Financing, Government - (§2)

See Italy - 6/10/40............................ 15: 116-118

$500 - $700 million new money in bonds will be asked to keep working balance above $1 billion - 7/8/40.............

a) First time money borrowed outside of regular quarterly financing date in 5 or 6 years - 7/8/40...

b) No raise in debt limit contemplated for rest of calendar year - 7/8/40
Financing, Government - (#3)

$6.7 billion bonds applied for, of which
$37 million are individual subscriptions,
issue 11 times over-subscribed - 7/15/40. 15: 238-40

a) HMJr pleased; only $21 million
individual subscriptions in
December 1939 - 7/15/40. ............ 239

b) Next financing will be about $200 to
$250 million for RFC - 7/15/40. .... 240
Holders of $737 million, 11/8%, notes maturing December 15, will be offered bond in exchange - 9/23/40...

a) Government bond market and credit of US in excellent condition at present - 9/23/40...

b) National defense program will require raising of great deal of money - 9/23/40

c) Purpose of taking up maturity at present is to "clear deck" for defense financing in near future - 9/23/40
Financing, Government - (#5)

Bond will be 2%, 12 3/4 and 14 3/4 (1953-55) years; cheapest money in history of US - 9/24/40.......... 15: 324
Financing, Government - (#1)

First Defense bills will be sold November 8, 1940; necessary until Congress raises debt limit - 11/7/40... 16: 70-90

a) HMJr favors making all Federal, State and Municipal securities taxable - 11/7/40......................... 71-74

b) Defense financing will require both raise of debt limit and additional taxes - 11/7/40........... 73-74

c) Public Debt should be raised from $45 billion to $60-65 billion to include present $4 billion defense money appropriated by Congress and
Financing, Government - (#2)


c) to cover rearming program to June 30, 1942 - 11/7/40......................... 16: 76

d) Now that President Roosevelt will serve 4 more years, HMJr confident there would be no inflation or increase in cost of living - 11/7/40 # 87-90

Since working balance is under $1 billion, Federal Reserve Banks are being asked to return money they borrowed from Treasury; there will also be financing in early part of December - 11/28/40......................... 16: 94
a) HWMr surprised at reaction about raising debt limit; feels papers did not sufficiently emphasize statement that inflation would be controlled - 11/28/40...... 16: 97-101

$500 million taxable notes to be offered - 12/9/40........................... " 165-180

a) HWMr asking Congress for discretionary power to tax bonds, as well as notes; feels this will materially assist in raising funds for national defense and promote greater national unity - 12/9/40........................... 16: 166
Financing, Government - (114)

b) Also wants to make it possible for small sums to be invested in US bonds so everyone can feel he is contributing to rearmament - 12/9/40.................. 16: 167

c) Congress favors tax plan; but HMJr has to be given authority; no bonds will be issued until this is done - 12/9/40.............. " 168-171

d) Feels that people with money should be willing to pay taxes to support defense program - 12/9/40............ " 168-172

1. "Slacker money" must not be encouraged
Financing, Government - (§5)

a) Wants to triple 2½ billion people owning US Savings Bonds - 12/9/40. 16: 170 & 177

f) HMJr also wants to work out savings stamp plan in conjunction with savings bonds; would not turn down 25¢ contribution to defense program - 12/9/40. 178

g) Great deal of money must be raised so greatest number of people can contribute - 12/9/40. 170

h) HMJr hopes states and cities will follow Federal government in eliminating tax-exempt securities - 12/9/40. 172
$500 million taxable note issue sold as well as previous tax-exempt issue - 12/12/40....................... 16: 181
 a) Rate about 1/16 higher than on tax-exempt notes - 12/12/40.......... # 182

Conference of Mayors objects to changing tax-exemptions; Mayor La Guardia of New York City asked by HMJr to review proposal and then come to Washington for discussion - 12/16/40.................... # 201-03
Chairman Eccles of Federal Reserve Board issues statement re government financing and stabilization fund, in which he agrees with HMJr's proposals: 1) to raise debt limit; 2) to remove tax exemptions; 3) to finance Defense Program through higher taxes rather than borrowing; and 4) to sell government bonds to small investors rather than to banks - 1/2/41...... 17: 6-7

a) HMJr studying plan - 1/2/41............. 7
Continued decline in price of Treasury bonds entirely attributable to Eccles statement - 1/9/41

a) Interest rates go up; HJr sees no reason for taking "artificial means to increase or decrease interest rates" - 1/9/41

b) Interest rates are a matter of supply and demand - 1/9/41

c) Present decline has been sharp but orderly - 1/9/41
Financing, Government – (#3)

HMJr issues formal statement that "there will be no attempt to stampede, intimidate or coerce people to buy"; wishes to avoid mistakes that were made during first World War – 1/30/41. .................................. 17: 142-44

Treasury studying matter of securities which will be offered to people of moderate means - 2/17/41. ................. 17: 162-71

a) Baby bonds will be taxable after March 1, 1941 – 2/17/41. ............... m 163-64
b) Bonds will not be negotiable and will not be redeemable for 60 days after date of purchase - 2/17/41. $200 million, 90-day weekly bills, will be offered March 5 (after they become taxable March 1) and thereafter as long as market conditions warrant; new money - 2/20/41.
March 16, 1931, 3 3/8%, 10-12 year bond amounting to $545 million and March 16, 1936, 1 1/2%, 5 year note, amounting to $677 million (total $1.222 billion) will be refunded March 15 - 2/20/41...

Some time in April $500 million securities will be offered for RFC; $300 million of which will repay Treasury; $200 million new money for them - 2/20/41...
Financing, Government - (#6)

a) As result of announcing Treasury financing plans, government bond market has gone moderately up, while corporate bond market has gone down - 2/20/41.............. 17: 182

Treasury asks Congress for $3 million deficiency appropriation for publicizing and advertising new type of savings bond to be offered people of moderate means - 2/20/41.............. " 183-86
a) HMJr reiterates there will be no high-pressure selling of bonds - 2/20/41...................... 17: 184-85
b) Amount any person can purchase per year will be limited - 2/20/41.. 185-86

7-9 year, 2%, 1948-50, bonds and 2-year, 3/4%, Treasury notes, Series D-1943 will be offered in exchange for 1941-43 bonds and 1 1/2% notes, Series A-1941 - 2/24/41 188-96
Financing, Government - (#8)

See Press Service No. 23-65 - 2/24/41... 17: 197-99

See Departmental Circular #649 - 2/24/41  200-04

See Departmental Circular #650 - 2/24/41  205-08

See Departmental Circular #648 - 2/24/41  209-16

February 25 bond and note offering (first since removal of tax exemption) went very well; bonds were given preference -

2/27/41................................................. 217-18
Financing, Government - (#9)

HMJr working on details for establishing separate unit in Treasury to handle new type of savings bonds - 2/27/41............................... 17: 219-28

a) Hopes to start offering them in month, but manufacturing and distribution problems must first be solved; aiming for 250,000 outlets in US - 2/27/41.........

1. Principal outlet will be thru 51,000 post offices.
2. Banks also offering to cooperate.
Financing, Government - (#10)

b) $3 million deficiency appropriation expected to cover administrative and advertising costs to June 30 - 2/27/41. ...................... 17: 226-28
Refunding figures very satisfactory:
1) 89% of 1941-43, 3 3/8% bonds.
2) 98% of Series A-1941, 1 1/2 notes
3) Total combined exchange $1.148 billion, or 94% - 3/3/41........ 17: 230

a) Distribution of $545 million,
  3 3/8% bond refundings as follows:
  1) $482 million, or 88%, exchanged for 1948-50, 2% bonds
  2) $5 million, or 1%, exchanged for 3/4% notes
  3) $58 million, or 11% asked for cash refunds - 3/3/41................. 17: 231-32
Financing, Government - (#12)

b) Distribution of $677 million, 1 1/2%, note refundings as follows:
1) $634 million, or 94%, exchanged for 2%, 1948-50 bonds
2) $27 million, or 4%, selected 3 1/4% note
3) $15 million, or 2% asked for cash - 3/3/41

(See Press Service 23-74 of 3/3/41)
New savings media to be called "Defense Savings Bonds and Stamps" - 3/3/41...

a) New division handling promotion and advertising will be headed by Harold N. Graves (Assistant to Secretary) - 3/3/41............... 235-38

First Defense Bonds and Stamps will be placed on sale May 1 - 3/6/41............. 249-53

a) Treasury personnel will be in charge in each state aided by Post Offices, banks, and local committees - 3/6/41.......................... 250-53
b) Treasury will gladly accept any free advertising in newspapers - 3/6/41

Week of March 17 last $200 million weekly bills will be offered; 3 issues of $200 weekly bills have been offered; beginning March 24 weekly offering will drop back to $100 million for indefinite period - 3/17/41
Financing, Government - (#15)

HMjr reads Press Service No. 24-11 (pp's 329-333) announcing issues of Defense Savings Bonds (Series E), Series F and G Savings Bonds and Postal Savings Stamps which go on sale May 1, 1941 - 3/20/41....................... 17: 296-333

a) "Defense Savings Staff" title of division handling promotion - 3/20/41....................... 318

1. Eugene W. Sloan appointed Administrative Director; Gale F. Johnston, Field Director; Harford Powel, Director of Information
Series E, F and G Savings Bonds designed for people with savings to invest and to reduce excess bank reserves; allowing banks to invest in them will be contrary to purpose of program - 4/3/41................ 17: 334-37

Two note issues of $300 million each, but having different maturities, will be offered for RFC - 4/7/41................... " 350-51
HMJr called leaders of Democratic and Republican parties together to present estimates of cost of national defense program ($19 billion in fiscal year 1942) and formula worked out by Treasury for raising funds; unanimous approval given by them, as well as President - 4/17/41...
Financing, Government - (#18)

a) Formula:

1) $\frac{2}{3}$'s, or $12.677$ billion from revenue to be collected in 1942, of which estimated revenue is $9.223$ billion; therefore $3.444$ billion must be raised by new taxes.

2) $\frac{1}{3}$ will be raised from Social Security investments and "whole-sale financing" and sales of Defense Bonds and Stamps -

4/17/44............................. 17: 378-81
1. "Wholesale financing" will require borrowing approximately $500 million new money each month.

b) Members of both parties agree to formula as means of controlling prices and preventing inflation - 4/17/41.................... 17: 382

c) HMJr hopes Congress will not pass Agricultural (parity payment) Bill requesting $450 million (non-defense item) over President's Budget asking for such vast sums for defense
Financing, Government - (#20)

c) purposes; would be equivalent to 6% of excess profits tax on corporations - 4/17/41........... 17: 383-84

d) $10 billion for Lend-Lease included in $19 billion estimate - 4/17/41 # 384

e) Debt limit figures not changed by these estimates - 4/17/41........... # 385-86
HMJr feels if Congress would follow his suggestion and study non-defense expenditures (in view of defense spending, increased national income, etc.,) at least $1 billion could be saved off January budget figures for fiscal year 1942 - 5/12/41. 

a) With Bureau of Budget removed from Treasury, HMJr no longer has mechanism for complete analysis, but President complimented him on recommendations - 5/12/41.
b) HMJr does not wish to point out places where savings can be effected, but feels Congress should easily determine them - 5/12/41.

HMJr contemplates refunding $834 million August 3-3/4%, bonds issued in 1933 as well as asking for at least $500 million new money, if nothing happens outside US to upset our financial market - 5/15/41.
$211 million coming due July 20, will be refunded and in addition $300 million cash will be borrowed for Reconstruction Finance Corporation - 6/19/41...
Financing, Government - (#4).

$511 million financing to be done for RFC; $211 million refunding; $300 million cash - 1% securities maturing 4/15/44 - 6/23/41. ...................... 18: 177-78

$403 million financing to be done for Commodity Credit Corporation; $203 million maturing August 1; $203 million cash - all in notes - 7/3/41. .............. 203-04
Financing, Government - (#5)

With aid of Federal Reserve System, Treasury has formulated plan to offer tax-payers two series of notes each year, for purpose of saving toward payment of succeeding years' Federal taxes - 7/3/41...

a) Will make it easier for tax-payers and also be check upon spending for non-defense items and resulting inflation - 7/3/41...

1. See Press Service No. 26-30 - 7/3/41...
Financing, Government - (#6)

Tax notes going very well; President bought $1200 worth and one corporation has already bought $17 million worth - 8/4/41

Corporation mentioned in August 4, conference has now purchased $150 million tax notes - almost half of total bought to date - 8/14/41
Financing, Government - (#1)

Defense Saving Bonds and Stamps:

30 million stamp books originally ordered; number has been increased to 50 million - 5/5/41. 18: 11

$25 and $50 denomination bonds ran out; Bureau of Engraving & Printing worked two shifts on weekend to supply more - 5/5/41. 11
Financing, Government - (#2)

Defense Savings Bonds and Stamps:

Heads of 3 top labor organizations
(William Green, American Federation of Labor); Philip Murray (Congress of Industrial Organizations); J. A. Phillips (Railroad Brotherhoods) advised EMJr they were investing their funds in Defense Bonds and urging members to do so - 5/5/41.

Post Office in U. S. Capitol under control of some committee which prevented putting bonds and stamps on sale in
Financing, Government - (#3)

Defense Savings Bonds and Stamps:

Capitol for convenience of Congress; Harold Graves remedying situation at once - 5/5/41...

a) HMJr also proposed that purchasing facilities be put in each State Capitol - 5/5/41...

Bond sales over US going very well but statistics too incomplete to publish first week's results; new reporting system being worked out to speed up reporting - 5/5/41...
Financing, Government - (#4)

Defense Savings Bonds and Stamps:

a) Sales drive to be continuous but details not finished - 5/5/41........ 18: 17-19

From May 1-10 over $159 million Defense Savings Bonds and Stamps sold - 5/12/41

a) HM Jr feels anything over $300 million for May will meet expectations - 5/12/41............................. 30

b) U. S. Savings Bonds (baby bonds) sold around $90 million per month - 5/12/41......................... 31-33
Financing, Government - (#5)

Defense Savings Bonds and Stamps:

c) Fact that stamp books and $25 and $50 bonds ran short would indicate that program was reaching small investors as hoped - 5/12/41.............................................. 18: 34-35

d) Programs being tried in 6 or 7 States to determine what sales effort is best to pursue - 5/12/41.............................................. 35-36
Financing, Government - (#6)

Defense Savings Bonds and Stamps:
From May 1-14, $214 million Defense Savings Bonds and over $2 million Defense Savings Stamps have been sold - 5/15/41.

In refutation of statements that Defense Savings Bond and Stamp sales have not been successful, HMJr states that average of $15 million per day is beyond original expectations; definitely opposes compulsory savings - 5/22/41.
Financing, Government - (#7)

Defense Savings Bonds and Stamps:

a) Does not want Market flooded with bond offerings, which would tend to lower their value, as occurred during Liberty Loan drives and people lost money - 5/22/41...., 13: 76-77

b) If factory workers voluntarily want deductions made from salaries by employers, HMJr would be glad, but he definitely disapproves enforced savings - 5/22/41............ n 78-79
Financing, Government - (#8)

Defense Savings Bonds and Stamps:

c) With voluntary investments and tax program (which will limit excess war profits) HMQ feels Treasury will have accomplished its share of responsibility for preventing inflation in proper democratic way - 5/22/41. 18: 79-80

See Speeches by HMJr - 6/2/41. 93-96

See Speeches by HMJr - 6/5/41. 110-15
Financing, Government - (#9)

Defense Savings Bonds and Stamps:
Irving Berlin composes song to promote sales of Defense Savings Bonds and Stamps, "Any Bonds Today?", and presents copyright to HMJr as Secretary of Treasury - 6/12/41

HMJr reads statement that hundreds of companies in US have adopted salary allotment plans for purchase of Defense Savings Bonds and Stamps, at request of employees; gives press list of companies and asks it be publicized - 6/19/41
Financing, Government - (#10)
Defense Savings Bonds and Stamps:
   a) Where unions operate, initiative
taken by leaders and members -
   6/19/41....................................... 18: 155-56

HMJr gives Press representatives recording of Irving Berlin's two songs, "Any Bonds Today?" and "This Is The Army" -
6/19/41......................................... " - 156-58
   a) Will be sung on radio by Barry
   Wood, Lucky Strike Hour, June 21 -
   6/19/41....................................... " 156-58
Financing, Government - (#11)
Defense Savings Bonds and Stamps:
HMJr gives press list of companies which have indicated their willingness to install payroll allotment plans to aid employees in buying Defense Savings Bonds - 6/23/41........ 18: 167-69
a) HMJr agrees to have future list released through State offices - 6/23/41......................... 168-69
Financing, Government - (#12)

Defence Savings Bonds and Stamps:
Committee from Federal Reserve System
called on HMJr to offer closer cooperation in sales of Defence Bonds and Stamps - 7/21/41

HMJr pleased with sales of E Bonds; 4 times more sold than baby bonds year ago - 7/21/41

a) Defense Bond sales helping absorb extra money and aid in preventing inflation - 7/21/41
Financing Government - (#13)

Defense Savings Bonds and Stamps:

HMJr issues figures for May, June, and July, showing rapid increase in Defense Savings Stamp sales since retailers opened outlets - 9/11/41............... 13: 325-29

a) Figures for August sales dropped below July; record of sales for US Savings Bonds for last 2 years show same downward curve during vacation months, but increase in fall - 9/11/41............... " 326-27

(See Statement p. 343)
Financing, Government – (#14)
Defense Savings Bonds and Stamps:

b) Retailers feel, by September 15, there will be 250,000 retail outlets for selling Defense Savings Stamps – 9/11/41

1. One food chain advised HMJr it would cost them $1/4 million to stock each store with stamps but are doing it gladly.

2. First experiment in retail distribution, conducted in State of Michigan, with excellent results.
$1.2 billion, long-term bonds, designed for permanent investors (insurance companies, savings banks, et al., not for commercial banks), selling at 3-3/8%, going well - 10/9/41. .......... 19: 11-16

a) Highest that rights have ever sold - 10/9/41. .................. 12

b) Carries out principles worked for providing easy term purchases for investors; Defense Savings Bonds for small investors; and bills for banks - 10/9/41. ......, 13
c) HMJr explains what "a right" is - 10/9/41.................... 19: 14-16

HMJr announces that, in view of enormity of Defense Program costs, Treasury is studying plan to eliminate any other government agency from going to market and borrowing money at all times; feels Treasury should be only actual borrowing agency and should only go to market every other month - 10/16/41....... 29-40
Financing, Government - (#3)

a) Treasury will do all borrowing, at cheaper rates than other agencies, and in turn make loans to them as cheap or cheaper than open market - 10/16/41.  

1. This procedure will save money for government and prevent disturbing market during present crisis.

b) First agency loan to be so handled is $112 million for U. S. Housing Authority, which will be paid off in cash; then Treasury will lend
Financing, Government - (#4)

b) their needs direct - 10/16/41 19: 29-30

c) Reconstruction Finance Corporation
has $300 million and Commodity
Credit Corporation $204 million
has government guaranteed issues
coming due in November, which
are being studied with view to
similar handling - 10/16/41...... " 29-30

& 39
Financing, Government - (#5)

d) Approximately $5 billion debt of government guaranteed agencies, outstanding, will be absorbed over period of 5 years - 10/16/41. 19: 30-40

1. Will eventually increase statutory debt limit, but HMJr feels we should be "realistic" about matter.

2. From figures furnished by OPM for Defense program it is obvious debt limit must be raised considerably.
Financing, Government - (#6)

See Tax, Studies - 10/30/41.............. 19: 74-89

HMJr to appear before Senate Committee
to outline plan for reducing non-
defense expenditures - 11/10/41........... 116-21
  a) Will not go before any more executive sessions to discuss matter -
      11/10/41........................................... 119-21

Beginning with week of November 17, weekly bill offerings will be increased from $150
to $200 million, so as to go through
November without any major financing -
11/13/41........................................... 126-27
Financing, Government - (47)

"Off the record", HMJr has notified Senator Byrd that when he gets through outlining plan for reduction of non-defense expenditures to Senate Committee, he intends to give press full information - 11/13/41.............................. 19: 127-29

HMJr announces major financing will be done first week of December for cash; then in January will do refunding of maturities - 11/27/41.............................. 173
Financing, Government - (#8)

a) Purpose is to separate cash offerings from refunding offerings to obtain better price and to eliminate mixing up "rights" - 11/27/41. 19: 174-75

b) Offerings are now so large such handling makes it easier to price issues - 11/27/41. ...................... " 175
Financing, Government - (#9)

HMJr issued press statement outlining new regulations for subscribing to Treasury securities (See Press Service No. 28-71 of December 3, pp. 192-93); thanks press for their manner of handling it - 12/4/41

See Bond Market - 12/11/41

See Bond Market - 12/15/41
Financing, Government — (#1)

Defense Savings Bonds and Stamps:
HMJr to meet with all Defense Savings State Administrators and Chairmen in Chicago to discuss intensification of payroll savings program - 12/11/41.................. 19: 207-18

a) Of 35 million persons employed in commerce and industry in US, 60% are employed by 16,000 concerns - 12/11/41............................... 208

b) 8,000 concerns, employing 12 million people have voluntarily established savings plans - 12/11/41............................... 209 & 13-14
Financing, Government - (§2)

Defense Savings Bonds and Stamps:
c) Since Pearl Harbor, reports from over US indicate increase in purchases of Defense Savings Bonds and Stamps as much as 500% since Pearl Harbor attack - 12/11/41.

d) General Motors Corporation one which has installed payroll savings, at cost of several hundred thousand dollars to set up plan - 12/11/41.
Financing, Government - (#3)

Defense Savings Bonds and Stamps:

1. Other firms already participating are Bethlehem Steel, U. S. Steel, American Telephone and Telegraph, and railroads.

   e) Program also intended to reach low income workers through Defense Stamps - 12/11/41........ 19: 218

HMJr reports that meeting of Defense Savings State Administrators, Chairmen, et al., in Chicago was very successful - 12/18/41...................... 250-62
Financing, Government - (44)

Defense Savings Bonds and Stamps:
a) Hopes pledge cards will be ready for distribution by January 10, 1942 - 12/16/41. 19: 253-54

b) Among people offering to sell Defense Bonds and Stamps throughout US are 200,000 insurance underwriters; 1½ million Boy Scouts of America; and 265,000 Newsboys - 12/16/41. 257-58
Financing, Government - (#5)

Defense Savings Bonds and Stamps:

HMJr reads telegram received from R. J. Thomas, President of United Automobile Workers-CIO, announcing that drive to raise $50 million through purchases of Defense Savings Bonds among 700,000 auto and aircraft workers to replace USS Arizona - 12/22/41.

a) Son of member lost on Arizona - 12/22/41.
HMJr announces that following securities will be refunded into regular Treasury issues during week of January 12:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/8% RFC notes</td>
<td>$310,090,000</td>
</tr>
<tr>
<td>3% TTMC bonds</td>
<td>$236,476,200</td>
</tr>
<tr>
<td>2-3/4% TTMC bonds</td>
<td>$103,147,500</td>
</tr>
<tr>
<td>1-3/4% Treasury notes</td>
<td>$426,349,500</td>
</tr>
</tbody>
</table>

Total: $1,076,063,200

(See statement p. 17)
Financing, Government - (#2)

HMJr gives press emphatic denial of rumor that Federal Government plans to confiscate private savings accounts - 1/12/42............. 20: 18-19
(See Press Service No. 29-48) - 1/12/42 n 36

See Tax, Legislation - 1/12/42........... n 24-31

See Tax, Tax Exempt Securities - 1/26/42 n 57-63
Financing, Government - (#3)

Under 2nd War Powers bill, amendment to Federal Reserve Act is proposed to allow Treasury issues to be sold directly to 12 Federal Reserve Banks - 1/26/42.

a) Federal Reserve Board and Senator Glass favor amendment as facilitating financing war program - 1/26/42.
Financing, Government - (#4)

HMJr to ask Congress to raise national debt limit to $110 billion, or perhaps remove it entirely - 2/9/42................... 20: 130-31

Request that debt limit be raised or removed is "imminent" - 2/19/42...... " 158-59

See Tax, Legislation - 3/2/42......... " 204-59
Financing, Government - (#5)

See Tax, Legislation - 4/27/42 ........ 20: 404-20

HMMr announces that $2 billion will be borrowed in May and in June to complete fiscal year; largest ever borrowed in history of nation - 4/27/42 ........ 20: 421-22

HMMr feels that President's program to check inflation and finance war program will succeed through various forms of taxation and voluntary savings if given a fair chance - 4/30/42 ................. 427-35
a) Will know results of voluntary savings plan by July 1 - 4/30/42... 20: 432-33

b) Feels 87½% of excess profits is all that will allow profit system and produce revenue for Government - 4/30/42................. 434
Financing, Government - (§1)

Defense Savings Bonds and Stamps:

HMJr gives press statement showing

$25.650 million Defense Bonds and
Stamps sold in December, 1941 -
(4 times more than in November,
1941 and more than total sold in
6 months between May and October,
1941) - 1/5/42

a) 25¢ stamps are most popular;

total of 100 million stamps of
all denominations sold, largely
due to newsboy distribution and
newspapers' promotion - 1/5/42.
Financing, Government - (§2)  

Defense Savings Bonds and Stamps:  
b) Investment bankers, through new President of International Bankers' Association, have offered to help sales of Defense Savings Bonds and Stamps; arrangements being worked out - 1/5/42. ........................................ 20: 4-5

December figures on Defense Savings Bonds total $528 million plus - 1/5/42. .............................. 12
Financing, Government - (#3)

Defense Savings Bonds and Stamps:
Walter Disney confers with HMJr on making animated cartoon for Treasury - 1/5/42.................. 20: 14-15

"Off the record" HMJr states that President preferred not to change name from "Defense" to "War" bonds as sales were going so well - 1/12/42.......................... " 34-35

a) Gallop poll also indicated that 66-2/3% of people favored not changing name - 1/12/42........... " 35
Financing, Government - (#4)

Defense Savings Bonds and Stamps:
Payroll deduction plan going extremely well; HM Jr wants voluntary deductions from "current earnings"; denies flatly any thought of seizing savings to force purchase of bonds - 1/29/42. ...................... 20: 86-90

HM Jr issues statement showing
$1,060,547,000 Defense Savings Bonds bought in January, 1942, bringing total purchased to date (all series) to $3,597,756,000 - 2/2/42. .......... 20: 100 & 128
(See Press Release of 2/3/42, p.128)
Financing, Government - (#5)

Defense Savings Bonds and Stamps:
Congress voting on appropriating $80,000 to pay for Walt Disney picture "Donald Duck" made to promote sales of Defense Bonds and Stamps - 2/9/42. 

a) HMJr feels it is one of best investments Treasury has made - 2/9/42.

b) Payment is only to cover "out-of-pocket expense" incurred by
Financing, Government - (#6)

Defense Savings Bonds and Stamps

b) Disney in making picture; is not same as getting free newspaper and radio publicity -

2/9/42 ........................................ 20: 133-43

1. Only newspaper to raise question of expense was Col. R. R. McCormick, President and Publisher, Chicago Tribune; and only trade journal was Editor and Publisher.
Financing, Government - (#7)
Defense Savings Bonds and Stamps:

2. Brokers in New York Stock Exchange and banks all handling advertising gratuitously.

3. Disney stopped all other production to make "Donald Duck"; also some of his other pictures are being replaced by "Donald Duck" which costs him a great deal of money.
Financing, Government - (#8)

Defense Savings Bonds and Stamps:

4. 1100 reels have been made for displaying over US.

Through mutual friend, Judge Campbell of Chicago, Bishop Sheil offered his services, as one of America's outstanding citizens, to aid Treasury in promoting sales of Defense Savings Bonds - 2/19/42..... 20: 162-63

a) HMJr very glad to have him in advisory capacity - 2/19/42..... # 163
Financing, Government - (#9)

Defense Savings Bonds and Stamps:
HMJr told Congress he had funds to pay for "Donald Duck" picture; they were satisfied; nothing but praise of picture has been received - 2/23/42.

Slump in sales of Defense Savings Bonds during February due to usual seasonal factors - 3/2/42.
(See Statement pp. 202-03)

See Tax, Studies - 3/9/42.
Defense Savings Bonds and Stamps:

Bill providing that demand bonds may be used to pay taxes, covers only Defense Savings Bonds - 3/16/42.

a) Provision was made to help taxpayer pay taxes, does not anticipate lowering sales - 3/16/42.

Treasury studying idea of paying overtime in Defense Savings Bonds; but HMJr fears it might interfere with voluntary savings and purchases of them - 3/19/42.
Financing, Government - (#11)
Defense Savings Bonds and Stamps:
HMJr will appear before House Ways and Means Committee with representatives of United Automobile Workers Union and General Motors to demonstrate what joint cooperation of Government-labor-management can accomplish on volunteer payroll deduction savings - 4/16/42........ 20: 343 & 348-53
Financing, Government - (#12)

Defense Savings Bonds and Stamps:

"Off the record", RMJr announces that quotas have been established for counties, states, and nation on basis of 10% of all earnings, approximately $1 billion per month - 4/20/42.

a) Testimony on Hill showed 20 million people being employed by 54,000 concerns - 4/20/42.

b) Name has been changed from Defense Savings Bonds and Stamps to War Savings Bonds and Stamps - 4/20/42.
Financing, Government - (#13)

Defense Saving Bonds and Stamps:

c) No coercion will be used;
   strictly voluntary - purely
   an American and Democratic
   plan - 4/20/42

d) Millions of people want to do
   more to aid war effort, but
   there is no other vehicle as
   effective as buying bonds through
   voluntary payroll savings plan,
   if OPA and Agriculture place
   price ceilings and WPB stops
   production of cars, refrigerators,
   etc., in cooperation - 4/20/42

1. President favors program as
   do unions.
Financing, Government - (#1)

War Savings Bonds and Stamps:
See Financing, Government (Defense Savings Bonds and Stamps) -
4/20/42................................. 20: 365-83

Navy Personnel of Manila Bay area
wire HMr they have purchased
approximately $½ million War Bonds - 4/30/42...................... n 424
General Motors reports that of 90 plants, 50 have subscribed 100% to payroll savings, exceeding 5% of income; expect to increase to 10% of income in time - 4/30/42

See Financing, Government - 4/30/42
Financing, Government - (#1)

2 1/2% bond offering going well, especially in Middle West - 5/4/42

a) HJMr explains that this type of issue is designed for insurance companies, states, et. al., but is not redeemable like War Bonds and banks cannot buy them for first 10 years and owners cannot sell for 60 days after purchase - 5/4/42
Financing, Government - (#2)

SEE Tax, Income - 5/14/42 ............... Book 21: 8-20

SEE Financing, Government (War Savings Bonds and Stamps) - 5/14/42 ....... 22-24

"Tap" issue total sales amount to over $800 million; being closed May 14; - 5/14/42 ...................... 28-29

a) More such issues will be offered from time to time - 5/14/42 ...................... 29
Financing, Government - (43)

SEE Financing, Government (War Savings Bonds and Stamps) - 5/25/42... Book 21: 32-35

SEE Tax, Withholding - 5/25/42...... n 36-37

SEE Financing, Government (War Savings Bonds and Stamps) - 6/1/42.... n 40-54

SEE Tax, Evasion - 6/1/42............. n 57-61

Weekly bill offerings will be increased from $250 million to $300 million, effective June 10, which
Financing, Government - (#4)

will increase receipts by $150 million weekly; no regular financing will be done until June 15 - 6/4/42. 

Book 21: 63

SEE Tax, Income - 6/4/42. 

HMJr maintains position that $8.7 billion revenue needed can be raised between President's budget message and lowering income tax exemptions - no sales tax is contemplated - 6/15/42. 

84-95
Financing, Government - (#5)

a) HMJr expects to have a tax bill through House in 2 weeks - 6/15/42

HMJr announces need for $3.75 - $4.5 billion, through regular financing for July and August, all new money - 6/22/42

SEE Financing, Government (War Savings Bonds and Stamps) - 6/25/42
Financing, Government - (46)


SEE Financing, Government (War Savings Bonds and Stamps) - 6/29/42...

HMJr announces that a $2 billion dollar bond issue will be offered July 8 - 7/6/42......................... n 162

Two New York banks bought $125 & $100 million respectively of July 8 bonds; issue going all right - 7/9/42...... n 171
Financing, Government - (#7)

SEE Financing, Government (War Savings Bonds and Stamps) - 7/9/42..... Book 21: 172

SEE Financing, Government (War Savings Bonds and Stamps) - 7/16/42..... 177

SEE Tax, Income - 7/27/42............. 199-201

SEE Financing, Government (War Savings Bonds and Stamps) - 7/30/42.... 217-23
$342 million, 2% Treasury notes will be paid off on maturity September 15; $320 million, 7/8% RFC notes, maturing October 15, will also be paid off - 8/24/42.
Press given table showing statistics on sale of "tap" issue, by districts and various groups in total of 9,357 purchasers - 8/24/42 ................. Book 21: 260-62

a) Sales total $1.25 billion or $250 million more than anticipated - 8/24/42 ........

SEE Tax, Income - 8/24/42 .............. 262

SEE Tax, Legislation - 9/10/42 ....... 265-69

SEE Tax, Legislation - 9/10/42 ....... 280-305
Financing, Government - (§10)

SEE Tax, Legislation - 9/17/42. Book 21: 317-21

October financing will be announced about 2nd week of month; $4 billion will be asked - 9/28/42. 

SEE Tax, Legislation - 9/28/42. 

322

324-30
Financing, Government - (#1)

War Savings Bonds and Stamps:

While sales of Series E bonds for May are above quota, H.M.Jr. favors voluntary payroll savings plan - 5/14/42..........................

Effective July 1, 1942, purchase limits on Series F and G bonds will be raised from $50,000 to $100,000; no change on limit of E bond purchases - 5/25/42.......
Financing, Government - (42)

War Savings Bonds and Stamps:
Press is given statement showing gain of 5.7% over $600 million quota for May in sales of Series E bonds; F and G sales short - 6/1/42.........................
(See Release No. 190, p. 62).

a) 2 1/2% "tap" bond issue offered which accounts for lower sales of F and G bonds; this issue brought $850 million - 6/1/42............
Financing, Government - (#3)

War Savings Bonds and Stamps:

b) HMJr favors continuing voluntary savings rather than compulsory savings; sales going well with many companies and unions just starting plan - 6/1/42...... Book 21: 44-45

c) April sales of all bonds were $530 odd million, in May $634 million; April sales of E's were $326 million, May $421 million; April sales of F's were $40 million; May $42 million; April G's $163
Financing, Government - (#4)

War Savings Bonds and Stamps:
- million; May G's $170 million - 6/1/42.......... Book 21: 46-47

d) Volunteer plan working well.

HMJr does not wish any coercion used nor compulsory savings enforced; feels additional $8.7 billion increased revenue asked of Congress should be raised in higher personal and corporate income brackets where loopholes exist, as wage earners are doing all they should be asked for this year - 6/1/42...
Financing, Government - (#5)

War Savings Bonds and Stamps:

HMJr fears June quota of war bonds will not be reached, but people are beginning to feel more serious about the war which helps bond sales - 6/25/42. ............... Book 21: 116-19

a) Voluntary payroll deductions still increasing - 6/25/42. 118-19
Financing, Government - (#6)

War Savings Bonds and Stamps:
HMJr gives statement to press showing Treasury employees have subscribed 10.8% of their monthly salaries in war bonds; says success of campaign is due to efforts of Mr. E. F. Bartelt - 6/29/42. Book 21: 126-8
(See statement p. 150)
Financing, Government - (#7)

War Savings Bonds and Stamps:

July 17 designated "American Heroes Day" when a 1-day rally will be staged by retail stores throughout US following pattern set by Vine-
land, N. J., on May 30 - 7/9/42. Book 21: 172

600 cities in US participating in "American Heroes Day" and over 5700 stores have applied to be-
come issuing agents - 7/16/42...
Financing, Government - (18)

War Savings Bonds and Stamps:
July sales of war bonds will run around $900 million; payroll allotments increasing monthly both as to number of persons subscribing and percentage being deducted - 7/30/42

a) Treasury and Navy ahead of other Government Departments - 7/30/42

b) HWJr raising $4.5 to $5 billion per month through several means, of which War bond sales compose about 1/5 of total - 7/30/42, 218

Book 21: 217-23 218
Financing, Government - (§9)

War Savings Bonds and Stamps:

c) HMJr exerting every effort to get money outside of banks; cites that 40% of bills are held by non-banking sources, and "tap" issues cannot be bought by banks - 7/30/42. Book 21: 220-21

d) As long as the $4.5 to $5 billion per month can be raised by voluntary buying, HMJr will avoid any form of compulsory savings, or forced loans - 7/30/42
Financing, Government – (#10)

War Savings Bonds and Stamps:

HMJr gives press copies of charts and explanatory tables showing progress of sales of savings bonds from May, 1941, to July, 1942, broken down to reflect:

1) Total all sales E,F & G series;

2) Sales in series E by denomination;

3) Extent of participation in payroll savings by groups;
Financing, Government - (#11)
War Savings Bonds and Stamps:
4) Progress of payroll savings plans;
5) Estimated deductions from payrolls for war bond purchases.
(See tables and charts pp's. 249-258) - 8/6/42

Book 21: 233-37 & 249-58

SEE Tax, Legislation - 9/10/42...
Financing, Government – (#12)

War Savings Bonds and Stamps:

In response to criticism of public re: length of time it takes to make delivery of bonds, 4000 telegrams were sent out urging agents to speed up deliveries – 9/10/42. Book 21: 300-02

a) Cites record of Chrysler Corporation making delivery in 3 days as compared to unidentified company taking 35 days – 9/10/42. 

b) Instructs Treasury that deliveries must be made in 5 days – 9/10/42.
Financing, Government - (#1)

Details on October financing will be announced October 8; $1 billion will be sought, divided into 2 issues - 10/5/42......................... Book 22: 6

See Press Service #33-53 of October 8, 1942......................... n 19-20

See Departmental Circular No. 698 of October 8, offering 2%, Bonds of 1950-52 - 10/8/42......................... n 21-23
Financing, Government - (#2)

See Departmental Circular No. 699 of October 8, offering 1\%.
Series B-1946 notes - 10/8/42... Book 22: 24-26

SEE Internal Revenue, Salary Stabilization - 10/8/42............. 27-36

See Press Service No. 33-55 of October 8, closing subscription books for 2\%, 1950-52 bonds and 1\%, Series B-1946 notes on October 9 - 10/8/42............. 37
HMJr issues press release showing preliminary reports of $4.1 billion sales of 2 offerings; considers this is good return in view of low rate and short notice - 10/12/42.............. Book 22: 38-59

a) 25% was subscribed by non-banking institutions - 10/12/42.................

b) HMJr hopes to finance this war on 2% interest rate, on 7-10 year banking issues as compared with:
Financing, Government - ($4)

- $2 billion 1st Liberty Loan at 3\% 
- $3 billion 2nd Liberty Loan at 4\% 
- $3 billion 3rd Liberty Loan at 4\% 
- $6 billion 4th Liberty Loan at 4\% 
- $3\frac{1}{2} billion Victory Loan at 4-3/4\% - 10/12/42

Book 22: 41-59

c) Neither Treasury nor Federal Reserve Banks subscribed to this issue - 10/12/42
HMJr issues statement showing total financing figures for October, 1942, of $6.836 billion (largest sum of new money in history of Treasury for 1 month), divided as follows:

- Tax Savings notes: $921 million
- War Bonds (quota $775 mil): 814
- Treasury bills: 500
- Bonds and notes: 4.100 billion
- Certificates: 500 million

11/2/42

(See Press Service No. 33-91 of November 2, pp. 78-79)
Financing, Government - (#6)

See Press Service No. 33-89 of October 29, p. 80, announcing $3.102 billion subscription to 7/8%, Treasury Certificates of Indebtedness, Series D-1943 11/2/42. Book 22: 80

To assist Treasury and Victory Fund Committee in promoting sales of all types of government securities with which to finance war effort, American Bankers' Association appointed special committee - 11/12/42...
Financing, Government - (#7)

(See copy of Press Service No. 34-6 of November 12, p. 170 and list of members of committee, p. 171):

Brown, Edward E.
Potter, William C.
Steele, Thomas M.
Wood, W. H.
Hemingway, W. L.
Wiggins, A. L. M.
Stoiner, Harold
Strickland, Robert S.
a) R. H. Grant, Vice-President of General Motors has been asked to form Advisory Council of National Sales Managers, to advise on sales promotion of securities to public — 11/12/42. .. Book 22: 148-49

b) Advertising Council, through Miller McClintock, (Executive Director) and Harold Thomas (Vice-Chairman), has been working with War
Financing, Government - (#9)

Savings Staff on all advertising matters - 11/12/42. ............... Book 22: 149-51

1. OWI acts as clearing house on advertising material - 11/12/42... n 150-51

c) 12 Presidents of Regional Federal Reserve Boards, as Chairmen of Regional Victory Fund Committees - 11/12/42. ............. n 151-52
d) Members of Victory Fund Committee chosen with aid of Investment Bankers Association (which includes Government Securities Dealers' Association), National Association of Security Dealers, Association of Stock Exchange Firms, and New York Stock Exchange - 11/12/42. ............... Book 22: 154-56
1. Nucleus of paid workers, on every committee; paid from Treasury appropriated funds.
Financing, Government - (¶11)

HMJr states that 7-10 year, 2% issues have been well received and no complaints made - 11/12/42. Book 22: 160-68

a) Expects largest financing yet made to come in December possibly on bi-monthly basis - 11/12/42.

Two more names added to Victory Fund Committee membership:

1) Randolph E. Burgess
2) Robert V. Fleming - 11/16/42

n 166-68

n 172
Financing, Government - (#12)

Advertising Council, representing 4 advertising agencies, as non-profit organization, assisting Treasury, gratis, in advertising Government issues to finance war - 11/19/42..................... Book 22: 189-95

Treasury announces 3-month financing of $9 billion new money from all sources, including Savings Bonds; Tax Savings Notes; 26 year, 2½% bonds due December 15, 1968, callable in 1963; and two series: a) 1-3/4% bonds due
Financing, Government - (#13)

June 15, 1948 and b) 7/8% certificates of indebtedness due 1 year after issuance - 11/19/42.

Book 22: 212-24

a) Does not affect regular weekly bill offerings - 11/19/42.

(See Press Service No. 34-22 for November 20, pp. 221-24)
Statement issued showing total sales amounting to $5.586 billion (all types of securities) during first 5 days of December, of which about 60%, or $3.381 billion was raised from non-banking sources - 12/7/42. BOOK 22: 225-39

1426 new Special Depositaries qualified to hold $406 million and increased eligibility of 391 previously designated firms hold $1.468 billion, enabling them to hold proceeds of sales.
Financing, Government - (#15)

of Government securities until called by Treasury - 12/14/42.... Book 22: 240-45 & 259-60

(See Press Service No. 34-60 of December 14, pp. 259-60)
a) Total holdings $8.42 billion - 12/14/42....

Bond drive and financing going well; E Bonds over quota but sales in smaller towns are below expectancy - 12/17/42......
a) As soon as Victory Fund Committees are able, they will concentrate on remedying situation before next drive; have done splendid job but are short of manpower - 12/17/42. Also Government has succeeded in stopping "wild cat" speculation by small securities salesmen.
Financing, Government - (#17)


In response to rumors that large numbers of War bonds were being redeemed, see statement pp. 302-03 showing only 3% of E Bonds redeemed and 2.20% of all E, F & G sales - 12/28/42......

a) Of $11.946 billion subscribed in drive only $4.875 billion (or 40%) from banking sources;
$7.071 billion (or 60%) from non-banking sources - 12/28/42 282-83
Financing, Government - (#18)

(See statement p. 295)

b) Except for weekly bills and certificates, no major financing will be undertaken until another drive in April - 12/28/42. .........

1. Victory Fund Committee will continue their work.
Financing, Government - (#1)

War Savings Bonds and Stamps:

Securities organizations and banks handling purchases of Government issues for clients have never asked to be paid for doing so - 10/5/42...... Book 22: 7-13

a) Where corporations, such as Standard Oil of Indiana and several airplane companies are unable to handle purchases and redemptions they have hired banks and paid the expense themselves - 10/5/42...
Financing, Government - (#2)
War Savings Bonds and Stamps:
b) Cooperation has been 100% voluntary, with companies paying out large amounts at no cost to purchasers or Treasury - 10/5/42  Book 22: 12-13

SEE Financing, Government - 11/2/42 ............................. n  60-62 & 78-79

SEE Financing, Government - 12/14/42 ............................. n  240-60
Financing, Government - (#3)
War Savings Bonds and Stamps:
SEE Financing, Government -
12/17/42 ....................... Book 22: 261-71

SEE Tax, Income - 12/28/42.... 281-94

SEE Financing, Government -
12/28/42 ....................... 282-84 & 295
Financing, Government - (#1)

Statement issued showing sales of War Savings Bonds and Stamps for period May, 1941 - December, 1942, showing greatest dollar volume and number of people participating on voluntary basis in world's financing history - 2/11/43.... Book 23: 1 & 21-24 (See Release 318 pp. 21-24 giving statistics)
Financing, Government - (42)

SEE Tax, Income - 2/15/43........ Book 23: 26-30

April financing must be at least
$13 billion; will be raised 1)
through taxes, 2) savings, and
3) banks - 2/15/43........ Book 23: 31-34

President's recommendation, to
tax tax-exempt state and local
securities, is directly in line
with Treasury's plan of December,
1940 - 2/18/43.................
Financing, Government - (#3)

a) Cannot apply to Federal securities as there is binding contract between Government and owner which prevents taxing them; no such contract between Federal Government and owners of State or local obligations - 2/18/43. .. Book 23: 44-53

1. Interest rates on State and local securities, if taxed, must be raised from 4% to 5%.
Financing, Government - (#4)

b) Mayor LaGuardia has not opposed plan since US entered war, as he realizes necessity of raising vast sums to finance it - 2/18/43........... Book 23: 53-54

Chairman Mariner Eccles, Federal Reserve Board, misquoted by papers as saying, "US is doing bad job of war financing", as he is in accord with raising revenue; 1) by taxes, 2) by borrowing direct from people with savings and 3) as last resort, from banks-

2/18/43................................. 54-57
April financing calls for $13 billion new money; debt limit is now $125 billion; present obligations are $117 billion; HMJr must go forward with plans for financing with thought Congress will raise debt limit in time not to interfere with drive - 2/22/43..................Book 23: 62-65

a) Does not think March 15 tax payments will hurt April drive; but "off the record", fears annual Red Cross drive will be - 2/22/43...........
Financing, Government - (#6)

1. Sales of E, F & G bonds show little change; February quota is $600 million for E's - expect at least $625 million.

HMJr reads statistics on E, F, & G bonds, comparing sales in February 1942 and 43; E bonds show $633 million, or 59% more in 1943 than 1942 - 3/1/43. ......................... Book 23: 87&98 (See War Savings Release 320, p. 98)
Financing, Government - (#7)

War fund drive will open April 12 - 3/1/43.

Because of lag in March 15 tax payments, Assistant Secretary Sullivan will broadcast from New York on CBS, March 2 - 3/1/43.

1. Payments have improved recently.
Financing, Government - (#8)

SEE War Finance Committee -
3/2/43.................. Book 23: 99-106

First reports on March 15 income tax returns are satisfactory -
3/18/43..................

Bill passed by Congress raising public debt limit - 3/25/43.....
Daily newspapers have organized Allied Newspaper Council, with Frank Tripp, Elmira, N. Y., directing it, to aid in war bond sales - 3/27/43.

In response to inquiry from labor organizations in Atlanta, Georgia, HMJr assures them:

1. E bonds will continue being sold after April.
Financing, Government - (#10)

2. Payroll allotment plan will also continue.
3. Series E, F, & G will not become negotiable after April.
4. Cannot now say that War Savings Staff will retain supervision after April (wishes to gain experience from April campaign) but expects it will - 3/27/43

Book 23: 139-68
Financing, Government - (#11)

a) Wants to impress Labor that their support is urgently needed and Treasury has not "sold out" to bankers - only utilizing Federal Reserve Banks, as they are already established - 3/27/43...... Book 23: 140-48

(See Press Service 35-71, pp. 166-68)

1. Having moved world financial center from London to New York to Washington, feels he can use the banks,
Financing, Government - (#12)

without being used by them.

b) Largest number of sales to working people, but largest amount naturally from capital - 3/27/43. ............... Book 23: 148-54

1. Expects April quota of $13 billion to be subscribed as follows:
a. 27 million workers, earning $7 billion, contribute $1 \frac{1}{2} \text{ billion.}

b. Banks, $5 \text{ billion.}

c. Investors and savings, $6 \frac{1}{2} \text{ billion}

c) All facilities of Federal Reserve, War Savings Staff, banks, women's organizations, farm groups, and newspapers being used - 3/27/43. Book 23: 154
Financing, Government - (§14)

1. Newspapers organized into Allied Newspaper Council, with Frank Tripp at head, assisted by Jerome T. Barnum, to help campaign.

2. Labor unions used to aid in payroll savings organizations.

3. Everyone needed.
d) Campaign being opened in New York City with HMJr, Governor Dewey of New York, Philip Murray of CIO and William L. Green of AFL speaking — 3/27/43.

e) Payroll savings also helps combat inflation — 3/27/43.

(See wires exchanged between HMJr and Marion H. Allen (Administrator, Georgia War Savings Staff) at

Book 23: 156-57

157
behest of Messrs. George L. Googe (Southern Representative, American Federation of Labor), Charles Gramling (President, State American Federation of Labor, Georgia) and Albert Gossett (President, Atlanta Federation of Trades) pp. 139-40 and 165).
f) Withholding tax will not effect bond sales and redemptions materially - 3/27/43

l. Publicity on withholding tax has not helped bond sales.

g) HMJr calls attention to labor publications criticizing Ruml Plan and to article in "The Nation" on subject - 3/27/43
Commissioner Helvering, Bureau of Internal Revenue, announces that March income tax returns show 40 million filed producing approximately $250 million more than estimate of $4.25 billion - 

SEE Tax, Studies - 3/29/43.............. 174-76
Total March income and excess profit tax collections $4.681 billion as compared with $3.43 in 1942 - 4/8/43......................... Book 23: 268

a) Hawaii returns are $4.94 million against $3.39 million in 1942 - 4/8/43..... 268

"Off the record", HMJr wishes Congress would pass a withholding tax law to go in effect July 1, as curb on inflation - 4/8/43...... 277-80
First figures on April financing show 7/8% certificates sold over $6 billion (3 times over subscribed) and over $400 million in bills - 4/15/43. 

a) Of the $13 billion sought, $5 billion to come from banks:
   - $2 billion of 7/8% certificates.
   - $2 billion of 2% bonds.
   - $800 million of Treasury bills - 4/15/43.
Financing, Government - (#21)

b) Securities sold to non-banking investors:

- $737 million of 7/8% certificates
- $749 million of 2% bonds
- $783 million of 2 1/2% bonds
- $320 million of Savings Bonds
- $164 million of Tax Notes

$2.753 billion - total or 1/3
of 8 billion quota - 4/15/43... Book 23: 284-87
c) Must reach the greater number of people to make quota - 4/15/43

Further reports on drive show good results of $9.953 billion; but HMJr wishes E, F & G bond sales would increase - 4/19/43

a) St. Louis claims to be first city to over-subscribe its quota - 4/19/43
Financing, Government - (#23)

HMJr going to Cedar Rapids, Iowa to "talk with people about war" and conduct "We the People" program to aid bond sales - 4/19/43. Book 23: 322-24

SHE formal statement issued re:
Cedar Rapids trip - 4/22/43.

West Coast, formerly lead in bond sales, now lagging - 4/22/43.

Sales in drive as of April 21 are $11.322 billion - 4/22/43.
Financing, Government - (1)

War Savings Bonds and Stamps:
SEE Financing, Government -
2/11/43

SEE Financing, Government -
2/22/43

SEE Financing, Government -
3/1/43

SEE War Finance Committee -
3/2/43

Book 23: 1 & 21-24

n 62-65

n 87 & 98

n 99-106
Financing, Government - (42)

4/22/43

SEE Financing, Government

4/19/43

SEE Financing, Government

4/15/43

SEE Financing, Government

4/12/43

SEE Financing, Government

3/27/43

War Saving Bonds and Stamps:

Book 23: 139-68

332-45

284-87

305-24
Financing, Government - (#1)

HMJr issues formal statement of thanks to newspapers and all who helped make Second War Loan drive successful - exceeded goal by over $4 billion - 5/3/43.

Results of 2nd War Loan drive indicate compulsory savings may not be needed - 5/3/43.
Federal Reserve Board and Presidents of 12 Federal Reserve Banks to meet with HMJr and discuss 2nd War Loan drive with view to improving next drive in September - 5/13/43. .................. .................. Book 24: 14-22

a) In March, HMJr told press what objectives of drive were; goal far exceeded - 5/13/43.. 

1. Fishkill, N. Y., with population of 500 and quota of $50,000 sold over $120,000.
Financing, Government – (#3)

$16 billion more needed to finance war for year; HMJr would like to see it raised through taxes while employment and national income are at present peak - 5/13/43........... Book 24: 22-30

a) At outset, HMJr hoped to finance war on 66-2/3% taxes, 33-1/3% borrowing - 5/13/43. 22-30

1. No less than 50% must come from taxes.
b) 1944 revenue $35 billion, another $16 billion required to provide of $100 billion to be expended in fiscal year 1944 - 5/13/43.

1. This would bring US in line with English and Canadian taxes.
2. $35 billion comes from Federal taxes; another $8 billion from State and local.

a) 1. Bank offerings will be separated from individual sales, so as to concentrate on more people investing in war bonds.

2. Treasury status will govern time bank offerings are made - may be before or after public drives - 5/27/43............
b) Victory Fund Committee and War Savings Staff combined as War Finance Committee - 5/27/43...

1. Because 16 States were split in Federal Reserve Districts, but other organizations operated along State lines, next drive will be by States instead of Federal Reserve districts - 5/27/43
Financing, Government - (#7)

c) War bonds will not be made negotiable, as it is protection for owners not to lose money - 5/27/43. ......................... Book 24: 45

d) Size of bonds will be reduced - 5/27/43. ......................... 46

e) 2nd War Loan goal $13 billion, $18 1/2 billion subscribed - 5/27/43. ......................... 49

(See Press Service 36-82, p 49)

SEE Tax, Legislation - 6/17/43. .............. 53-59
HM Jr meeting with Federal Reserve Committee to discuss plans for $2\frac{1}{2}$ billion regular June financing - 6/17/43

a) Next War Loan drive will be handled on individual State basis, under direction of Treasury - 6/17/43

b) National income for last half of year estimated at $72 billion; goal of war loan drive is 25% of National income or $18 billion - 6/17/43

Book 24: 61-70
Financing, Government - (#9)

c) $2.5 billion will be open to public but handled through Federal Reserve Banks and not War Finance - 6/17/43.............. Book 24: 67-68

E, F, and G bond redemptions for March tax period $57.6 million and $58.3 for June tax period; figures not alarming - 6/17/43.............. 69-70
$2\frac{1}{2}$ billion, 1\% notes, Series A-1947
offered in advance of 3rd War Loan
to meet current needs - 6/25/43..... Book 24: 79-89
(See Press Service 37-24, pp. 91-92
and Departmental Circular No. 716,
pp. 93 and 94)
a) No other financing contemplated
before 3rd War Loan in September,
except refunding $324 million RTC notes due 7/15/43 to
be paid off in cash; and $1.609 billion certificates due August
1, will be paid off by issuing
Financing, Government - (#11)

new certificates and if needed some additional new money may be asked -
6/25/43................................. Book 24: 81-89

1. $1 billion regular weekly bill offerings will continue.
2. September 9 is opening of 3rd War Loan.
3. About $11½ billion weekly bills outstanding.
4. $800 million maturing weekly;
   $200 million new money coming in weekly up to July 21, when
$900 million will mature weekly; on September 16, weekly maturities and offerings will be $1 billion each, unless offerings are increased.

$2\frac{1}{2}$ billion, $1\frac{1}{2}\%$, Series A-1947 note subscriptions total between $19$ and $20$ billion; allotments will not be made over $10\%$ of $2\frac{1}{2}$ billion offered - 7/1/43. .............................................. Book 24: 95-96

a) All-time record - 7/1/43...........
Financing, Government - (#13)

SM Tax, Autos - 7/1/43

About 4% of total outstanding bonds
being redeemed - 7/1/43

a) If people continue buying bonds
and pay withholding tax, will
be considerable curb on in-
flation - 7/1/43

"Back the Attack with War Bonds" cho-
sen slogan of 3rd War Loan - 7/15/43

"Off the record", September 9, open-
ing date of drive, chosen at urging
of National War Fund as their drive
is set for October - 7/15/43
Financing, Government - (#14)

a) September 15 income tax payment not expected to affect drive - 7/15/43....................... Book 24: 124

"Off the record", Frank Tripp, General Manager, Gannett Newspapers, stated that War Bond sales have increased since withholding tax inaugurated; expects to get similar statement from other papers - 7/29/43..........
Chairman Doughton, House Ways and Means Committee, issues statement that his committee has been working in cooperation with Treasury and Joint Committee on Internal Revenue taxation seeking to obtain: 1) increased revenue to pay larger share of war costs and 2) to combat inflation, without levying unbearable tax burdens - 8/3/43. Book 24: 163-67 (See Press Service 37-93, p. 167)
In order to let 3rd War Loan get under way, Chairman Doughton agreed to have renegotiations discussed by his Committee before new tax bills - 8/5/43.

Book 24: 170-76

a) Treasury working closely with all other government agencies interested in tax bill - 8/5/43

SEE statement issued by Frank Tripp of Gannett Newspapers, showing that bond redemptions have struck level - on plus side - since inauguration of withholding tax - 8/5/43.
HMJr had conference with heads of all Government departments who could help formulate tax policy - 8/12/43

a) Army and Navy interested in keeping income and excess profits taxes at level that will be a production incentive - 8/12/43

b) "Off the record" $12 billion figure agreed upon by Treasury and White House as amount to be raised - 8/12/43
Financing, Government - (#18)

At special press conference, H.M.Jr stated that another conference on Administration tax program was held with representatives of other Departments - 8/18/43.............. Book 24: 192-201

a) President's message called for $16 billion funds, of which $4 obtained from withholding tax; and remaining $12 billion to be raised by individual, corporate, and excise taxes - 8/18/43.................
Financing, Government - (#19)

b) "Off the record," enforced savings are not discussed for fear it would affect 3rd War Loan; no change in volunteer plan contemplated - 8/18/43. ............... Book 24: 195-96

c) Alternative methods of levying withholding tax being discussed to aid employees - 8/18/43. ....

d) Following were present at conference: - 8/18/43. ..............
Financing, Government - (#20)

Fred M. Vinson (Administrator, Office of Economic Stabilization); Jesse Jones (Director, RFC); Marriner Eccles (Chairman, Federal Reserve Board); Donald Nelson (Chairman, WPB); Ralph Bard (Assistant Secretary of the Navy); Gerhard Colm (Bureau of the Budget); C. S. Williams (WPB); Captain Strauss (Navy Department); General Greenbaum (War Department); O. B. Wells (Department of Agriculture); Sam Clark (Assistant Attorney General - Justice);
Arthur Altmeyer (Social Security); Ganson Purcell (SEC); Richard Gilbert (OPA); Stacy May (WFB); and from Treasury - Secretary Morgenthau; Daniel W. Bell (Under-Secretary); John L. Sullivan (Assistant Secretary); Fred B. Smith (General Counsel); Guy T. Helvering (Commissioner, Bureau of Accounts); Roy Blough (Director, Division of Tax Research); Stanley S. Surrey (Tax Legislative Counsel); Louis Shere (Assistant Director, Division of Tax Research); Harry D. White (Assistant to Secretary); Henry Murphy (Assistant Director, Division of Research & Statistics); Carl
Financing, Government - (F22)

Shoup (Consulting Expert, Division of Tax Research); and Randolph Paul (General Counsel) - 8/18/43............... Book 24: 198-99
Financing, Government - (#23)

Plans for 3rd War Loan outlined to press - 8/26/43.

a) $15 billion quota set - 8/26/43.

b) 2 special campaigns planned;
   1) by retail industries and 2) by motion pictures - 8/26/43.

When Treasury develops tax plan, it will be given President and he will discuss it with Congressional leaders - 8/26/43.
Financing, Government - (#24)

a) Fred M. Vinson, Administrator, Office of Economic Stabilization, being consulted on plan - 8/26/43................. Book 24: 247-50

President Roosevelt to open 3rd War Loan drive by radio speech September 8 - 9/2/43......................... (See Press Service 38-39, pp. 273-5)

a) Hollywood Cavalcade will tour US - 9/2/43.........................

1. James Cagney will turn Cavalcade over to President.

2. Radio program will be "$20 million hour".

   b) Indiana having state-wide blackout September 8; September 9, all alerts will be sounded to start drive - 9/2/43. 

   c) Sales for all of September will be credited to 3rd War Loan to offset lag in reporting end of month sales - 9/2/43. 

Book 24: 255-56

n 257-58
Financing, Government - (#26)

SEE Tax, Studies - 9/2/43.................. Book 24: 258-72

3rd War Loan off to good start; newspapers giving splendid advertising - 9/9/43 .........................

B Bond sales going well, though returns not complete; but $5 billion quota for individual sales will be met - 10/7/43 .........................
Financing, Government - (#27)

a) Ford, General Motors, Chrysler and other large companies buy blocks of E bonds and resell to employees; these are yet to be reported, but drive closed 10/2/43 - 10/7/43... Book 24: 294-97

(See statement of sales through October 6, p. 312)
Financing, Government - (#1)

War Savings Bonds and Stamps:

SEE Financing, Government -
5/3/43................................. Book 24: 1

SEE Financing, Government -
5/13/43............................... 14-22

SEE Financing, Government -
5/27/43............................... 38-49

SEE Financing, Government -
6/17/43............................... 61-70
Financing, Government - (#2)

War Savings Bonds and Stamps:
As precaution against sales of war bonds falling off when withholding tax deductions start, 30 million pieces of advertising are being distributed over US to be placed in pay envelopes of employees - 7/1/43

Book 24: 101

SEE Financing, Government - 7/1/43

102
Financing, Government - (#3)

War Savings Bonds and Stamps:

SEE Financing, Government -
7/29/43................................. Book 24: 160-61

SEE Financing, Government -
8/5/43................................. 178

SEE Financing, Government -
8/26/43................................. 233-42

SEE Financing, Government -
9/2/43................................. 251-58 & 273-75
Financing, Government - (4)
War Savings Bonds and Stamps:
SEE Financing, Government -
9/9/43 ........................................ Book 24: 276

SEE Financing, Government -
10/7/43 ........................................ 292-97 & 312
Financing, Government - (#1)

With national income over $150 billion annually, HJ Jr. feels now is the time to pay for 50% of the cost of war through taxes, so returning soldiers will not have to fight war and then bear the burden of its cost - 11/4/43.

Chairmen of Field Offices called to confer on 4th War Loan to improve on last campaign - 11/11/43.
Financing, Government - (#2)

a) In 2nd War Loan 24% of people were solicited; in 3rd, 47% solicited - 11/11/43. Book 25: 40

b) 86% of people liked manner of handling 3rd War Loan and 38% bought 1 or more extra bonds - 11/11/43.

1. 52,577,000 E Bonds sold.
2. More emphasis to be placed on individual sales in 4th.

SEE Tax, Alcohol - 11/18/43

SEE Tax, Legislation - 12/20/43
Financing, Government - (#3)

$5 billion of 7/8% certificates sold in 4th War Loan maturing February 1; holders being offered same amount for another year in exchange - 1/15/44....Book 25: 81

a) $412 million Commodity Credit Corporation, 1-1/8% notes maturing February 15; holders will be offered 7/8% certificates or cash - 1/15/44...........

SEE Tax, Evasion - 1/15/44.............
Financing, Government - (44)

4th War Loan drive off to good start with better cooperation all around and more workers - 1/27/44 ............ Book 25: 98-99

1½% note due 9/15/59 will be offered for maturities; banks also may convert to 1956-59 2½%, or 1965-70.
2½% notes - 3/1/44 .........................
Financing, Government - (45)

$5 billion certificates maturing in April will be refinanced - 3/1/44. ... Book 25: 110-11

a) $17 billion balance in General Fund - 3/1/44. .........................

Goal of 5th War Loan is set at $16 billion - 3/23/44. ......................

Goal of 5th War Loan announced as $16 billion; $6 billion from individuals and $10 billion from large investors - 6/23/44. .....................
Financing, Government - (#6)

(See Press Service 42-45 for June 26, 1944, pp. 266-67)

a) Drive to run from June 12 - July 8 - 6/23/44.

b) With dissolution of OCD, since bombing danger is past, Treasury does not have as large number of solicitors - 6/23/44.

1. Chicago to cover every block of "Greater" city regardless of date drive closes.
Financing, Government - (#7)

c) Offerings to investors will be:
- 2 1/2% Bonds
- 2% Bonds
- 1-1/4% Notes
- 7/8% Certificates of Indebtedness - 6/23/44

Book 25: 266
Financing, Government - (#1)
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War Savings Bonds and Stamps:

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6/23/44................................. n 243-49 & 266-67
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Less buying and selling in advance of drive - 3/22/45

Insurance companies sent out a circular against speculation - 3/22/45

Book 27: 7

" " 10
Hjalmar Procope, new Finnish Minister, to call on HMJr June 15 - 6/15/39...........
Finland

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Finland

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Finland

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Finland

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Finland

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Fleming, Robert V., President and Chairman of Board, Riggs National Bank

SEE Financing, Government -
11/16/42............................................. Book 22: 172
Foley, M., General Counsel, Treasury Department

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Foley, Edward H., Jr., General Counsel, Treasury Dept.

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Ford Motor Company

See Airplane Engines - 6/3/40............ 15: 85-100
See Airplane Engines - 6/13/40........... 139-44
See Airplane Engines - 6/27/40........... 188-95
Ford Motor Company

SEE Financing, Government - 10/7/43 ............................................. Book 24: 294-97
Foreign Capital - (#1)

In November President appointed Committee, composed of H. H. Jr., Marriner S. Eccles (Fed. Res. Board) and James M. Landis (SEC) to study inflow of foreign capital -
2/11/37.................................................. 8: 65-69
a) Study has proceeded far enough to hold meeting - 2/11/37/ ............. 65-69
b) Constant inflow of foreign capital is source of worry to administration - 2/11/37 ............... 67
Committee met Feb. 15 and expects to reach decision by end of week; making good progress; all members in accord - 2/15/37 8:73-78

a) Treasury has not consulted any outsiders on study except the State Department representative, so that any recommendations made will not conflict with any treaties - 2/15/37

79-81
Foreign Capital - (#3)

Preliminary report given to President; additional work to be done before solution can be found - 2/18/37........................ 8: 83-91

a) Approximately $8 billion of foreign capital in US; creates a serious problem which must be solved - 2/18/37.......................... " 88-91

b) Committee in full accord that something must be done to control influx, but the solution has not yet been found - 2/18/37.......................... " 83-91
Foreign Capital - (#4)

c) HMJr's explanation entirely "off the record" - 2/18/37. ........................ 8: 93-97

"Off the record", HMJr explains why no announcement has been made re foreign capital:

1) Landis absent for 3 days; and
2) Finding means of reaching the people who should be reached without hurting others; many ideas have been presented but HMJr will not ask Congress to pass on anything unless he is 75% sure of its feasibility - 3/1/37 8: 109-112
Foreign Capital - (§5)

See Tax, Evasion - 3/4/37 .................. 8: 127-8

See Capital Movements - 4/1/37 ............. w 182

See Capital Movements - 4/29/37 ............. w 249-56
Statement that British Treasury contemplated confiscation of American securities for sale in US, denied next day by British government in London - 1/15/40

a) HMJr not worried - 1/15/40

HMJr opposed to suggestion that Federal loan be used to take over British-owned American securities, to prevent their liquidation, as matter of policy - 1/18/40
Foreign Capital - (#2)

See Plant Expansion - 2/5/40............ 14: 89-99

See Foreign Funds Control - 4/11/40.... n 221-30
See Foreign Funds Control - 4/15/40.... n 231-51
See Foreign Funds Control - 4/19/40.... n 255-59
See Foreign Funds Control - 4/29/40.... n 276-85
Foreign Capital

See Foreign Funds Control - 1/5/42..... 20: 13-14
Foreign Capital - (#1)

See Foreign Funds Control - 5/2/40........ 15: 1-2
See Foreign Funds Control - 5/13/40....... N 21
See Foreign Funds Control - 5/16/40....... N 28-29
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See Foreign Funds Control - 6/24/40....... N 175-80
See Foreign Funds Control - 7/18/40....... N 253-59
Foreign Capital - (#2)

See Foreign Funds Control - 7/22/40..... 15: 264
Foreign Exchange

New executive order - foreign exchange operations can be controlled through licenses, if so desired.

Book I: p. 106
1/15/34
Foreign Exchange - (#1)

See Exchange Control - 1/18/37............. 8: 21-25

See Exchange Control - 1/21/37............. n 28-33

France raises discount rate from 2 to 4% -
1/28/37............................................. n 50-51

a) HMJr says it is strictly "an internal matter"; will not comment on situation as he does not wish to accelerate France's troubles -
1/28/37............................................. n 51
Foreign Exchange - (#2)

See France, Defense Loan - 3/8/37 ........ 8: 139-54

See France, Defense Loan - 3/11/37 ........ n 155-56

Minimum of fluctuation exists in foreign exchange due to action taken under Tripartite Agreement - 6/1/37 ...................... n 299-300

See Stabilization Fund - 6/28/37 ........... n 342-44
Foreign Exchange - (#1)

See Tripartite Agreement - 9/11/39........... 13: 100-10

See Stabilization - 9/18/39....................... " 125-37

HMJr says if England has rules to protect
$4.02 sterling price let them give out
information - 9/21/39......................... " 140

a) Press stories on sterling brought
it from $3.75 (low) to $3.97 as of
9/21/39 - 9/21/39.............................. " 142
b) Quoting another source HMJr says British, "are trying to muddle their way through" - 9/21/39.

c) HMJr and Federal Reserve of NY being careful to await formal announcement of conditions under which they will buy $4.02 sterling - 9/21/39.

Foreign Exchange - (43)


SEE Stabilization - 10/5/39 .............. " 191

SEE Latin America, Brazil - 10/16/39... " 204-12

SEE Stabilization - 10/30/39 .............. " 253-58
Foreign Exchange - (#1)

Treasury studying official and unofficial rates on pound sterling, as they affect Customs payments - 4/8/40. ............... 14: 210-11
   a) No indication that England has resorted to reducing pound for competitive purposes, as prohibited by Tripartite Agreement - 4/8/40... " 212
   b) No importers or exporters objecting to rates; no protests have been filed or ruling asked - 4/8/40.... " 212-16
Foreign Exchange - (42)

c) Rate on free pound is $3.55 - 4/8/40... 14: 216

At present no American exporter or importer is being hurt by drop in value of free pound sterling - 4/15/40.................. 245-49

a) Chancellor of British Exchequer made statement to Parliament that official rate of pound sterling remains at $4.02\frac{1}{2} or $4.03 - 4/15/40............. 246

b) Unofficial rate $3.54\frac{1}{2} - 4/15/40..... 246
c) British not violating terms of Tripartite Agreement to gain competitive advantage thru depreciation of pound - 4/15/40.................. 14: 247

d) Treasury keeping close watch of all transactions to protect American interests - 4/15/40................. 247-49
Foreign Exchange

See Gold - 10/23/41.......................... 19: 61-65
Foreign Exchange

See Stabilization - 1/22/42

See Stabilization - 2/9/42

See Stabilization - 2/23/42
HMJr calls meeting of representatives of Federal Reserve Board, Justice, SEC, and State Department to work out procedure whereby Danish and Norwegian nationals can sell or transfer money or property, frozen by President's order, for legitimate transactions, with least possible delay - 4/11/40. ......... 14: 221-39

a) Federal Reserve Banks will advise private banks how their customers should proceed to obtain license - 4/11/40. ......................... 222-25
b) HMJr hopes to clear cases in one day - 4/11/40. 

Task of handling Danish and Norwegian transactions much bigger than first anticipated; special section will be set up to handle cases - 4/15/40.

a) Only transactions handled to date were prior to April 8; most likely these will be in order as move was unexpected - 4/15/40.

b) Danes and Norwegians delighted with protection provided - 4/15/40.
Foreign Funds Control - (#3)

c) Whole purpose of plan is to protect Americans from loss of Danish and Norwegian investments after German occupation - 4/15/40

Since freezing of Danish and Norwegian funds, over 1200 applications have been received, 1132 cleared; 2 denied - 4/19/40
Foreign Funds Control - (f4)

a) 2 denied because they requested blanket authority to pay specific amounts twice each month; indefinitely; required to file application each time - 4/19/40... 14: 256

b) 18 Classifications fixed; applications for licenses placed in one of these, then passed on in groups - 4/19/40.................. " 258-59

HMJr pleased that Congress favors bill authorizing freezing of Danish and Norwegian stocks and bonds as well as other securities and monies - 4/29/40. " 276-85
Foreign Funds Control - (#5)

a) Bill introduced as result of N. Y. law firm advising bank that stocks and bonds could not be frozen, in order to avoid loss of time from law suits - 4/29/40............. 14: 276

b) Action prevents dumping of stocks and bonds and protects stock and bond markets - 4/29/40............. " 280-81

c) HMJr only interested in keeping American markets open for free trade and protect our interests - 4/29/40............. " 281-85
Foreign Funds Control - (#1)

Senate and House pass bill authorizing freezing of Danish and Norwegian bonds and stocks - 5/2/40. 15: 1-2

Holland's and Dutch East Indies' funds added to list of countries whose assets are frozen - 5/13/40. 21

Netherlands government filed formal request with Treasury that general license No. 6, authorizing all payments, transfers, and withdrawals from their accounts, be revoked; each transaction will be covered by special license in future - 5/16/40. 15: 28-29
Foreign Funds Control - (#2)

Luxembourg added to list of countries whose assets are frozen - 5/16/40........ 15: 29

Belgium also given general license authorizing payments, transfers, and withdrawals - 5/16/40.................... 30

Upham, Cyril B., loaned by Comptroller of Currency to help in handling freezing of foreign funds - 5/16/40........ 30-31
Foreign Funds Control - (43)

Argentine government adopts forms and regulations of US for freezing funds of same 5 nations frozen by US - 5/16/40. 

Upon invasion of France by Germany, all French assets in US were frozen, including liner "Normandie" - 6/17/40.
Foreign Funds Control - (#4)

Since capitulation of France to Germany, only domestic transactions, where French owe American business men, will be licensed until State Department advises which government they will recognize in France - 6/24/40.

a) No money will be paid under duress - 6/24/40.
Foreign Funds Control - (#5)

HMJr has not been informed of status of Petain government in France; does not know to whom French funds must be released - 7/18/40. 

a) Professor J. P. Chamberlain (expert on International Law at Columbia University) assisting HMJr on all frozen funds - 7/18/40. 

b) Only monies, with few exceptions, being paid out of frozen assets of invaded countries are to Americans with outstanding contracts - 7/18/40.
Foreign Funds Control - (#5)

HM Jr has not been informed of status of Petain government in France; does not know to whom French funds must be released - 7/18/40.------------------ 15: 253-59

a) Professor J. P. Chamberlain (expert on International Law at Columbia University) assisting HM Jr on all frozen funds - 7/18/40.---------- 254

b) Only monies, with few exceptions, being paid out of frozen assets of invaded countries are to Americans with outstanding contracts - 7/18/40 255
Foreign Funds Control - (#6)

c) Expense money being advanced to French Ambassador to run embassy and consulates - 7/18/40. 15: 256-57

d) HMJr will wait for State Department to advise which governments will be recognized - 7/18/40. 259

Funds of Latvia, Lithuania, and Estonia frozen - 7/22/40. 264

See France - 9/19/40. 312
State Department requests Treasury to release sufficient money, monthly, to maintain Embassies and Consulates of Vichy France in whole Western Hemisphere - 10/21/40.
Foreign Funds Control - (#1)

Indo-China's funds frozen at time French funds were - June 17, 1940 - 3/10/41... 17: 261-62

Hungary's funds frozen on March 13, 1941, at request of State Department - 3/13/41.. 17: 266-67 & 279-80

Funds of Greece frozen April 28, 1941 - 4/28/41...................... 414-16
President issued Executive Order 8389, as amended, June 14, 1941, freezing funds of Albania, Andorra, Austria, Czechoslovakia, Danzig, Finland, Germany, Liechtenstein, Italy, Poland, Portugal, San Marino, Spain, Sweden, Switzerland, and U.S.S.R. - 6/16/41.

a) Comptroller of Currency sent staff of 50-60 men to New York City to handle frozen funds - 6/16/41...
b) Neutral countries will be given general license to continue operations as long as they adhere to prescribed regulations - 6/16/41................. 18: 144-45

c) Dean Acheson of State Department; Francis Shea of Justice; and Ed Foley of Treasury will meet daily to advise on problems arising from freeze order, as presented by John Pehle, Director, Foreign Funds Control - 6/16/41............. " 148-51

d) Foreign Funds control unit will have to expand personnel to handle volume of work resulting - 6/16/41" 152
On written request from OPM, license was issued to Cheney Silks to withdraw Japanese silk, frozen in bonded warehouses, with which to make parachutes for Army - 8/7/41.
Orders for freezing German and Japanese assets ready for issuance as soon as formal request is received from State Department - 12/11/41................................. 19: 219-21

a) Appointment of Leo T. Crowley as Alien Property Custodian not yet confirmed by President; meanwhile Treasury continues handling freezing - 12/11/41............... n 221-23
Foreign Funds Control - (#1)

Materials, seized by US under freezing orders from governments conquered by Germany, will be sold and funds added to their frozen assets -

1/5/42

20: 13-14
3-member committee, composed of Dean Acheson (Assistant Secretary of State) representing State Department; Leo T. Crowley (Chairman, FDIC) representing Justice Department; and Edward H. Foley, Jr., (General Counsel) representing Treasury Department, will continue administering alien property matters under Executive Order amending "Trading with Enemy Act". No Alien Property Custodian to be appointed at this time - 2/19/42.
Foreign Funds Control - (#3)

a) $7 billion frozen assets of Axis powers (as compared with only $500 million in last war) will be kept intact for 2 reasons:

1) To rid them of Axis influence; put under American operators to conserve assets, make them produce at maximum and take what new contracts they can handle.
2) Retain them intact until they can be disposed of by settlement under negotiated peace terms - 2/19/42......... 20: 168-71

b) General Aniline and Film Corporation produces 90% of dyes for service uniforms and also has secret photographic processes of great interest to Army and Navy - 2/19/42............................... 171
c) Before Treasury could take over stock control of any company, original authority contained in first War Powers Act, which had been taken away, had to be restored - 2/19/42. 20: 175

See Appointments and Resignations, re:
Alien Property Custodian, Leo T. Crowley - 3/2/42. 282
Treasury will continue handling program already operating under powers delegated to it; specifically agreement on West Coast giving Federal Reserve Bank full power to work with General DeWitt ( ); and to finish work started on reorganizing (Americanizing) General Aniline Film Corporation, also frozen funds, gold, etc., will remain under Treasury until Mr. Crowley specifically requests transfer of certain phases along with personnel that can be spared - 3/12/42. ..............
a) Alien Property Custodian, Treasury and Justice must continue working together - 3/12/42...... 20: 286

b) Licenses already issued by Treasury will remain in force until otherwise ordered - 3/12/42...... 291-92

c) John E. Mack, President of General Aniline will be replaced by Robert McConnell - 3/12/42...... 293-98
d) Program worked out by Treasury for Schering, General Aniline, and American Bosch Magneto will be carried out by Treasury — 3/12/42 ......................... 20: 298-301

1. Stock of Schering has not been vested, but records and personnel have been under investigation for some time.

2. All foreign-held shares of General Aniline (97.5%) have been taken over by Treasury in name of HMJr.
3. Management of companies will be in hands of skilled persons under Treasury and Alien Property Custodian.
Foreign Funds Control - (#1)

Foreign Funds Control has uncovered and frozen $10 million American securities in numbered, trustee accounts in name of Henry M. Blackmer, missing key witness in prosecution of Secretary of Interior, Albert B. Fall, for Teapot Dome Case - 6/22/42. Book 21: 96-103
Foreign Funds Control - (§2)

a) Funds frozen to satisfy claims of US for income tax, fines, etc., - 6/22/42. Book 21: 98
(See Press Release No. 32-16 - 6/22/42, p. 108)
Foreign Funds Control

British are actively assisting US in preventing Axis from disposing of monies seized from conquered Nations - 11/2/42 .............. Book 22: 73-77
  a) Controls are tight enough to prevent leaks - 11/2/42

With declaration that all French territory in Continental Europe is enemy territory, all French funds in US are frozen - 11/9/42 .............. 75-76

122-46
Foreign Investments

See Tax, Evasion - 3/4/37 ...................... 8: 127-8
See France, Defense Loan - 3/8/37 .......... 139-54
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See Capital Movements - 4/1/37 ............ 182
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Foreign Trade - (#1)

12 Federal Reserve Banks and General Counsel have drawn set of rules and regulations for handling short-term credits to aid American businessmen handle foreign exchange - 9/18/39..... 13: 123-4
a) Federal Reserve Banks will act as fiscal agent for Treasury - 9/18/39......................... n 123-4
Foreign Trade - (#2)

Regulations, drawn by General Counsel and Federal Reserve Bank, and passed on by advisory group, sent to President for approval and release - 9/21/39

a) Have no connection with Loree Committee - 9/21/39

1. They probably picked up their information from London branches.
Regulations prepared and sent to President for approval have been put away, since Congress is considering legislation on same subject - 9/25/39...... 13: 151-55
a) Law "would permit the President to grant 90-day credits to foreign purchasers if he considered suggesting a policy necessary to protect this country's commercial interests" - 9/25/39................. 151-55
Foreign Trade - (4)

See War Debts, Finland - 12/7/39.... 13: 326-31

British Government insisting on navi-cert system. Except for Customs enforcing regulations, which require vessels sailing from US to neutral ports to accept any goods included under Neutrality Act, without navi-certs, British position is matter for State Department to settle - 12/7/39.. " 330-32
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SEE Inter-American Conference - 6/29/42

Book 21: 144-46
Fort Knox, KY.
See Gold
France
Monetary situation discussed by HMJr.
"off record"......................... Book VI: p. 240
5-4-36

a) U.S. in most favorable position - England
   has had "to load up" with gold, etc.
France

Situation 9/29 and 30, 1936 explained..... Book 7: 108

a) French market closed; business
   men had open commitments; same
   situation in London: Bank of
   France telephones London and New
   York (Federal Reserve Bank) and
   makes spot francs available, at
   nominal rate; prevents panic
France - (#1)

See Foreign Exchange - 1/28/37 ............. 8: 50-1


Defense Loan

France floats defense loan to cover re-armament program; seeking agent in US to handle sale of bonds - 3/8/37 ............ 8: 139-54
France - (#2)

a) HMXr consults with Senator Robinson (Ark.) and others relative to French request - 3/8/37....................... 8: 141-52

b) Under Johnson Act, illegal for American investors to purchase French bonds - 3/8/37............... " 152-54

1. Cannot control small purchases, but large movements would be reported weekly by banks

2. Justice Department would prosecute violators
France - (#3)

No sign of American funds being invested in French bonds - 3/11/37 ............... 8: 155-6
a) No abnormal movement of funds in or out of US - 3/11/37 ..................... 156

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Notified US in advance that gold payments would be suspended, per agreement - 7/1/37

See Tripartite Agreement - 7/1/37

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Purchasing $5 million in gold - 12/23/37
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a) Values of franc, pound, and dollar are interrelated - 5/5/38........... " 336

1. US has rate with English
2. France has "French-English" cross
b) Defense point. value of franc in US cents must be given by French,
HMJr - 5/5/38

1. HMJr not withholding any information from American public as Secretary of Treasury, but cannot speak for France.

See Tripartite Agreement - 5/5/38

See Tripartite Agreement - 5/9/38
France

See Business Conditions - 6/2/38...........11: 11 & 14

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a) Treasury only interested in debts owed US Govt. by foreign nations - 9/22/38...........................
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a) HMR not posted whether US is preparing customs decisions in connection with products from Czechoslovakia coming from Germany - 10/10/38.

See Czechoslovakia - 9/22/38.
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First shipment from private bank in France - coming on Mauretania - will be offered statutory price - not the price for newly mined gold. Book I: p. 124 1/18/34
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Movement of - to Denver;
H.M. Jr. states if reason
must be given say it is
because San Francisco is
in earthquake area............Book II: p. 238
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Gold

Treasury would like to see rest of world have considerable gold - better for trade......Book III: p. 378 3-21-35
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buys 86,000 ounces.........Book III: p. 382

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Plan for storing gold discussed.....

Book IV: p. 114

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Fort Knox, Ky.
Silver will be stored in Washington and New York as gold moves to Ft. Knox vaults.

Book IV: p. 117
7-1-35
Gold - profit from Will be used to retire $675,000,000 Panamas and consols as they come due. Book IV: pp. 106, 128 6-24-35, 7-11-35
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Release explaining regulations probable on 9-27-35
a) agreement to pay for gold bonds @ par and interest until Jan. 1
b) regulations concerning purchase of gold coin.................Book V: p. 19 9-26-35

French shipments of gold up in last few days......................Book V: p. 83 11-7-35
a) HM Jr. thinks explanation may be expiration of many special executive orders issued by Laval on 11-15
Gold - (#1)


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Move to Fort Knox - HMJr also anxious to know; suggests that Fussell ask "the good ladies downstairs"

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To start after first of year (1937) no actual announcement will be made..... 354
Resume of inflow of gold since Gold Act of 1/30/34

1. 1934: $1,133,912,000; 1935: $1,739,001,000; 11 months of 1936: $1,059,419,000

Newly mined domestic runs $12 - $13 million monthly...

Book 7: 343
Gold - (#1)

See Financing, Govt. - 1/7/37.............. 8 : 9-10

See Federal Reserve Board - 1/25/37....... ™ 46-48

Heavy movements of gold to inactive fund to keep currencies from fluctuating, under Tripartite Agreement, not considered "abnormal" by HMFJ; prefers to call it "a heavy day's (regular) work" - 3/11/37.... ™ 156-7
HMJr has no comment to make re Federal Reserve's statement that his gold sterilization program will affect their policy - 4/5/37.

a) As result of conferences with Federal Reserve no statement to make on change of policy - 4/5/37.

b) No change of handling charge on gold purchases - 4/5/37.
Gold - (#3)

HWJr refuses to comment on story that he would abandon inactive gold fund and have "free gold market" - 4/12/37

a) Cites fact that American dollar is steadiest of all currencies as result of gold program - 4/12/37

b) President and HWJr only two who can talk about price of gold; they are not worried and no one else should be - 4/12/37

1. No change in price contemplated
Gold - (§1)

See China - 7/9/37                       9: 6-16
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$5 million shipped on Normandie 12/8/37
(Destination not indicated in conference) - 12/9/37

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HMJr declines to give amount exported or earmarked for foreign accounts in effort to prevent speculation -

1/6/38................................. 10: 18-20
Beginning 1/1/38 any gold acquired up to $100 million per quarter, will be deposited with Fed. Res. system - 2/14/38.

a) $30 million acquired since 1/1/38 will be deposited at once - 2/14/38

b) All gold sales will be from sterilization Fund - 2/14/38.

c) Gold movements into US in excess of $100 mil will be deposited with Fed. Res. system - 2/14/38.

d) See Eccles prepared statement - 2/14/38.
Gold - (43)

See Stabilization Fund (U. S.) - 2/17/38... 10: 148-9
Gold - (4)

HJMr explains gold movement "off the record" - 3/3/38

a) Foreign countries afraid US would reduce price; sold gold to buy commodities; changed this policy to cash; now trying to reconvert to gold - 3/3/38

b) Redistribution of gold "a very healthy thing", HJMr - 3/3/38
Gold - (15)

See Inactive Gold Fund - 3/14/38 ............ 10: 207

See Stabilization Fund - 4/11/38 ............ n 266-7

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$2.5 million gold moved out of Sweden - 5/12/38 .................. n 356

a) No inter-government deal - 5/12/38... n 356
Gold - (#6)

b) US has understanding with Sweden re
gold - 5/12/38.............................

c) 4 Scandinavian countries have
agreement among selves; however Denmark
has exchange control system which
handicaps operations of other
participants - 5/12/38....................

1. US and Sweden, after years
   conversations reached under-
   standing.................................
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See Crane, Burton - 9/26/38

See Tripartite Agreement - 9/29/38
As gold comes in Federal Reserve Bank of New York or San Francisco pays for it; to prevent their account from running down gold certificates are deposited by Treasury: same policy followed with all Federal Reserve Banks - 9/29/38.

a) Amount of gold in general fund diminishes as money is spent for gold or deficiency payments to Federal Reserve Banks - 9/29/38.

Brazil ships $1 million gold to US - 11/17/38.
Gold - (f1)

$60 million gold made available to Brazil in 1937, to promote exchange equilibrium, is still available, though no withdrawals have been made - 2/13/39

HMJR not worried over gold stock passing $15 billion - 3/20/39

a) Does not see any inflation in sight - 3/20/39

See Stabilization - 4/20/39
HM Jr favors arrangement to sell $50 million gold to Brazil, as worked out with Secretary of State and Foreign Minister of Brazil - 4/24/39...... 12: 206-11
a) Would welcome opportunity to extend arrangement to any country in Western Hemisphere - 4/24/39......  " 206-11
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Status of gold purchases from England and France has not changed; will buy at $35 ounce, less 1/ of 1% - 9/14/39.. # 118

HMJr has idea of quantity of gold owned by Russia - 9/25/39............... # 159
Gold - (#2)

a) Also knows what happened to Polish gold but doesn't wish to comment on whereabouts - 9/25/39........... 13: 160

l. Is not on deposit with Federal Reserve

"Off the record" HMJr explains President's statement re gold loans to Latin American countries - 10/16/39... " 204-12
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a) Brazil now buying approximately $1 million of gold from US under 1937 arrangement - 10/16/39 ............ 13: 207

(See Book 9, pages 28-31 for)
(original arrangement to sell)
(Brazil $60 million gold.)

b) Purchases will be ear-marked and left in US - 10/16/39 ............ 208-09
c) Reason for buying now because certain European purchase agreements fell through and Brazil had some free exchange; and as result of European situation Brazil will have to redirect their commerce - 10/16/39.... 13: 210

d) Public announcement of gold purchase must come from Brazil; HMJr only clarifying President's statement - 10/16/39.......................... 211
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Publication of gold figures abolished by Federal Reserve Bank of NY at request of HMQ. to protect ships, people, and gold - 10/26/39........... 13: 242-44

a) Result of publication of exact details of shipment of $6 million South African gold before ship even sailed - 10/26/39............... 13: 243

b) Only gold figures now will be given weekly by Department of Commerce and Treasury Daily Statement covering gold which has actually arrived in US - 10/26/39............... 13: 244
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HMJr disagrees with proposal of Winthrop Aldrich that private ownership of gold be restored - 1/11/40......................... 14: 19-20

a) Price level must be maintained to avoid hoarding and speculation - 1/11/40......................... 14: 19-20

b) In people's interest that government is sole owner of gold - 1/11/40............... 20

Gold - (§2)

HIMJr has tried to get accurate information on quantity of gold Russia has produced, since becoming Secretary; had no success - 1/29/40

No gold bought direct from Russia; 2 shipments of Russian gold, amounting to $10.5 million, received from 2 separate countries - 2/1/40.
Gold - (#3)

Direct shipment of 160,000 ozs. of gold from Russia is nothing out of ordinary as Treasury buys gold every day: it is offered at $35 an oz. - 2/8/40. .............. 14: 100-2

Sweden informs US that they are restricting export of gold and adopting exchange control - 2/26/40. ................. m 112-14
  a) Tripartite Agreement still functioning - 2/26/40. ...................... m 114
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"Off the record", HMJr explains why Treasury made straight advance of $10 million dollars to USSR, against future deliveries of gold to be delivered within 90 days - 9/18/41.....

a) Dollars needed by Russia to meet commitments for goods purchased from US manufacturers by Amtorg for Russian Government - 9/18/41...

b) Arrangements made with Russian Ambassador Oumansky, with approval of State Department - 9/18/41.....
c) Was not stabilization operation as USSR has no stabilization system - 9/18/41. .................. 18: 358

Russia has already paid off more than $5 million of the $10 million advanced against gold deliveries - 9/22/41. ..... " 364-65
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USSR paid balance of $10 million advanced on gold deliveries in two installments within 65 days (had 90 day limit) - 10/20/41. a) Less than $5 million balance due but over $5 million received, to apply against new arrangement to deliver $30 million in gold within 180 days in return for advance of that amount of dollars - 10/20/41. 43-47 & 53-54
1. Arrangement consummated October 10.
   b) No interest being charged, Russian transaction is outright purchase of gold - 10/20/41...
   c) Gold taken in by San Francisco Mint - 10/20/41...

"Off the record", HM Jr. shocked at Maritime Commission publicizing fact that shipments of war materials from US to Russia will leave from port of Boston - 10/23/41...
Stabilization Fund being used to purchase Russian gold; nothing new in procedure except buying gold against future delivery, as foreign exchange is customarily bought - 10/23/41...... 19: 61-65

a) At one time $200 million gold held in Stabilization Fund, at request of Dutch, to disguise source from which obtained - 10/23/41........... " 62-63

b) No US earmarked gold lost to Germany during invasion of France and Belgium - 10/23/41.............. n 65
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a) Mining of chrome, copper, zinc, etc., have higher priorities as more critical metals - 3/30/42. 20: 330
Some Latin American countries are now holding more gold - 7/27/42

a) Suggestion that new Statue of Liberty be built of US gold stocks, considered "silly" by HMJr - States: "Liberty is a spirit; you can't measure it in worldly goods." - 7/27/42
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See Foreign Capital - 1/15/40...

See War Conditions, Purchasing Mission - 1/22/40...

See War Conditions, Purchasing Mission - 2/26/40...

See War Conditions, Closing Agreements - 1/25/40...

See War Conditions, Purchasing Mission - 2/26/40...