780.00</td>
</tr>
<tr>
<td>3 1/2 to 4 years</td>
<td>19.75</td>
<td>39.50</td>
<td>79.50</td>
<td>395.00</td>
<td>795.00</td>
</tr>
<tr>
<td>4 to 4 1/2 years</td>
<td>20.00</td>
<td>40.00</td>
<td>80.00</td>
<td>400.00</td>
<td>800.00</td>
</tr>
<tr>
<td>4 1/2 to 5 years</td>
<td>20.25</td>
<td>40.50</td>
<td>81.00</td>
<td>405.00</td>
<td>810.00</td>
</tr>
<tr>
<td>5 to 5 1/2 years</td>
<td>20.50</td>
<td>41.00</td>
<td>82.00</td>
<td>410.00</td>
<td>820.00</td>
</tr>
<tr>
<td>5 1/2 to 6 years</td>
<td>20.75</td>
<td>41.50</td>
<td>83.00</td>
<td>415.00</td>
<td>830.00</td>
</tr>
<tr>
<td>6 to 6 1/2 years</td>
<td>21.00</td>
<td>42.00</td>
<td>84.00</td>
<td>420.00</td>
<td>840.00</td>
</tr>
<tr>
<td>6 1/2 to 7 years</td>
<td>21.50</td>
<td>43.00</td>
<td>86.00</td>
<td>430.00</td>
<td>860.00</td>
</tr>
<tr>
<td>7 to 7 1/2 years</td>
<td>22.00</td>
<td>44.00</td>
<td>88.00</td>
<td>440.00</td>
<td>880.00</td>
</tr>
<tr>
<td>7 1/2 to 8 years</td>
<td>22.50</td>
<td>45.00</td>
<td>90.00</td>
<td>450.00</td>
<td>900.00</td>
</tr>
<tr>
<td>8 to 8 1/2 years</td>
<td>23.00</td>
<td>46.00</td>
<td>92.00</td>
<td>460.00</td>
<td>920.00</td>
</tr>
<tr>
<td>8 1/2 to 9 years</td>
<td>23.50</td>
<td>47.00</td>
<td>94.00</td>
<td>470.00</td>
<td>940.00</td>
</tr>
<tr>
<td>9 to 9 1/2 years</td>
<td>24.00</td>
<td>48.00</td>
<td>96.00</td>
<td>480.00</td>
<td>960.00</td>
</tr>
<tr>
<td>9 1/2 to 10 years</td>
<td>24.50</td>
<td>49.00</td>
<td>98.00</td>
<td>490.00</td>
<td>980.00</td>
</tr>
</tbody>
</table>

**MATURITY VALUE**

(10 years from issue date)

| $23.00 | $50.00 | $100.00 | $500.00 | $1000.00 |

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Regraded Unclassified
## UNITED STATES SAVINGS BONDS—DEFENSE SERIES F

**Type of Bond:** Appreciation bond. Registered. Not transferable.

**Interest Rate:** 2.53 per cent a year, compounded semiannually, when bond is held to maturity.

**Registration:** This bond can be registered in any of the forms shown on page 4 of the amended plan.

**Limitation on Holdings:** Owner is limited to $50,000 of Series F bonds (cost price) or to $50,000 of Series F and Series G, combined, issued in any one calendar year.

**Redemption:** Owner may redeem bond on one month's written notice after six months from issue date of bond. Instructions for redeeming bonds are printed on the back of each bond.

### TABLE OF REDEMPTION VALUES AND INVESTMENT YIELDS

Table showing: (1) How United States Savings Bonds of Defense Series F, by denominations, increase in redemption value during successive half-year periods following issue and (2) the approximate investment yield on the purchase price from issue date to the beginning of each half-year period. Yields are expressed in terms of rate per cent per annum, compounded semiannually.

<table>
<thead>
<tr>
<th>Maturity Value</th>
<th>Issue Price</th>
<th>(1) Redemption values during each half-year period</th>
<th>(2) Approximate investment yield on purchase price from issue date to beginning of each half-year period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Period after issue date</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First 1/2 year</td>
<td>Not redeemable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/4 to 1 year</td>
<td>$74.00</td>
<td>$70.00</td>
<td>$740</td>
</tr>
<tr>
<td>1 to 1 1/4 years</td>
<td>74.20</td>
<td>371.00</td>
<td>742</td>
</tr>
<tr>
<td>1 1/4 to 2 years</td>
<td>74.30</td>
<td>372.50</td>
<td>743</td>
</tr>
<tr>
<td>2 to 2 1/4 years</td>
<td>74.50</td>
<td>375.00</td>
<td>745</td>
</tr>
<tr>
<td>2 1/4 to 3 years</td>
<td>74.60</td>
<td>377.50</td>
<td>746</td>
</tr>
<tr>
<td>3 to 3 1/4 years</td>
<td>74.70</td>
<td>380.00</td>
<td>747</td>
</tr>
<tr>
<td>3 1/4 to 4 years</td>
<td>74.80</td>
<td>382.50</td>
<td>748</td>
</tr>
<tr>
<td>4 to 4 1/4 years</td>
<td>74.90</td>
<td>385.00</td>
<td>749</td>
</tr>
<tr>
<td>4 1/4 to 5 years</td>
<td>75.00</td>
<td>387.50</td>
<td>750</td>
</tr>
<tr>
<td>5 to 5 1/4 years</td>
<td>75.10</td>
<td>390.00</td>
<td>751</td>
</tr>
<tr>
<td>5 1/4 to 6 years</td>
<td>75.20</td>
<td>392.50</td>
<td>752</td>
</tr>
<tr>
<td>6 to 6 1/4 years</td>
<td>75.30</td>
<td>395.00</td>
<td>753</td>
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<tr>
<td>6 1/4 to 7 years</td>
<td>75.40</td>
<td>397.50</td>
<td>754</td>
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<tr>
<td>7 to 7 1/4 years</td>
<td>75.50</td>
<td>400.00</td>
<td>755</td>
</tr>
<tr>
<td>7 1/4 to 8 years</td>
<td>75.60</td>
<td>402.50</td>
<td>756</td>
</tr>
<tr>
<td>8 to 8 1/4 years</td>
<td>75.70</td>
<td>405.00</td>
<td>757</td>
</tr>
<tr>
<td>8 1/4 to 9 years</td>
<td>75.80</td>
<td>407.50</td>
<td>758</td>
</tr>
<tr>
<td>9 to 9 1/4 years</td>
<td>75.90</td>
<td>410.00</td>
<td>759</td>
</tr>
<tr>
<td>9 1/4 to 10 years</td>
<td>76.00</td>
<td>412.50</td>
<td>760</td>
</tr>
<tr>
<td>10 to 10 1/4 years</td>
<td>76.10</td>
<td>415.00</td>
<td>761</td>
</tr>
<tr>
<td>10 1/4 to 11 years</td>
<td>76.20</td>
<td>417.50</td>
<td>762</td>
</tr>
<tr>
<td>11 to 11 1/4 years</td>
<td>76.30</td>
<td>420.00</td>
<td>763</td>
</tr>
<tr>
<td>11 1/4 to 12 years</td>
<td>76.40</td>
<td>422.50</td>
<td>764</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Maturity Value</th>
<th>(12 years from issue date)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$100.00</td>
<td>$500.00</td>
</tr>
</tbody>
</table>

Regraded Unclassified
# UNITED STATES SAVINGS BONDS—DEFENSE SERIES G

<table>
<thead>
<tr>
<th>TYPE OF BOND:</th>
<th>INTEREST RATE:</th>
<th>REGISTRATION:</th>
<th>LIMITATION ON HOLDINGS:</th>
<th>REDEMPTION:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current income bond. Registered. Not transferable.</td>
<td>2.5 per cent a year. Interest paid semiannually by United States Treasury check.</td>
<td>This bond can be registered in any of the forms shown on page 4 of the amended plan.</td>
<td>Owner is limited to $50,000 of Series G bonds (cost price) or to $50,000 of Series G and Series F, combined, issued in any one calendar year.</td>
<td>Owner may redeem bond on one month’s written notice after six months from issue date of bond. Instructions for redeeming bonds are printed on the back of each bond.</td>
</tr>
</tbody>
</table>

## TABLE OF REDEMPTION VALUES AND INVESTMENT YIELDS

Table showing: (1) How United States Savings Bonds of Defense Series G (paying a current return at the rate of 2.5 per cent per annum on the purchase price, payable semiannually) change in redemption value, by denominations, during successive half-year periods following issue and (2) the approximate investment yield on the purchase price from issue date to the beginning of each half-year period. Yields are expressed in terms of rate per cent per annum, compounded semiannually, and take into account the current return.

<table>
<thead>
<tr>
<th>MATURITY VALUE</th>
<th>ISSUE PRICE</th>
<th>$100.00</th>
<th>$500.00</th>
<th>$1000</th>
<th>$5000</th>
<th>$10000</th>
<th>(2) Approximate investment yield on purchase price from issue date to beginning of each half-year period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Period after issue date</td>
<td>(1) Redemption values during each half-year period</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Per Cent</td>
</tr>
<tr>
<td>First 1/2 year</td>
<td>Not redeemable</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3/4 to 1 year</td>
<td>$98.80</td>
<td>$494.00</td>
<td>$98</td>
<td>$4940</td>
<td>$9880</td>
<td>0.10</td>
<td></td>
</tr>
<tr>
<td>1 to 1 1/2 years</td>
<td>97.80</td>
<td>489.00</td>
<td>978</td>
<td>4890</td>
<td>9780</td>
<td>0.40</td>
<td></td>
</tr>
<tr>
<td>1 1/2 to 2 years</td>
<td>96.90</td>
<td>484.30</td>
<td>969</td>
<td>4845</td>
<td>9690</td>
<td>0.60</td>
<td></td>
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<tr>
<td>2 to 2 1/2 years</td>
<td>96.30</td>
<td>481.00</td>
<td>962</td>
<td>4810</td>
<td>9620</td>
<td>0.60</td>
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<tr>
<td>2 1/2 to 3 years</td>
<td>96.10</td>
<td>478.00</td>
<td>956</td>
<td>4780</td>
<td>9560</td>
<td>0.60</td>
<td></td>
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<tr>
<td>3 to 3 1/2 years</td>
<td>95.10</td>
<td>475.30</td>
<td>951</td>
<td>4753</td>
<td>9510</td>
<td>0.80</td>
<td></td>
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<tr>
<td>3 1/2 to 4 years</td>
<td>94.90</td>
<td>474.00</td>
<td>948</td>
<td>4740</td>
<td>9480</td>
<td>1.00</td>
<td></td>
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<tr>
<td>4 to 4 1/2 years</td>
<td>94.70</td>
<td>473.30</td>
<td>947</td>
<td>4735</td>
<td>9470</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>4 1/2 to 5 years</td>
<td>94.70</td>
<td>473.00</td>
<td>947</td>
<td>4735</td>
<td>9470</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>5 to 5 1/2 years</td>
<td>94.90</td>
<td>474.30</td>
<td>949</td>
<td>4740</td>
<td>9490</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>5 1/2 to 6 years</td>
<td>94.90</td>
<td>474.00</td>
<td>949</td>
<td>4740</td>
<td>9490</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>6 to 6 1/2 years</td>
<td>95.50</td>
<td>476.00</td>
<td>952</td>
<td>4760</td>
<td>9520</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>6 1/2 to 7 years</td>
<td>95.80</td>
<td>479.00</td>
<td>958</td>
<td>4790</td>
<td>9580</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>7 to 7 1/2 years</td>
<td>96.10</td>
<td>480.30</td>
<td>961</td>
<td>4805</td>
<td>9610</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>7 1/2 to 8 years</td>
<td>96.40</td>
<td>482.00</td>
<td>964</td>
<td>4820</td>
<td>9640</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>8 to 8 1/2 years</td>
<td>96.70</td>
<td>483.30</td>
<td>967</td>
<td>4835</td>
<td>9670</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>8 1/2 to 9 years</td>
<td>97.00</td>
<td>485.50</td>
<td>970</td>
<td>4855</td>
<td>9700</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>9 to 9 1/2 years</td>
<td>97.30</td>
<td>486.50</td>
<td>973</td>
<td>4865</td>
<td>9730</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>9 1/2 to 10 years</td>
<td>97.60</td>
<td>488.00</td>
<td>976</td>
<td>4880</td>
<td>9760</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>10 to 10 1/2 years</td>
<td>97.90</td>
<td>489.30</td>
<td>979</td>
<td>4895</td>
<td>9790</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>10 1/2 to 11 years</td>
<td>98.20</td>
<td>491.00</td>
<td>982</td>
<td>4910</td>
<td>9820</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>11 to 11 1/2 years</td>
<td>98.60</td>
<td>493.00</td>
<td>986</td>
<td>4930</td>
<td>9860</td>
<td>1.00</td>
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</tr>
<tr>
<td>11 1/2 to 12 years</td>
<td>99.20</td>
<td>496.00</td>
<td>992</td>
<td>4960</td>
<td>9920</td>
<td>1.00</td>
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</tbody>
</table>

## TABLE OF MATURITY VALUES

Table for reference:

<table>
<thead>
<tr>
<th>MATURITY VALUE</th>
<th>(12 years from issue date)</th>
<th>$100.00</th>
<th>$500.00</th>
<th>$1000</th>
<th>$5000</th>
<th>$10000</th>
</tr>
</thead>
</table>

---

Regraded Unclassified
FIELD MEMORANDUM #184

Subject: Direct Reporting on Participation Payroll Savings Plan.

January 21, 1942

TO ALL STATE ADMINISTRATORS AND STATE CHAIRMEN:

There is attached a copy of a letter over the signature of the Secretary of the Treasury to all business concerns and other organizations identified in the weekly payroll savings reports submitted in accordance with Mr. Graves' telegram of December 27 and Field Bulletin No. 17. With this letter there is enclosed the first of a series of monthly report forms on which it is requested that employee participation be shown and mailed to the Secretary in a self-addressed franked envelope.

If this direct request for statistical information accomplishes the purpose intended, State Administrators will be relieved of much detailed clerical work. It is possible that copies of tabulations compiled by the Treasury Division of Research and Statistics will be furnished to State Administrators monthly. This matter is now under consideration.

This reporting procedure in no way lessens the responsibility of State Administrators for adequate follow-up activities to assure broad employee participation in each payroll savings plan installed.

R. W. SPARKS
Field Director
Defense Savings Staff
In order that the war financing program may be conducted with the greatest facility, it seems to me essential that the Treasury be provided with periodic detailed information on the sales of Defense Savings Bonds under payroll savings plans. I have been advised through the Defense Savings Staff Administrator of your state that you have established, or have agreed to establish, a payroll savings plan for your employees. I am writing you at this time, therefore, to ask if you would be kind enough to submit to me monthly the data provided for in the enclosed schedule. This schedule has been prepared with the intention of making the reporting of the desired information as simple as possible. I shall arrange to send you a new schedule during the last week of each month for the purpose of bringing the information up to date.

The enclosed schedule, you will note, provides for (1) the number of persons employed by you last month, (2) the aggregate amount of their monthly pay, (3) the number of employees pledged to purchase bonds under the payroll savings plan, (4) the amount of aggregate deductions from pay under the payroll savings plan during the last month (including amounts deducted from pay but not yet applied to the purchase of bonds), and (5) the amount of bonds (at issue price) actually purchased last month under the payroll savings plan. The figures submitted may be approximate or rounded if you find that such a procedure is more convenient for you.

I shall appreciate it if you will forward the enclosed schedule to me at the Treasury Department, Washington, D. C. in the enclosed envelope which requires no postage. Please send your reply as soon as possible.

I should like to take this opportunity to thank you in advance for your cooperation.

Sincerely,

[Signature]

Secretary of the Treasury.
Defense Savings Bonds
Payroll Savings
Sales Report
December 1941

<table>
<thead>
<tr>
<th>1. Total number of employees Dec. 31, 1941 (Approx.)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Amount of pay during Dec. 1941 (Approx.) $</td>
<td></td>
</tr>
<tr>
<td>3. Number of employees pledged to purchase bonds under the payroll savings plan (Approx.)</td>
<td></td>
</tr>
<tr>
<td>4. Amount of aggregate deductions from pay under payroll savings plan during Dec. 1941 (Approx.) $</td>
<td></td>
</tr>
<tr>
<td>5. Amount of bonds (issue price) purchased by employees under payroll savings plan during Dec. 1941 (Approx.)</td>
<td>$</td>
</tr>
</tbody>
</table>

Note: If your payroll savings plan is not yet in operation, please indicate the approximate date when it will be instituted.
<table>
<thead>
<tr>
<th></th>
<th>Unfilled orders at opening of business</th>
<th>New orders received this day</th>
<th>Bonds manufactured this day</th>
<th>Unfilled orders at close of business</th>
<th>Stock of bonds on hand*</th>
<th>IBM deliveries this day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>202</td>
<td>204</td>
<td>800</td>
<td>86</td>
<td>1,184</td>
<td>1,000</td>
</tr>
<tr>
<td>21</td>
<td>86</td>
<td>411</td>
<td>800</td>
<td>59</td>
<td>1,546</td>
<td>875</td>
</tr>
<tr>
<td>22</td>
<td>59</td>
<td>697</td>
<td>800</td>
<td>86</td>
<td>1,676</td>
<td>1,000</td>
</tr>
<tr>
<td>23</td>
<td>86</td>
<td>569</td>
<td>800</td>
<td>50</td>
<td>1,871</td>
<td>1,000</td>
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<td>24</td>
<td>50</td>
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<td>800</td>
<td>28</td>
<td>1,922</td>
<td>1,000</td>
</tr>
<tr>
<td>25</td>
<td>28</td>
<td>none-no mail</td>
<td>none-closed</td>
<td>28</td>
<td>1,922</td>
<td>-</td>
</tr>
<tr>
<td>26</td>
<td>28</td>
<td>490</td>
<td>1,000 1/</td>
<td>7</td>
<td>2,011</td>
<td>2,000</td>
</tr>
<tr>
<td>27</td>
<td>7</td>
<td>434</td>
<td>1,000 1/</td>
<td>7</td>
<td>2,177</td>
<td>-</td>
</tr>
<tr>
<td>28</td>
<td>7</td>
<td>474</td>
<td>1,000 2/</td>
<td>6</td>
<td>2,102</td>
<td>2,000</td>
</tr>
<tr>
<td>29</td>
<td>6</td>
<td>407</td>
<td>1,000 2/</td>
<td>6</td>
<td>2,097</td>
<td>-</td>
</tr>
<tr>
<td>30</td>
<td>8</td>
<td>426</td>
<td>800 1/</td>
<td>9</td>
<td>1,869</td>
<td>1,000</td>
</tr>
<tr>
<td>31</td>
<td>6</td>
<td>404</td>
<td>800 1/</td>
<td>-</td>
<td>1,868</td>
<td>-</td>
</tr>
<tr>
<td>Feb.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>9</td>
<td>none-no mail</td>
<td>none-closed</td>
<td>9</td>
<td>1,868</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>9</td>
<td>402</td>
<td>800 2/</td>
<td>11</td>
<td>1,668</td>
<td>-</td>
</tr>
<tr>
<td>3</td>
<td>11</td>
<td>428</td>
<td>800 2/</td>
<td>6</td>
<td>1,435</td>
<td>-</td>
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<td>4</td>
<td>6</td>
<td>441</td>
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<td>1,188</td>
<td>7,500</td>
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<td>5</td>
<td>0</td>
<td>344</td>
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<td>0</td>
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<td>-</td>
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<td>6</td>
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<td>346</td>
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<td>0</td>
<td>1,098</td>
<td>-</td>
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<td>226</td>
<td>none-closed</td>
<td>0</td>
<td>872</td>
<td>-</td>
</tr>
</tbody>
</table>

Office of the Secretary of the Treasury, Division of Research and Statistics. February 9, 1942

* Bonds in Washington vaults only.
1/ Includes 400 thousand pieces manufactured for inventory in the field.
2/ Includes 600 thousand pieces manufactured for inventory in the field.
### Stock of Series E Savings Bonds on Hand 1/
January 20, 1942 to date

(In thousands of pieces)

<table>
<thead>
<tr>
<th></th>
<th>Stock on hand</th>
<th>Sales</th>
<th>Bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>beginning</td>
<td>this day</td>
<td>manufactured</td>
</tr>
<tr>
<td>Jan.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>8,101</td>
<td>218</td>
<td>800</td>
</tr>
<tr>
<td>21</td>
<td>8,683</td>
<td>337</td>
<td>800</td>
</tr>
<tr>
<td>22</td>
<td>9,146</td>
<td>548</td>
<td>800</td>
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<td>23</td>
<td>9,565</td>
<td>377</td>
<td>800</td>
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<td>24</td>
<td>9,988</td>
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</tr>
<tr>
<td>25</td>
<td>10,525</td>
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<td>none-closed</td>
</tr>
<tr>
<td>26</td>
<td>10,525</td>
<td>186</td>
<td>1,000</td>
</tr>
<tr>
<td>27</td>
<td>11,038</td>
<td>186</td>
<td>1,000</td>
</tr>
<tr>
<td>28</td>
<td>11,852</td>
<td>251</td>
<td>1,000</td>
</tr>
<tr>
<td>29</td>
<td>12,601</td>
<td>251</td>
<td>1,000</td>
</tr>
<tr>
<td>30</td>
<td>13,336</td>
<td>265</td>
<td>1,000</td>
</tr>
<tr>
<td>31</td>
<td>13,853</td>
<td>139</td>
<td>800</td>
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<tr>
<td>Feb.</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>14,514</td>
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<td>none-closed</td>
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<td>2</td>
<td>14,514</td>
<td>505</td>
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<td>3</td>
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<td>15,989</td>
<td>262</td>
<td>800</td>
</tr>
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<td>16,539</td>
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<td>800</td>
</tr>
<tr>
<td>7</td>
<td>16,998</td>
<td>159</td>
<td>none-closed</td>
</tr>
</tbody>
</table>

Office of the Secretary of the Treasury,
Division of Research and Statistics.

February 9, 1942

1/ Includes stock in hands of (1) Federal Reserve Banks and branches, (2) Post offices, (3) Federal Reserve Bank issuing agents, and (4) Treasury vaults in Washington.
### UNITED STATES SAVINGS BONDS

**Comparative Statement of Sales During First Six Business Days of February and January 1942 and December 1941**

(February 1-7, January 1-7, December 1-6)

On Basis of Issue Price

(Amounts in thousands of dollars)

<table>
<thead>
<tr>
<th>Item</th>
<th>Sales</th>
<th>Amount of Increase or Decrease (-)</th>
<th>Percentage of Increase or Decrease (-)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>February 1942</td>
<td>January 1942</td>
<td>December 1941</td>
</tr>
<tr>
<td>Series E - Post Offices</td>
<td>$28,490</td>
<td>$36,385</td>
<td>$11,142</td>
</tr>
<tr>
<td>Series E - Banks</td>
<td>108,273</td>
<td>55,171</td>
<td>20,364</td>
</tr>
<tr>
<td>Series E - Total</td>
<td>136,763</td>
<td>122,555</td>
<td>31,506</td>
</tr>
<tr>
<td>Series F - Banks</td>
<td>21,136</td>
<td>13,573</td>
<td>7,563</td>
</tr>
<tr>
<td>Series G - Banks</td>
<td>97,261</td>
<td>60,150</td>
<td>40,922</td>
</tr>
<tr>
<td>Total</td>
<td>$255,160</td>
<td>$196,279</td>
<td>$77,788</td>
</tr>
</tbody>
</table>

Office of the Secretary of the Treasury, Division of Research and Statistics.

February 9, 1942.

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

Note: Figures have been rounded to nearest thousand and will not necessarily add to totals.
# UNITED STATES SAVINGS BONDS

## Daily Sales - February 1942

On Basis of Issue Price

(In thousands of dollars)

<table>
<thead>
<tr>
<th>Date</th>
<th>Post Office Bond Sales</th>
<th>Bank Bond Sales</th>
<th>All Bond Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Series 2</td>
<td>Series 3</td>
<td>Series 4</td>
</tr>
<tr>
<td>February 1942</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>$8,435</td>
<td>$34,150</td>
<td>$6,191</td>
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<tr>
<td>3</td>
<td>4,572</td>
<td>7,687</td>
<td>2,795</td>
</tr>
<tr>
<td>4</td>
<td>16,057</td>
<td>3,937</td>
<td>18,515</td>
</tr>
<tr>
<td>5</td>
<td>4,257</td>
<td>16,149</td>
<td>2,367</td>
</tr>
<tr>
<td>6</td>
<td>16,310</td>
<td>3,829</td>
<td>18,620</td>
</tr>
<tr>
<td>7</td>
<td>23,023</td>
<td>10,039</td>
<td>2,019</td>
</tr>
</tbody>
</table>

Office of the Secretary of the Treasury, Division of Research and Statistics. February 9, 1942.

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

**Note:** Figures have been rounded to nearest thousand and will not necessarily add to totals.
February 9, 1942

Dear Werner:

I am very sorry to have to report to you that Mr. Walter Toscanini has informed us that his father will not be able to play any of your compositions. The reason he gives is that it would take his father months to memorize any new scores and he is too advanced in age to do so. Under these circumstances, there is nothing more that I can do.

I am sorry to have raised your hopes, but unfortunately Mr. Arturo Toscanini has reached that time of life where he cannot memorize any new scores.

Yours sincerely,

(Signed) Henry

Mr. Werner Josten,
95 Round Hill,
Northampton, Mass.
Mr. Rainey reports that he has talked with Mr. Walter Toscanini and the maestro has looked over all the compositions of Mr. Werner Josten which were submitted to him.

The maestro says that the music is dull and mechanical. He states further that in order to play any of the numbers he would have to memorize the entire score and at his advanced age it would take him months to do this. He also says that the numbers would require many hours of rehearsal.

Because of these circumstances the maestro will not play any of Mr. Josten's compositions.

Vincent F. Callahan
TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

TO
Secretary Morgenthau

FROM
George Buffington

I thought you might be interested in the attached letter from Monroe Greenthal.

G.T.
February 6, 1942.

Mr. George Buffington,
Assistant to Secretary of the Treasury,
192 Treasury Building,
Washington, D.C.

Dear Mr. Buffington:

I want to thank you for coming to New York for our meeting of the War Activities Committee. I want to assure you that everything that was promised you at the meeting will be delivered 100% and that between now and March 15th, we will try to redouble our efforts in behalf of "THE NEW SPIRIT" and payment of income taxes.

We will try to prove in the future, by actual performance, that we can do a publicity job, and everybody who attended that meeting has since called me on the phone and assured me again and again that they are proud to be on the War Activities Committee, and anxious to be of service to our Treasury Department.

With kindest personal regards,

Sincerely,

Chairman, Publicity & Advertising Division

[Signature]

War Activities Committee
Motion Picture Industry
1501 Broadway, New York

Publicity and Advertising Division
Office of the Chairman
729 Seventh Avenue
New York City
2/9/42

The man who was doing this work for Mr. Morris had to have an operation on his eyes, and now Mr. Morris has to turn it over to someone in his office.

Follow up 2/20/42 - in progress

3/20/42 - Mr. Boko is working on

4/6/42 - File 5/13/42 -
FOLLOW-UP FOR THE SECRETARY:

Sometime ago you asked Mr. Bell to consider and report to you on the possibility of cutting the interest rates on Postal Savings, FDIC, and Philippines Trust Fund? Is this a closed matter?

November 7, 1941

FOLLOW-UP FOR THE SECRETARY:

Sometime ago you asked Mr. Bell to consider and report to you on the possibility of cutting the interest rates on Postal Savings, FDIC, and Philippines Trust Fund? Is this a closed matter?
October 30, 1941

FOLLOW-UP FOR THE SECRETARY:

Sometime ago you asked Mr. Bell to consider and report to you on the possibility of cutting the interest rates on Postal Savings, FDIC, and Philippines Trust Fund? Is this a closed issue?
MEMO TO MRS. McHUGH:

Re: Phone conversation on September 12th between the Secretary and the Under Secretary relative to considering the possibility of cutting the interest rate on Postal Savings, FDIC, and Philippines Trust Fund.

Mr. Bell talked to the Secretary at a private conference and after going over the matter, the Secretary decided to let it rest for the time being.

C. Epps
October 21, 1941

Miss Epps:

In a phone conversation on September 12th the Secretary asked Mr. Bell to consider the possibility of cutting the interest rate on Postal Savings, FDIC, and Philippines Trust Fund?

Could you find out whether Mr. Bell has taken this up with the Secretary? Thanks.

Mrs. McHugh

10/21/41

Miss Epps reported that Mr. Bell did take this up with HM Jr once, but the Secretary told him to bring it up again.
FOLLOW-UP FOR THE SECRETARY:

Has Mr. Bell reported to you on the possibility of cutting the interest rate on Postal Savings, FDIC, and Philippines Trust Fund?
In phone conversation today HM Jr asked Bell to give him a report on possibility of cutting interest rate on Postal Savings, FDIC and Philippines Trust Fund.

Follow up 9/19/41
THE WHITE HOUSE
WASHINGTON

February 9, 1942

TO THE HEADS OF ALL DEPARTMENTS, ESTABLISHMENTS
AND AGENCIES OF THE FEDERAL GOVERNMENT:

It is essential that an equitable and uniform practice be followed in applying the provisions of the Selective Service and Training Act of 1940 to officers and employees in the Federal service.

The policy with respect to deferment from military training and service on occupational grounds recommended in the attached memorandum, dated February 5, 1942, has my approval, and all concerned will be governed accordingly.
MEMORANDUM FOR THE PRESIDENT:

We recommend that you issue to the heads of all departments and establishments the following regulations to govern their actions on all requests for deferment of officers and employees from military training and service on occupational grounds:

1. Request for the deferment from service under the Selective Training and Service Act, approved September 16, 1940, as amended, of any officer or employee of the United States government shall be made only by the head of the appropriate department, independent establishment or other agency, or by a person designated by such head to take such action. Such request must be made on the form or forms prescribed by the Selective Service system.

2. No such request for deferment shall be made except when the head of the appropriate agency, or a person designated by him, shall certify that

   (a) The officer or employee is in a position, the duties of which are clearly related to the war effort or to essential supporting activities, and that

   (b) The officer or employee is in a type of position listed by the Selective Service system as one in which it is difficult to obtain replacements, or a type of position in which he can not be readily replaced except by the training of a successor through work experience for a period of at least six months.

3. The initial request for deferment will, in accordance with Selective Service regulations, be for a period of not to exceed six months. If the duties of the position occupied by the officer or employee are of a type which require work experience of less than two years to attain a reasonable competence in their performance, the appropriate agency will take immediate steps to train a successor.
4. Request for deferment beyond the initial six month period will not be made except when the head of the department shall certify that one of the following conditions exists:

(a) That to attain reasonable competence in the performance of the duties of the position occupied by the officer or employee requires work experience of two years or more.

(b) That a replacement has been secured but that a further period of training is required before the trainee is qualified to assume the responsibilities of the position.

(c) That the Selective Service system has found that a shortage of persons with the qualifications required in the position exists and it has been impossible to secure a replacement.

5. The heads of all departments, independent establishments and other Federal agencies will immediately make an inventory of officers and employees who, in all probability, will be placed in class I-A and, where necessary, recruit and begin the training of persons who, when the officers or employees now holding the positions are inducted into the military service, will be ready to assume the duties and responsibilities of the positions thus made vacant.

Henry M. C. Morgan
Secretary of Treasury

Henry L. Stimson
Secretary of War

Frank Knox
Secretary of Navy

Lewis B. Hershey
Director, Selective Service System

Frank W. Kugelmass
Administrative Assistant to the President
MONTHLY REPORT OF NATIONAL DEFENSE CASES

JANUARY 1942

<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity</th>
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<tbody>
<tr>
<td>Applications received as of December 31, 1941</td>
<td>9181</td>
</tr>
<tr>
<td>Applications received during January</td>
<td>-</td>
</tr>
<tr>
<td>Previously reported cases reopened</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total received as of January 31, 1942</strong></td>
<td>9190</td>
</tr>
<tr>
<td><strong>Completed investigations as of December 31</strong></td>
<td>5049</td>
</tr>
<tr>
<td><strong>Completed investigations during January</strong></td>
<td>598</td>
</tr>
<tr>
<td><strong>Total completed investigations as of January 31</strong></td>
<td>5647</td>
</tr>
<tr>
<td>Applications withdrawn as of December 31</td>
<td>466</td>
</tr>
<tr>
<td>Applications withdrawn during January</td>
<td>-</td>
</tr>
<tr>
<td>Applications delivered to Department of Justice</td>
<td>2852</td>
</tr>
<tr>
<td><strong>Total applications withdrawn as of January 31</strong></td>
<td>3318</td>
</tr>
<tr>
<td><strong>Total cases closed as of January 31, 1942</strong></td>
<td>8963</td>
</tr>
<tr>
<td>Applications pending in office as of January 31</td>
<td>-</td>
</tr>
<tr>
<td>Applications pending in field as of January 31</td>
<td>225</td>
</tr>
<tr>
<td><strong>Total applications pending as of January 31</strong></td>
<td>225</td>
</tr>
<tr>
<td><strong>Total cases disposed of and pending as of January 31</strong></td>
<td>9190</td>
</tr>
</tbody>
</table>

**Agents engaged on this work under direction of this office close of January 1942**

<table>
<thead>
<tr>
<th>Unit</th>
<th>Agents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alcohol Tax Unit</td>
<td>57</td>
</tr>
<tr>
<td>Secret Service</td>
<td>-</td>
</tr>
<tr>
<td>Customs Service</td>
<td>9</td>
</tr>
<tr>
<td>Narcotics Service</td>
<td>3</td>
</tr>
<tr>
<td>Intelligence Unit</td>
<td>38</td>
</tr>
</tbody>
</table>
TO
TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

DATE
February 9, 1942

SECRETARY MORGENTHAU

FROM
Ferdinand Kuhn, Jr.

You might like to see the attached list of paintings and sculptures which have been removed from the National Gallery of Art for safekeeping at Biltmore House, Asheville, North Carolina. They all arrived intact and are now under constant guard.

The rest of this bulky document consists of formal resolutions and reports adopted at today’s annual meeting of the Board of Trustees which I attended as your representative.

F. /c.
AGENDA
OF
MEETING OF THE BOARD OF TRUSTEES OF THE NATIONAL GALLERY
to be held in the Board room of the National Gallery of
Art, Monday, February 9, 1942, at 9:30 A.M.

I. Article V, Section 1:
"The annual meeting of the board for the election of
committees and officers and the transaction of other business as
may seem before the meeting shall be held... on the second Monday of February at
9:30 a.m."

Chairman of the Board - Bylaws. Article VII, Section 2:
"Chairman of the Board. The Chief Justice of the
United States, ex officio, shall be Chairman of the
Board and as such shall be the honorary executive officer
of the National Gallery of art."

(The persons presently serving as Secretary, the
Treasurer, the Director, the Administrator, the
Assistant Director, and Chief Curator were elected by
and now hold office at the pleasure of the Board.
(Article VII, Sections 5, 6, 7, 8 and 9.) No action
with regard to the election of these officers appears
to be necessary.)

Quorum:
Bylaws: Three members of the Board shall constitute
a quorum.

II. Minutes of last meeting.
(copy of the minutes of the special meeting held
Monday, December 29, 1941, was sent to each
Trustee. Unless there are objections or corrections suggested, motion is in order to dispense with the
reading thereof, and that such minutes are to stand
approved.)

III. Election of Officers.
A. President
Bylaws. Article VII, Section 3. "The President
shall be elected by and from the Trustees at the

Regraded Unclassified
annual meeting and shall serve until the next annual meeting and the election and qualification of his successor."

Mr. David K. E. Bruce was elected President of the Board and is now serving in that capacity.

Motions are in order for the election of a President.

B. Vice President

By-Laws. Article VII, Section 4. "The Vice President shall be elected by and from the Trustees at the annual meeting and shall hold office until the next annual meeting and the election and qualification of his successor."

Mr. F. Lamont Belin was elected Vice President of the Board and is now serving in that capacity.

Motions are in order for the election of Vice President.

C. Associate Vice President

The office of Associate Vice President is not provided for in the By-laws of the Trustees. However, Article VII, Section 10, relating to Executive Officers, provides for the election of:

"Such other Executive Officers as the Board from time to time may deem it necessary or advisable to elect shall have such respective titles, authorities and duties as from time to time the Board shall prescribe."

It has been suggested that such an office be created if the Board so decides.

Motions are in order for the election of an Associate Vice President.

3. Election of members of the Executive Committee.

By-Laws. Article VI, Section 1: "The Executive Committee shall consist of the Chairman of the Board, the President, the Vice President and the Secretary of the Smithsonian Institution, ex officio,
and of one other Trustee elected by the Board at the annual meeting to serve until the next annual meeting and the election and qualification of his successor . . . . The Chairman of the Board shall be the Chairman, and the President the Vice Chairman, of the Executive Committee."

The present members are:

Chairman and Chief Justice Harlan F. Stone
    member ex officio Chairman of the Board.
Vice Chairman Mr. David K. E. Bruce, President
Member ex officio Dr. Charles O. Abbot, Secretary
    of the Smithsonian Institution
Member ex officio Mr. F. Lammot Belin
Member Mr. Duncan Phillips

Mr. Duncan Phillips was elected a member of the Executive Committee and is now serving in that capacity.

Motions are in order for the election of a Trustee to serve on the Executive Committee.

4. Election of members of the Finance Committee.

By-Laws. Article VI, Section 3: "The Finance Committee shall consist of the Secretary of the Treasury and the President, ex officio, and of three other Trustees who shall be elected by the Board at the annual meeting to serve until the next annual meeting and the election and qualification of their successors . . . . The Secretary of the Treasury, ex officio, shall be Chairman of the Finance Committee."

The present members are:

Chairman Secretary Henry Morgenthau, Jr.,
    Secretary of the Treasury.
Vice Chairman and Mr. David K. E. Bruce
    member ex officio Mr. Samuel H. Kress
Member Mr. F. Lammot Belin
Member Secretary Cordell Hull
Secretary Hull and Messrs. Belin and Kress were elected as members of the Finance Committee and Mr. Bruce as Vice Chairman, and are now serving in their respective capacities.

Motions are in order for the election of three Trustees to serve as members of the Finance Committee and a Vice Chairman.

5. Election of members of the Acquisitions Committee.

By-Laws, Article VI, Section 5. "The Acquisitions Committee shall consist of the President, the Vice President and the Director, ex officio, and of two other Trustees who shall be elected by the Board at the annual meeting to serve until the next annual meeting and the election and qualification of their successors . . . . The President shall be Chairman of the Acquisitions Committee."

The present members are:

Chairman  Mr. David K. E. Bruce
Member ex officio  Mr. F. Lammot Belin
Member  Mr. Duncan Phillips
Member  Mr. Joseph E. Widener
Member ex officio  Mr. David E. Finley

Messrs. Duncan Phillips and Joseph E. Widener were elected as members of the Acquisitions Committee and Mr. Belin as Vice Chairman, and are now serving in their respective capacities.

Motions are in order for the election of two Trustees to serve on the Acquisitions Committee.

6. Reports of Committees.

A. Reports of standing committees.

1. Executive Committee. (a) Gifts of property other than works of art, monies and securities.

2. Finance Committee.

3. Acquisitions Committee.

a. Portrait of former Chief Justice Charles Evans Hughes, by Augustus Vincent Tack, given to the Gallery by Duncan Phillips to be hung in the Board Room.
b. Offer of Mr. Philip Hofer to give print "Saint Sebastian" by Hans Baldung (Grien) to Gallery.
c. Offer of Mrs. Ralph Harman Booth to bequeath works of art to Gallery.
d. Portrait of Doña Teresa Sureda by Goya given to the Gallery by Mrs. Peter H. B. Ferlinghuyzen.
e. Offer of Mrs. Albert J. Beveridge to bequeath painting to Gallery.
f. Loans of works of art to Gallery:
   (1) Loan by Mr. Chester Dale of additional paintings.
   (2) Loan by Mrs. Harold Peabody and other children of the late Rt. Rev. William Lawrence of portrait of Amos Lawrence by Chester Harding.
   (3) Loan by French Government and museums of French paintings.
g. Restoration of works of art since last annual meeting.

B. Reports of special committees and officers of Gallery.

1. Report regarding evacuation of certain works of art from Gallery.

2. Report of gift of colored reproductions of works of art in the Gallery to Army Camps.


5. Report re bonding of certain officers of the Gallery.

7. Other Business.

A. Use of space in the National Gallery of Art building for defense purposes.

B. Authorities and duties of Assistant Treasurer.
7. (Cont'd)

C. Appointment of Assistant Administrator, and authorities and duties of.

D. Acceptance of gifts of monies and securities.

E. Any other business proposed at meeting.
The Chairman stated that because of the interest which Mr. Hale of New York has shown in the Gallery by the loan of one of his important paintings to the Gallery, also because of his knowledge and experience in the art world, particularly as to the French and American paintings, he felt that Mr. Hale was in a position to render valuable assistance to the Gallery and therefore recommended for the Board's consideration his election as an honorary officer of the National Gallery of Art. The Chairman advised that under the bylaws the board is vested with authority to elect executive officers other than those named in the bylaws and give them such titles, authorities and duties as it may prescribe. He suggested that the Board, if it desired, might create the office of Associate Vice President, and elect Mr. Hale as such officer, to serve without compensation in an advisory capacity to the board on matters of art, inviting and granting him the authority to attend meetings of the board so that it might have the benefit of his advice on questions which might arise.

A motion duly made and seconded, it was

A D O P T E D

That Mr. Chester Hale of New York, be, and he hereby is, elected Associate Vice President of the National Gallery of Art, to serve without compensation and to act in an advisory capacity to the board of trustees on matters of art, particularly as regards French and American painting, and to meet with
the Board of Trustees from time to time so that
the Board might have the benefit of his advice
on questions which might arise in connection with
such matters.

Resolved Further, that Mr. Dale be officially
advised of his election as Associate Vice President
of the Gallery as here in this resolution of the
Board is provided and that the thanks of the Board
be conveyed to Mr. Dale for his generous loan of
paintings to the Gallery.
Mr. Belin reported that the members of the Acquisitions Committee had viewed a portrait of former Chief Justice Hughes, which the Committee had authorized to be painted by Mr. Augustus Vincent Tack and recommended be placed in the Board Room, in accordance with the generous offer of Mr. Duncan Phillips to defray any expenses which might be involved. The members of the Committee approved highly of the portrait, which had also been approved by former Chief Justice Hughes. The Committee also approved of the frame, which had been made in the Gallery and placed on the portrait. The acceptance of the gift will, therefore, not involve the Board of Trustees in any obligations which have not been met from funds available. The Committee recommends that the portrait be accepted, to be hung in the Board Room but not with the Permanent Collection.

On motion duly made and seconded, it was

RESOLVED

That the Board of Trustees approve the report of the Acquisitions Committee recommending the acceptance of a portrait of former Chief Justice Hughes, which has been painted by Mr. Augustus Vincent Tack and given to the Gallery through the generosity of Mr. Duncan Phillips;

Resolved Further, That the portrait be hung in the Board Room of the National Gallery
we not with the permanent collection and that the
receptor appropriately advise the board of the acceptance by the board of the portrait, and the
time where it will be hung; and

Resolved Further, that the thanks of this
board are hereby conveyed to Mr. James Phillips for
his generosity in giving the portrait of his first
minister of the war to the national gallery of art.
Report to the Board of the Acquisitions Committee on the offer of Mr. Philip Hofer of Cambridge, Massachusetts to give a woodcut of "Saint Sebastian" by Hans Baldung (Grien).

Mr. Phillips of the Acquisitions Committee reported that at a meeting of the Committee held on December 17th, 1941, the Committee viewed a woodcut of Saint Sebastian by Hans Baldung (Grien), which had been offered to the Gallery by Mr. Philip Hofer of Cambridge, Massachusetts, as a gift; that there are no conditions attached to the gift and its acceptance would involve the Gallery in no financial obligation which could not be met out of available funds; that in the judgment of the Committee the print is of a similar high standard of quality as works of art in the permanent collection and the Committee recommended to the Board of Trustees that the gift of this print be accepted for the permanent collection.

On motion, duly made and seconded, it was

RESOLVED

That the Board approves the report of the Acquisitions Committee recommending the acceptance of the offer of Mr. Philip Hofer to give to the National Gallery of Art a woodcut, "Saint Sebastian" by Hans Baldung (Grien), to be included in the permanent collection, and does hereby accept such offer, and
Further Resolved, that the Director be instructed to express the thanks of the Board to Mr. Hofer for his generous gift.
Mr. Finlay made the following report on behalf of the Acquisitions Committee:

The Acquisitions Committee, at a meeting held on November 10th, 1941, considered the offer of Mrs. Ralph Harmon Booth of Grosse Pointe, Michigan, to give to the Gallery, either by bequest or by gift, certain works of art in her collection. No conditions were attached to the offer.

The Committee agreed to recommend the acceptance, if and when such a gift should be received from Mrs. Booth, of the following works of art:

**PAINTINGS**

<table>
<thead>
<tr>
<th>Artist</th>
<th>Painting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gianantone Boltraffio</td>
<td>Portrait of Girolamo Casio</td>
</tr>
<tr>
<td>Giovanni Bellini</td>
<td>Madonna and Child</td>
</tr>
<tr>
<td>Jacopo Robusti, called Tintoretto</td>
<td>Madonna and Child</td>
</tr>
<tr>
<td>Lucas Cranach, The Elder</td>
<td>Portrait of a Prince of Saxony</td>
</tr>
<tr>
<td>Lucas Cranach, The Elder</td>
<td>Portrait of a Princess of Saxony</td>
</tr>
<tr>
<td>Bernhard Strigel</td>
<td>Portrait of a Man, probably Mayor of Nemyingen</td>
</tr>
<tr>
<td>Bavard Strigel</td>
<td>Portrait of a Lady, wife of the Mayor of Nemyingen</td>
</tr>
<tr>
<td>Nicolas Kramer</td>
<td>Portrait of a German Nobleman</td>
</tr>
<tr>
<td>Ambrosius Benson</td>
<td>Cornelius Duplicius de Scheppern</td>
</tr>
<tr>
<td>Ambrosius Benson</td>
<td>Elizabeth (Isabella Douche), Wife of Cornelius Duplicius de Scheppern</td>
</tr>
<tr>
<td>Jan Gossaert, called Tintoretto</td>
<td>Madonna and Child</td>
</tr>
<tr>
<td>Jacob Jordaens</td>
<td>Holy Family</td>
</tr>
</tbody>
</table>
SCULPTURE

Greek (4th Century B.C.) Head of a Youth
Middle Rhine School Pieta
Nottingham School Painted alabaster, Christ
supported by an Angel

At a subsequent meeting, on December 17th, 1941, the Com-
munity agreed to recommend to the Board of Trustees the acceptance
of a bequest, if and when made, by Mrs. Booth of the following
works of art:

PAINTINGS

<table>
<thead>
<tr>
<th>Artist</th>
<th>Painting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cesanne, Paul</td>
<td>Landscape</td>
</tr>
<tr>
<td>Cotex, P.</td>
<td>Miss Frances Lee</td>
</tr>
<tr>
<td>Cuyp, Alberert</td>
<td>Landscape with Horsemen</td>
</tr>
<tr>
<td>Derain, Andre</td>
<td>Landscape</td>
</tr>
<tr>
<td>Gauguin, Paul</td>
<td>Invocation</td>
</tr>
<tr>
<td>Gauguin, Paul</td>
<td>Still Life with Fruit</td>
</tr>
<tr>
<td>Guys, G.</td>
<td>Single Figure (drawing)</td>
</tr>
<tr>
<td>Matisse, Henri</td>
<td>Still Life</td>
</tr>
<tr>
<td>Monet, Claude</td>
<td>Flowers</td>
</tr>
<tr>
<td>Pater, J. B.</td>
<td>Pete Champetoe</td>
</tr>
<tr>
<td>Picasso, Pablo</td>
<td>Children at a Pool</td>
</tr>
<tr>
<td>Redon, Odilon</td>
<td>Still Life with Flowers in a Vase and Butterflies</td>
</tr>
<tr>
<td>Renoir, August</td>
<td>Madame Renoir at the Gate</td>
</tr>
<tr>
<td>Renoir, August</td>
<td>Still Life with Melon</td>
</tr>
<tr>
<td>Sogonzae, Andre de</td>
<td>Bridge of Joinville</td>
</tr>
<tr>
<td>Van Gogh, Vincent</td>
<td>Flowers</td>
</tr>
<tr>
<td>Van Gogh, Vincent</td>
<td>Landscape (drawing)</td>
</tr>
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SCULPTURE

<table>
<thead>
<tr>
<th>Artist</th>
<th>Painting</th>
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<tr>
<td>Haller, Horman</td>
<td>Portrait of Stella Durieux</td>
</tr>
<tr>
<td>Kolbe, Georg</td>
<td>The Dancer Nijinski</td>
</tr>
<tr>
<td>Kolbe, Georg</td>
<td>Girl Dancing</td>
</tr>
<tr>
<td>Renoir, August</td>
<td>Bronze Blacksmith</td>
</tr>
<tr>
<td>Scheibe, Richard</td>
<td>Madonna and Child (seated)</td>
</tr>
<tr>
<td>Scheibe, Richard</td>
<td>Christ Entering Jerusalem</td>
</tr>
</tbody>
</table>

TAPESTRY

Flemish tapestry, "Wedding Scene", Brussels, 16th century.
(about 1520)

There were no conditions attached to the offer, and in the
judgment of the Committee all of the above works of art are of a similar high standard of quality as those in the Gallery's Collection and should be accepted for the Permanent Collection, to be exhibited or stored until eligible under the twenty-year clause.

At this meeting, the Committee also agreed to recommend the acceptance of a further bequest by Mrs. Booth of a 19th century Florentine mantelpiece and two carved marble doorways, for the use of the National Gallery or for the use of the National Collection of Fine Arts if, in the opinion of the Trustees of the National Gallery, these doorways and mantelpiece should be considered more suitable at that time for installation in the National Collection of Fine Arts, it being understood that after their receipt at the National Gallery, these objects would be received and cared for by the Gallery until such decision could be made.

The Committee understood that Mrs. Booth had advised the Director that she would provide in her will the sum of $600 to cover the cost of dismantling the doorways and mantelpiece, and packing and shipping them to Washington, but expected that any further expense in connection with these objects or other bequests to the Gallery which she might make, as listed above, would be met by the Gallery.

The Committee has agreed to recommend the acceptance of the mantelpiece and the two carved doorways on the above terms, with the expectation that they can be installed as part of the decoration of the National Gallery building, if desired, and, if not, that they can be used by the National Collection of Fine Arts.

In the opinion of the Committee, any costs beyond the amount
provided in Mrs. Booth's will for packing and transportation can, undoubtedly, be met out of funds which will be available at that time.

On motion duly made and seconded, it was

RE S O L V E D

That the Board of Trustees approve the report of the Acquisitions Committee recommending the acceptance of a bequest from Mrs. Ralph Harman Booth of Grosse Pointe, Michigan, if and when made, of the works of art as listed in the Committee's report, to be included in the Permanent Collection, and also the two carved doorways and carved marble mantelpiece (16th century Florentine) for the use of the National Gallery of Art or the National Collection of Fine Arts, in the direction of the Trustees of the Gallery, under the conditions that the National Gallery of Art will pay for the costs of transportation of the works of art and the dismantling and transportation of the doorways and mantelpiece in excess of $600, and

Resolved Further, that the Director be, and hereby he is, authorized and directed to advise Mrs. Booth that her generous offer to make such a bequest is greatly appreciated by the Trustees of the Gallery.
Report to the Board of David F. Finley, Director, on the gift to the National Gallery from Mrs. Peter H. B. Frelinghuysen of a portrait of Dona Teresa Sureda by Goya.

Mr. Finley reported that Mrs. Peter H. B. Frelinghuysen on January 16th, 1941, had presented to the Gallery the Goya portrait of Dona Teresa Sureda which had arrived at the Gallery and been hung in one of the exhibition rooms.

This painting is the companion to the Goya portrait of San Bartolome Sureda which was accepted by the Board at its meeting held on September 8, 1941. At that time the Board authorized the acceptance of the portrait of Dona Teresa Sureda at such time in the future as Mrs. Frelinghuysen might make a gift of this portrait, she having then offered to bequeath it to the Gallery.

Mr. Finley also said there were no conditions attached to this gift and its acceptance by the Gallery would not involve the Board in any financial obligation for which adequate provision for the discharge thereof had not been made in the existing budget.

On motion, duly made and seconded, it was

RESOLVED

That the Board of Trustees approve the report.

-1-
of the Director on the gift to the Gallery from Mrs. Peter H. B. Frelinghuyzen of a portrait of "Dona Teresa Sureda" by Doya, and the exhibition of the painting in the permanent collection; and

Further Resolved, that the Director be instructed to express the thanks of the Board to Mrs. Frelinghuyzen for her generous gift and in making the painting available for the enjoyment of the public now.
report of the Acquisitions Committee with reference to the acceptance of a pastel portrait by Renoir offered as a bequest by Mrs. Albert J. Beveridge

The President stated that the Acquisitions Committee, at its meeting on February 7th, considered the offer of Mrs. Albert J. Beveridge to bequeath to the National Gallery a pastel portrait of Madame Ntets-Kolin (known also as "Femme au Chapeau Rose") by Renoir. The Committee agreed to recommend the acceptance of this bequest, if and when made, as being of a similar high standard of quality as works of art in the Permanent Collection and involving the gallery in no expense which cannot be put out of available funds. It is understood that no conditions will be attached to the bequest, with the exception that it will be requested that the portrait be marked as a gift from Mrs. Beveridge in memory of her aunt, the late Mrs. Marshall Field.

An motion duly made and seconded, it was

Resolved

That the Board of Trustees approve the report of the Acquisitions Committee recommending the acceptance of a bequest of a pastel portrait of Madame Ntets-Kolin (known also as "Femme au Chapeau Rose") by Renoir, if and when made by Mrs. Albert J. Beveridge.

Further Resolved, That the Director be, and hereby he is, authorized and directed to advise Mrs. Beveridge that her generous offer to make such a bequest is greatly appreciated by the Trustees of the Gallery.
Report of the Acquisitions Committee regarding the loan of a portrait of Amos Lawrence by Chester Harding

The Director reported that the Acquisitions Committee, at a meeting held on December 15, 1941, had approved the acceptance of the offer of Mrs. Harold Peabody and the other children of the late Bishop William Lawrence of Massachusetts, to lend to the Gallery, for a period of not less than ten years, the full-length portrait of Amos Lawrence by Chester Harding.

In the judgment of the Committee, the painting is of a high standard of quality and has been hung with other paintings of the American School in the Permanent Collection.
report to the Board of Trustees from the Acquisitions Committee with reference to the loan of paintings from the French Government and museums.

The Director reported:

The Acquisitions Committee on January 6, 1949, instructed Mr. Finley to accept the offer of Mr. René Satigné, representing the French Government and French museums, of the loan of a collection of approximately 17 French 19th century paintings belonging to the French Government, French museums and certain non-French museums and private individuals. This exhibition has been on view at the Metropolitan Museum in New York, the Chicago Art Institute, and, more recently, at the W. H. De Young Memorial Museum in San Francisco.

The Committee agreed to accept the loan of the exhibition for one year, with the understanding that at that time further arrangements will be discussed as to whether the collection should remain here, either in storage or on exhibition, until the end of the war and on what terms.

Mr. Satigné expected that the National Gallery would pay the cost of transportation and insurance in transit from San Francisco to Washington on all the paintings, and that it would maintain insurance for a period of one year, after arrival here, on the paintings owned by private individuals and foreign (non-French) museums. No insurance would be carried on the paintings owned by French museums while the collection is in the National Gallery.
The cost of such transportation and insurance will be approximately $10,000. As no public funds are available for this purpose, The J. P. Morgan Educational and Charitable Trust has generously agreed to contribute these funds.

The paintings will be packed at the De Young Memorial Museum in San Francisco and will arrive at the Gallery, it is expected, about February 11th, when the paintings will be installed in Galleries 59, 60, 67, 71, 72 and 76. It is expected that the exhibition will be opened to the public about March 1st.
Preparation of Works of Art since last annual meeting

Mr. Walker, Chief Curator, reported to the Trustees of the National Gallery of Art that during the last twelve months Mr. Domenico Pichetto, Consultant Restorer, had completed restoration work on one hundred and eighteen paintings. Though the number of paintings requiring restoration may seem large, this was to be expected in view of the effect on the more delicate panels of the change of temperature and humidity during the transfer of the Crises and Mellon Collections to the National Gallery of Art. Also in many cases it was necessary to reduce the amount of varnish on the pictures so that their surfaces would be more suitable for the natural light of the Gallery. Some of the work necessary for the preservation of the pictures, however, was of a serious nature and the panels are rapidly becoming acclimated to a degree of temperature and humidity which, in the Gallery, will now remain constant.

A detailed report of the work done on the paintings in the collections has been submitted to and approved by the acquisitions committee.

Since the opening of the Gallery, all of the work of restoration on the collections has been done in the building except for the following two pictures:

No. 540 Madonna and Child with St. Mary Magdalen and St. Catherine, by Pietro Lorenzetti, given by Mrs. Furnburg;

No. 550-186 Thomas Hocchough, by Gilbert Stuart, belonging to the E. H. Mellon Educational and Charitable Trust, on loan to the National Gallery of Art.
It was necessary to send these paintings to Mr. Pichetto's studio, 745 Fifth Avenue, New York City, since the equipment for these repairs had not yet been installed at the National Gallery. Both paintings are now present at the above address. The Lorenzetti altarpiece is insured for $100,000 and the receipt for the insurance has been given to the Secretary and Treasurer of the National Gallery of Art. The Portrait of Thomas Macdonough is insured by The Mellon Educational and Charitable Trust and permission for the restoration of this picture to be done in New York has been secured.

A record is kept of all paintings which have been wiped to remove dust and freshen their appearance. This work does not require the paintings to be taken from the wall, and is done by Mr. Pichetto, or one of his assistants, under the supervision of the Chief Curator. In the last twelve months one hundred and four paintings have been cleaned in this way.

One piece of sculpture in the collection, No. 6-46, Saint Catherine of Siena, by Nino da Nicolet, has also required restoration. In this case a small area of the gesso filler at the back of the bust had become detached and it was necessary to insert a new filler.
report from the Chief Curator regarding the evacuation of certain works of art from the National Gallery of Art to Biltmore.

The Chief Curator reported:

In accordance with the resolution of the Board of Trustees of December 29th, the paintings and sculpture on the attached lists have been evacuated to Biltmore House, Biltmore, North Carolina, in space made available through the courtesy of the Biltmore Company, and put in condition for the storage of the works of art with funds supplied by the Trustees of The A. W. Mellon Educational and Charitable Trust. All of these paintings and sculpture were carefully inspected before they were packed and found to be in good condition.

The packing of the paintings and sculpture was done under the supervision of Mr. John Walker, the Chief Curator, Mr. Charles Seymour, Curator of Sculpture, and Mr. Stephen Pichetto, Consultant Restorer and Technical Advisor. They were assisted by Mr. Jenkins, Mr. Parkhurst and Mr. Smyth. The actual packing was done by Mr. Nieth and three of Mr. Pichetto's expert packers. Arrangements for the transfer of the works of art to Biltmore and the payment of costs were made by the office of the Secretary-Treasurer and the Administrator.

Special boxes were prepared, and the method of packing these works of art is described in Mr. Walker's memorandum of January 5th to the executive officers.

The paintings and sculpture to be evacuated were removed.
from exhibition after the Gallery had closed on the evening of December 31st. All but three of the galleries were rehung while the building was closed on New Year's Day. The rehanging system has been reported to the Acquisitions Committee in the Chief Curator's memorandum of January 6th. On January 6th the greater part of the paintings and sculpture was packed in two large lift vans which were purchased by the Mellon Trust. Those pieces which were too large or too heavy to be placed in the lift vans were packed in specially prepared boxes, and handled separately. On January 7th the two life vans and the boxes were loaded in a special express car, which was sealed and kept under the constant supervision of guards from the National Gallery staff. Mr. Finley, Mr. Pichette and Mr. Walker were on the same train and inspected the car on its arrival at Biltmore.

On January 8th and 9th the lift vans and other boxes were transported to Biltmore House and all the works of art unloaded. On January 10th and 11th the paintings and sculpture were unpacked and carefully inspected by Mr. Finley, Mr. Pichette and Mr. Walker, who is very happy to be able to report that everything arrived in excellent condition.

Pursuant to the Gallery's request, the Trustees of the Mellon Trust have advanced the sum of $20,000 to cover certain expenses of the evacuation of these works of art, out of which the following
expenses have been defrayed.

Purchase of three Bowling Green lift vans and the transportation of same and other works of art to Biltmore, N. C. $1,342.88

Transportation of one lift van to express car and incidental expenses 138.00

Purchase of one second-hand automobile, Chrysler four door sedan, for use at Biltmore, N. C. 985.00

Insurance on "Biltmore" automobile, one year 150.00

Gas and oil and necessary services, Biltmore automobile 100.00

Storage of two empty steel lift vans at Alexandria, Virginia 240.00

Traveling and incidental expenses, John Walker, Biltmore, N. C. 12.58

The use of an automobile to transport the guards and members of the staff from Biltmore House to their quarters was found to be most necessary.

The paintings and sculpture now at Biltmore House are under constant guard by members of the guard force of the National Gallery. A member of the curatorial department is in residence at a house which has been leased for one year with funds advanced by the Mellon Trust. He inspects all of the paintings and sculpture twice a day, and reports daily on the temperature and humidity, which is maintained, so far as possible, at a level decided upon by Mr. Pichetto and Mr. Walker as being most suitable for the works of art.
Funds for living accommodations for one member of the curatorial staff at Biltmore have been provided from the funds advanced by the Mellon Trust. In this connection, the following expenses have been defrayed to date from this fund:

- Advance to cover purchase of china, silverware, blankets, etc., at the Curatorial Residence, Biltmore, N. C. $100.00
- Advance to cover purchase of household supplies, exclusive of food, telephone, gas, water, etc., at the Curatorial Residence, Biltmore, N. C. 100.00
- Lease of Curatorial Residence at Biltmore, N. C., one year 1,500.00

On motion, duly made and seconded, it was

RESOLVED

That the report of the Chief Curator covering the evacuation of certain works of art from the National Gallery of Art to Biltmore House, Biltmore, North Carolina, be, and hereby it is, accepted and approved, and

Further Resolved, that the action of the officers of the Gallery in effecting such evacuation, in accordance with the said report, be, and hereby is, approved.
<table>
<thead>
<tr>
<th>Artist</th>
<th>Title</th>
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<tbody>
<tr>
<td>Masaccio</td>
<td>The Madonna of Humility</td>
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<tr>
<td>Ruccio di Buoninsegna</td>
<td>Nativity, with the Prophets</td>
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<tr>
<td>Masaccio</td>
<td>Isaiah and Radichel</td>
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<tr>
<td>Gentile da Fabriano</td>
<td>Portrait of a Young Man</td>
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<td>Pollaiuolo, Antonio</td>
<td>The Adoration of the Magi</td>
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<tr>
<td>Botticelli</td>
<td>Profile Portrait of a Lady</td>
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<tr>
<td>Michelangelo</td>
<td>The Madonna</td>
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<tr>
<td>Raphael</td>
<td>The Masolino-Lopey column</td>
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<td>Raphael</td>
<td>St. George and the Dragon</td>
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<tr>
<td>Perugino</td>
<td>The Presentation with the Virgin, St. John, St. Jerome, and St. Mary Magdalen</td>
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<tr>
<td>Antonello da Messina</td>
<td>Portrait of a Young Man</td>
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<tr>
<td>Antonello da Messina</td>
<td>Venus with a Mirror</td>
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<tr>
<td>Titian</td>
<td>The Annunciation</td>
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<tr>
<td>Jan van Eyck</td>
<td>The Nativity</td>
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<td>Peter Christian</td>
<td>Madonna and Child with Roses</td>
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<td>Hans Holbein, the Younger</td>
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<td>Gerard David</td>
<td>Portrait of a Lady</td>
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<td>Rogier van der Weyden</td>
<td>Lear in the Field of Dreams, etc.</td>
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<td>Van Eyck, Sir Anthony</td>
<td>The Girl with a Rose</td>
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<td>Vermeer, Jan</td>
<td>The Lacemaker</td>
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<td>Vermeer, Jan</td>
<td>The Milling Girl</td>
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<td>Holbein, Hans, the Younger</td>
<td>Edward VI as Prince of Wales</td>
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<td>Holbein, Hans, the Younger</td>
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<td>Hals, Frans</td>
<td>Mathias van der leer</td>
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<td>Hackwitz van Hyn</td>
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<td>A Woman Holding a Vase</td>
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<td>Hackwitz van Hyn</td>
<td>A Polish Nobleman</td>
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<td>Pope Innocent X</td>
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<td>Velasquez</td>
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<td>Goya</td>
<td>Donora Basha Garcia</td>
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<td>Chardin</td>
<td>The House of Basha</td>
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<tr>
<td>Bassano</td>
<td>The portrait of a lady, with the projects facial and radial features portrait of a young man</td>
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<td>Giovanni da Pisa</td>
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<td>Bacchiello</td>
<td>The adoration of the disc and profile portrait of a lady</td>
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<td>Perugino</td>
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<td>The Annunciation</td>
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<td>Jan van Eyck</td>
<td>Portrait of a young man</td>
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<tr>
<td>Peter Paul Rubens</td>
<td>Heads with a cross</td>
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<td>Hans Holbein, Hans, the Younger</td>
<td>The Virgin, St. Peter, and St. Mary Magdalẹt</td>
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<td>Holbein, Hans, the Younger</td>
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<td>Rogier van der Weyden</td>
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<td>Van Dyck, Sir Anthony</td>
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<td>Goya</td>
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<td>Chardin</td>
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<td>Reynolds, Sir Joshua</td>
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<td>107</td>
<td>Gainsborough, Thomas</td>
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<td>Selvini, Giovanni</td>
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<td>Selvini, Giovanni</td>
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<td>Gentile da Fabriano</td>
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<td>Giotto</td>
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<td>Giorgione and Titian</td>
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<td>Fra Filippo Lippi</td>
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<td>Bassanet</td>
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<td>Pinioriochino</td>
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<td>Verrocchio</td>
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<td>Daumier, Honoré</td>
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<td>Bassanet</td>
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**SCULPTURE**

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<tr>
<td>1-2</td>
<td>Desiderio da Settignano</td>
<td>Bust of a Little Boy</td>
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<td>1-3</td>
<td>Desiderio da Settignano</td>
<td>Madonna and Child</td>
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<td>1-4</td>
<td>Desiderio da Settignano</td>
<td>The Young Christ with St. John</td>
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<td>4-5</td>
<td>Agostino di DuCiccio</td>
<td>Madonna and Child</td>
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<td>4-6</td>
<td>Muno da Fiesols</td>
<td>Charity</td>
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<td>4-7</td>
<td>Muno da Fiesols</td>
<td>Faith</td>
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<td>5-6</td>
<td>Laurana, Francesco da (2)</td>
<td>Bust of a Princess of the House of Aragon</td>
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<tr>
<td>Number</td>
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<td>4-16</td>
<td>Verrocchio</td>
<td>Giuliano de' Medici</td>
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<td>Donatello</td>
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<td>Rossellino, Antonio</td>
<td>Madonna and Child</td>
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<td>Mino da Fiesole</td>
<td>St. Catherine of Siena</td>
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<td>4-47</td>
<td>Lombardo, Pietro</td>
<td>A Singing Angel</td>
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<td>Pollaiuolo, Antonio</td>
<td>Bust of a Warrior</td>
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<td>4-61</td>
<td>Civitale, Matteo</td>
<td>St. Sebastian</td>
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<td>4-64</td>
<td>Rossellino, Antonio</td>
<td>The Young St. John the Baptist</td>
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<tr>
<td>4-68</td>
<td>Verrocchio</td>
<td>David</td>
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</table>
Report to the Board from David E. Finley, Director, regarding anonymous gift of framed color reproductions of paintings in the National Gallery to U. S. Army Camps.

The Director reported that through the generosity of an anonymous donor, the National Gallery of Art has sent 800 framed color reproductions of paintings in the Gallery to 80 U. S. Army Camps, for the decoration of libraries and recreation halls in the various camps. Each of the 80 camps received one reproduction of the following paintings:

<table>
<thead>
<tr>
<th>No.</th>
<th>Artist</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>105</td>
<td>Romney</td>
<td>Mrs. Davenport</td>
</tr>
<tr>
<td>88</td>
<td>Coya</td>
<td>Senora Sabasa Garcia</td>
</tr>
<tr>
<td>468</td>
<td>Savage</td>
<td>Washington Family</td>
</tr>
<tr>
<td>72</td>
<td>Rembrandt</td>
<td>Polish Nobleman</td>
</tr>
<tr>
<td>400</td>
<td>Giorgione</td>
<td>Adoration of the Shepherds</td>
</tr>
<tr>
<td>358</td>
<td>Bartolommeo</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Veneto</td>
<td>Portrait of a Gentleman</td>
</tr>
<tr>
<td>490</td>
<td>Gilbert Stuart</td>
<td>Mrs. Richard Yates</td>
</tr>
<tr>
<td>Date 25</td>
<td>Manet</td>
<td>The Old Musician</td>
</tr>
<tr>
<td>Date 31</td>
<td>Renoir</td>
<td>Girl with a Watering Can</td>
</tr>
<tr>
<td>26</td>
<td>Raphael</td>
<td>St. George and the Dragon</td>
</tr>
</tbody>
</table>
Report of Custodians on the Publications Fund Covering the Period March 17, 1941 - December 31, 1941

The President reported:

The Publications Fund of the National Gallery of Art was established under the terms of an agreement dated February 28, 1940, between the Trustees of The A. W. Mellon Educational and Charitable Trust and the Custodians of the Publications Fund, $40,000.00 being advanced by the Trust for the purpose of providing the Gallery with catalogues, color reproductions and similar publications to be of the highest possible quality but which at the same time might be offered to the public at unusually low prices.

Since the opening of the Gallery on March 17, 1941, to December 31, 1941, the total expenditures from this fund were $39,974.92, and the total sales amounted to $63,487.50, thus showing a profit of $13,512.58. On September 3, 1941, the Custodians repaid $10,000.00, and on January 17, 1942, $10,000.00, of the original $40,000.00 loan.

The percentage of profit has been higher than was originally anticipated, due principally to advantageous purchasing and to the early amortization of costs of original halftones and color plates. This has resulted in a much lower unit cost for all reprinting.

It is felt that as soon as the original loan has been entirely repaid, a policy should be decided upon of (1) reducing cost prices to the public to a still lower figure; or (2) using the profit in further publications such as a quarterly publication or handbooks of the National Gallery.
The balance sheet of December 31, 1941, shows cash on hand of $81,744.95, and inventories valued, at cost, at $19,016.50.

A few of the sales figures may be of interest. From March 17th to December 31, 1941, 351,150 monotone postcards, 115,201 color postcards, and 43,677 11"x14" color reproductions, as well as 20,000 catalogues, have been sold.

The Custodians of the fund are D. D. Shepard, David E. Finley and Harry A. McBride.
Report of the Treasurer on the matter of bonding all or any of the officers authorized to sign or certify checks on Gallery Trust funds, etc.

The Treasurer reported that following the instructions of the Board in a resolution passed at its last meeting he had made inquiries of bonding companies, other institutions, etc., regarding the nature of such bonds, the amounts of bonds, and the persons ordinarily bonded by other institutions, as well as the costs of such bonds, but, that owing to illness of persons to whom such inquiries have been addressed certain information solicited has not come to hand and he was not in a position to make a complete report to the Board or submit final recommendations in the matter. He stated, however, that he hoped to have the necessary information shortly but before making final recommendations he would like to have the advice of the Administrator, Mr. Moiride, who will be absent for several weeks, as to certain administrative problems involved. In the meantime he suggested the desirability of the Board authorizing the Executive Committee to consider such recommendations and take any necessary action in the matter and, in its discretion, require the giving of a bond or bonds by the Executive officers or other officers or employees concerned in sum or sums or with one or more sureties, as it may consider desirable.

Upon motion, duly made and seconded, it was

RESOLVED

That the Treasurer submit a report and his recommendation regarding the matter of the bonding
of certain officers or employees of the Bakery

to the Executive Committee of this Board; and

Resolved Further, That the Executive Com-
mittee be, and hereby is, authorized and empowered,
in its discretion, to require such Executive
officers, other officers, representatives or em-
ployees as it may determine to be desirable to give
the Board a bond in a sum to be determined by said
Committee and with one or more sureties satisfactory
to it for the faithful performance of the duties of
his, her or their office or employment and to the
extent provided in the bylaws of the Board.
Report of the President on the Matter of the Use of Space in the National Gallery Building for Defense Purposes

The President reported:

At a meeting of the officers of the Gallery, attended by Mr. Bruce, Mr. Belin, Mr. Shepard, Mr. Finley and Mr. McRide, on January 19, 1942, the matter of offering certain unused space in the Gallery building to the Government for defense purposes was considered. There had already been one unofficial and one official request for the use of space for Government agencies in this building, and it was felt that if a certain area could be set aside in such a way that it would interfere in no way with the operation of the Gallery, and if some unit engaged upon war work of a restricted and confidential nature would be interested in having this space, it would be desirable to make a voluntary offer of such space. The suggestion was made to one war agency and while it was received by the Head of the agency with great gratitude, nevertheless immediately following the suggestion word was received by the agency that the much needed space was being provided elsewhere. Approval of such a proposal has been obtained from the donors of works of art in connection with whose gifts the trust indentures or instruments of gift provide that the National Gallery of Art building shall be used exclusively for the housing, storage, and exhibition of works of art and the administration of the affairs of the Trustees. Such condition also occurs in the trust indenture under which the gift of the building was made by The A. W. Mellon Educational and Charitable Trust. It is requested that this question of
the use of space in the Gallery for defense purposes be considered
and the Board determine upon the policy which the officials of the
Gallery should pursue.

Upon motion, duly made and seconded, the following resolu-
tion was adopted:

WHEREAS, in view of the national emergency
and the urgent need by defense units of the Govern-
ment for office space; and

WHEREAS, it appears that the Seventh Street
lobby and entrance spaces, galleries GR-15, GR-14,
and other adjoining galleries on the ground floor,
as well as unfinished spaces G-15 and G-19 in the
National Gallery of Art building may be isolated
from the rest of the building and may, although
with some inconvenience to the public and the admin-
istration of the Gallery, be made to serve as office
space for some defense unit urgently in need of such
space;

NOW THEREFORE BE IT RESOLVED by this Board
that full power and authority be and hereby is given
the Executive Officers of the Gallery, in their
discretion, to permit such space to be used by a
defense unit or agency for such purposes during
the duration of the war and for a minimum period
of time thereafter as may be necessary, consistent
with the provisions of the several indentures or
instruments of gifts or bequests, and as amended
or qualified, restricting the use of the Gallery
building for certain purposes.

FURTHER RESOLVED, That such officers shall
not be required to charge a rental to such agency
or unit for such use, but that all costs of install-
ing such agency or unit in the space provided and
in removing it from the building, shall be borne by
the unit to which permission for the use of such
space is granted; also that such unit shall provide
all costs for the protection and care of such space
and for repairs to the space used by such unit, as
well as the maintenance of such space, as may be
required in the discretion of the Executive officers; and that such space is to be restored to a condition satisfactory to the Executive officers of the Gallery at the cost of such unit after the use thereof as herein authorized is completed as aforesaid.

FURTHER RESOLVED, That the President or Vice President and Secretary or Director or Assistant Administrator or Assistant Treasurer of the Gallery be, and they hereby are authorized and empowered on behalf of the Board of Trustees to enter into an agreement with such agency or unit covering said use of such space under such terms and conditions as the Executive officers of the Gallery may in their discretion, and consistent with these resolutions, determine upon.
Assistant Treasurer — Authorities and Duties of

The President stated that at the last annual meeting of the Board, February 10, 1941, a resolution was adopted providing for the authorities and duties of the Assistant Treasurer, which office is now held by Mr. Charles Zinner. He said that under the resolutions of the Board the authorities and duties delegated to the Assistant Treasurer did not appear to be sufficiently comprehensive so that the Assistant Treasurer could carry on the duties and responsibilities of the Treasurer in the absence or temporary disability of the Treasurer, and suggested that the authorities and duties of the Assistant Treasurer be enlarged by action of the Board so as to take care of this situation.

Upon motion, duly made and seconded, it was

RESOLVED

That the resolution of this Board adopted at the meeting of the Trustees held February 10, 1941, relating to the authorities and duties of the Assistant Treasurer, to which office Mr. Charles Zinner has been appointed by the President of the Gallery, is hereby amended and amplified so as to provide for the delegation of additional authorities and duties to the Assistant Treasurer, and in this connection,

Be it further resolved that in the event of a vacancy in the office of the Treasurer, or of the absence or temporary disability of the Treasurer, the Assistant Treasurer may exercise all of the powers and authorities and perform all of the duties of the Treasurer, and while so exercising such powers and authorities and performing such duties of the Treasurer, the Assistant Treasurer shall be designated and have the title of "Acting Treasurer".
The President stated that the position held by Mr. George Z. Beckert as Assistant Administrator of the United States Civil Service Commission has been reclassified to that of Assistant Administrator and therefore suggested the Board provide for the appointment of Mr. Beckert by the President as Assistant Administrator.

The President stated that the position held by Mr. George Z. Beckert as Assistant Administrator of the United States Civil Service Commission has been reclassified to that of Assistant Administrator and therefore suggested the Board provide for the appointment of Mr. Beckert by the President as Assistant Administrator.

Whereas, Mr. Beckert is well qualified by experience and training to perform the duties of the office of Assistant Administrator, and is now occupying the position of Assistant Administrator, and is therefore it is resolved, that the President appoints Mr. Beckert to the position of Assistant Administrator, and is now occupying the position of Assistant Administrator.

Whereas, Mr. Beckert is well qualified by experience and training to perform the duties of the office of Assistant Administrator, and is now occupying the position of Assistant Administrator.

The President stated that the position held by Mr. George Z. Beckert as Assistant Administrator of the United States Civil Service Commission has been reclassified to that of Assistant Administrator and therefore suggested the Board provide for the appointment of Mr. Beckert by the President as Assistant Administrator.
Further Resolved, that upon the appointment by the President of Mr. Heckert as Assistant Administrator, in addition to the authorities and duties assigned to him under the resolution of this Board adopted at a meeting of the Trustees held December 10, 1940, he shall have such other authorities and shall perform such other duties, consistent with the character of the work for which he is retained as shall be assigned to him by the Administrator; and

Resolved Further, that in the event of a vacancy in the office of the Administrator, or the absence or temporary disability of the Administrator, the Assistant Administrator may exercise all of the powers and authorities and perform all of the duties of the Administrator, and while so exercising such powers and authorities and performing such duties of the Administrator, the Assistant Administrator shall be designated and have the title of "Acting Administrator".
The President suggested the desirability of the Board adopting a simplified procedure for the acceptance of offers of gifts of monies or securities to the National Gallery of Art, and proposed that in instances where such offers of gifts are without condition, or in instances where such offers are for a particular purpose within the scope of the ordinary activities or operations of the Board, authority be given to the officers of the Board to accept such gifts on behalf of the Board without reference to it or the Finance Committee. By way of example, the President referred to certain gifts of monies which have been made for particular operations of the Gallery, such as improvements and betterments to the Gallery, purchase of books for the Library, expenses of special exhibitions, evacuation of works of art on account of the war emergency, etc., funds for which are not available from Government appropriations. He suggested that the Board designate a special committee consisting of the Secretary-Treasurer, the Director, and the Administrator, or in their absence, the Assistant Treasurer, the Assistant Director and the Assistant Administrator, to pass upon the question of the acceptance or rejection of gifts of monies or securities to the National Gallery
of Art, and upon the recommendation of such committee, the
treasurer, or in his absence the Assistant Treasurer, be author-
ized and empowered to accept all such gifts on behalf of the
Board and to deposit such gifts in the depository of the Gallery
which has been designated. He also suggested that if any unusual
conditions are attached to such gifts by a donor, which, in
the opinion of the committee might be undesirable on the part of
the Board to agree to, such offers of gifts should be referred to
the Finance Committee for its recommendations and instructions.
The President also stated that in the absence of instructions from
the Board, certain monies given to the Board for the purpose of the
ordinary operations of the Gallery had been deposited by the treasurer
in the depository of the Gallery and from time to time expended for
such purposes, but that the Treasurer had recommended the adoption
of the procedure outlined under specific authority of the Board in
the case of such further gifts.

Upon motion, duly made and seconded, it was

RESOLVED

That a special committee consisting of the
Secretary-Treasurer, the Director, and the Adminis-
trator of the Gallery, and in the absence of all or
any of such officers to serve in their respective
place or places, the Assistant Treasurer, the Assis-
tant Director, and the Assistant Administrator, be,
and hereby they are, appointed a special committee
with full power and authority to make recommenda-
tions and to act upon the acceptance or rejection of
offers of gifts of monies or securities on behalf of
this Board.
Resolved Further, that such power and authority
shall extend only to the acceptance or rejection of
monies or securities offered to be given to the National
Gallery of Art for the purposes of the ordinary opera-
tions of the Gallery, such as the storage or exhibition
of works of art and the ordinary administration of the
affairs of the trustees, and in connection with which no
unusual condition is imposed or made, and

Resolved Further, that in cases of offers of
gifts of monies and securities for particular purposes
without the scope of such activities of the Gallery
and in cases where some unusual conditions are
imposed in connection with the acceptance of such
gifts, the said committee shall refer such offers to
the Finance Committee of the Board for its con-
sideration and instructions, and

Resolved Further, that the Secretary-Treasurer,
or in his absence, the Assistant Treasurer, be, and
hereby they are, empowered and directed, upon the
recommendation of said committee, to accept gifts of
monies and securities to the National Gallery of Art
on behalf of this Board, and to give proper receipt
therefor, and to deposit such monies or securities
in the depository of the Gallery, keeping full and
accurate accounts of all such funds and securities,
and

Resolved Further, that the Treasurer, or in
his absence, the Assistant Treasurer, shall have
full power and authority to expend such monies and
apply such securities to and for the purposes for
which such monies or securities are given, upon
proper certificate provided for the discharge of any
obligation or liability for which such funds or
securities have been made available to the Board,
making full accounting thereof to the extent and in
the manner provided in the bylaws.

Resolved Further, that the action of the
Treasurer in depositing gifts of monies heretofore made
to the Gallery for the ordinary operations of the
Gallery and in expending such funds for such purposes,
be, and hereby is approved, subject to an accounting
for such funds received and expended as contemplated
by the bylaws.
**Agenda 7-X**

Report by the Director on the acceptance of gifts of personal property other than works of art, monies, and securities up to December 31, 1941, as well as library accessions.

The Director reported the acceptance of the following gifts of personal property other than works of art, monies, and securities to the Gallery up to December 31, 1941, as well as library accessions.

**Summary**

**Gifts of Personal Property other than Works of Art, Monies, and Securities, offered to the National Gallery of Art As of December 31, 1941.**

<table>
<thead>
<tr>
<th>Date</th>
<th>Gift</th>
<th>Donor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct. 31, 1939</td>
<td>Two Books</td>
<td>Miss Adelaide Milton de Groot</td>
</tr>
<tr>
<td>Dec. 29, 1939</td>
<td>Architectural Drawings and Books</td>
<td>Mrs. John Russell Pope</td>
</tr>
<tr>
<td>Oct. 31, 1940</td>
<td>Book on Courtauld Silver</td>
<td>Messrs. Augustine Courtauld and E. Alfred Jones</td>
</tr>
<tr>
<td>Oct. 31, 1940</td>
<td>Rubens, by Max Roscoe</td>
<td>Mr. Henry Field</td>
</tr>
<tr>
<td>Mar. 5, 1941</td>
<td>Two publications</td>
<td>Henry G. Frick Educational Commission</td>
</tr>
<tr>
<td>Apr. 5, 1941</td>
<td>Gilbert Stuart, by Park</td>
<td>Miss Helen Frick</td>
</tr>
<tr>
<td>Apr. 16, 1941</td>
<td>Life of Hiroshige</td>
<td>Japanese Embassy</td>
</tr>
<tr>
<td>Apr. 18, 1941</td>
<td>21 volumes of art History; 3 Catalogues</td>
<td>Mrs. Helen Norton</td>
</tr>
<tr>
<td>Apr. 27, 1941</td>
<td>Rembrandt Catalogue</td>
<td>Mr. W. A. McDonald</td>
</tr>
<tr>
<td>May 6, 1941</td>
<td>Two Books</td>
<td>Mr. Reuben W. Head</td>
</tr>
<tr>
<td>May 20, 1941</td>
<td>Law Triumphant</td>
<td>Miss Violet Oakley</td>
</tr>
<tr>
<td>Oct. 18, 1941</td>
<td>422 Color Slides</td>
<td>Mr. Samuel Kress</td>
</tr>
<tr>
<td>Oct. 20, 1941</td>
<td>Rigaud Print</td>
<td>Mr. Pierre S. du Pont</td>
</tr>
<tr>
<td>Dec. 22, 1941</td>
<td>29 Color Slides</td>
<td>Mr. Samuel Kress</td>
</tr>
</tbody>
</table>

Regraded Unclassified
LIBRARY ACCESSIONS THROUGH EXCHANGE AND GIFT
As of December 31, 1941.

<table>
<thead>
<tr>
<th>Exchange</th>
<th>Gifts</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gallery and Exhibition Catalogs</td>
<td>329</td>
<td>404</td>
</tr>
<tr>
<td>Sales Catalogs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Periodicals (In volumes)</td>
<td>103</td>
<td>27</td>
</tr>
<tr>
<td>Separate Bulletins</td>
<td>400</td>
<td></td>
</tr>
<tr>
<td>Other Art Publications</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td>880</td>
<td>737</td>
</tr>
</tbody>
</table>

OUTSTANDING GIFTS

56 Books from THE A. W. MELLON EDUCATIONAL AND CHARITABLE TRUST. 
(Most of them are folio volumes containing fine plates.)

37 Books from PAUL MELLON.
Thieme-Becker Künstler-Lexikon.
Lugt. Les Marques de Collections de Dessins et d’Estampes.
Sir Joshua Reynolds, by Sir Walter Armstrong.
Thomas Gainsborough, by William Whitley.
Renoir, peintre du nu.
Gourma, April 1931.

245 Catalogues and 14 Art Reference Books from MISS LEILA MENGHIN.

143 Catalogues and about 500 Art Magazines from ARTHUR LIE JAMES.

114 Art Magazines from MISS LEILA MENGHIN.

121 Sales Catalogs from MACMILLAN JAMES.

451 Lantern Slides from SAMUEL H. KRESS.
Agenda 7-6

Authorities and Duties of Administrator.

The President stated that in connection with the administration and operation of the National Gallery of Art the ordinary government business of the Gallery necessitates the certification or approval of many actions by the "head of the department"; that the bylaws of the Board of Trustees provide that the President shall be the "active executive officer of the National Gallery of Art**, and, subject to the direction of the Board * * *, he shall have charge of the administration of the National Gallery of Art and of all affairs and matters pertaining to the Gallery * * * * ."

However, the President further stated that the bylaws also provide that the Administrator shall have charge of the Gallery building and the supervision, management, and maintenance thereof in accordance with policies from time to time adopted by the Board, shall have supervision of employees who have to do with the management and maintenance of the Gallery; also, by resolution of the Board adopted by the Trustees at their meeting held May 26, 1939, among other things, the Administrator was charged with the "general administration of the National Gallery of Art, in accordance with policies from time to time adopted by the Board and not in conflict with the authorities and duties imposed upon the other executive
officers of the Board." The President further stated that among the matters of ordinary Government business requiring the certification or approval by the "head of the department" are such matters as the allotment changes in appropriation, extension of hours of labor to meet emergencies, detail of employees for temporary work out-of-grade, certifications that long distance telephone calls are official and necessary, and the appointment of personnel. He also said that there are a number of decisions by the Comptroller General of the United States to the effect that certain transactions may not be entered into without the "head of the department" making a certificate. Such matters, the President pointed out, fall within the ordinary authorities and duties of the Administrator, but on account of the wording of the bylaws and the resolution adopted by the Board on May 26, 1939, it was considered desirable to clarify the situation so that no question might arise in future as to the official who is authorized to perform these administrative acts wherein the Comptroller has decided that the law requires the certificate of the "head of the department". Otherwise, he said, it may cause difficulties to the executive officers in the matter of the payment of accounts being withheld by the General Accounting Office, or a bonded certifying officer of the Gallery may be held personally responsible for improper certification of vouchers and disbursement
of Government funds.

Upon motion, duly made and seconded, the following resolution was adopted:

WHEREAS, certain laws, rules and regulations applicable generally to Government agencies contemplate that only the "head of the department", or an officer acting in like capacity, shall authorize, certify or approve certain administrative procedures or actions, which duties and authorities may not, in some instances, be delegated; and

WHEREAS, the executive officer of the National Gallery of Art charged with such authority and duties should be definitely determinable; and

WHEREAS, it is the judgment of this Board that such authorities and duties come within the scope of the administrative functions, which, under the bylaws of the Trustees, the resolutions adopted by the Trustees at meetings of this Board, and the policies of the Board adopted for the maintenance and administration of the National Gallery of Art and the site thereof, have been and should be exercised or performed by the Administrator,

NOW, THEREFORE, BE IT RESOLVED, that, in addition to the authorities and duties with which, under the bylaws of the Trustees, resolutions and policies duly adopted by the Trustees of this Board, the Administrator of the National Gallery of Art is charged, the Administrator be, and he hereby is, authorized and empowered, and it shall be his duty as Administrator, to authorize, execute, sign, certify and/or approve any and all administrative actions and procedure which, under Government law, rule or regulation applicable to the maintenance and administration of the National Gallery of Art and the site thereof, shall be authorized, executed, signed, certified and/or approved by the "head of the department" or in like capacity, namely, head of the National Gallery of Art and/or the Bureau directed by this Board, and, in this connection, the
Administrator, in the exercise of such authorities and duties, shall have full power and authority, and it shall be his duty, in his discretion, to take all such administrative action as he may deem necessary and desirable looking toward the discharge of such authorities and duties, as in his judgment shall be in accordance with the policies of the Trustees as regards the proper conduct of the National Gallery of Art and the administration of the affairs of the Bureau directed by this Board.
The Treasurer reported the following gifts other than works of art, library books, and catalogues for the calendar year 1941 and for prior years.

### GIFTS
Other than works of art and library books and catalogues

<table>
<thead>
<tr>
<th>Donor</th>
<th>Particulars</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saffran, Frederick J.</td>
<td>5 Bay trees</td>
<td>$25.00</td>
</tr>
<tr>
<td>Bruce, Mrs. David K. E.</td>
<td>Persian rug 35 x 16</td>
<td>$5,000.00</td>
</tr>
<tr>
<td>Du Pont, Pierre B.</td>
<td>10 Boxwood plants with tubs</td>
<td>-$ - -</td>
</tr>
<tr>
<td>Finley, David E.</td>
<td>2 Bay trees</td>
<td>$200.00</td>
</tr>
<tr>
<td>Florida State Exhibit</td>
<td>Office furniture, plants, china, glassware, silverware and linen, etc.</td>
<td>$428.16</td>
</tr>
<tr>
<td>Sears, Samuel H.</td>
<td>6 Oleander plants</td>
<td>$90.00</td>
</tr>
<tr>
<td>Mellon, Paul A.</td>
<td>Color slides</td>
<td>$5,000.00</td>
</tr>
<tr>
<td>Mellon Educational and Charitable Trust, The</td>
<td>Cash for purchase of library books</td>
<td>$10.35</td>
</tr>
<tr>
<td></td>
<td>Salaries, operating expenses, materials, supplies and additional building and landscaping costs</td>
<td>$233,731.12</td>
</tr>
<tr>
<td>Moore, Mr. &amp; Mrs. J.L.</td>
<td>Dracaena plant</td>
<td>$10.00</td>
</tr>
<tr>
<td>Noon, Mrs. John Russell</td>
<td>20 Original architectural drawings</td>
<td>-$ - -</td>
</tr>
<tr>
<td>Straus, Percy S.</td>
<td>8 Bay trees</td>
<td>$800.00</td>
</tr>
<tr>
<td>Shepard, Donald D.</td>
<td>Office furniture</td>
<td>$42.00</td>
</tr>
<tr>
<td>Thatcher, John S.</td>
<td>Plants and shrubs</td>
<td>$100.00</td>
</tr>
<tr>
<td>Stieger, Joseph E.</td>
<td>Collection of Acacias plants</td>
<td>$7,500.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$243,537.63</strong></td>
<td></td>
</tr>
</tbody>
</table>

* No value has been established in respect of these items.

The Treasurer also reported that in addition to gifts during 1941, aggregating $233,731.12, The A. W. Mellon Educational and
Charitable Trust has made contributions, exclusive of construction costs of $15,068,542.19, up to December 31, 1941, on account of the building and landscaping, to or on behalf of the National Gallery of Art, in the aggregate amount of $356,533.46, which, with the gifts made by the Trust during 1941, makes a total of such gifts of $560,264.58.
To: Secretary Morgenthau

From: Mr. Haep

Subject: The Business Situation,
Week ending February 7, 1942.

Summary

(1) Total sales by retail stores in 1941 increased 17 percent over 1940, according to Department of Commerce figures, approximately equaling the 13 percent rise in national income payments. To meet this increased demand, however, was an expansion of only 10 percent in the production of consumer goods, a shortage which has reflected itself in an 8 percent rise in retail prices.

(2) Still higher retail prices are indicated by the continuing rise in income payments and further curtailment in production of many consumers' goods, and by the fact that increases in wholesale prices have not yet been fully transferred to retail markets. National income payments rose in December to an annual rate of $99.9 billions, part of which, however, represented a non-recurring back-wage payment to railroad workers.

(3) Preliminary estimates indicate that industrial production in January was maintained at December levels in the face of usual seasonal decline. As a result, the FRB adjusted index of industrial production is tentatively estimated by the Federal Reserve Board to have advanced to 170 last month from 158 in December.

(4) General commodity prices continue to rise. The BLS all-commodity index in the last week of January rose 0.4 point to 95.9, a new high since September 1929, and 27.9 percent above the pre-war level of August 1939. During the past week, however, the index of basic commodity prices showed no material change.

(5) Retail sales gains have recently moderated somewhat. The rate of year-to-year gain in department store sales narrowed to 29 percent in the last week of January, as compared with a gain of 36 percent for the month as a whole.
The general price situation

A view of 1941 in retrospect shows clearly the intimate relationship between national income payments, the supply of available consumer goods, and the commodity price level. Total income payments to individuals in 1941 (Department of Commerce figures) reached $89.4 billions, an increase of 18 percent over 1940. Total sales by retail stores increased by almost the same percentage, rising 17 percent to $53.6 billions, according to Department of Commerce estimates.

On the other hand, there was only a 10 percent increase in the production of consumer goods in 1941, both durable and non-durable. (Federal Reserve Bank of New York indexes). As a consequence, nearly half of the increase in buying was taken up in price increases. Retail prices of food, clothing, and household furnishings averaged 8 percent higher in 1941 than in 1940, according to BLS cost-of-living data.

These figures indicate that prices have followed their usual tendency to rise by the amount necessary to bring the increased demand into balance with the current supply of consumers' goods. It is apparent that consumers as a group might have bought the same amount of goods, with less cash expenditure, if they had been able to limit their purchases voluntarily, instead of being forced to do so by the higher prices resulting from their own competitive buying.

Higher retail prices indicated

The current rate of income payments points to still higher retail prices. Income payments to individuals in December were at a rate about 32 percent higher than in 1940, as compared with an 18 percent increase for 1941 as a whole. The production of many consumer goods, on the other hand, is sharply decreasing, although food production -- the most important item -- is tending to rise. The net result is that retail prices of food, clothing and housefurnishings in December were 16 percent higher than in 1940, as compared with an 8 percent gain for 1941 as a whole.

The inflationary price tendency, moreover, has not yet been fully reflected in retail prices, doubtless in part because accumulated stocks in retail and wholesale channels, priced on the basis of earlier costs, are still being used up.
National income payments at new high

National income payments continued to expand in December and reached a new high at an annual rate of $99.9 billions. (See Chart 1.) Part of this rise was due to retroactive payments of increased wages to railroad workers. Even if this non-recurring factor be excluded, income payments were running at an annual rate slightly in excess of $99 billions. The steady upswing in income payments since the defense program got under way carried the annual rate by the end of 1941 to a level 36 percent above the low of 1940, which was touched in March of that year.

Since living costs in December showed only a slight rise over the previous month, the purchasing power of national income expanded almost as rapidly as actual payments. Consequently, as will be seen by referring to Chart 1, the purchasing power of national income in December rose sharply to a new high. This has doubtless been a factor in the expansion of retail buying during January.

Industrial production fails to show usual seasonal decline

Preliminary estimates indicate that aggregate industrial production in January was maintained at the previous month's level in the face of a usual seasonal decline in output. As a result, the adjusted FRB index of industrial production for January is tentatively expected by the Federal Reserve Board to rise 2 points to a new high at 170. The unadjusted index, however, is estimated at 164, unchanged from the previous month. (See Chart 2.)

Activity in the armament and munitions industries continued to increase in January, and durable goods production as a whole rose moderately. Minerals output also gained moderately, largely as a result of increased production of coal and petroleum. On the other hand, non-durable goods output decreased somewhat, despite heavy activity at cotton, wool, and rayon textile mills.

Although complete production figures for January by individual industries are not yet available, reference to Chart 2 will disclose that the group of industries which have been expanding facilities since the defense program got under way reached new high output levels in December. New peaks in that month were attained in the production of iron and steel, machinery, transportation equipment (including ships and aircraft), and chemicals. These production gains
in December, however, were offset in the aggregate by declines in other industries. However, the widest declines were due to exceptional factors, such as the curtailment of rubber production to conserve raw materials, and the seasonal cessation of iron ore shipments.

Commodity prices continue advance

The BLS all-commodity index in the week ended January 31 rose 0.4 percent, marking a total advance of 4.0 percent since our entrance into the war. The index now stands 27.9 percent above the August 1939 pre-war level. Despite the break in prices of speculative commodities, the group indexes for farm products and for textiles each advanced 1.0 percent during the week.

Basic commodity prices level out

Speculative commodity prices in the week ended February 6 were still depressed by (1) the Administration's support of the parity goal for farm products, rather than the high ceilings permitted under the Price Control Act, (2) release of Government stocks of wheat and corn, and (3) uncertainty concerning release of cotton stocks. Additional bearish influences were a joint statement by Secretary Wickard and Price Administrator Henderson concerning their agreement on price control objectives and methods, and a statement by President Hutson of the Commodity Credit Corporation that the Corporation planned to sell 20,000,000 bushels of wheat a month through June, and currently at the rate of 1,000,000 bushels a day.

In view of the above influences, the BLS index of basic commodity prices averaged unchanged in the week ended February 6. (See Chart 3.) Most of the individual changes resulted from Government action on prices and stocks, and from OPA revisions of ceilings to bring prices into line with provisions of the Price Control Act.

Thus the revision of the ceiling on lard allowed an advance of 6.4 percent during the week to a new high for the war period. The ceiling on wool was raised moderately. Flaxseed prices, not subject to a ceiling, reached new war-period highs. On the other hand, the revision of the price ceiling for cocoa resulted in a decline of 6.1 percent.
Cotton prices lower

After cotton prices had reached the season's high of 20.11 cents a pound on January 27, the break which began on the following day carried them down more than 12 cents a pound, to 18.50 on February 2. (See Chart 4.) During the next week a part of the loss has been regained. In comparison with present quotations around 19.25 cents for 16/16 middling cotton in the 10 spot markets, no ceiling is permissible under the Price Control Act below a level of approximately 22.95 cents.

Uncertainty over the possible transfer of Commodity Credit Corporation cotton to other Government agencies for war uses remains a bearish threat, but thus far no announcement of transfers under this program has been made.

Grain prices lower

The actual release of Government grain stocks last week depressed prices of grains and of some other commodities. Low-priced Government wheat for feed was reported to be replacing feed grains offered by the trade, and some mills reduced bran prices as a result of the Government competition. Another bearish factor was the report that unless the Department of Agriculture announces that loans on the more than 350,000,000 bushels of 1941 wheat will be renewed when they fall due April 30, large quantities may be returned by producers and sold in the open market before the due date.

Hog prices at four-year high

Hog prices last week advanced to a new four-year peak at $12.55, a price which has been exceeded only for two brief periods in the last fifteen years, in the spring of 1929 and in the summer of 1937. In connection with the continued broad advance in the past two months, prices are rapidly approaching 110 percent of parity, where a price ceiling could be applied.

Farm income in 1941 exceeds estimates

In this connection, it may be noted that cash income received by farmers from livestock and livestock products in 1941 was the highest for any year since 1919, and exceeded the cash income from crops. As a whole, cash income from farm marketings for 1941 exceeded earlier expectations,
owing to unusually high incomes in December, and with the exception of 1929, was the highest for any calendar year since 1920. Total cash farm income, which includes government payments, amounted to $11,706,000,000, which was more than in any other year since 1920.

Futures trading in January

The amount of speculative activity during January is indicated by the volume of futures trading, as published by the Commodity Exchange Administration. The figures reveal that futures transactions in cotton during January were 53 percent greater than in December and nearly 225 percent greater than in January 1941. Futures transactions in corn were 69 percent greater than in December, and in rye, 200 percent greater. Of the products under price ceilings, futures trading in wool declined 73 percent from December, cottonseed oil, 23 percent, and lard, 25 percent.

Stock prices steady on small volume

Despite the generally unfavorable nature of the war news, industrial stock prices at New York recently have been moving in a narrow range, while railroad stocks have been creeping gradually higher. Meanwhile, industrial stock prices in London have shown a tendency to decline moderately. As will be seen by referring to Chart 5, this action contrasts with the situation prevailing during much of the latter half of 1941, when stock prices in London were rising quite steadily while the New York market was displaying persistent weakness.

Starting with the outbreak of war in the Pacific, the New York and London markets have been moving much more in unison. More recently the New York market has shown slightly greater resistance to adverse war news than the London market, probably in part because the 1941 decline has left the New York market less vulnerable to future selling.

Coincident with a steadying of prices, the volume of stock trading on the New York Exchange has fallen off noticeably since the first of the year. Whereas all but 2 full market sessions in December ran over 1,000,000 shares, only one trading session has run over 800,000 shares since the beginning of the year. Total shares traded dropped from over 36,000,000 in December to slightly less than 13,000,000 in January. The sharp contrast in these figures lends additional credence to the belief that an unusual amount of tax selling took place in December, although the outbreak of war also doubtless contributed to the heavy volume of trading in that month.
Retail sales gains abating slightly

The sharp gains in retail sales over year-earlier levels have recently moderated somewhat. Thus department store sales in the last week in January ran 29 percent above the corresponding week in 1941, as compared with a gain of 34 percent in the previous week. While figures are not yet available for the first week in February, a leading trade source reports a further slackening in anticipatory buying during the period.

Despite a slight slackening in the latter part of the month, department store sales in January ran 36 percent above January 1941 and showed a much smaller decline than usual from Christmas season levels. As a result, it is estimated that the adjusted index of department store sales for January soared to a new peak of 137 from only 111 in December. The previous peak figure of 134 was recorded last August. Current saving for income tax payments is believed to have been a factor tending to restrict sales recently.
MOVEMENT OF BASIC COMMODITY PRICES
AUGUST 1939 = 100

Weekly Average

12 Foodstuffs
16 Raw Industrial Materials

Daily

12 Foodstuffs
16 Raw Industrial Materials

Percentage Change for Individual Commodities, August 1940 Low to January 30 and to February 6, 1942

16 Raw Industrial Materials
- Shellac 124.1%
- Linen 16.6%
- Cotton 101.4%
- Print Cloth 62.9%
- Burlap 65.4%
- Flaxseed 64.1%
- Hides 59.0%
- Wool 51.9%
- Lead 36.8%
- Zinc 30.1%
- Silk 21.0%
- Rubber 16.9%
- Copper 11.8%
- Scrap Iron 8.7%
- Tin 3.0%
- Steel Scrap 2.7%

12 Foodstuffs
- Tallow 177.4%
- Cottonseed Oil 140.2%
- Lord 134.0%
- Cocoa 111.3%
- Barley 101.2%
- Coffee 99.2%
- Hops 94.9%
- Wheat 78.9%
- Sugar 43.3%
- Butter 31.1%
- Steers 29.9%
- Corn 26.7%
INDUSTRIAL STOCK PRICES IN U.S. AND U.K.

AUGUST 1936 = 100

Weekly
(AVERAGE OF DAILY)

U.S. 30 INDUSTRIAL STOCKS (DOW-JONES)

U.K. 56 INDUSTRIAL STOCKS

Office of the Secretary of the Treasury
Division of Research and Statistics
The Honorable,

The Secretary of the Treasury.

Dear Mr. Secretary:

Further reference is made to your letter of December 22, 1941, concerning the adoption of measures looking toward compliance with the tariff laws respecting merchandise and baggage brought into the United States in military aircraft.

Instructions have been issued by the Chief of the Army Air Forces, War Department, under date of January 19, 1942, with reference to customs declarations, copy enclosed, which are designed to effect compliance with tariff laws so as to be compatible with military operations and at the same time satisfactory to the Treasury Department. After the workability of these instructions has been tested by enforcement experience, any suggestions that it may be desired to make as to the practicability thereof, or as to revision of any feature thereof that may be required, will be welcomed.

Sincerely yours,

/a/ Henry L. Stimson

Secretary of War.

1 Inclosure.

Customs Declaration.

*To be circularized in the same manner as Naval instructions.
CUSTOMS DECLARATION

1. All crew personnel and military or civilian passengers of military aircraft who bring into this country articles acquired outside of the United States, by purchase or otherwise, are subject to the laws of the United States requiring inspection of persons and baggage on arrival in the United States, whether or not such articles are dutiable or exempt from duty. Any cargo brought into the United States on such craft from any foreign country, the Virgin Islands, or the Panama Canal Zone is also subject to customs clearance.

2. In order that inspections of baggage and cargo required by customs laws will not interfere with operations of military aircraft, air base commanders of stations adjacent to borders of the United States will make such arrangements with local customs representatives as will insure availability of customs inspectors on short notice and availability of customs declaration blank forms.

3. Military aircraft, personnel and baggage, and civilian personnel of such aircraft and their baggage, and cargo used in the military service, will not be detained to any extent interfering with military operations or requirements pending arrival of a customs inspector. If the inspection cannot be accomplished prior to scheduled time for take-off of such military aircraft or crew, passengers, or cargo, only personally owned articles acquired outside the United States will be required to be left for inspection at the station of arrival in the United States. Such articles will be duly declared on customs Forms and declarants will be liable to subsequent interrogation by customs officers concerning such articles.

By command of Lieutenant General ARNOLD:

CARL SPAATZ,
Brigadier General, Air Corps,
Chief of the Air Staff.

OFFICIAL:

/s/ Wm. W. Dick

WILLIAM W. DICK,
Colonel, A.G.D.,
Air Adjutant General.

DISTRIBUTION:
"A"
To: Secretary Morgenthau
From: Mr. White

Subject: Exports to Russia, Free China, Burma and other blocked countries, as reported to the Treasury Department during the week ending January 24, 1942.

Beginning with this report information regarding exports to Hong Kong, Japan and Occupied China will be omitted.

1. Exports to Russia

Exports to Russia as reported to the Treasury during the week ending January 24, 1942 amounted to about $3,900,000, of which the chief items were motor trucks and chassis and military tanks and parts.

2. Exports to Free China and Burma

No exports to Free China and Burma were reported during the week under review.

3. Exports to France

No exports to France were reported during the week ending January 24, 1942.

4. Exports to other blocked countries

Exports to other blocked countries are given in Appendix A.
SUMMARY OF UNITED STATES
DOMESTIC EXPORTS TO SELECTED COUNTRIES
AS REPORTED TO THE TREASURY DEPARTMENT
FROM EXPORT DECLARATIONS RECEIVED
DURING THE PERIOD INDICATED 1/

July 28, 1941 to January 24, 1942

(In thousands of dollars)

<table>
<thead>
<tr>
<th>Country</th>
<th>July 28 to Jan. 10</th>
<th>Week ended January 17</th>
<th>Week ended January 24</th>
<th>Total Domestic Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>U. S. E. T. R.</td>
<td>$88,795</td>
<td>$5,874</td>
<td>$3,880</td>
<td>$98,549</td>
</tr>
<tr>
<td>Free China</td>
<td>28,660</td>
<td>1,665</td>
<td>-</td>
<td>30,155</td>
</tr>
<tr>
<td>Burma 2/</td>
<td>8,075</td>
<td>447</td>
<td>-</td>
<td>8,522</td>
</tr>
<tr>
<td>France 2/</td>
<td>6</td>
<td>-</td>
<td>-</td>
<td>6</td>
</tr>
<tr>
<td>Occupied France</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Unoccupied France</td>
<td></td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td>2,329</td>
<td>5</td>
<td>78</td>
<td>2,412</td>
</tr>
<tr>
<td>Switzerland</td>
<td>5,072</td>
<td>207</td>
<td>600</td>
<td>5,879</td>
</tr>
<tr>
<td>Sweden</td>
<td>11,516</td>
<td>47</td>
<td>566</td>
<td>12,082</td>
</tr>
<tr>
<td>Portugal</td>
<td>4,643</td>
<td>824</td>
<td>6</td>
<td>5,473</td>
</tr>
</tbody>
</table>

Treasury Department, Division of Monetary Research
January 27, 1942.

1/ Many of the export declarations are received with a lag of several days or more. Therefore this compilation does not accurately represent the actual shipment of a particular week. The longer the period covered, the closer will these figures come to Department of Commerce revised figures.

2/ From September 11, 1941 to date -- It is presumed that a large percentage of material listed here, consigned to Burma, is destined for Free China.

3/ Includes both Occupied and Unoccupied France through week ending October 4, 1941. Occupied and Unoccupied France separated thereafter.

4/ Less than $500.
<table>
<thead>
<tr>
<th></th>
<th>Exports to Free China</th>
<th>Exports to Burma</th>
<th>Exports to U.S.S.R.</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 28 - Aug. 2</td>
<td>395</td>
<td>-</td>
<td>4,523</td>
</tr>
<tr>
<td>Aug. 4 - Aug. 9</td>
<td>-</td>
<td>-</td>
<td>551</td>
</tr>
<tr>
<td>Aug. 11 - Aug. 16</td>
<td>309</td>
<td>966</td>
<td>966</td>
</tr>
<tr>
<td>Aug. 18 - Aug. 23</td>
<td>2</td>
<td>2,735</td>
<td>2,735</td>
</tr>
<tr>
<td>Aug. 25 - Aug. 30</td>
<td>1</td>
<td>1,023</td>
<td>1,023</td>
</tr>
<tr>
<td>Sept. 2 - Sept. 6</td>
<td>204</td>
<td>4,280</td>
<td>4,280</td>
</tr>
<tr>
<td>Sept. 8 - Sept. 13</td>
<td>2,281</td>
<td>5,217</td>
<td>5,217</td>
</tr>
<tr>
<td>Sept. 15 - Sept. 20</td>
<td>3,822</td>
<td>5252</td>
<td>5252</td>
</tr>
<tr>
<td>Sept. 22 - Sept. 27</td>
<td>110</td>
<td>323</td>
<td>323</td>
</tr>
<tr>
<td>Sept. 29 - Oct. 4</td>
<td>1,225</td>
<td>6,845</td>
<td>6,845</td>
</tr>
<tr>
<td>Oct. 6 - Oct. 11</td>
<td>5,312</td>
<td>1,924</td>
<td>1,924</td>
</tr>
<tr>
<td>Oct. 13 - Oct. 18</td>
<td>5</td>
<td>5,623</td>
<td>5,623</td>
</tr>
<tr>
<td>Oct. 20 - Oct. 25</td>
<td>269</td>
<td>4,484</td>
<td>4,484</td>
</tr>
<tr>
<td>Oct. 27 - Nov. 1</td>
<td>4,772</td>
<td>4,552</td>
<td>4,552</td>
</tr>
<tr>
<td>Nov. 3 - Nov. 8</td>
<td>1,672</td>
<td>4,877</td>
<td>2,677</td>
</tr>
<tr>
<td>Nov. 10 - Nov. 15</td>
<td>2,851</td>
<td>-</td>
<td>2,851</td>
</tr>
<tr>
<td>Nov. 17 - Nov. 22</td>
<td>1,228</td>
<td>3,581</td>
<td>3,581</td>
</tr>
<tr>
<td>Nov. 24 - Nov. 29</td>
<td>1,354</td>
<td>3,436</td>
<td>3,436</td>
</tr>
<tr>
<td>Dec. 1 - Dec. 6</td>
<td>64</td>
<td>3,609</td>
<td>3,609</td>
</tr>
<tr>
<td>Dec. 8 - Dec. 13</td>
<td>18</td>
<td>12,040</td>
<td>12,040</td>
</tr>
<tr>
<td>Dec. 15 - Dec. 20</td>
<td>8</td>
<td>4,580</td>
<td>4,580</td>
</tr>
<tr>
<td>Dec. 22 - Dec. 27</td>
<td>1</td>
<td>1,829</td>
<td>1,829</td>
</tr>
<tr>
<td>Dec. 29 - Jan. 3</td>
<td>35</td>
<td>3,393</td>
<td>3,393</td>
</tr>
<tr>
<td>Jan. 5 - Jan. 10</td>
<td>91</td>
<td>8,247</td>
<td>8,247</td>
</tr>
<tr>
<td>Jan. 12 - Jan. 17</td>
<td>1,695</td>
<td>5,874</td>
<td>5,874</td>
</tr>
<tr>
<td>Jan. 19 - Jan. 24</td>
<td>-</td>
<td>3,885</td>
<td>3,885</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$32,755</strong></td>
<td><strong>$7,409</strong></td>
<td><strong>$98,902</strong></td>
</tr>
</tbody>
</table>

1. These figures are in part taken from copies of shipping manifests.

2. Figures for exports to Free China during these weeks include exports to Rangoon which are presumed to be destined for Free China.

3. It is presumed that a large percentage of exports to Burma are destined for Free China.

Treasury Department, Division of Monetary Research February 7, 1942

Regraded Unclassified
APPENDIX C

Principal Exports from U.S. to U.S.S.R. as reported to the Treasury Department during the week ending January 24, 1942

(Thousands of Dollars)

<table>
<thead>
<tr>
<th>Principal items</th>
<th>$ 3,885</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor trucks and chassis</td>
<td>926</td>
</tr>
<tr>
<td>Military tanks and parts</td>
<td>640</td>
</tr>
<tr>
<td>Men's boots and shoes</td>
<td>263</td>
</tr>
<tr>
<td>Iso-octane pentane (anti-knock compound)</td>
<td>261</td>
</tr>
<tr>
<td>Insulated copper wire</td>
<td>174</td>
</tr>
<tr>
<td>Zinc slabs</td>
<td>128</td>
</tr>
<tr>
<td>Barbed wire</td>
<td>119</td>
</tr>
<tr>
<td>Ethyl fluid (anti-knock compound)</td>
<td>105</td>
</tr>
<tr>
<td>Machine and Heavy ordnance guns and carriages</td>
<td>99</td>
</tr>
<tr>
<td>Gun parts</td>
<td>98</td>
</tr>
</tbody>
</table>
CB

MLAIN
London
Dated February 9, 1942
Rec'd 11:50 a.m.

Secretary of State,
Washington,

594, ninth.

FOR TREASURY FROM CASADAY.

Please cable three hundred dollars to
Casaday's account at Chase National Bank.
Expense vouchers for January being forwarded.
Per diem will more than cover this amount
before spent.

WMRT

USB
PARAPHRASE OF TELEGRAM RECEIVED

DATE: February 9, 1942, 11 p.m.
NO.: 595.

The following message is for the Secretary of the Treasury from Sir Kingsley Wood.

You were so good to send me the message about the interim Lend-Lease Agreement. I have studied it with care. The force of what you say is fully appreciated by me and my most earnest desire has been to assist in attaining a satisfactory solution. The War Cabinet has again considered the matter at great length and as a result Lord Halifax has been forwarded new instructions. You will in all probability learn within a short time the terms of the proposal which he has been asked to put forward. It is my earnest hope that you will feel able to give your support to the proposal.

WINANT

Regarded Unclassified
February 9, 1942.

NOTE FOR THE SECRETARY’S FILES

Mr. Irigoyen telephoned Mr. White from Buenos Aires to say that the newspapers down there had reported there was to be a conference of Ministers of Finance on the 15th of March to discuss the creation of the International Stabilization Fund. Mr. Irigoyen asked whether that was true. Mr. White replied that he knew nothing of it. Mr. Irigoyen said he was concerned because, as we know, they would like to participate. Mr. White reiterated that he had heard nothing about it. Mr. Irigoyen said he thought if a conference was to be called that the Treasury would call it. He said that according to the press, the Pan-American Union had called the conference. Mr. White replied that as far as he knew the story was without foundation.

Mr. Irigoyen then mentioned that at the Rio conference it had been said that some kind of memorandum or agenda would be prepared and distributed long enough before the conference to give the various ministers an opportunity to study. Mr. White said that was his understanding also. Mr. Irigoyen wanted to know whether we were working on the material for discussion now and Mr. White replied that with the pressure of so many things, the matter had not yet been discussed with the Secretary and, as far as he knew, the Secretary had not discussed it with the President as yet.

Mr. Irigoyen wanted to know if the conference was going to be held in the immediate future. Mr. White said he didn’t know but he didn’t feel the matter was as urgent as some other problems confronting the Government during wartime. Mr. Irigoyen said he was pleased that the meeting was not going to take place so soon as March 15.

Mr. Irigoyen replied in response to Mr. White’s question as to how things were going down there that they were working on something and we ought to hear the results soon.
PARAPHRASE OF TELEGRAM RECEIVED

FROM: American Embassy, Habana, Cuba.
DATE: February 9, 1942, 5 p.m.
NO.: 50.

There has been a decline of premium on peso to about one quarter of one per cent.

Announcement has been made by the Government of its intention to issue up to twenty million pesos in silver certificates. Reference is made to the last paragraph of the Embassy’s telegram No. 47 under date of the 7th of February.

BRIGGS
EJ
This telegram must be paraphrased before being communicated to anyone other than a Governmental agency. (BR)

Calcutta
Dated February 9, 1942
Received 4:39 p.m.

Secretary of State,
Washington.

RUSH
77, February 9, 4 p.m.

The Department's no. 26, January 31, 7 p.m. received today and the message contained therein from the Secretary of the Treasury has been delivered to Hewlett.

MERRELL

GV
This telegram must be paraphrased before being communicated to anyone other than a Governmental agency. (BR)

AMERICAN CONSUL,
CALCUTTA (INDIA).

26
TO CONSUL GENERAL FOX SECRETARY OF THE TREASURY.
QUOTE. Hewlett, Secretary to Mr. Fox, American member of the Chinese Stabilization Board, has recently arrived in Calcutta from Chungking for medical treatment. Please transmit following message to him and confirm to us that Hewlett has received it:

INNER QUOTE. Hewlett from the Secretary of the Treasury:

All possible steps being taken here to arrange for your passage home by clipper. It is advisable that you stay in Calcutta until the necessary arrangements have been made for your return home. END INNER QUOTE.

END QUOTE.

HULL
(FL)

FD:FL:EMcR
TELEGRAPHS SENT

This telegram must be paraphrased before being communicated to anyone other than a Governmental agency. (BR)

RELEGATION,

PRETORIA (SOUTH AFRICA)

FROM TREASURY.

QUOTE. With reference to cable no. 44 dated December 13, sent by the South African Reserve Bank, Pretoria, to Federal Reserve Bank of New York, the following procedure is suggested with respect to United States paper currency.

(One) Advise South African Reserve Bank, Pretoria, to list total amount U. S. paper currency by kinds and denominations, also by bank of issue in case of Federal Reserve notes, cut currency in half vertically and stamp or write name of bank on each half in ink; then deliver both halves and list in quadruplicate to the American Consul at Capetown.

(Two) American Consul at Capetown will verify amount of currency delivered to him against list prepared by bank and then he will wire Treasurer of United States (through State Department) the amount of currency.

February 9, 1942

9 P.M.
-2-11, February 9, 1942, 9 p.m. to Pretoria

of currency delivered to him. When Treasury receives this advice a corresponding dollar credit will be effected with the Federal Reserve Bank of New York in the account of the South African Reserve Bank, Pretoria. Upon receipt and examination Treasury reserves right to claim reimbursement for any currency which is not genuine. Each set of halves should be forwarded by separate carrier accompanied by a copy of the list. The third copy of list should be forwarded by still another carrier. American Consul will retain fourth copy of list.

(Three) Because of the fact that shipments will be covered by Government Losses in Shipment Act, the American Consul will make no arrangements for insurance.

(Four) The South African Reserve Bank, Pretoria, is hereby designated a depository of public moneys of the United States in order to carry out the procedure outlined in this telegram.

(Five) Please advise the South African Reserve Bank, Pretoria, the appropriate parts hereof as Treasury's reply to its cable no. 44 of December 13 to Federal Reserve Bank of New York. UNQUOTE.

The Department
-3-#11, February 9, 1942, 9 p.m. to Pretoria

The Department approves the foregoing. Any expense incurred in carrying out the instructions contained in this telegram should be included in regular accounts as separate item for billing Treasury in accordance Sec. V-25, Foreign Service Regulations. Inform Consul appropriately.

HULL (FL)

FD:FL:BNcB  FL  Dm
CONFIDENTIAL

Registered sterling transactions of the reporting banks were as follows:

Sold to commercial concerns £52,000
Purchased from commercial concerns £ 6,000

Open market sterling was quoted at 4.03-3/4, and there were no reported transactions.

The Cuban peso was offered at a premium of 7/8% this morning, equaling the current high reached at the end of last week. Toward the close today, the quotation dropped to 1/25. According to a cable received today from the American Embassy in Havana, the Cuban Finance Minister stated that tax-collecting agencies were ordered to accept dollars at par, while starting this week Treasury dollar accumulations would be used in paying government salaries and other expenses. To increase the available supply of pesos, the Government is also going to seek for authority to issue more silver certificates.

In New York, closing quotations for the foreign currencies listed below were as follows:

<table>
<thead>
<tr>
<th>Currency</th>
<th>Quotation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canadian dollar</td>
<td>11-3/4% discount</td>
</tr>
<tr>
<td>Argentine peso</td>
<td>.2364</td>
</tr>
<tr>
<td>Brazilian milreis</td>
<td>.0516</td>
</tr>
<tr>
<td>Colombian peso</td>
<td>.5775</td>
</tr>
<tr>
<td>Mexican peso</td>
<td>.2965</td>
</tr>
<tr>
<td>Uruguayan peso</td>
<td>.5310</td>
</tr>
<tr>
<td>Venezuelan bolivar</td>
<td>.2770</td>
</tr>
</tbody>
</table>

We sold $3,990,000 in gold to the Central Bank of the Argentine Republic, which was added to its earmarked account.

No new gold engagements were reported.

In London, spot and forward silver remained at 22-1/2d and 22-9/16d respectively, equivalent to 42.67¢ and 42.78¢.

The Treasury's purchase price for foreign silver was unchanged at 35¢. Handy and Harvey's settlement price for foreign silver was also unchanged at 35-1/2¢.

We made no purchases of silver today.
The report of January 25 received from the Federal Reserve Bank of New York, giving foreign exchange positions of banks and bankers in its district, revealed that the total position of all countries was short the equivalent of $3,776,000, an increase of $342,000 in the short position since January 21. Net changes were as follows:

<table>
<thead>
<tr>
<th>Country</th>
<th>Short Position January 21</th>
<th>Short Position January 25</th>
<th>Change in Short Position*</th>
</tr>
</thead>
<tbody>
<tr>
<td>England**</td>
<td>$ 788,000 (Long)</td>
<td>$ 698,000 (Long)</td>
<td>+ $ 90,000</td>
</tr>
<tr>
<td>Europe</td>
<td>2,452,000</td>
<td>2,534,000</td>
<td>+ 82,000</td>
</tr>
<tr>
<td>Canada</td>
<td>685,000 (Long)</td>
<td>485,000 (Long)</td>
<td>+ 200,000</td>
</tr>
<tr>
<td>Latin America</td>
<td>24,000</td>
<td>32,000 (Long)</td>
<td>- 56,000</td>
</tr>
<tr>
<td>Japan</td>
<td>160,000</td>
<td>160,000</td>
<td>-</td>
</tr>
<tr>
<td>Other Asia</td>
<td>2,289,000</td>
<td>2,276,000</td>
<td>- 13,000</td>
</tr>
<tr>
<td>All Others</td>
<td>16,000 (Long)</td>
<td>23,000</td>
<td>+ 39,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$3,436,000</td>
<td>$3,776,000</td>
<td>+ $342,000</td>
</tr>
</tbody>
</table>

* Plus sign (+) indicates increase in short position, or decrease in long position. Minus sign (-) indicates decrease in short position, or increase in long position.

**Combined position in registered and open market sterling.

CONFIDENTIAL
BRITISH EMBASSY
WASHINGTON, D.C.

PERSONAL
AND SECRET

9th February, 1942.

Dear Mr. Secretary,

I enclose herein for your personal and secret information a copy of the latest report received from London on the military situation.

Believe me,

Dear Mr. Secretary,

Very sincerely yours,

Halifax

The Honourable
Henry Morgenthau, Jr.,
United States Treasury,
Washington, D.C.
Information received up to 7 A.M., 8th February, 1942.

1. NAVAL ATTACKS ON SHIPPA.

By raider 5th/6th. Small Panamanian ship attacked 600 miles North East of BERMUDA. 25 survivors.

By submarine 7th. British vessel, 6,500 tons, reported being shelled off HALIFAX. Survivors have been landed at LISBON from a 9,000 ton Norwegian tanker outward bound in convoy for ARUBA.

By air. EMPRESS OF JAPAN 26,000 tons, DUCHESS OF BEDFORD, 20,000 tons and U.S. WAKEFIELD, 42,000 tons, damaged at SINGAPORE on 30th. At PAKAN, NETHERLANDS EAST INDIES, on 29th January, 13,900 tons of Dutch shipping were sunk.

2. MILITARY.

LIBYA. On the 6th, our armoured car patrols were operating on the general line TEMENED to 40 miles due South while Infantry patrols to MIEXILI and the area midway between MIEXILI and HSHS reported no enemy movement. On the DAZAIA front the enemy are digging in.

ERERA. The situation has been mainly quiet but there have been enemy concentrations of barges and considerable activity in the KADO area South of PAAN.

SINGAPORE. On the 7th, the enemy shelled our positions frequently but ineffectively. An A.I.F. boat patrol suffered slight casualties. One enemy craft with 30 men was sunk by our machine gun fire.

RUSSIA. The Russians are meeting with increased resistance in the KURSK area and in their advance towards MINTERPETROVSK.

3. AIR OPERATIONS.

7th. 3 of our aircraft are missing from a mine laying operation. One German fighter was destroyed during the day.

LIBYA. 5th. Two squadrons of Heinkels scored many direct hits on M.T. in the MARTABA area. It is estimated that about 100 vehicles were destroyed or damaged during the day.

5th/6th. 24 Wellingsons bombed BENGHAZI and covered a successful mine-laying operation by other aircraft. Two Liberators from EGYPT dropped 7 tons of bombs on TRIPOLI docks.

6th. Our fighters continued their attack on enemy motor transport. 3 Heinkels sent to attack two ships unloading at MIWAT EL KHIL were shot down during their return.
6th/7th. One 600 ton merchant vessel was hit off CAPE BON and another 6,000 ton ship southbound was torpedoed off SPAX. One Swordfish is missing. 7 Wellingtons bombed SIRTE.

MALTA. 6th and 7th. A total of 99 enemy bombers and fighters attacked MALTA and damaged some buildings. One enemy fighter was destroyed by AA, fire.

FRANK. 6th. 6 destroyers, with fighter escort, bombed and machine gunned jetties and the railway station at BENGHAZI. On the 7th/8th, 13 enemy bombers attacked CHINDIADOO without causing serious damage and on the 6th-7th RAADOO was raided. Our fighters destroyed 4 bombers and probably destroyed two more.

SINGAPORE. 7th. Heavy air raids reported on following areas: GIANT R.S. Stores Depots, KALLAND - aerodrome and GETLAND - Eastern suburbs. An R.S. explosives dump was hit and the railway station damaged. One enemy bomber was destroyed and one probably destroyed.

JAVA. 6th. SOURABAI was again attacked and some damage caused.

4. There are indications of increased Japanese activity on the BALIENH river about 100 miles north of MOUNIEIN and on the SIAN-BURMA frontier north of CHIENG HAI. Also of Japanese troop convoys near the AMARAS ISLANDS, at BALIK-PAPAN and off the south west promontory of the CELEBES.

5. On the 3rd and 4th, three French ships arrived at TUNIS and another was discharged there. All four have previously been reported as carrying lorries and supplies from MARSEILLE to TUNIS destined for LIBYA.

6. Passenger train services have recently been still further reduced throughout German occupied and controlled territory, the immediate reasons varying between operating difficulties due to severe weather, essential military movements and transportation of fuel and food and coal shortages. While these reasons are plausible and correct as short term explanations, the scale and extent of these reductions reflect the increasing strain upon the European railway system.

7. The recent arrival of two more enemy cargo ships at ISTANBUL and the accumulation there of cargo for both GERMANY and ITALY suggests a resumption of regular sea traffic between TRIESTE and ISTANBUL.

8. A German ship recently arrived at FEUXUL with a cargo of 6,900 tons believed to be rubber. It now seems clear that the Spanish have given permission to the Germans to tranship this cargo for transportation in German motor barges to BATUNES.

Regraded Unclassified
February 9th, 1942

PERSONAL AND SECRET

Dear Mr. Secretary,

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Believe me,

Dear Mr. Secretary,

Very sincerely yours,

The Honourable

Henry Morgenthau, Jr.,
United States Treasury,
Washington, D. C.
Information received up to 7 A.M., 7th February, 1942.

1. **NAVAL**

On the afternoon of the 6th during an attack on an East Coast convoy two enemy aircraft were damaged by the escorting Naval units. The convoy was undamaged. A small British merchant vessel bombed on the 5th off the HEBBER is now presumed sunk. All crew safe. A British tanker torpedoed on the 3rd 30 miles West of COLOMBO has returned to port safely. The EMPRESS OF ASIA is practically burnt out but it is possible that contents of holds may be salvaged.

2. **MILITARY**

**LIBYA.** 6th morning. There was little enemy movement either North-West of GAZAIA or in the BOUS area. Patrols were however reported at MEXILI and on the Coast road ten miles West of GAZAIA. Our line runs Southward from GAZAIA with fighting patrols and mobile columns operating to the West and North-East.

**SINGAPORE.** There has been increased enemy shelling of SELATAR naval base and aerodrome. Enemy dive bombing and machine gun attacks on our forward areas on the North shore of the Island caused only slight casualties.

**BENGHAZI.** There has been increased enemy patrolling activity at PAANI, Enemy (Trench) and our carriers in action. Small enemy forces have crossed the River SABHAEN 120 miles North of MARTABAN and have engaged in the PAPUN area.

3. **AIR OPERATIONS**

**WESTERN FRONT.** 6th. One of our aircraft is missing from a mine-laying mission. 6th/7th. Sixty bombers were sent to attack the German ships at BREST. One is missing and two crashed on return. Three members of crew killed.

**HALEEB.** 6th. 63 enemy aircraft attacked and caused much damage to property. Two were shot down by AA fire.

**LIBYA.** 5th. Our fighters attacked enemy motor transport near TIRAN. They also intercepted and dispersed three enemy formations which attacked our aerodrome during the day destroying one, H.E. 110, probably destroying one J.J. 63 and damaging two others. One Tomahawk was destroyed on the ground. 5th/6th. Wellingtons again bombed the motor transport park south of DAKŁAS (1).

**BENGHAZI.** 4th. Eleven Iyysanders bombed and machine-gunned an enemy aerodrome damaging hangars and destroying one aircraft on the ground. 5th. PAANI was attacked by Messheims and a building, thought to be Jaffa's Headquarters was hit. 6th. RAMDOM was attacked by thirty enemy fighters, ten were destroyed and ten others probably destroyed without loss to ourselves.
SINGAPORE. 4th. Civilian casualties, 42 killed. Final total killed December, 176, January, 1494, 6th. The town was attacked by 20 heavy bombers escorted by fighters but little damage was caused. Our fighters destroyed one aircraft and damaged four others. Our losses, two Hurricanes, one pilot safe.

4. NETHERLANDS EAST INDIES

There are indications of imminent enemy action against MACASSAR, SUMBANA and South-East SUMATRA.

Corrigendum to OPTEI No. 44. Paragraph 2, LIBYA. for "road" read "roads".
TO       Secretary Morgenthau
FROM     Mr. Kamarck

Subject: Summary of Military Reports

Far East

The Japanese have three divisions on the Burma Front; one in the south in the Moulmein area, one division about 150 miles farther north and one division in reserve with tank units concentrated in Bangkok.

There are indications that the Japanese are planning to occupy airfields in the Palembang area in Sumatra. (This is the southeastern part of the island and is the center of the oil producing and refining industry of Sumatra.)

(U.K. Operations Report, February 5, 1942)

According to our army, the British have 80,000 soldiers in Singapore. The Japanese have 90,000 - 100,000 opposing them. The Japanese are using their crack Guards divisions in this drive. Around Singapore, the results of the air combats have been approximately equal. The Japanese, however, have been able to destroy more planes on the ground. On the other hand, over Rangoon, the American and British fliers have been inflicting heavy losses on the Japanese. The reason for the discrepancy in losses between the two fronts is the difference in the quality of the planes involved. The best Japanese planes are being used in the Singapore drive, while the planes opposing them are British and American second-line planes. Over Rangoon, second-line Japanese planes have been meeting second-line Allied planes and the latter have shown a definite superiority.

(M. I. D. Information)
Russo-German Front

The Russians have announced that American-made airplanes are operating with great effectiveness all along the front.

(M.I.D. Situations Report, February 9, 1942)

The Russian pressure is pinning down the German army and is obliging the Germans prematurely to send reinforcements to the Eastern Front, which they had hoped to rest and refit for the spring offensive. A member of the Swedish Foreign Office stated that only 7,000 Nazi soldiers are left in Denmark. (Formerly, the Germans kept about five divisions, or 75,000 men in this country.)

(O.C.I., "The War This Week", January 29-February 5, 1942)

The "Voice of the Chief" Broadcast

(In the latest broadcast reported, February 6, 1942, the "Voice of the Chief" attacks the district leader of Eastern Prussia, who is also Reichs Commissioner for the Ukraine, Storm Troop Chief Leader Erich Koch.)

"Luxury Highway--"As far back as December, the Reich Health Bureau stated that spotted typhus, now claiming so many victims in Koengisberg, was brought in bylice-ridden Bolsheviks from the Thorn prison camp. Now these prisoners have been working on the 15 kilometer long private highway which Herr Koch with state money is building for himself from the terminal of Street-Car Line 7 to his splendid castle of Friedrichsburg.

Koch the Great--"Thirteen millions of state money has Koch the Great already put into his Koenigsberg Sanssouci. And at a time when no building material and labor are available to construct for our comrades only the most wretched barracks for protection against the cold, the supposed model estate of Friedrichsburg is becoming a bombastic mixture of snobbish castle and museum for stolen church property...

"There are no transportation problems for Herr Koch. The old warrior leaves those worries to the comrades at the front who took Kiev for him...They cannot reach their rest billets because there is no transportation. They don't get any new clothes to change, because there is no transport.
"Common Soldier's Flight--"They haven't food enough, they don't see any mail from home, because there is no transport. Doctors, drugs, delousing materials don't arrive, because there's no transport. They lie under the Russian low-flying attacks without anti-aircraft defenses, because the pursuit squadrons don't receive enough fuel, due to transport shortage. But when it is a question of the community Pasha Koch wanting to send his pilfered pieces to his home, or having to fill his belly in Kiev, then High Command cars and the railway cars are available in great numbers."

(Federal Communications Commission, Foreign Broadcast Monitoring Service, February 6, 1942)
SITUATION REPORT

I. Pacific Theater.

Philippines: Heavy infantry fighting flared at various points along our line as enemy infiltration efforts continued. All of their efforts failed. Hostile batteries along the Cavite shore line were shelled yesterday, and direct hits were observed. Hawaii: No further reports of enemy activity. Malaya: The press reports that Japanese troops have made a landing in some force on the northwest corner of Singapore Island. Heavy Japanese air raids continue, as opposing artillery units duel across Johore Strait. Burma: It is reported that both sides are engaged in active patrolling along the Salween River. Sumatra: According to the press, the enemy yesterday carried out further air raids on Bango and on nearby southern Sumatra. Australian: Small scale enemy air activity is reported in the Solomon and New Guinea areas. Hostile reconnaissance of Java and bombing of Surabaya continues. Batavia, capital of the Dutch East Indies, received its first air raid on February 9. No results were announced. West Coast: No further reports of hostile action.

II. Eastern Theater.

Ground: Russian pressure continues at various points on the front. There is no change in the general situation. (A situation map will not be issued today.)

Air: The Russian communiqué this morning stated that American made aircraft were operating with great effectiveness all along the Russo-German front.

III. Western Theater.

The German High Command claimed that the R.A.F. lost five planes on February 8.

IV. Middle Eastern Theater.

Ground: The Axis drive has slowed down in the vicinity of Gazala, according to the press. That source also states that British motor patrols are striking at Axis rear supply routes east of Gazala.

Air: Aerial activity of both forces seems to be concentrated against supply routes. The Italian High Command states that Fascist planes made hits on important military objectives during a raid yesterday on the harbor of Alexandria.