Annual Report
of the
Secretary of the Treasury
on the
State of the Finances

For the Fiscal Year Ended June 30, 1950

LETTER OF TRANSMITTAL

TREASURY DEPARTMENT,
Washington, D. C., February 15, 1951.

SIRS: I have the honor to report to you on the finances of the Federal Government for the fiscal year ended June 30, 1950.

JOHN W. SNYDER,
Secretary of the Treasury.

THE PRESIDENT OF THE SENATE.
THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

TREASURY DEPARTMENT

DOCUMENT NO. 3168

Secretary

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON : 1951

For sale by Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.
Price $1.75 (Paper)

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In tables where figures have been rounded to a specified unit, the components may not necessarily add to totals. Percentages are calculated on unrounded figures.

SECRETARIES, UNDER SECRETARIES, AND ASSISTANT SECRETARIES OF THE TREASURY DEPARTMENT FROM MARCH 4, 1933, TO NOVEMBER 15, 1950,[1] AND THE PRESIDENTS UNDER WHOM THEY SERVED

Term of service		Official	Served under—	
From—	To—		Secretary of the Treasury	President
		Secretary of the Treasury		
Mar. 4, 1933	Dec. 31, 1933	William H. Woodin, New York		Roosevelt.
Jan. 1, 1934	July 22, 1945	Henry Morgenthau, Jr., New York		Roosevelt, Truman.
July 23, 1945	June 23, 1946	Fred M. Vinson, Kentucky		Truman.
June 25, 1946		John W. Snyder, Missouri		Truman.
		Under Secretary		
May 19, 1933	Nov. 16, 1933	Dean G. Acheson, Maryland	Woodin	Roosevelt.
Nov. 17, 1933	Dec. 31, 1933	Henry Morgenthau, Jr., New York	Woodin	Roosevelt.
May 2, 1934	Feb. 15, 1936	Thomas Jefferson Coolidge, Massachusetts.	Morgenthau	Roosevelt.
Jan. 29, 1937	Sept. 15, 1938	Roswell Magill, New York	Morgenthau	Roosevelt.
Nov. 1, 1938	Dec. 31, 1939	John W. Hanes, North Carolina	Morgenthau	Roosevelt.
Jan. 18, 1940	Dec. 31, 1945	Daniel W. Bell, Illinois	Morgenthau, Vinson	Roosevelt, Truman.
Mar. 4, 1946	Jan. 14, 1947	O. Max Gardner, North Carolina	Vinson, Snyder	Truman.
Jan. 23, 1947	July 14, 1948	A. L. M. Wiggins, South Carolina	Snyder	Truman.
July 15, 1948		Edward H. Foley, Jr., New York	Snyder	Truman.
		Assistant Secretaries		
Apr. 18, 1933	Feb. 15, 1936	Lawrence W. Robert, Jr., Georgia	Woodin, Morgenthau	Roosevelt.
June 6, 1933	Sept. 30, 1939	Stephen B. Gibbons, New York	Woodin, Morgenthau	Roosevelt.
June 12, 1933	Dec. 12, 1933	Thomas Hewes, Connecticut	Woodin	Roosevelt.
Dec. 1, 1934	Nov. 1, 1937	Josephine Roche, Colorado	Morgenthau	Roosevelt.
Feb. 19, 1936	Feb. 28, 1939	Wayne C. Taylor, Illinois	Morgenthau	Roosevelt.
July 1, 1938	Oct. 31, 1938	John W. Hanes, North Carolina	Morgenthau	Roosevelt.
June 23, 1939	Dec. 2, 1945	Herbert E. Gaston, New York	Morgenthau, Vinson	Roosevelt, Truman.
Jan. 18, 1940	Nov. 30, 1944	John L. Sullivan, New Hampshire	Morgenthau	Roosevelt.
Jan. 24, 1945	May 1, 1946	Harry D. White, Maryland	Morgenthau, Vinson	Roosevelt, Truman.
Apr. 15, 1946	July 14, 1948	Edward H. Foley, Jr., New York	Vinson, Snyder	Truman.
July 16, 1948		John S. Graham, North Carolina	Snyder	Truman.
Feb. 8, 1949		William McChesney Martin, Jr., New York.	Snyder	Truman.
		Fiscal Assistant Secretary		
Mar. 16, 1945		Edward F. Bartelt, Illinois	Morgenthau, Vinson, Snyder.	Roosevelt, Truman.
		Administrative Assistant Secretary		
Aug. 2, 1950		William W. Parsons, California	Snyder	Truman.

[1] For officials since 1789 see annual report for 1932, pp. xvii to xxi, and corresponding table in annual report for 1933.

PRINCIPAL ADMINISTRATIVE AND STAFF OFFICERS OF THE TREASURY DEPARTMENT AS OF NOVEMBER 15, 1950

SECRETARY

JOHN W. SNYDER

Edward H. Foley, Jr	Under Secretary of the Treasury.
John S. Graham	Assistant Secretary of the Treasury.
William McChesney Martin, Jr	Assistant Secretary of the Treasury.
Edward F. Bartelt	Fiscal Assistant Secretary of the Treasury.
William W. Parsons	Administrative Assistant Secretary.
Thomas J. Lynch	General Counsel.
George C. Haas	Director of the Technical Staff.
William J. Bray	Assistant to the Secretary.
A. L. M. Wiggins	Assistant to the Secretary.
Frank A. Southard, Jr	Special Assistant to the Secretary.

OFFICE OF THE UNDER SECRETARY EDWARD H. FOLEY, Jr.[1]

Elmer T. Acken	Assistant to the Under Secretary.
James J. Maloney	Chief Coordinator, Treasury Enforcement Agencies.

OFFICE OF ASSISTANT SECRETARY JOHN S. GRAHAM[1]

Kennedy C. Watkins	Executive Assistant to Assistant Secretary.

OFFICE OF ASSISTANT SECRETARY WILLIAM McCHESNEY MARTIN, Jr.[1]

George H. Willis	Director, Office of International Finance.

OFFICE OF THE FISCAL ASSISTANT SECRETARY EDWARD F. BARTELT[1]

William T. Heffelfinger	Assistant to the Fiscal Assistant Secretary.
Edward D. Batchelder	Technical Assistant to the Fiscal Assistant Secretary.
Martin L. Moore	Technical Assistant to the Fiscal Assistant Secretary.
Frank F. Dietrich	Technical Assistant to the Fiscal Assistant Secretary.
Eldon B. Smith	Administrative Assistant to Fiscal Assistant Secretary.
Gilbert L. Cake	Head, Fiscal Service Operations and Methods Staff.

OFFICE OF ADMINISTRATIVE ASSISTANT SECRETARY WILLIAM W. PARSONS

William L. Lynch	Assistant to the Administrative Assistant Secretary.
Willard L. Johnson	Budget Officer.
George H. Jones	Assistant Budget Officer.
James H. Hard II	Director of Personnel.
Joseph A. Jordan	Assistant Director of Personnel.
Paul McDonald	Director of Administrative Services.
Denzil A. Right	Superintendent, Division of Treasury Buildings.
Edward E. Berney	Chief, Division of Treasury Space Control.
Henry L. Merricks	Chief, Division of Office Services.

OFFICE OF THE GENERAL COUNSEL THOMAS J. LYNCH

Elting Arnold	Assistant General Counsel.
Philip Nichols, Jr	Assistant General Counsel.
John K. Carlock	Assistant General Counsel.
Vance N. Kirby	Tax Legislative Counsel.
Frederick C. Lusk	Assistant Tax Legislative Counsel.
Raphael Sherfy	Assistant Tax Legislative Counsel.
Hugo A. Ranta	Assistant to the General Counsel.
George Bronz	Special Assistant to the General Counsel.
Lawrence Linville	Special Assistant to the General Counsel.
James J. Saxon	Special Assistant to the General Counsel.
Kenneth S. Harrison	Chief Counsel, U. S. Coast Guard.
John F. Anderson	Chief Counsel, Office of the Comptroller of the Currency.
Robert Chambers	Chief Counsel, Bureau of Customs.
Charles Oliphant	Chief Counsel, Bureau of Internal Revenue.
Elting Arnold	Chief Counsel, Office of International Finance.
Alfred L. Tennyson	Chief Counsel, Bureau of Narcotics.
Theodore W. Cunningham	Chief Counsel, Bureau of the Public Debt.
George F. Reeves	Chief Counsel to the Fiscal Assistant Secretary.

[1] See organization chart.

OFFICE OF THE TECHNICAL STAFF

George C. Haas	Director of the Technical Staff.
Edmund M. Daggit	Assistant Director.
Thomas F. Leahey	Assistant Director.
Robert P. Mayo	Assistant Director.
Sidney G. Tickton	Assistant Director.
Cedric W. Kroll	Acting Government Actuary.
Anna M. Michener	Assistant to the Director.
William M. Weir	Administrative Assistant to the Director.
Isabella S. Diamond	Librarian.

OFFICE OF INTERNATIONAL FINANCE

George H. Willis	Director.
Charles Dillon Glendinning	Deputy Director and Secretary, National Advisory Council.
William L. Hebbard	Assistant Director.
Arthur F. Blaser, Jr	Acting Chief, British Commonwealth and Middle East Division.
Morris J. Fields	Chief, Commercial Policy and United Nations Division.
Donald W. Curtis	Acting Chief, European Division.
Arthur W. Stuart	Chief, Far Eastern Division.
Robert J. Schwartz	Acting Chief, International Statistics Division.
John S. deBeers	Chief, Latin American Division.
George A. Eddy	Chief, Stabilization Fund, Gold and Silver Division.
Mary C. Hall	Administrative Assistant to the Director.
Charlie E. Miller	Acting Budget Officer.

TAX ADVISORY STAFF OF THE SECRETARY

L. L. Ecker-Racz	Director.
F. Newell Campbell	Associate Director.
Richard E. Slitor	Assistant Director.
Robert B. Bangs	Assistant Director.
Joseph A. Pechman	Assistant Director.
George E. Lent	Assistant Director.

OFFICE OF THE COMPTROLLER OF THE CURRENCY

Preston Delano	Comptroller of the Currency.
J. L. Robertson	First Deputy Comptroller of the Currency.
R. B. McCandless	Second Deputy Comptroller of the Currency.
L. A. Jennings	Third Deputy Comptroller of the Currency.
W. P. Folger	Chief National Bank Examiner.

BUREAU OF CUSTOMS

Frank Dow	Commissioner of Customs.
D. B. Strubinger	Assistant Commissioner of Customs.
W. R. Johnson	Special Assistant to the Commissioner.
Charles Stevenson	Deputy Commissioner of Appraisement Administration.
C. A. Emerick	Deputy Commissioner of Investigations.
W. H. Ziehl	Deputy Commissioner of Management and Controls.
G. H. Griffith	Chief, Division of Drawbacks, Enforcement, and Quotas.
W. E. Higman	Chief, Division of Classification, Entry, and Value.
H. E. Sweet	Chief, Division of Marine Administration.
J. F. Williams	Chief, Division of Laboratories.
F. W. Gast	Chief, Division of Engineering and Weighing.

BUREAU OF ENGRAVING AND PRINTING

Alvin W. Hall	Director, Bureau of Engraving and Printing.
Henry J. Holtzclaw	Assistant Director.
Thomas F. Slattery	Assistant Director (Production).

BUREAU OF ACCOUNTS (IN THE FISCAL SERVICE)

Robert W. Maxwell	Commissioner of Accounts.
Gilbert L. Cake	Associate Commissioner.
Harold R. Gearhart	Deputy Commissioner.
Edmund C. Nussear	Assistant Deputy Commissioner.
Wallace E. Barker, Jr	Assistant Commissioner for Administration.
Stephen P. Gerardi	Executive Assistant to the Commissioner.
Paul D. Banning	Chief Disbursing Officer.
Julian F. Cannon	Assistant Chief Disbursing Officer.
Charles O. Bryant	Assistant Chief Disbursing Officer.
George E. Jones	Chief Accountant.
George Friedman	Technical Assistant to the Commissioner.
Boyd A. Evans	Special Assistant to the Associate Commissioner.

BUREAU OF THE PUBLIC DEBT (IN THE FISCAL SERVICE)

Edwin L. Kilby	Commissioner of the Public Debt.
Donald M. Merritt	Assistant Commissioner.
Ross A. Heffelfinger, Jr	Deputy Commissioner in Charge, Washington Office.
Charles D. Peyton	Deputy Commissioner in Charge, Chicago Office.

OFFICE OF THE TREASURER OF THE UNITED STATES (IN THE FISCAL SERVICE)

Georgia Neese Clark	Treasurer of the United States.
Marion G. Banister	Assistant Treasurer.
Michael E. Slindee	Deputy and Acting Treasurer.
Frederick L. Church	Assistant Deputy Treasurer.
Grover C. Emerson	Staff Assistant.

BUREAU OF INTERNAL REVENUE

George J. Schoeneman	Commissioner of Internal Revenue.
Fred S. Martin	Assistant Commissioner.
Daniel A. Bolich	Assistant Commissioner.
T. C. Atkeson	Assistant to the Commissioner.
Eldon P. King	Special Deputy Commissioner.
E. I. McLarney	Deputy Commissioner, Income Tax Unit.
A. H. Cross	Deputy Commissioner, Accounts and Collections Unit.
Victor H. Self	Deputy Commissioner, Employment Tax Unit.
Charles J. Valaer	Deputy Commissioner, Miscellaneous Tax Unit.
Carroll E. Mealey	Deputy Commissioner, Alcohol Tax Unit.
Aubrey R. Marrs	Head, Technical Staff.
William H. Woolf	Chief, Intelligence Unit.
Henry J. Merry	Chairman, Excess Profits Tax Council.

BUREAU OF THE MINT

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

BUREAU OF NARCOTICS

Harry J. Anslinger	Commissioner of Narcotics.
George W. Cunningham	Deputy Commissioner.
Malachi L. Harney	Assistant to the Commissioner.

UNITED STATES COAST GUARD

Vice Admiral Merlin O'Neill	Commandant, U. S. Coast Guard.
Rear Admiral Alfred C. Richmond	Assistant Commandant.
Rear Admiral Kenneth K. Cowart	Engineer in Chief.

U. S. SAVINGS BONDS DIVISION

Vernon L. Clark	National Director.
Leon J. Markham	Director of Sales.
Bill McDonald	Executive Officer.

UNITED STATES SECRET SERVICE

U. E. Baughman	Chief, U.S. Secret Service.
Carl Dickson	Assistant Chief.
Harry E. Neal	Executive Aide to the Chief.
George W. Taylor	Administrative Officer.

STANDING DEPARTMENTAL COMMITTEES

TREASURY AWARDS COMMITTEE

William L. Lynch	Chairman.
Herbert E. Stats	Vice Chairman.
John K. Carlock	Member.
James H. Hard II	Member.
William T. Heffelfinger	Member.
Henry J. Holtzclaw	Member.
Leland Howard	Member.
Willard L. Johnson	Member.
James J. Maloney	Member.
Justin F. Winkle	Member.
Captain Russell E. Wood	Member.
Wilbur H. Ziehl	Member.

LOYALTY BOARD

James H. Hard II	Chairman.
Hugo A. Ranta	Member.
William T. Heffelfinger	Member.

COMMITTEE ON PRACTICE

John L. Graves	Chairman.
Hessel E. Yntema	Member.
Huntington Cairns	Member.

WAGE BOARD

James H. Hard II	Chairman.
Willard L. Johnson	Member.
George Billard	Member.

TREASURY DEPARTMENT MANAGEMENT COMMITTEE

William W. Parsons	Chairman.
T. C. Atkeson	Member.
John K. Carlock	Member.
William T. Heffelfinger	Member.
Henry J. Holtzclaw	Member.
Leland Howard	Member.
James J. Maloney	Member.
Rear Admiral Alfred C. Richmond	Member.
David B. Strubinger	Member.

INTERDEPARTMENTAL SAVINGS BOND COMMITTEE

Edward F. Bartelt	Chairman.

FAIR EMPLOYMENT OFFICER

James H. Hard II

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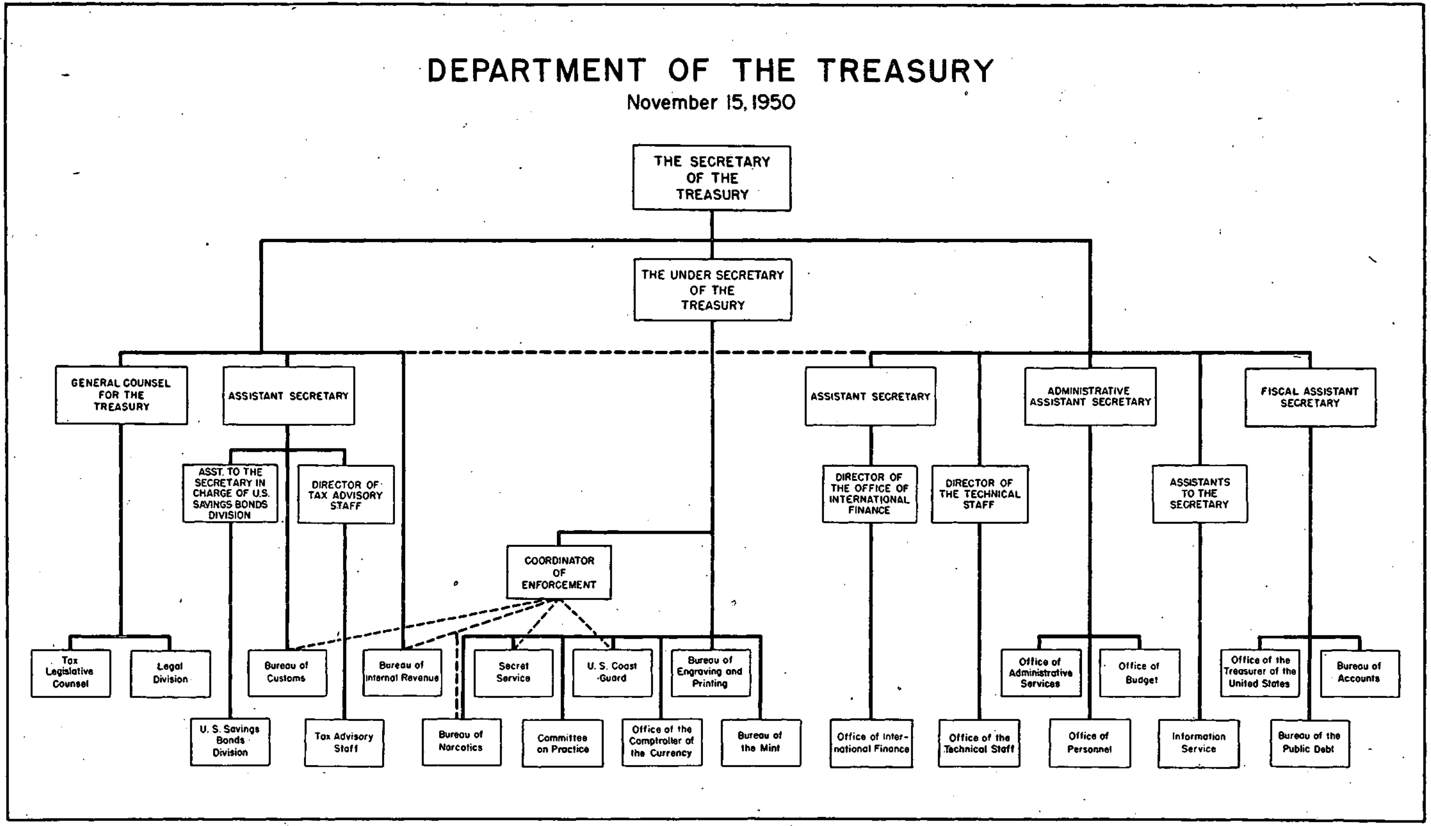
DEPARTMENT OF THE TREASURY
November 15, 1950
THE SECRETARY OF THE TREASURY
THE UNDER SECRETARY OF THE TREASURY
GENERAL COUNSEL FOR THE TREASURY
ASSISTANT SECRETARY
ASSISTANT SECRETARY
ADMINISTRATIVE ASSISTANT SECRETARY
FISCAL ASSISTANT SECRETARY
ASST. TO THE SECRETARY IN CHARGE OF U.S. SAVINGS BONDS DIVISION
DIRECTOR OF TAX ADVISORY STAFF
COORDINATOR OF ENFORCEMENT
DIRECTOR OF THE OFFICE OF INTERNATIONAL FINANCE
DIRECTOR OF THE TECHNICAL STAFF
ASSISTANTS TO THE SECRETARY
Tax Legislative Counsel
Legal Division
Bureau of Customs
Bureau of Internal Revenue
Secret Service
U. S. Coast Guard
Bureau of Engraving and Printing
Office of Administrative Services
Office of Budget
Office of the Treasurer of the United States
Bureau of Accounts
U. S. Savings Bonds Division
Tax Advisory Staff
Bureau of Narcotics
Committee on Practice
Office of the Comptroller of the Currency
Bureau of the Mint
Office of International Finance
Office of the Technical Staff
Office of Personnel
Information Service
Bureau of the Public Debt

CHART 1.

REPORT ON OPERATIONS

1

SUMMARY OF FISCAL OPERATIONS

Budget expenditures of the United States Government totaled $40.2 billion in the fiscal year 1950 compared with $40.1 billion in 1949. Net budget receipts of $37.0 billion in 1950 compared with $38.2 billion in 1949. The excess of expenditures of $3.1 billion was $1.3 billion more than the budget deficit of $1.8 billion in 1949. The increase in the deficit was due almost entirely to the reduction of $1.2 billion in net budget receipts.

The deficit of $3.1 billion and a rise in the general fund balance of $2.0 billion were met by an increase in the public debt of $4.6 billion and an increase in net receipts in trust accounts, etc., of $0.6 billion. The cash balance in the general fund stood at $5.5 billion on June 30, 1950. On that date the public debt amounted to $257.4 billion.

The frame of the fiscal operations of the Government in the past two years is shown in the table following. The figures are on the basis of the daily Treasury statement. Annual data for 1932–50 and monthly for 1950 are contained in table 1 in the tables section of this report.

	1949		1950	
	In billions of dollars			
Budget results:				
Net receipts	38.2		37.0	
Expenditures	40.1		40.2	
Deficit		1.8		3.1
Less:				
General fund balance, increase (–), or decrease	1.5		–2.0	
Trust accounts, net expenditures (–), or net receipts [1]	–.1		.6	
		1.3		–1.5
Equals: Public debt net increase		.5		4.6

[1] Includes clearing account for outstanding checks and interest coupons, and telegraphic reports from Federal Reserve Banks.

BUDGET RECEIPTS

Net budget receipts, which consist of total receipts less the appropriation to the Federal old-age and survivors insurance trust fund and refunds of receipts, amounted to $37.0 billion in the fiscal year 1950 and were $1.2 billion less than in 1949. In both years the receipts were below the average level in the fiscal years 1946 through 1950, a level exceeded only by the high receipts in the war years of 1944 and 1945. The receipts of $37.0 billion in 1950 compared with receipts of $42.2 billion in 1948, the highest since 1945.

From the record of $44.8 billion in 1945, receipts declined to $40.0 billion in 1946. This decline resulted from the part-year effect of the Revenue Act of 1945 which reduced individual and corporation income taxes and repealed the excess profits tax effective January 1, 1946; and also from the effects on receipts of the Tax Adjustment Act of 1945, and a decrease in taxable incomes.

In 1947, net budget receipts remained at the same level as in 1946. The progressively greater effect of the tax reductions enacted in 1945 reduced collections from the corporation income and excess profits taxes substantially. Collections from all other major tax sources, however, increased as a result of rising income levels and greater availability of taxable goods and services. A significant increase in the nontax source "Miscellaneous receipts" resulted from a very large rise in receipts from sales of surplus property, offset in part by a decline in receipts from renegotiation of war contracts.

Sharply rising incomes accounted for the increase in net budget receipts to $42.2 billion in 1948; but, in 1949, receipts declined because of individual income tax reductions enacted in 1948 and because of the tapering off of surplus property sales. The decrease in receipts continued in 1950 as corporation profits declined and as miscellaneous receipts continued to decrease.

As indicated by the estimates of budget receipts for 1952, page 50, net budget receipts in the fiscal year 1951 are expected to approximate the highest of the war years, while net budget receipts in 1952 will be much larger than those in any previous year. Chart 7 shows total receipts by major sources for the years 1944 through 1950. Detailed information for these and earlier years is contained in the tables section of this report.

Receipts in the fiscal years 1949 and 1950, on the daily Treasury statement basis, are compared by major sources, in the following table.

Source	1949	1950	Increase, or decrease (−)	
			Amount	Percent
	In billions of dollars			
Individual income tax [1]	17.9	17.4	−0.5	−2.9
Corporation income and excess profits taxes	11.6	10.9	−.7	−6.1
Total income and excess profits taxes	29.5	28.3	−1.2	−4.1
Miscellaneous internal revenue	8.3	8.3	(*)	−.5
Employment taxes [2]	2.5	2.9	.4	16.3
Customs	.4	.4	(*)	9.9
Miscellaneous receipts	2.1	1.4	−.6	−31.0
Total receipts	42.8	41.3	−1.5	−3.4
Deduct:				
(a) Appropriation to Federal old-age and survivors insurance trust fund	1.7	2.1	.4	24.6
(b) Refunds of receipts	2.8	2.2	−.7	−23.9
Net budget receipts	38.2	37.0	−1.2	−3.1

*Less than $50 million.
[1] See table 116, footnote 3.
[2] Includes Railroad Unemployment Insurance Act receipts.

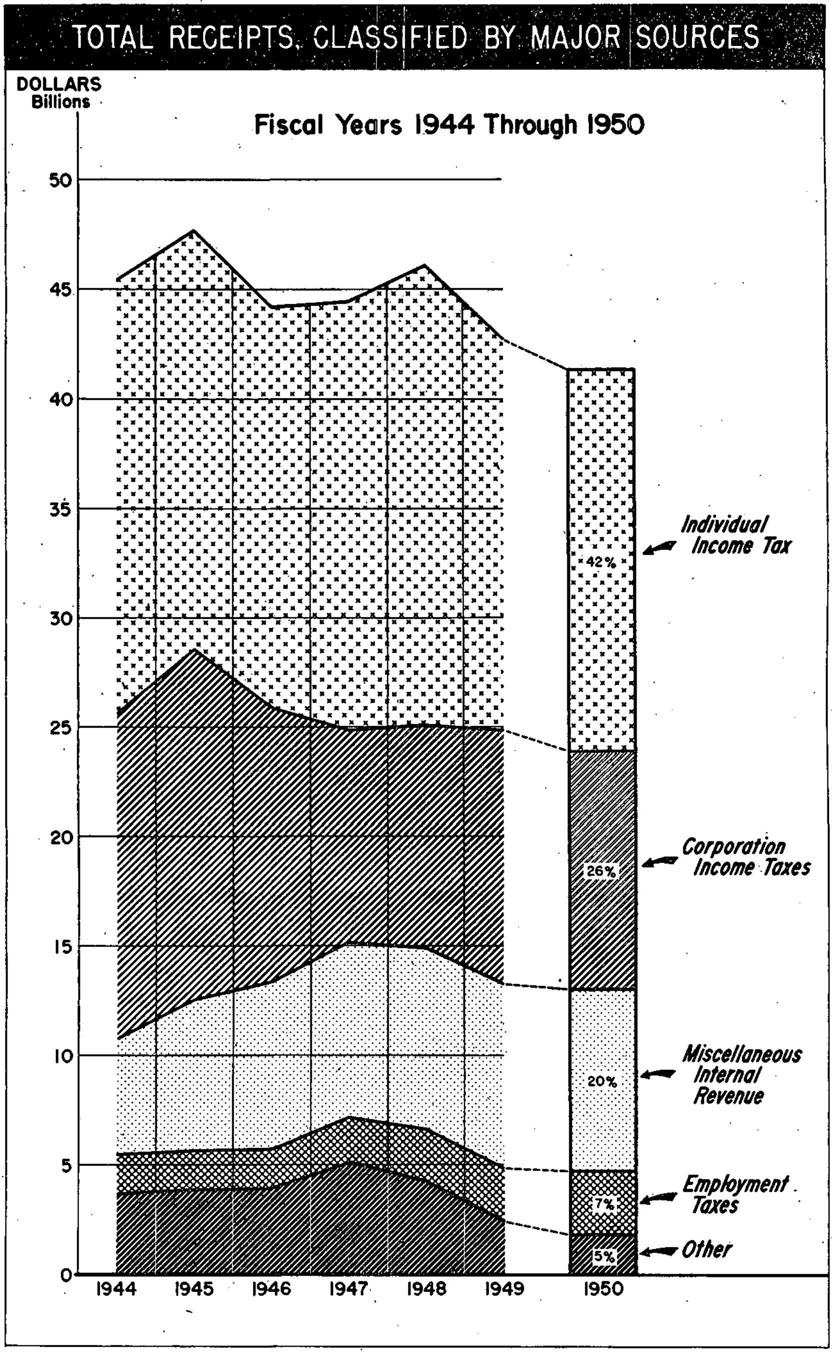
TOTAL RECEIPTS, CLASSIFIED BY MAJOR SOURCES
DOLLARS
Billions
Fiscal Years 1944 Through 1950
50
45
40
35
30
25
20
15
10
5
0
1944
1945
1946
1947
1948
1949
1950
42%
26%
20%
7%
5%
Individual Income Tax
Corporation Income Taxes
Miscellaneous Internal Revenue
Employment Taxes
Other

CHART 7.

All major tax sources with the exception of customs and employment taxes showed decreases in 1950 as compared with 1949.

Individual and corporation income and excess profits taxes remained the most important sources of revenue, accounting for $17.4 billion and $10.9 billion of receipts, respectively, and together constituted slightly more than two-thirds of total receipts. Only relatively small changes took place in other major sources of receipts. As a percentage of total receipts, miscellaneous internal revenue increased for the second successive year and employment taxes also continued to increase. All other sources declined for the third consecutive year.

Receipts From Income and Excess Profits Taxes

Receipts from income and excess profits taxes amounted to $28.3 billion in the fiscal year 1950, a decrease of $1.2 billion as compared with receipts of $29.5 billion in 1949.

Individual income taxes.—The details of the yield of the individual income tax are shown in the following table.

Source	1949	1950	Increase, or decrease (−)	
			Amount	Percent
	In millions of dollars			
Withheld (daily Treasury statement basis)	9,842	10,073	232	2.4
Not withheld (collection basis)	7,996	7,264	−732	−9.2
Adjustment to daily Treasury statement basis [1]	+91	+71	−20	
Not withheld (daily Treasury statement basis)	8,087	7,335	−752	−9.3
Total individual income taxes	17,929	17,408	−520	−2.9

[1] See table 116, footnote 3.

Receipts from withheld taxes increased slightly in the fiscal year 1950 while receipts from taxes not withheld dropped substantially. The decrease in receipts from taxes not withheld reflected a drop in the profits of unincorporated businesses whose taxes are collected by means of declaration payments.

Corporation income and excess profits taxes.—Receipts from this source were $10,854 million or $699 million less than the $11,554 million received in the fiscal year 1949. This decrease resulted primarily from a lower level of profits in the calendar year 1949 as compared with previous years. Another factor in the smaller receipts was the tapering off of back excess profits tax collections, which dropped from $194 million in 1949 to $87 million in 1950.

Receipts From All Other Sources

Miscellaneous internal revenue.—Receipts from the major groups of taxes included in this category are shown in the following table.

Source	1949	1950	Increase, or decrease (−)	
			Amount	Percent
	In millions of dollars			
Estate and gift taxes	797	706	−90	−11.3
Excise taxes:				
Liquor taxes	2,211	2,219	9	.4
Tobacco taxes	1,322	1,328	7	.5
Stamp taxes	73	85	12	16.2
Manufacturers' excise taxes [1]	1,761	1,827	66	3.7
Retailers' excise taxes	449	409	−40	−8.9
Miscellaneous excise taxes (including repealed) [2 3]	1,759	1,721	−38	−2.1
Total excise taxes [1 3]	7,575	7,589	15	.2
Adjustment to daily Treasury statement basis [4]	−23	+8	+31	
Total excise taxes [1 3]	7,551	7,597	45	.6
Total miscellaneous internal revenue [1 3]	8,348	8,303	−45	−.5

[1] Excludes taxes collected on firearms, shells, and cartridges which are included in "Miscellaneous receipts."
[2] See table 116, footnote 7.
[3] Excludes collections of the hydraulic mining tax, which are included in "Miscellaneous receipts."
[4] See table 7, "Note."

Estate and gift taxes.—Estate and gift taxes amounted to $706 million in the fiscal year 1950, a decrease of $90 million from 1949. The Revenue Act of 1948 which reduced both estate and gift tax liabilities was responsible for the decline in receipts from this source.

Excise taxes.—Receipts from excise taxes increased to $7,597 million in the fiscal year 1950. The increase of $45 million resulted from increases in liquor taxes, tobacco taxes, stamp taxes, and manufacturers' excise taxes partially offset by decreases in retailers' excise taxes and miscellaneous excise taxes. Manufacturers' excise taxes increased $66 million. Record levels of automobile production resulted in an increase of $119 million in collections from the tax on passenger automobiles, which continued their increase for the sixth successive year. The largest decline in this group was in parts and accessories for automobiles, which fell $31 million.

Retailers' excise taxes declined for the third straight year and were $40 million less than in 1949.

Miscellaneous excise taxes declined by $38 million in the fiscal year 1950. Declines in collections from the taxes on admissions, transportation of persons, and transportation of property were the principal sources responsible for the decrease in collections. The most substantial increase in revenue in this group was from the tax on local telephone service, which rose $23 million.

Liquor taxes and tobacco taxes showed slight increases over collections in 1949.

Stamp taxes increased 16.2 percent in the fiscal year 1950. Collections from taxes on issues and transfers of securities and on the sale of playing cards increased in 1950.

Employment taxes.—The yields of the various employment taxes, on the daily Treasury statement basis, are shown in the following table.

Source	1949	1950	Increase, or decrease (−)	
			Amount	Percent
	In millions of dollars			
Federal Insurance Contributions Act	1,690	2,106	416	24.6
Federal Unemployment Tax Act	223	226	3	1.6
Railroad Retirement Tax Act	564	550	−14	−2.4
Railroad Unemployment Insurance Act [1]	10	9	−1	−6.3
Total employment taxes	2,487	2,892	405	16.3
Deduct: Appropriation to Federal old-age and survivors insurance trust fund	1,690	2,106	416	24.6
Net employment taxes	796	786	−11	−1.4

[1] Not classified as an employment tax under Internal Revenue Code.

Total receipts from employment taxes amounted to $2,892 million in the fiscal year 1950, an increase of $405 million, or 16.3 percent, over receipts in 1949. The railroad taxes showed decreases which were offset by higher receipts from the other employment taxes. The Federal Insurance Contributions Act showed a sizable increase resulting principally from higher tax rates and a change in collection procedure. The tax rate increased from 1 percent each on employer and employee to 1½ percent effective January 1, 1950. Also effective January 1, 1950, collections of this tax from certain employers are payable on a monthly basis instead of a quarterly basis. This change in the method of collection resulted in receipts in the fiscal year 1950 of more than one year's normal receipts.

Customs.—Customs receipts in the fiscal year 1950 were $423 million, or 9.9 percent, more than in 1949.

Miscellaneous receipts.—Miscellaneous receipts amounted to $1,430 million in the fiscal year 1950 and were $642 million less than in 1949. The decrease reflected the continuing decline in receipts from the sales of surplus property and certain accounting changes which reduced miscellaneous receipts but had no effect on the surplus or deficit.

Refunds of receipts.—Refunds of receipts amounted to $2,160 million in the fiscal year 1950, a decline of $678 million from 1949. The 1950 refunds represent a normal figure as compared with the abnormal refunds in the fiscal year 1949. These abnormal refunds in 1949 resulted from the overwithholding of individual income tax, in the first four months of calendar year 1948, caused by the passage of the Revenue Act of 1948.

BUDGET EXPENDITURES

The budget expenditures total of $40.2 billion in the fiscal year 1950 closely approximated the total in 1949. The 1949 and 1950 level of expenditures represented an increase from the postwar low of $34 billion in 1948 but was still considerably below the total of over $60 billion in the demobilization year of 1946. The declines following 1946 were due mostly to curtailments in national defense expenditures, although in 1948 a part was due to decreases in outlays for international finance and aid and for veterans. The rise which followed in 1949 and 1950 resulted primarily from growing expenditures for special domestic programs and also from expenditures for the European Recovery Program. At the close of the fiscal year 1950, with the beginning of the action in Korea, it was apparent that total expenditures would increase significantly in 1951 and in 1952 under the impact of the expanded defense program. Estimates of expenditures for these years are shown on page 57.

In 1949 and 1950, as in the other postwar years, the combined outlays for national defense, international finance and aid, and veterans accounted by far for the greater share of the total. Although the levels of total expenditures in 1949 and 1950 were similar, in 1950 there were some substantial differences in the amounts expended for several major purposes. These are shown, on the daily Treasury statement basis, in the accompanying tabulation. Details for these and earlier years are given in chart 8 and in tables 2, 3, and 5 in the tables section of this report.

Year	National defense and related activities	International finance and aid [1]	Interest on the public debt [2]	Veterans' Administration	Other	Total [1]
	In billions of dollars					
1949	12.2	6.0	5.3	6.9	9.7	40.1
1950	12.4	4.7	5.7	6.5	10.9	40.2

[1] For comparison with other years, transactions in 1949, and also in 1948, relating to the Foreign Economic Cooperation trust fund, established under the Economic Cooperation Act of 1948 (62 Stat. 150), sec. 114 (f), have been consolidated with budget expenditures.
[2] Beginning Nov. 1, 1949, interest on the public debt is reported as an expenditure when such interest becomes due and payable rather than on the basis of interest payments.

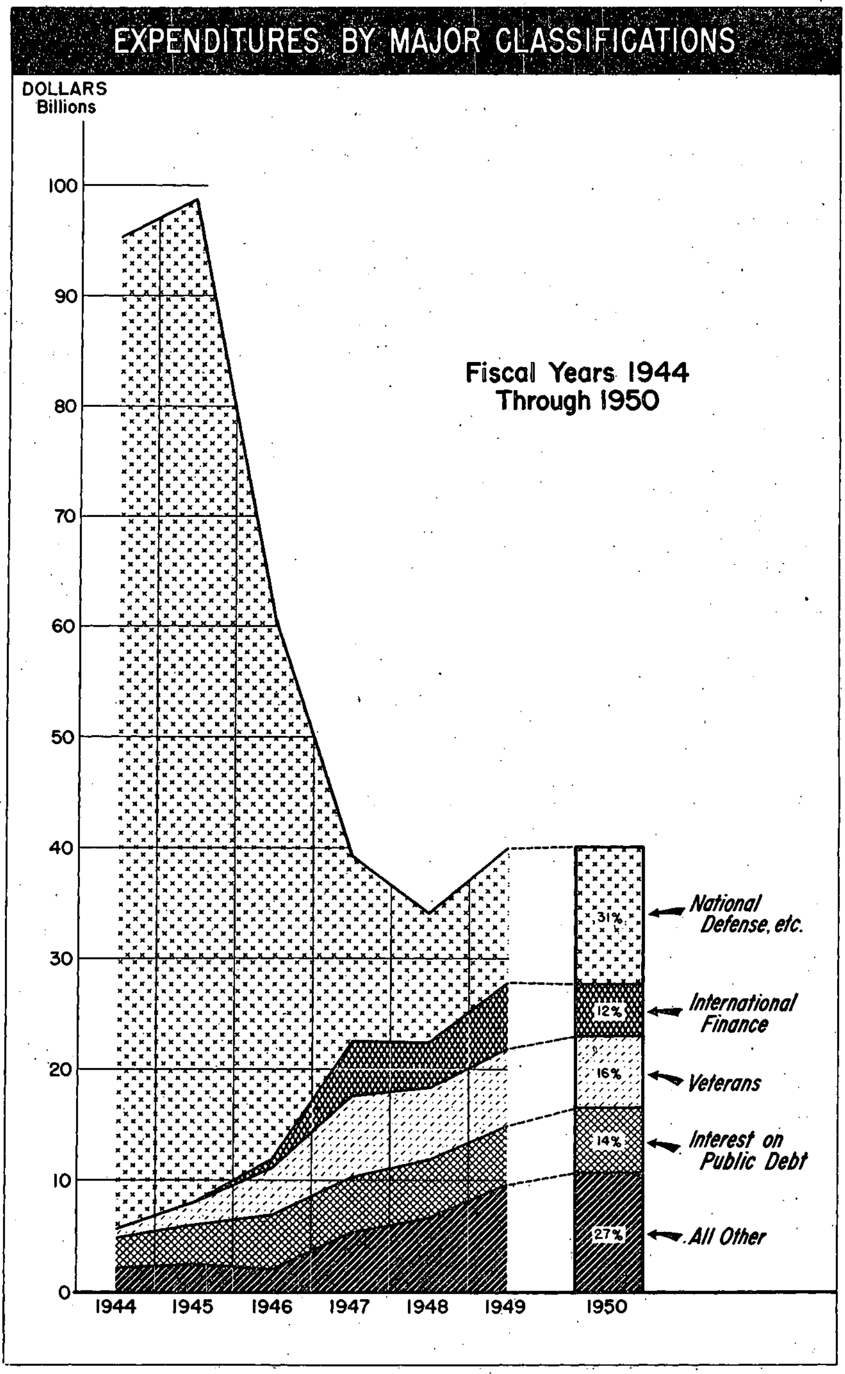
EXPENDITURES BY MAJOR CLASSIFICATIONS
DOLLARS
Billions
100
90
80
70
60
50
40
30
20
10
0
Fiscal Years 1944
Through 1950
1944
1945
1946
1947
1948
1949
1950
31%
12%
16%
14%
27%
National
Defense, etc.
International
Finance
Veterans
Interest on
Public Debt
All Other

CHART 8.

National defense expenditures of $12.4 billion in 1950 were only slightly above similar outlays in both 1948 and 1949, following the demobilization. In 1950, expenditures were $3.5 billion for the Department of the Air Force, $4.1 billion for the Department of the Army, and $4.1 billion for the Department of the Navy. Stockpiling of strategic and critical materials accounted for $439 million of expenditures in 1950.

Expenditures of $4.7 billion in 1950 for international finance and aid were $1.4 billion less than in 1949. This was the largest change from 1949 in any major group of expenditures. It occurred mainly in outlays for government and relief in occupied areas, and for the aid provided by the Economic Cooperation Act. The decline reflected in part the recovery made in the economies of the occupied areas since the beginning of the program.

Expenditures for the program of international finance and aid, which became significant for the first time in 1946 with a total of $727 million, averaged more than $4.9 billion during the next 4 years. The principal purposes in the first 3 years were the credit of $3,750 million to the United Kingdom, the provisions under the Bretton Woods Agreements Act, and loans by the Export-Import Bank. Expenditures for government and relief in occupied areas in 1947 amounted to $514 million, rose to $1,333 million in 1949, and were $753 million in 1950. These expenditures, which were made by the Army, were mainly for shipments of goods to prevent disease and unrest. The expenditures in 1949 were augmented by the assumption on the part of the United States of all dollar costs of imports for relief in the bizonal area of Germany. Expenditures under the Economic Cooperation Act totaled more than $4.0 billion in 1949, and more than $3.5 billion in 1950.

In this year the United States began to provide military assistance to nations who have joined us in the mutual defense assistance program under the North Atlantic Treaty. Expenditures under this program amounted to $44 million.

Interest on the public debt of $5.7 billion in 1950 compared with $5.3 billion in 1949. Half of this increase, however, was due to a change in the reporting method during the year. Since November 1, 1949, interest has been reported as an expenditure when such interest becomes due and payable, as distinguished from the previous practice of showing the expenditure on the basis of interest paid by the Treasurer of the United States. During the 5 years ended with 1950 interest on the public debt gradually increased from $4.7 billion to $5.7 billion.

Veterans' Administration expenditures at $6.5 billion in 1950 were nearly $0.4 billion less than in 1949. There was an over-all decrease of $0.7 billion which primarily represented the tapering off of the readjustment benefit programs which grew out of World War II. This decrease was partially offset by an increase of $0.4 billion in transfers to cover the share of the Government in the costs of the national service life insurance fund. The figures shown here, of course, refer only to budget expenditures for veterans, and therefore exclude the payment of dividends and other benefits to veterans out of the national service life insurance fund.

The remaining expenditures, classified as "Other," represented outlays mainly for special domestic programs, and also for the running expenses of the Government. The total was $10.9 billion in 1950, which was $1.2 billion more than in 1949. The increase consisted in large part of additional aid to agriculture, public assistance, and mortgage purchases by the Federal National Mortgage Association, which, throughout the year, was an affiliate of the Reconstruction Finance Corporation.

Total expenditures in this classification increased in each succeeding postwar year. In the earlier years of this period, as in 1950, the increase was accounted for almost entirely by expansion of the special domestic programs rather than expenditures for general government. In 1950, expenditures for aid to agriculture amounted to $3.0 billion (including $1.7 billion net expenditures of the Commodity Credit Corporation) and constituted more than 27 percent of this total; while social security budget expenditures accounted for a total of $2.0 billion, which was more than 18 percent of these expenditures. Public works in 1950 accounted for about $1.6 billion, or 15 percent of the total in this group. Other expenditures in this classification include outlays by the Atomic Energy Commission, aids to education, labor, finance, commerce, industry, housing, and transportation, as well as the expenses of the legislative, executive, and judicial departments of the Government not classified elsewhere.

TRUST ACCOUNTS, ETC., RECEIPTS AND EXPENDITURES

In addition to budget receipts and expenditures of the Government, certain other receipts and expenditures are classified separately in the daily Treasury statement under the title "Trust accounts, etc." The trust account receipts for the most part represent moneys received by the Government for the benefit of individuals or classes of individuals. Moneys held in trust as such are payable to or for the use of beneficiaries only and therefore are not included in the budget expenditures of the Government.

Payments from the general fund to various trust accounts, such as the Government's payment to Federal employees' retirement funds and the national service life insurance fund, are included in budget expenditures and under the various trust account receipts as transfers from the general fund.

The net transactions in trust accounts, etc., for the fiscal years 1932 through 1950 are summarized in table 1 of this report, and receipts and expenditures for the fiscal years 1942 through 1950 are shown in table 6 by major classifications. Details by months for 1950 and totals for 1949 and 1950 are shown in table 4.

GENERAL FUND

The general fund of the Treasury represents all moneys of the Government deposited with and held by the Treasurer of the United States.

The assets in the general fund are certain gold, silver, currency, coin, and unclassified collection items, and deposits to the credit of the Treasurer of the United States in Federal Reserve Banks, special depositaries, and national, foreign, and other bank depositaries.

The liabilities of the general fund include outstanding Treasurer's checks, deposits of certain Government officers consisting of balances to the credit of the Post Office Department, the Board of Trustees of the Postal Savings System, and postmasters' disbursing accounts, etc., uncollected items, and exchanges.

The difference between total assets and total liabilities is the general fund balance. On the basis of the daily Treasury statement, the general fund cash balance at the close of the fiscal year 1950 amounted to $5,517 million, an increase of $2,047 million during the year.

The net change in the balance of the general fund during the fiscal year is accounted for as follows:

Balance June 30, 1949		$3, 470, 403, 311. 67
Add:		
Budget receipts, net		37, 044, 733, 557. 37
Trust accounts, etc., receipts		6, 668, 734, 224. 25
Net increase in gross public debt		4, 586, 992, 490. 71
		51, 770, 863, 584. 00
Deduct:		
Budget expenditures, including wholly owned Government corporations	40, 166, 835, 914. 82	
Trust accounts, etc., expenditures	6, 569, 596, 863. 78	
	46, 736, 432, 778. 60	
Clearing account for outstanding checks and interest coupons, and telegraphic reports from Federal Reserve Banks: Excess of receipts	482, 656, 886. 25	
		46, 253, 775, 892. 35
Balance June 30, 1950		5, 517, 087, 691. 65

A comparative analysis of the assets and liabilities of the general fund is shown as of June 30, 1949 and 1950, in table 40.

PUBLIC DEBT OPERATIONS AND OWNERSHIP OF FEDERAL SECURITIES

The public debt amounted to $257.4 billion on June 30, 1950, which was $4.6 billion larger than on June 30, 1949.

Most of the net change in the public debt was accounted for by a rise of $4.7 billion in the nonmarketable interest-bearing debt, chiefly in Treasury savings notes, but also in United States savings bonds. Marketable interest-bearing debt increased by $162 million, the first net rise in any fiscal year since 1946. This rise was the result of a net increase in bills of $2.0 billion, which was offset for the most part by unexchanged portions of maturing issues. Nonbank holdings of the debt increased $3.0 billion during the year, continuing the long-term trend to reach a new high record.

The computed annual interest rate on the interest-bearing debt was 2.200 percent on June 30, 1950, a slight decrease from the rate of 2.236 percent at the beginning of the year. Exchanges of maturing and called securities for new issues bearing lower average interest rates were the principal factor in the decline in the annual rate.

The volume of the public debt and guaranteed obligations outstanding since 1943 is shown in chart 9. The following table shows the public debt by class of security and the guaranteed obligations outstanding at the close of the fiscal years 1949 and 1950, on the basis of the daily Treasury statement. Guaranteed obligations held by the public, a very minor part of the total of the public debt and guaranteed obligations outstanding, amounted on June 30, 1950, to approximately $20 million, a decrease of nearly $8 million during the year. Historical detail on the public debt and guaranteed obligations is given in tables 12 through 20.

Class of debt	June 30, 1949	June 30, 1950	Increase, or decrease (−)
	In billions of dollars		
Public debt:			
Interest-bearing:			
Public issues:			
Marketable	155.1	155.3	0.2
Nonmarketable	62.8	67.5	4.7
Total public issues	218.0	222.9	4.9
Special issues to Government investment accounts	32.8	32.4	−.4
Total interest-bearing public debt	250.8	255.2	4.4
Matured debt on which interest has ceased	.2	.3	(*)
Debt bearing no interest	1.8	1.9	.1
Total public debt	252.8	257.4	4.6
Guaranteed obligations not held by Treasury	(*)	(*)	(*)
Total public debt and guaranteed obligations	252.8	257.4	4.6

*Less than $50 million.

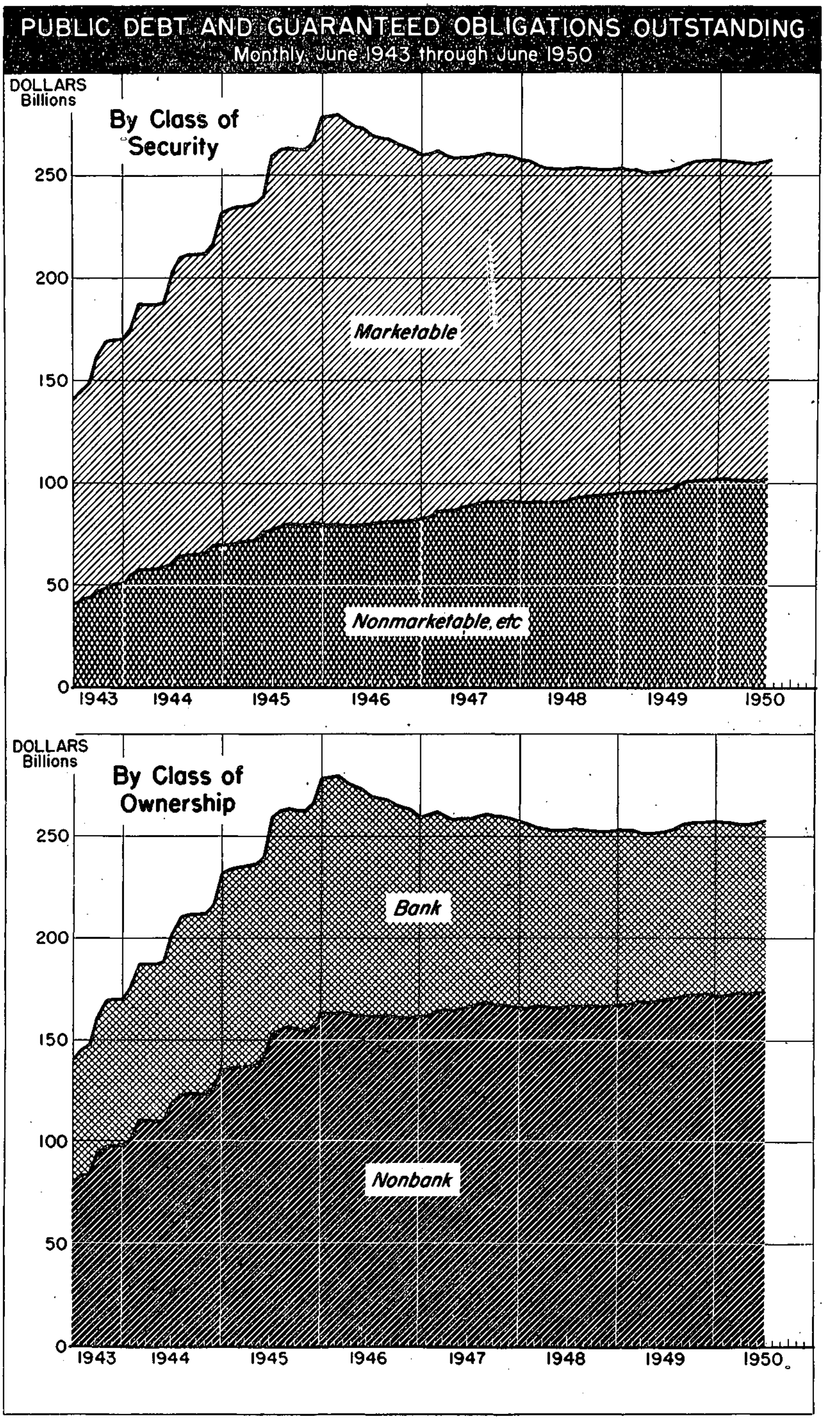
PUBLIC DEBT AND GUARANTEED OBLIGATIONS OUTSTANDING
Monthly, June 1943 through June 1950
DOLLARS Billions
By Class of Security
Marketable
Nonmarketable, etc
0
50
100
150
200
250
1943
1944
1945
1946
1947
1948
1949
1950
DOLLARS Billions
By Class of Ownership
Bank
Nonbank
0
50
100
150
200
250
1943
1944
1945
1946
1947
1948
1949
1950

CHART 9.

Public debt operations and changes in ownership of the debt for the fiscal year 1950 are given in the two sections which follow.

PUBLIC DEBT OPERATIONS

MARKETABLE ISSUES

The net increase of $162 million in the marketable interest-bearing debt brought the total to $155.3 billion on June 30, 1950, compared with $155.1 billion a year earlier. Net increases occurred, as is shown in the following table, in Treasury notes and in Treasury bills.

Class of security	June 30, 1949	June 30, 1950	Increase, or decrease (−)
	In billions of dollars		
Treasury bills	11.5	13.5	2.0
Certificates of indebtedness	29.4	18.4	−11.0
Treasury notes	3.6	20.4	16.8
Treasury bonds	110.4	102.8	−7.6
Other bonds (postal savings, etc.)	.2	.2	(*)
Total interest-bearing marketable issues	155.1	155.3	.2

*Less than $50 million.

Bonds, notes, and certificates of indebtedness.—Treasury bonds, notes, and certificates of indebtedness in the amount of $40.7 billion matured or were called for redemption during the fiscal year 1950. Of this total, the securities exchanged for new issues amounted to $38.8 billion, while the small remainders of the matured or called issues turned in for cash redemption rather than exchange aggregated $1.8 billion. The accompanying tables summarize the financing transactions during the year. Additional details are contained in exhibits 1 through 6 and in tables 22 and 23.

Public offerings of bonds, notes, and certificates of indebtedness, fiscal year 1950 [1]

[In millions of dollars]

Date of issue	Description of security	Issued for cash	Issued in exchange for other securities	Total issued
	Marketable issues			
1949	Certificates of indebtedness:			
July 1	1¼% Series F-1950, due July 1, 1950		5,601	5,601
Sept. 15	1⅛% Series G-1950, due Sept. 15, 1950		1,197	1,197
Oct. 1	1⅛% Series H-1950, due Oct. 1, 1950		6,248	6,248
Dec. 15	1⅜% Treasury notes, Series A-1954, due Mar. 15, 1954.		4,675	4,675
1950				
Jan. 1	1⅛% certificates of indebtedness, Series A-1951, due Jan. 1, 1951.		5,373	5,373
	Treasury notes:			
Feb. 1	1¼% Series A-1951, due Oct. 1, 1951		1,918	1,918
Mar. 1	1¼% Series B-1951, due July 1, 1951		2,741	2,741
Mar. 15	1½% Series A-1955, due Mar. 15, 1955		5,365	5,365
Apr. 1	1¼% Series C-1951, due July 1, 1951		886	886
June 1	1¼% Series D-1951, due July 1, 1951		4,818	4,818
	Total Treasury notes and certificates of indebtedness.		38,822	38,822
	Nonmarketable issues			
Various	United States savings bonds:			
	Series E	[2] 4,887		[2] 4,887
	Series F and G	[2] 1,763		[2] 1,763
	Subtotal savings bonds	6,650		6,650
Do	Treasury savings notes, Series D	6,150		6,150
	Total savings bonds and savings notes	12,800		12,800
	Total all issues	12,800	38,822	51,622

[1] Exclusive of special series of certificates of indebtedness; adjusted service bonds; armed forces leave bonds; depositary bonds; special notes of the United States: International Monetary Fund series; United States savings stamps; and guaranteed obligations.
[2] Includes accruals.

Disposition of maturing or redeemable public issues of bonds, notes, and certificates of indebtedness, fiscal year 1950 [1]

[Dollars in millions]

Date of refunding	Description of security	Date of issue	Redeemed for cash or carried to matured debt	Exchanged for new security	Total	Percent exchanged
1949	Marketable issues					
July 1	1⅛% certificates of indebtedness, Series F-1949, due July 1, 1949.	July 1, 1948	182	5,601	5,783	96.9
Sept. 15	2% Treasury bonds of 1949-51	May 15, 1942	96	1,197	1,292	92.6
	1¼% certificates of indebtedness:					
Oct. 1	Series G-1949, due Oct. 1, 1949.	Oct. 1, 1948	288	6,248	6,535	95.6
Dec. 15	Series H-1949, due Dec. 15, 1949.	Dec. 15, 1948	35	484	519	93.2
	Treasury bonds, due Dec. 15, 1949:					
	2% of 1949-51	July 15, 1942	70	2,028	2,098	96.7
	3⅛% of 1949-52	Dec. 15, 1934	24	467	491	95.1
	2½% of 1949-53	Dec. 15, 1936	90	1,696	1,786	94.9
	Subtotal, Dec. 15		219	4,675	4,894	95.5
1950	1¼% certificates of indebtedness:					
Jan. 1	Series A-1950, due Jan. 1, 1950.	Jan. 1, 1949	322	5,373	5,695	94.3
Feb. 1	Series B-1950, due Feb. 1, 1950.	Feb. 1, 1949	75	1,918	1,993	96.2
Mar. 1	Series C-1950, due Mar. 1, 1950.	Mar. 1, 1949	180	2,741	2,922	93.8
Mar. 15	2% Treasury bonds of 1950-52, due Mar. 15, 1950.	Oct. 19, 1942	102	1,861	1,963	94.8
Apr. 1	1⅜% Treasury notes, Series A-1950, due Apr. 1, 1950.	Sept. 15, 1948	92	3,504	3,596	97.5
	1¼% certificates of indebtedness:					
Do	Series D-1950, due Apr. 1, 1950.	Apr. 1, 1949	76	886	963	92.1
June 1	Series E-1950, due June 1, 1950.	June 1, 1949	201	4,818	5,019	96.0
	Total Treasury bonds, notes, and certificates of indebtedness.		1,832	38,822	40,654	95.5
	Nonmarketable issues					
Various	United States savings bonds:					
	Series A-D	March 1935-April 1941.	1,081		1,081	
	Series E	Since May 1941 on continuous sale.	3,521		3,521	
	Series F and G		821		821	
	Subtotal savings bonds		5,422		5,422	
Do	Treasury tax and savings notes.	Since Aug. 1, 1941	[2] 2,549		[2] 2,549	
Do	2½% Treasury bonds, investment series, A-1965.	Oct. 1, 1947	1		1	
	Total savings bonds, tax and savings notes, and bonds, investment series.[1]		[2] 7,972		[2] 7,972	
	Total [1]		[2] 9,804	38,822	[2] 48,626	

[1] Marketable issues in this table are exclusive of special series of certificates of indebtedness, postal savings bonds, and other debt items. Nonmarketable issues are exclusive of adjusted service bonds; armed forces leave bonds; depositary bonds; excess profits tax refund bonds; special notes of the United States: International Monetary Fund series; United States savings stamps; and guaranteed obligations.

[2] Includes tax and savings notes in the amount of $1,039 million surrendered in payment of taxes.

The matured and called securities consisted of five issues of Treasury bonds, eight issues of one-year certificates of indebtedness, and one issue of Treasury notes. These issues were refunded into six issues of Treasury notes and four issues of one-year certificates of indebtedness. The first note issued carried a maturity of 4¼ years; four of the notes carried maturities ranging from 13 to 20 months; and one note was for a five-year period.

The refunding of $7.6 billion of Treasury bonds into these intermediate and short-term securities resulted in the largest decrease in outstanding Treasury bonds in any one year, from $110.4 billion on June 30, 1949, to $102.8 billion on June 30, 1950. The decrease was entirely in bank-eligible bonds, bringing the total outstanding at the close of the year to $53.2 billion from $60.8 billion a year earlier.

Table 13 shows the amounts outstanding at the end of the fiscal years 1940–50.

The first financing operation of the fiscal year 1950 was anticipated by the Secretary of the Treasury with his announcement on June 16, 1949, that the Treasury would offer to holders of the $5.8 billion of one-year 1⅛ percent certificates of indebtedness, Series F–1949, maturing July 1, an issue of one-year 1¼ percent certificates in exchange. Subscriptions accepted for the new issue, Series F–1950, totaled $5.6 billion. This refunding continued the interest rate of 1¼ percent per annum which had characterized the certificate issues since October 1, 1948.

This short-term rate was changed, however, in the refundings of September–October 1949 which the Secretary of the Treasury announced on August 22. The announcement stated that the Treasury would offer a new one-year 1⅛ percent certificate on August 31 to holders of the 2 percent Treasury bonds of September 15, 1949–51, called for redemption on September 15, 1949; a new certificate to refund the certificates maturing October 1, 1949; and a new Treasury note in exchange for the three Treasury bond issues called for redemption on December 15, 1949. Subsequently, one-year 1⅛ percent certificates, Series G–1950, due September 15, 1950, and Series H–1950, due October 1, 1950, were issued to subscribers in the respective amounts of $1.2 billion and $6.2 billion.

An announcement by the Secretary of the Treasury on November 30, 1949, stated that the Treasury note issue to refund the three Treasury bond issues redeemable on December 15 would be offered also in exchange for the 1¼ percent certificates maturing December 15. The new notes bear an interest rate of 1⅜ percent and a maturity of four and one-quarter years. The announcement stated also that an issue of one-year 1⅛ percent certificates would be offered in exchange for the certificates maturing January 1. Subscriptions accepted for the 1⅜ percent Treasury notes, dated December 15, 1949, amounted to $4.7 billion. Exchanges of the certificates maturing January 1 for the new one-year 1⅛ percent certificates, Series A–1951, amounted to $5.4 billion.

On January 13, 1950, the Secretary of the Treasury announced a new issue of 20-month 1¼ percent Treasury notes to refund the one-year 1¼ percent certificates maturing February 1. Exchanges amounted to $1.9 billion.

Three new issues of Treasury notes were announced by the Secretary of the Treasury on February 14, 1950, to refund the four March and April maturities of certificates, Treasury bonds, and Treasury notes. Pursuant to the announcement the following offerings were made. An issue of 16-month 1¼ percent Treasury notes, Series B–1951, was exchanged for the one-year 1¼ percent certificates maturing March 1. Subscriptions accepted amounted to $2.7 billion. An issue of 5-year 1½ percent notes, Series A–1955, was offered in exchange for the 2 percent Treasury bonds of 1950–52 (dated October 19, 1942). This note issue was reopened in exchange for the 18½-month 1⅜ percent Treasury notes which matured April 1, 1950. Subscriptions accepted for Series A–1955 totaled $5.4 billion. An issue of 15-month 1¼ percent notes, Series C–1951, was offered to refund the one-year 1¼ percent certificates which matured April 1, 1950. Exchanges of the new Treasury notes amounted to nearly $0.9 billion.

The final financing operation of the year was announced by the Secretary of the Treasury on May 4, 1950, when he stated that the Treasury would offer new issues of 13-month 1¼ percent Treasury notes dated June 1 and July 1, in exchange for the one-year 1¼ percent certificates of indebtedness maturing on those dates. Subscriptions to the first of these note issues, Series D–1951, dated June 1, 1950, amounted to $4.8 billion.

Treasury bills.—Weekly offerings of Treasury bills were made in the fiscal year 1950. The three-year record of a substantial net retirement of bills was broken in 1950 when, in contrast, there was a net increase of $2.0 billion, the first in any fiscal year since 1945. This amount takes account of the minor differences involved between the maturing issues and the new securities when the maturing issues were refunded into new series of Treasury bills. The year's issues consisted of 50 carrying terms of 91 days; one, on August 25, 1949, a term of 92 days; and one, on November 25, 1949, a term of 90 days. The 13 issues outstanding at the end of the fiscal year 1949 totaled $11,536 million; the 13 issues outstanding at the end of the fiscal year 1950 totaled $13,533 million.

Of the total increase in bill offerings, $800 million took place in the six weeks beginning August 4. Each of the offerings of August 4 and 18 exceeded the maturing issue by $200 million. The other four offerings were $100 million in excess of each issue maturing. From September 15 through April 6, the offerings were for the amount of the maturities. Between April 13 and June 29, however, offerings exceeded maturities by $1,200 million, with each offering exceeding the maturing issue by $100 million.

Average rates on new Treasury bills during the year ranged from a low of 0.923 percent for the July 14, 1949, issue to a high of 1.179 percent for the June 8, 1950, issue. The average rate for the July 7, 1949, issue was 1.052 percent, and for the June 29, 1950, issue, 1.172 percent. There was some fluctuation in the rates in the first half of the fiscal year which ranged from the low of 0.923 percent to 1.115 percent for December 8 and 15. From January 12 to the end of June, there was a gradual rise from 1.076 percent to 1.172 percent. Weekly rates on new bills throughout the year are shown in exhibit 9. Bids on the fixed price basis averaged about $92 million a week and amounted in the aggregate to about 9 percent of all bids accepted.

Additional information on Treasury bills is contained in exhibits 7 through 10, and in table 23.

NONMARKETABLE ISSUES

Nonmarketable public securities issued during the fiscal year 1950 totaled $13.2 billion and redemptions, $8.3 billion. The increase of $4.7 billion in the nonmarketable interest-bearing securities outstanding was due mainly to the rise of $3.6 billion in Treasury savings notes and also to the rise of $1.3 billion in United States savings bonds outstanding. The table following shows the changes in the amounts of the nonmarketable interest-bearing classes of securities outstanding at the end of 1949 and 1950.

Class of security	June 30, 1949	June 30, 1950	Increase, or decrease (−)
	In billions of dollars		
United States savings bonds (unmatured):			
Series D	1.9	0.9	−1.0
Series E	33.1	34.5	1.4
Series F and G	21.2	22.1	.9
Total	56.3	57.5	1.3
Treasury tax and savings notes (unmatured)	4.9	8.5	3.6
Total savings bonds and tax and savings notes	61.1	66.0	4.9
Other	1.7	1.5	−.2
Total interest-bearing nonmarketable issues	62.8	67.5	4.7

United States savings bonds.—Sales of Series E, F, and G savings bonds (including accrued discount) exceeded redemptions during the year by $2.3 billion. Sales amounted to $5.7 billion, issue price. On June 30, 1950, the $57.5 billion of unmatured bonds (Series D–1940 through Series G) outstanding (at current redemption value) were 22.3 percent of the total outstanding public debt and guaranteed obligations, the same proportion as a year earlier. Since 1935, when savings bonds were first sold, the volume of Series A–G bonds issued, including accrued discount, has totaled $93.7 billion, while redemptions have totaled $36.0 billion. On June 30, 1950, the redemption value of the bonds outstanding was 62 percent of the amount issued (including accruals).

Redemptions of savings bonds (Series A–G) during the year totaled $5.4 billion, an increase of $355 million over those in 1949. The increase resulted from the larger volume of matured bonds in the total, and the increasing amount of accrued discount which reflects the lengthening periods in which the bonds have been outstanding. Series A–D redemptions included $667 million of matured bonds which were redeemed in the six months ended June 1950, the first period for which the data have been tabulated to show matured redemptions separately from those unmatured. Redemptions of Series A–D bonds in 1950 totaled $1,081 million compared with $703 million in 1949. On June 30, 1950, there were $895 million unmatured Series D bonds outstanding compared with $1,927 million a year earlier. By the end of April 1951 all Series D bonds will have matured. In May 1951, Series E bonds will begin to mature.

Series E bonds sold in 1950 amounted to almost $4.0 billion, issue price, a decrease of $286 million from sales in 1949. Series E sales were 70 percent of all savings bonds sold in 1950. Redemptions of Series E bonds amounted to $3,521 million in 1950, as compared with $3,530 million in 1949. The amount outstanding as of June 30, 1950, was $34.5 billion, an increase of $1.4 billion during the year.

Sale of the $10 denomination of Series E bonds was discontinued at the close of business on March 31, 1950, following an announcement by the Treasury Department on March 15. Series E bonds of $10 maturity value were authorized on June 7, 1944, for issuance exclusively to members of the armed forces.

Sales of Series F and Series G bonds together totaled $1,680 million, issue price, in 1950. This compared with sales of $1,737 million, issue price, in 1949, which is exclusive of sales of $1,126 million in the special offering of Series F and G bonds in July 1–15, 1948, to certain institutional investors who were allowed to purchase these bonds in excess of the $100,000 annual limitation up to $1,000,000, issue price, in the aggregate for the institutions concerned. (See table 29.) Redemptions of $199 million of Series F bonds during the year compared with $216 million in 1949. Redemptions of Series G bonds of $621 million were $2 million more than in 1949.

The redemption experience of savings bonds by yearly series is summarized in the following table. An analysis of these data by denominations is shown in table 33.

Percent of savings bonds sold in each year redeemed through each yearly period thereafter [1]

[On basis of Public Debt accounts, see p. 443]

Series and calendar year in which issued	Redeemed by end of—								
	1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years
	Series A through E								
A-1935	5	11	16	20	23	26	28	29	31
B-1936	6	12	17	21	24	26	28	29	30
C-1937	7	12	17	20	23	25	26	27	29
C-1938	5	10	15	18	19	21	22	24	26
D-1939	4	9	13	15	17	18	20	23	25
D-1940	4	8	11	13	15	18	20	22	25
D-1941 and E-1941	3	7	10	13	17	21	25	28	31
E-1942	8	15	21	29	35	40	44	48	
E-1943	15	24	34	41	47	51	55		
E-1944	19	33	41	47	52	56			
E-1945	28	38	45	50	54				
E-1946	23	34	40	45					
E-1947	21	30	37						
E-1948	20	30							
E-1949	22								
Average, Series A-E issued through Dec. 31, 1941	5	10	14	17	20	22	24	26	28
Average, Series E issued from Jan. 1, 1942	20	29	36	43	47	49	49	48	
	Series F and G								
F-1941 and G-1941	1	3	5	7	10	13	15	18	20
F-1942 and G-1942	1	4	7	11	14	18	21	24	
F-1943 and G-1943	2	6	10	14	19	22	26		
F-1944 and G-1944	2	6	10	14	18	21			
F-1945 and G-1945	2	7	11	14	18				
F-1946 and G-1946	3	7	12	15					
F-1947 and G-1947	3	8	12						
F-1948 and G-1948	2	5							
F-1949 and G-1949	3								
Average, Series F and G issued from May 1, 1941	2	6	10	13	16	19	21	21	20

NOTE.—The percentages shown in this table are the proportions of the value of the bonds sold in any calendar year which are redeemed before July 1 of the next calendar year, and before July 1 of succeeding calendar years. Both sales and redemptions are taken at maturity value. The average percentages shown above are simple averages of the percentages for the applicable annual series.

[1] Percentages by denominations may be found in table 33.

Detailed information on savings bonds from March 1935, when this security was first offered, through June 1950 is published in tables 28 through 33.

Treasury notes, tax and savings series.—Sales of Treasury savings notes amounted to more than $6.1 billion (face amount) in the fiscal year 1950, nearly $2.2 billion more than sales in 1949 and the largest volume sold since 1945. The increase was concentrated in the first two months of the fiscal year. Redemptions, including both tax and savings notes, amounted to over $2.5 billion during the year. Of the redemptions, $1.0 billion was applied to payment of taxes and $1.5 billion was paid in cash. Unmatured savings notes on June 30, 1950, totaled $8.5 billion compared with $4.9 billion a year earlier. (See table 34.)

An amendment to the initial terms (dated August 17, 1948) relating to the purchase of Treasury savings notes, Series D, was announced on August 10, 1949. Effective August 11, 1949, these notes are sold at par and accrued interest from the first day of the month in which purchased to the day, inclusive, on which payment is made in cash or other immediately available funds. The amount of accrued interest payable by the purchaser is computed at the rate at which interest accrues on the notes ($0.80 per month per $1,000 par amount) for the actual number of days in the month in which the purchase is made. (See exhibit 11.) Previously the notes were dated as of the first day of the month in which payment, at par, was received and credited.

Special short-term certificates of indebtedness.—Special short-term certificates of indebtedness were sold twice during the year to cover overdrafts on Treasury balances at the Federal Reserve Banks in anticipation of the imminent receipt of income taxes. The first instance consisted of an issue of $108 million on March 15, 1950. The securities were retired in full on March 16. The second was on June 15, when an issue of $105 million was sold to the Federal Reserve Banks. These certificates were redeemed on the following day. Interest on the issues was paid to the Federal Reserve Banks at the rate of one-fourth of one percent per annum.

Special issues to Government investment accounts.—Outstanding interest-bearing securities issued by the Treasury for the investment of trust and other funds deposited in the Treasury decreased $420 million during the year. The decrease compared with an increase of nearly $2.6 billion in 1949. The decline in 1950 was the net result of $1.9 billion of redemptions of special issues held by the national service life insurance fund in connection with the payment of special dividends, of a decrease of $0.7 billion in issues to the unemployment trust fund, an increase of $1.4 billion issued to the Federal old-age and survivors insurance trust fund, and increases totaling $0.8 billion in the remaining accounts. Special issues outstanding totaled $32.4 billion on June 30, 1950, compared with $32.8 billion a year earlier.

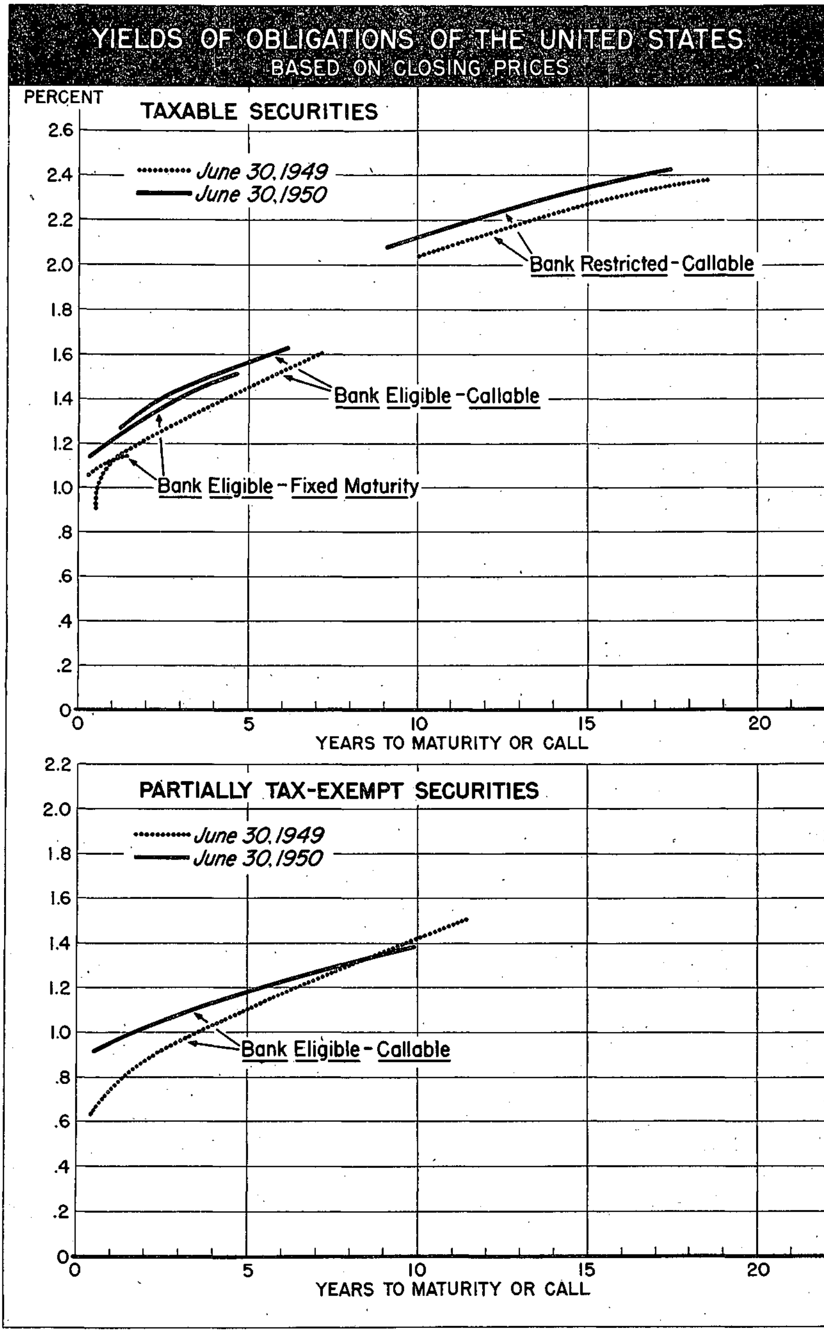

CHART 10.

NOTE.—The wholly tax-exempt Panama Canal bonds of 1961 and the bank-eligible 2½'s of 1967–72 have been omitted from the chart in order to avoid undue complexity. Issues for which an exchange offer has been made or which are due or callable in less than 3 months are also excluded.

All bank-restricted issues are callable and all partially tax-exempt issues are bank-eligible.

INTEREST ON THE PUBLIC DEBT

Interest on the public debt during the year amounted to $5,750 million, compared with $5,339 million in 1949, daily Treasury statement basis. Nearly $225 million of the $411 million increase was a nonrecurring addition resulting from a change in reporting methods. (See table 36.) Under the new method, which was effective November 1, 1949, interest on the public debt is reported as an expenditure when the interest becomes payable rather than when actually paid. The increase in interest payments reflected also the accelerated accrual of interest on savings bonds as they approach maturity. The increase was due also to the rise in the public debt and the changes in its composition during the year.

The yields on marketable Government securities as of June 30 in 1949 and 1950 are shown in chart 10.

SINKING FUND

Credits accruing to the cumulative sinking fund in 1950 amounted to $620 million which, added to the unexpended balance of $6,582 million brought forward from the previous year, made available $7,201 million. Of this amount, $2 million was used for the retirement of 4¼ percent Treasury bonds of 1947–52, which had been called October 1947. The unexpended balance of $7,199 million was carried forward to the fiscal year 1950.

Tables 26 and 27 show the transactions on account of this fund since its inception on July 1, 1920.

STATUTORY LIMITATION ON THE PUBLIC DEBT AND GUARANTEED OBLIGATIONS

Section 21 of the Second Liberty Bond Act, as amended (31 U. S. C. 757b), limits the amount of obligations issued under authority of the act to $275 billion outstanding at any one time. This limitation applies to the public debt and to those obligations of Government corporations and other business-type activities which are fully guaranteed by the United States (except such obligations held by the Treasury).

As of June 30, 1950, the unused borrowing authorization was $18 billion. An analysis of the public debt and guaranteed obligations outstanding as affected by the debt limitation is shown in table 20.

Ownership of Federal Securities[1]

Approximately two-thirds of the $4.6 billion increase in gross Federal debt during the fiscal year 1950 was accounted for by the increase of $3.0 billion in the holdings of Federal securities by nonbank investors. Because of the large volume of alternative private investments available there was no significant active demand for marketable Federal securities on the part of long-term investors during the year. The increase of $3.0 billion in nonbank holdings was more than accounted for by the net purchases of savings bonds by individuals and of savings notes and short-term marketable securities by commercial, industrial, and mercantile corporations.

Debt ownership by nonbank investors reached an all-time peak of $173.5 billion by June 30, 1950, or more than $10 billion above their holdings at the conclusion of the Victory Loan. In contrast to this upward trend of nonbank investment, there was a decline of almost $33 billion in the holdings of Federal securities by the banking system—that is, commercial banks and Federal Reserve Banks—between the peak of the debt on February 28, 1946, and the end of the fiscal year 1950. Bank holdings continued to decline after June 30, 1950, as well and during the first part of the fiscal year 1950 they reached a point lower than at any other time in the last 6 years. On June 30, 1950, as was also true a year earlier, the banking system held only 33 percent of the total debt outstanding, as compared with 42 percent at the peak of debt and 39 percent before our entry into World War II.

The figures on bank and nonbank ownership, together with pertinent detail on the holdings of Federal securities by the various investor classes, are shown in the following table.

[1] Gross public debt, and guaranteed obligations of the Federal Government held outside of Treasury.

Ownership of Federal securities, by investor classes, for selected dates, 1941-50 [1]

Class of investor	Holdings as of— June 30, 1941	Feb. 28, 1946 [2]	June 30, 1949	June 30, 1950	Change during fiscal year 1950
	Amounts in billions of dollars				
Estimated ownership by:					
Nonbank investors:					
Individuals [3]	11.2	63.7	66.6	67.2	+0.6
Other nonbank investors:					
Insurance companies	7.1	24.7	20.8	20.1	-.7
Mutual savings banks	3.4	11.1	11.6	11.6	-.1
Corporations [4]	2.0	19.9	15.1	18.3	+3.2
State and local governments	.6	6.7	8.0	8.2	+.2
Federal Government investment accounts.	8.5	28.0	38.3	37.8	-.5
Miscellaneous investors [5]	.7	9.1	10.0	10.2	+.3
Total	22.3	99.4	103.8	106.3	+2.4
Total nonbank investors	33.5	163.1	170.4	173.5	+3.0
Banks:					
Commercial banks	19.7	93.8	63.0	65.6	+2.6
Federal Reserve Banks	2.2	22.9	19.3	18.3	-1.0
Total banks	21.8	116.7	82.4	83.9	+1.5
Total gross debt outstanding	55.3	279.8	252.8	257.4	+4.6
	Percent of total				
Percent owned by:					
Nonbank investors:					
Individuals [3]	20	23	26	26	
Other	41	35	41	41	
Total	61	58	67	67	
Banks	39	42	33	33	
Total gross debt outstanding	100	100	100	100	

[1] Gross public debt, and guaranteed obligations of Federal Government held outside of Treasury.
[2] Peak of debt.
[3] Includes partnerships and personal trust accounts. Nonprofit institutions and corporate pension trust funds are included under "Miscellaneous investors."
[4] Exclusive of banks and insurance companies.
[5] Includes savings and loan associations, nonprofit institutions, corporate pension trust funds, dealers and brokers, and investments of foreign balances and international accounts in this country.

Individuals continued during 1950 to increase their ownership of Federal securities. During the year they added over a billion dollars to their holdings of savings bonds and by June 30, 1950, they owned savings bonds totaling approximately $50 billion, with $34½ billion in Series E bonds alone. Individuals' holdings of other securities declined slightly during the year. As is noted in the table above, individuals constitute the largest single investor group in the entire Federal debt ownership structure, reflecting the widespread distribution of the debt throughout the Nation.

Holdings of Federal securities by insurance companies on June 30, 1950, amounted to about $20 billion. Three-fourths of the total was in the hands of life insurance companies, whose investments are predominantly in long-term securities. Life insurance companies reduced their holdings of Federal securities by a little over $1 billion during the year, following the trend which began 3 years ago as new private investment opportunities appeared in the form of an increased supply of mortgages and corporate securities. Liquidation of Federal securities was smaller during 1950, however, than it had been during the two preceding years. The decline in life insurance company holdings was offset in part by continued additions to the Federal security portfolios of fire, marine, and casualty insurance companies. In total, therefore, insurance company holdings were down by only $0.7 billion during the year.

Mutual savings bank holdings of Federal securities totaled $11.6 billion on June 30, 1950, with $9.4 billion invested in bank-restricted bonds. Mutual savings banks have also been actively engaged in increasing their mortgage and corporate security portfolios during the last few years, but their holdings of Federal securities on June 30, 1950, were only $0.6 billion below their all-time peak. Their holdings declined by only $0.1 billion during the fiscal year 1950.

Corporations, other than banks and insurance companies, showed an increase of over $3 billion in their holdings of Federal securities during the fiscal year 1950. Their holdings of $18.3 billion in June 1950 were just about midway between their peak holdings of $22.9 billion reached 5 years ago and the low point in the postwar period of $13.5 billion on June 30, 1948. Manufacturing corporations alone accounted for over $10 billion of holdings of Federal securities as of June 30, 1950, with holdings concentrated in the hands of the producers of automobiles and other heavy industrial products.

Miscellaneous investors held approximately $10 billion of Federal securities as of June 30, 1950. About one-third of this amount was accounted for by holdings of securities by various international organizations and by the investment of foreign balances in the United States. Private pension trusts accounted for approximately $2 billion of the total, with the remainder reflecting the holdings of nonprofit institutions, dealers and brokers, savings and loan associations, and certain smaller groups. There was very little change in the holdings of miscellaneous investors in the aggregate during the year, with more than the entire increase of $0.3 billion accounted for by expanded investments of foreign balances.

Holdings of Federal securities by State and local governments as of June 30, 1950, amounted to $8.2 billion, with very little change being reported by these investors during the year. State and local pension funds held approximately a third of the $8.2 billion, with sinking funds holding a little over $1 billion; the balance was accounted for by various operating and special funds. State governments alone accounted for $5.6 billion of the total, with local government funds currently holding about $2.6 billion.

Federal Government investment accounts held $37.8 billion of Federal securities on June 30, 1950, of which $32.4 billion were in special issues. Total holdings of Federal Government investment accounts declined by half a billion dollars during the year, in contrast to the usual increases which have characterized each year prior to 1950. There was a continued increase in the investments of the old-age and survivors insurance trust fund, railroad retirement account, Government employees' retirement funds, and several other funds, but these were more than offset by the effect on trust fund investments of (1) the payment of $2.6 billion in dividends to veterans out of the national service life insurance trust fund during the last half of the fiscal year, and (2) the increased payment of unemployment benefits out of the unemployment trust fund during the year.

Commercial banks held $65.6 billion of Federal securities at the end of the fiscal year 1950. About $40 billion of this total was invested in bank-eligible bonds, over 75 percent of which were due or callable within 5 years. Commercial banks also held $22 billion of bills, certificates, and notes. The average length to first call or maturity of their total holdings of marketable debt amounted to slightly over 3 years as of June 30, 1950, reflecting the policy of maintaining the Government portion of bank portfolios in a relatively liquid position. Commercial bank holdings rose by $2.6 billion during the year, a large part of which was accounted for by the release of $1.8 billion in reserves when reserve requirements were reduced during the early part of the period. As a matter of fact, commercial bank holdings of Federal securities actually declined by $1.2 billion from December 1949 through June 1950. Federal Reserve Bank holdings of Government securities also declined both for the entire year (a decrease of $1.0 billion) and for the last 6 months of the period (a decrease of $0.6 billion).

An analysis of the estimated changes in bank versus nonbank ownership of Federal securities during the fiscal year 1950 is shown in the following table by type of issue.

Estimated changes in bank versus nonbank ownership of Federal securities by type of issue, fiscal year 1950 [1]

[In billions of dollars]

Class of security	Total change in amount outstanding	Change accounted for by—			
		Nonbank investors	Banks		
			Total	Commercial	Federal Reserve
Marketable securities:					
Treasury bills	2.0	1.5	0.5	1.0	−0.5
Certificates of indebtedness	−11.0	−5.0	−6.0	−4.5	−1.5
Treasury notes	16.8	3.8	13.0	9.8	3.1
Treasury bonds	−7.6	−1.8	−5.8	−3.7	−2.2
Total marketable	.2	−1.5	1.6	2.7	−1.0
Nonmarketable securities, etc.:					
United States savings bonds	1.3	1.4	−.1	−.1	
Treasury savings notes	3.6	3.5	.1	.1	
Treasury bonds, investment series	(*)	(*)			
Armed forces leave bonds	−.1	−.1			
Special issues to Government investment accounts	−.4	−.4			
Notes to International Bank and Monetary Fund	.2	.2			
Other	−.1	(*)	−.1	−.1	
Total nonmarketable, etc	4.4	4.5	−.1	−.1	
Total change	4.6	3.0	1.5	2.6	−1.0

*Less than $50 million.
[1] Gross public debt, and guaranteed obligations of Federal Government held outside of Treasury.

For marketable securities as a whole the total increase during the year was only $0.2 billion, consisting of an increase of $2.0 billion in bills outstanding and a net decline of $1.8 billion because of the unexchanged portions of maturing issues in the other three categories. Despite the fact that nonbank investors (principally nonfinancial corporations) absorbed three-fourths of the new bill offerings during the year, their holdings of marketable securities continued to decline, reflecting in large part the liquidation of securities by life insurance companies. Long-term investors bought most of the $1½ billion of long-term bonds which were sold in the market during the year by the Federal Reserve Banks. However, these long-term investors had a large volume of alternative investments available in the form of new mortgages and corporate securities. As a result, their purchases of long-term bonds from the Federal Reserve Banks did not result in any net acquisition of Federal securities over the period, since they in turn sold shorter-term obligations to pay for the long-term securities.

The dominant factor in the increase of $4.4 billion in nonmarketable securities during the year was the net sale of $3.6 billion of savings notes, primarily to corporations other than banks and insurance companies. Savings bonds increased by $1.3 billion during the year, largely absorbed by individuals.

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The decline of $22 billion in Federal debt from the February 1946 peak through June 1950 compares with an increase of over $80 billion in all of the private debt of the country combined during the same period (debt of individuals, corporations, and State and local governments). Nevertheless, Federal securities still account for one-half of the total debt of the United States, more than double the ratio a decade ago. Furthermore, Federal securities continue to dominate the investment portfolio of the large financial institutional groups throughout the country and account for significant portions of the liquid assets of individuals and the current assets of corporations.

Nonbank investment in Federal securities of $3 billion during the fiscal year accounted for about half of the total increase in liquid assets of nonbank investors during the year. Savings accounts in commercial banks increased by $0.4 billion during 1950, while checking accounts increased by $3.2 billion and currency holdings were unchanged. Both the Federal Government deficit of $3.1 billion during the year and the fact that private credit extended by commercial banks increased by over $5 billion resulted in a larger net increase in liquid assets this year than in the fiscal years 1948 and 1949.[1]

CORPORATIONS AND CERTAIN OTHER BUSINESS-TYPE ACTIVITIES OF THE GOVERNMENT

In accordance with the President's recommendation in his 1948 Budget Message and certain provisions of law, the Treasury during the fiscal year 1950 continued to adjust the interest rates on advances to Government corporations and certain agencies to keep such rates closely in line with the interest cost to the Treasury on its borrowings. Generally, the interest rates now charged the corporations and agencies are based upon the average rate on outstanding marketable obligations of the United States, and in actual practice are stated in terms of the nearest one-eighth of 1 percent under such average rate. On June 30, 1950, the computed average interest rate on outstanding marketable obligations of the United States was 1.958 percent, resulting in a rate of 1⅞ percent for the corporations and agencies involved. Where the advances by the Treasury are of a short-term character or involve special considerations, lower rates have been established to coordinate these rates with the interest cost to the Treasury of its short-term borrowings.

During the fiscal year 1950, there were several significant legislative changes affecting the borrowing authority of Government corporations. Under the provisions of Public Law 579, 81st Congress, approved June 28, 1950, the borrowing authority of the Commodity

[1] Table 106 presents data on the relationship between Federal fiscal operations and the Nation's financial structure for the 10-year period 1941–50.

Credit Corporation was increased by $2 billion, making its total borrowing authority $6,750 million. The Federal home loan banks and the Federal Savings and Loan Insurance Corporation in accordance with Public Law 576, 81st Congress, approved June 27, 1950, were authorized to borrow from the Secretary of the Treasury amounts limited by the provision that the aggregates outstanding at any one time may not exceed $1 billion and $750 million, respectively.

The National Housing Act of June 27, 1934, as amended (12 U. S. C. 1701–1748g), was further amended during the year, thereby increasing by $4,050 million the amount of mortgages that could be insured. The increases under the various acts enacted during the year are as follows:

Title	Acts enacted during 81st Congress	Increase (in millions)
National Housing Act, as amended:		
Title I, section 8	Public Law 475, approved Apr. 20, 1950	[1] $100
Title II	Public Law 171, approved July 15, 1949, and letter of the President dated July 25, 1949.	200
	Public Law 278, approved Aug. 30, 1949, and letter of the President dated Aug. 30, 1949.	500
	Public Law 387, approved Oct. 25, 1949, and letter of the President dated Nov. 18, 1949.	750
	Public Law 475, approved Apr. 20, 1950	[2] 1,000
Title VI	Public Law 387, approved Oct. 25, 1949, and letter of the President dated Nov. 18, 1949.	200
	Public Law 387, approved Oct. 25, 1949, and letter of the President dated Feb. 23, 1950.	300
	Public Law 475, approved Apr. 20, 1950	500
Title VIII	Public Law 211, approved Aug. 8, 1949	[3] 500
		4,050

[1] Could be increased by $150 million upon approval of the President.
[2] A further increase of $1,250 million could be made upon approval of the President. A partial increase of $650 million was authorized by letter from the President dated July 18, 1950.
[3] Could be increased by $500 million upon approval of the President.

In addition, the Housing Act of 1950 (Public Law 475, 81st Congress, approved April 20, 1950) extended to July 1, 1955, the Federal Housing Administration authorization (title 1) to insure lenders against losses on home modernization and repair loans. The total amount of such outstanding insured loans shall not exceed $1,250 million at any one time. The unused mortgage insurance authorizations at the end of the fiscal year 1950 amounted to $317 million.

The amount of borrowing power of each Government corporation and agency and the total amounts of obligations outstanding as of June 30, 1950, segregated as to Treasury holdings and securities held by others, are shown in table 63.

Balance sheets received from corporations and certain business-type activities of the Government are published quarterly in the daily Treasury statement. These balance sheets show the amount and classification of assets, liabilities, and capital of the various corporations and activities, together with the capital owned by the United States and that privately owned. The balance sheets as of June 30, 1950, will be found in table 68 of this report.

Table 67 shows the combined net investment of the United States in such corporations and other business-type activities for the fiscal years 1941–50; and table 69 shows the income and expense of individual corporations and activities for the fiscal year 1950. The source and application of funds for the fiscal year 1950 are shown in table 70.

SECURITIES OWNED BY THE UNITED STATES GOVERNMENT

On June 30, 1950, the United States owned securities consisting of capital stock, bonds, and notes of Government corporations; securities representing loans made to railroads, farmers, home owners, foreign governments, etc.; and receipts evidencing United States subscriptions to the International Bank for Reconstruction and Development and to the International Monetary Fund. The net face value of these securities amounted to $18,321 million; and the principal amount of obligations of foreign governments arising out of World War I amounted to $12,660 million. A statement of the securities owned at the end of the fiscal year 1950, exclusive of World War I foreign government obligations, is shown in table 73, together with an explanation of each increase or decrease during the year.

TAXATION DEVELOPMENTS

No major revenue legislation was enacted during the fiscal year 1950. A tax revision bill (H. R. 8920) was passed by the House on June 29, 1950, but developments in Korea led to substantial changes in the bill and the Revenue Act of 1950 was not approved finally until September 23, 1950. Section I which follows summarizes the suggestions for the 1950 tax program made to the Congress by the President and the Secretary of the Treasury and describes the major provisions of the Revenue Act of 1950. Section II summarizes the Social Security Act Amendments of 1950 which were approved on August 28, 1950. Miscellaneous revenue legislation taking effect during the fiscal year is listed in exhibit 24.

I. Revenue Act of 1950

A. THE PRESIDENT'S REVENUE PROGRAMS

The President's special tax message to the Congress on January 23, 1950, included two major recommendations: (1) That excise taxes be reduced to the extent, and only to the extent, that the resulting loss in revenue could be replaced by closing loopholes in the present tax laws, and (2) that additional revenues of $1 billion be provided by revising and improving the corporation income tax and the estate and gift tax. In addition, he recommended certain revisions with respect to taxation of income derived from foreign investments which were designed to facilitate the extension of financial and technical assistance to underdeveloped regions of the world under the Point Four Program. (See exhibit 19.)

Secretary Snyder appeared before the House Committee on Ways and Means on February 3, 1950, to discuss the details of the President's program. He emphasized the necessity for limiting the amount of excise tax reduction and specified as most urgently in need of reduction the excises on transportation of property and persons, long distance telephone and telegraph communications, and the retail excises. In the interest of tax equity, he recommended that the manufacturers' excise tax on radios be extended to television. He discussed in detail the loopholes which should be closed to provide replacement revenues for excise tax reduction. (See exhibit 20.)

Recommendations regarding corporate income tax revision included an increase in the general corporate rate from 38 to 42 percent, elimination of the "notch rate," and extension of the period for carrying over losses through provision of a five-year carry-forward and a one-year carry-back in place of the two-year carry-forward and two-year carry-back.

With respect to revision and strengthening of estate and gift taxes, the Secretary suggested correction of four major weaknesses: (1) The overly favorable treatment of property placed in trust for several generations, (2) the opportunity to escape the higher estate tax rates by making gifts subject to lower tax rates, (3) the large exemptions, and (4) the ineffectiveness of the present rate schedule.

On June 29, 1950, the House passed the tax revision bill, H. R. 8920, which provided excise tax reduction on a substantial list of commodities and services. Replacement revenues were to be obtained from closing tax loopholes and from an increase in the corporation income tax. Provision was made also for extension of income tax withholding to dividends at a flat 10 percent rate and for a gradual speed-up of corporate tax payments over a five-year period.

The Senate Committee on Finance began hearings on H. R. 8920 on July 5, 1950, with the understanding that action on the bill could be halted if international developments indicated it would be unwise to proceed with the legislation. The Secretary appeared before the Committee on the opening day to discuss the House bill on the basis of this understanding. (See exhibit 21.) A few days later, July 11, the Secretary recommended to the Chairman of the Committee that action on H. R. 8920 be suspended.

On July 25, 1950, the President in a letter to the Chairman of the Senate Committee on Finance recommended that, as an interim revenue measure, action should be taken immediately to revise and enact the tax bill so as to increase tax collections substantially for the taxable year 1950. (See exhibit 22.) The President's recommendations for interim tax legislation were discussed in the Secretary's statement of August 2, 1950, before the Senate Finance Committee. (See exhibit 23.)

It was suggested that H. R. 8920 serve as the basis for the legislation with the following adjustments: (1) Eliminate the excise tax reductions and other revenue-losing sections in the bill but retain the provisions for closing loopholes, withholding of dividends, and life insurance company taxation, (2) increase the corporation income tax rates in the bill, effective for 1950 incomes by an additional four percentage points, making the top rate 45 instead of 41 percent, as provided in the bill, and (3) increase individual income taxes, effective October 1, 1950, by removing for 1950 incomes one-quarter of the reductions made by the Revenue Acts of 1945 and 1948 and by eliminating such reductions entirely, beginning with the year 1951.

The Senate Finance Committee began work on the proposals in executive sessions on August 3 and reported a bill on August 22. With few major changes, this bill became the Revenue Act of 1950.

B. PROVISIONS OF THE ACT

The Revenue Act of 1950 increased individual and corporation income tax rates and made a number of other revisions in the income tax, estate tax, and excise tax provisions.

1. Individual income tax

a. *Rates.*—The act increased individual income tax rates at all income levels by eliminating the percentage reductions from "tentative tax" which were in effect during 1948 and 1949. The combined normal and surtax rate was thus increased from 16.6 to 20 percent in the first taxable income bracket and from 82.1 to 91 percent in the top bracket. The maximum effective rate limitation was increased from 77 to 87 percent. (See exhibit 26 for detail of rates.) The income-splitting provisions and the increase in exemptions enacted in 1948 were retained. Tax liabilities and effective rates under the Revenue Acts of 1948 and 1950 are compared in exhibit 25.

The full increase in rates applies to incomes in 1951 and subsequent years. Approximately one-quarter of the increases were applicable to calendar year 1950 incomes. The withholding rate applicable to wages and salaries in excess of personal exemptions was increased from

15 to 18 percent, beginning with October 1, 1950, in order to keep collections on a current basis for those subject to withholding.

The increase in tax liabilities of individuals under the act is estimated at $700 million on 1950 incomes and $2.9 billion on 1951 incomes.

b. *Exclusion for members of the armed forces.*—The act provided special income tax treatment for members of the armed forces while serving in combat zones. All pay of enlisted men and warrant officers and the first $200 per month paid to commissioned officers is excluded from taxable income. The President is authorized to designate as a combat zone any area in which armed forces of the United States engage in combat in the period from June 24, 1950, to December 31, 1951.

2. Corporation income tax

a. *Rates.*—The act made an important change in the structure of corporation income tax rates. Under prior law, a "notch rate" of 53 percent was provided to bridge the gap between the lower rates applicable to incomes under $25,000 and the general rate on incomes of $50,000 or more. Under the 1950 act, rates were increased and the "notch rate" was entirely eliminated by the adoption of a simple dual rate system as follows: a normal tax of 25 percent applicable to the profits of all corporations, and a surtax rate of 20 percent applicable to profits in excess of an exemption of $25,000. Thus, the rates became 25 percent on incomes below $25,000 and 45 percent on amounts of incomes in excess of $25,000.

The combined effect of the higher rates and the elimination of the "notch" was a relatively small increase in tax for corporations with net incomes under $31,250, incidental reductions for corporations with net incomes between $31,250 and $71,400, and a general increase ranging up to 7 percentage points for larger corporations.

The new rates apply in full to taxable years beginning after June 30, 1950. A transition schedule was provided for the calendar year 1950 consisting of a normal tax of 23 percent applicable to entire profits and a surtax of 19 percent on incomes above $25,000. For fiscal years beginning before July 1, 1950, and ending after June 30, 1950, the old rates applied to income allocated to the period prior to July 1, 1950, and the new rates to income allocated to the period after June 30, 1950.

It is estimated that the increase in rates added about $1.5 billion of revenue on an annual basis, at calendar year 1950 income levels, after taking account of the reduction in individual income taxes resulting from the estimated reduction in dividend payments.

b. *Acceleration of tax payments of corporations.*—The act also provided for acceleration of tax payments of corporations. Beginning with taxable years ending on or after December 31, 1950, corporations are to speed up payments gradually over a 5-year period until they are on a two-installment (instead of the present four-installment) basis. When the two-installment system is fully effective, one-half the corporation income tax will be collected 6 months earlier than under prior law.

While the speed-up of corporation tax payments does not increase corporation tax liabilities, it will increase collections of the Federal Government in the fiscal years 1951–55. It is estimated that fiscal year 1951 tax receipts will be increased by $856 million; receipts in each of the four succeeding fiscal years will increase by a somewhat larger amount.

c. *Carry-forward of business losses.*—The provisions respecting carry-overs and carry-backs of net operating losses were amended to provide for a system of one-year carry-back and a five-year carry-forward instead of the former two-year carry-back and two-year carry-forward. The effect of this change is to extend the period over which business income may be averaged from 5 to 7 years.

d. *Life insurance company taxation.*—The formula used in determining the income taxes of life insurance companies was revised for the years 1949 and 1950. This new formula, which is the same as that contained in House Joint Resolution 371, 81st Congress, second session, was designed as a stopgap to provide a tax contribution by life insurance companies pending the development of a permanent solution to this problem. (The operation and effect of this formula are explained in detail in Senate Report No. 1434, 81st Congress, second session, accompanying House Joint Resolution 371.)

e. *Amortization of emergency facilities.*—The act provides special amortization with respect to emergency facilities completed after December 31, 1949, which are certified as essential to national defense by the certifying authority designated by the President. Taxpayers erecting new defense facilities will be allowed to write off, over a period of five years, the portion of the cost of such facilities which is certified as attributable to defense purposes.

Gains from sale of emergency facilities will be subject to tax at ordinary rates, rather than at capital gains rates, to the extent that they represent the difference between the special amortization deductions and ordinary depreciation.

f. *Excess profits tax resolution.*—The Joint Committee on Internal Revenue Taxation was directed to make a full and complete study of the problems involved in the taxation of excess profits. The House

Committee on Ways and Means and the Senate Committee on Finance were also directed to report out an excess profits tax bill (retroactive either to July 1 or October 1, 1950) as soon as practicable after November 15, 1950.

3. Tax-exempt organizations and charitable trusts

The act provides, under carefully specified conditions, for the imposition of income taxes on business income of educational, charitable, and certain other tax-exempt organizations, foundations, and trusts. Restrictions were placed on the accumulation or investment of income by certain exempt organizations or trusts and also on the transactions of these entities with donors or founders. As a corollary, deductions for income, estate, and gift tax purposes are denied to donors to organizations which engage in prohibited transactions.

The act makes subject to income tax business income, in excess of $1,000, of certain tax-exempt organizations, largely so-called charitable and educational organizations, if the business is not substantially related to the performance of the functions upon which the organization's exemption is based. Certain rental income, generally that accruing from so-called purchase and leaseback transactions, is included in unrelated income.

Paralleling the changes for charitable and educational organizations is the provision that the unlimited charitable deduction allowed to trusts may no longer be taken with respect to income from any regularly carried on trade or business and certain rental income.

The act also makes explicit that charitable and similar organizations will not be exempt if they engage in specified financial transactions favoring substantial contributors or founders, their families, or corporations controlled by them. In addition, a trust engaging in the prohibited transactions is not allowed the unlimited charitable deduction but is limited to a deduction of 15 percent of net income. Denial of exemption from income tax or of the unlimited charitable deduction is also provided if accumulations of income are unreasonable in amount and duration, are used to a substantial degree for other than exempt purposes, or are invested in a manner to jeopardize the performance of the exempt function. As a corollary, when exemption is denied or the unlimited charitable deduction is not permitted, gifts or bequests will not be allowed as a charitable deduction to the donor or to the decedent's estate for income, estate, or gift tax purposes.

Provision was made also for the filing of information returns showing such items as income, expenses, and charitable disbursements, in the case of foundations and certain other charitable organizations, and trusts claiming unlimited charitable deductions. The returns are to be available for public inspection.

4. Capital gains and losses

Several changes were made in the provisions relating to capital gains and losses, most of which were directed at loopholes which permit conversion of ordinary income into capital gains, or short-term gains into long-term gains. One amendment provided in effect that the income realized by amateur artists and authors by the sale of their work will be taxed at ordinary income tax rates instead of receiving capital gains treatment.

Rules were provided as to the tax consequences of certain short sales of property. Where a sale of substantially identical property is made, and thereafter simultaneous "long" and "short" positions are maintained so as to give an actual short-term transaction the appearance of a long-term transaction, any resulting gain will be treated for tax purposes as short-term gain.

Provisions were added which were designed to close the loophole resulting from use of the device of the "collapsible" corporation to convert ordinary income into long-term capital gain. Gains from the sale or exchange (including liquidation) of stock in "collapsible" corporations will be taxed as ordinary income if (a) the stockholder owns 10 percent or more of the stock, (b) more than 70 percent of the gain on the stock is attributable to the property produced by the corporations, and (c) the gain is realized within three years after the property is produced.

Capital gains of nonresident aliens not engaged in trade or business in the United States will be subject to tax, at a 30 percent rate, if they are in this country temporarily. Those present in the United States for less than 90 days in the year will be taxed only on gains realized during this period. Those present for more than 90 days will be taxed on all their gains from transactions in this country during the taxable year.

5. Estate tax

Transfers by gift made more than three years before death will not be subject to tax as a transfer in contemplation of death. In the case of a transfer made less than three years before death, the burden of proof that it was not made in contemplation of death rests on the estate.

The deduction for support of a decedent's dependents during settlement of the estate was eliminated.

Proceeds of insurance purchased by a decedent upon his own life with premiums paid before January 10, 1941, will not be included in his gross estate by reason of his retention of a reversionary interest after that date unless this interest arose by the express terms of the life insurance policy or other instrument, and at some time after

January 10, 1941, had a value in excess of 5 percent of the value of the policy.

6. Excise taxes

The act includes a number of excise tax amendments, the most important of which are provisions for extending the 10 percent manufacturers' tax on radios to television sets and the 10 percent manufacturers' tax on refrigerators to deep freeze units. The annual occupational tax on coin-operated gaming devices was increased from $100 to $150.

The taxes on transportation of property and persons were extended to cover payments made outside the United States for travel which begins and ends in the United States or for the transportation of property from one point in the United States to another.

To avoid discrimination against regular retail sales outlets, sales of fur and jewelry at auction on behalf of a person not engaged in the business of selling these articles were made subject to the retail taxes. However, an exemption was granted for the first $100 for fur and jewelry sold at auction at the home of a person on whose behalf the sale takes place.

Articles sold at retail by the United States or by any of its instrumentalities or agencies, such as post exchanges and ships' service stores, were made subject to the retail taxes.

7. Miscellaneous income tax amendments

The act also made a number of amendments to the income tax provisions of the Internal Revenue Code.

Dealers in tax-exempt securities will be required to amortize premiums paid with respect to "short-term municipal bonds" which are held more than 30 days and have a maturity or call date not more than 5 years from the date of acquisition.

The privilege of amortizing a bond premium will be denied where the premium is attributable to a conversion feature of the bond.

Newspapers and periodicals will be permitted to deduct as ordinary expenses all expenditures incurred in connection with building up circulation except expenditures for the purchase of land or depreciable property or for the acquisition of circulation through the purchase of other newspapers or periodicals.

Filing and payment dates for fiduciaries of estates and trusts are changed.

Tax withheld at source on the income of nonresident aliens and foreign corporations will be paid on or before March 15 instead of June 15.

The act restores, with respect to certain corporate distributions made pursuant to liquidations during 1951, the provisions relating to election by stockholders as to recognition of gain.

Gross income from mineral properties, which is the basis for computing percentage depletion, may include transportation expenses to plants in which ordinary treatment processes are applied, if the plants are not more than 50 miles from the mine. Transportation for a greater distance may be allowed under a determination by the Secretary of the Treasury that it is necessary to transport the mineral a greater distance to the plant.

Rules are provided for the treatment as taxable dividends of certain corporate distributions by a subsidiary corporation to its stockholders in payment for stock in its parent corporation.

Corporate distributions in redemption of stock included in a decedent's gross estate, if made for the purpose of paying death taxes, will not be treated as taxable dividends.

A new section is added to liberalize the tax treatment of the income realized by an individual as a result of the exercise of certain types of stock options granted by his employer corporation.

A number of amendments were made with respect to the application of the income tax to citizens and aliens resident in Puerto Rico.

Regulated investment companies will be permitted to treat as dividend distributions during the taxable year certain dividends declared after the close of the year.

II. Social Security Act Amendments of 1950

The Social Security Act Amendments of 1950 which were approved on August 28, 1950, had been under consideration in Congress since early in 1949. The President in his Message on the State of the Union on January 5, 1949, recommended to the Congress that the social security program be expanded both as to size of benefits and extent of coverage. Following extensive public hearings on the Administration's social security program before the House Committee on Ways and Means, Chairman Doughton introduced H. R. 6000. The House passed the measure on October 5, 1949. The Senate Committee on Finance held public hearings on the bill early in 1950. An amended bill was passed by the Senate on June 20, the conference committee filed its report on August 1, and the act was finally approved on August 28, 1950 (Public Law 734, 81st Congress).

The most important changes made by the law relate to the old-age and survivors insurance system and to the public assistance and child welfare provisions of the Social Security Act. Coverage under old-age and survivors insurance was extended to about 10 million additional persons. The new categories include nonfarm self-employed, domestic workers, regularly employed farm workers, employees of nonprofit organizations (voluntary coverage), employees of State and local governments (voluntary coverage except for a small number of transit workers who would be compulsorily covered), Federal civilian employees not under a retirement system, employees outside the United States, employees in Puerto Rico and the Virgin Islands, and certain other groups, such as salesmen and industrial home workers, which were specifically included in the new definition of "employee," The new coverage provisions are effective January 1, 1951.

Benefits were increased for those currently receiving benefits by about 77½ percent on the average. Increases ranged from about 50 percent for the highest benefit group to about 100 percent for the low benefit groups. The average primary benefit of approximately $26 per month for a retired insured worker was increased to about $46. Benefit increases became effective September 1950.

A new benefit formula for persons retiring in the future was adopted. Benefits based on the new formula were to be paid first in May 1952. Persons coming on the rolls before that time would have their benefits computed under the present formula, together with the increases provided for those now receiving benefits. Average benefit amounts in the next decade would be about 110 percent higher than under existing law.

Eligibility requirements for insurance benefits were revised so that many persons now 65 or over would be able to draw retirement benefits immediately and the aged in the newly covered groups would be able to qualify more quickly for benefits.

Major revisions were made in the financing provisions of old-age and survivors insurance. The maximum amount of annual earnings subject to tax was increased from $3,000 to $3,600, beginning January 1, 1951. The payroll taxes on employers and employees would remain at the present 1½ percent rate on each until January 1, 1954. The rates on each thereafter would be: 1954–59, 2 percent; 1960–64, 2½ percent; 1965–69, 3 percent; 1970 and thereafter, 3¼ percent. The rate for self-employed would be 1½ times the above rates or ¾ of the combined employee-employer rates.

A number of amendments were made to the public assistance and child welfare programs. Federal aid to the States for these programs would be increased by about $180 million to $200 million annually.

The provisions for Federal loans to State unemployment insurance agencies was extended for the two years 1950 and 1951.

INTERNATIONAL FINANCIAL AND MONETARY DEVELOPMENTS

In the course of the fiscal year under review many countries, particularly in Europe, made substantial progress in restoring their economies. The physical volume of production generally increased, and important steps were taken toward bringing the world economy into better balance. The devaluation of currencies taking place in September 1949 was the most conspicuous of these steps. The course of steady adjustment in the postwar world continued through most of the year, and progress was made toward greater balance in international trade and payments. Shortly before the close of the fiscal year the invasion of the Republic of Korea presented the countries of the free world with a new range of problems. It made clear the necessity for more extended defense measures, which are having important repercussions on international monetary and financial affairs.

United States Economic Assistance Programs

United States economic assistance, from all sources, to countries participating in the European Recovery Program in the fiscal year 1950 aggregated $4.0 billion, compared with $5.0 billion utilized in 1949. As originally expected, the need for extraordinary assistance from the United States was greatest in the initial period of the program when the European economies lacked essential foodstuffs and raw materials to keep their economies in operation and to restore their standards of living. Consequently, a tapering off of United States assistance, contemplated from the beginning, was carried into effect in the course of the fiscal year.

An important change in the form of United States assistance to Europe was the increasing proportion made available in grants. In the first appropriation made under the Economic Cooperation Act, $4.0 billion was provided to be used as loans or grants by the Administrator in consultation with the National Advisory Council. The act also made available a sum of $1.0 billion derived from public debt transactions which could be used only for making loans and guaranties.[1] The laws governing operations in the fiscal year 1950 provided $150 million restricted to loans. The legislation continuing the program for 1951 eliminated a mandatory requirement of loans as part of the European Recovery Program. In the fiscal year 1950 assistance utilized by the participating countries under the program amounted to $3.4 billion. Of this sum, $2.7 billion was in the form of grants, about $586 million in the form of conditional aid, and $132 million in the form of loans.

[1] Of this amount $300 million was made available for guaranties of exchange convertibility of income and repatriation of American private capital investments in ERP countries.

In addition to assistance voted to the European countries by the Congress, appropriations were made for economic assistance to non-European countries, principally in Asia. There was a special program for economic recovery in Korea administered by the Economic Cooperation Administration for which appropriations for the fiscal year were $120 million. There were other programs of assistance to Asiatic countries, principally Japan and the Philippines. The total assistance utilized by all Asiatic countries totaled $614 million in grants and $94 million in credits.

Technical Assistance

The President's Point Four Program has the objectives of extending technical assistance and encouraging capital investment in the underdeveloped areas of the world. In June 1949 the President, in a message to the Congress, recommended enactment of legislation to authorize the program, and implementing bills were introduced in the Congress. Extensive hearings were held during 1949, but Congress adjourned before action was taken on the proposed legislation. During 1950 the technical assistance program was considered by the Congress and included in title IV of the Foreign Economic Assistance Act of 1950 as the Act for International Development. The Congress authorized $35.0 million for the purpose of the Point Four Program.

Under the technical assistance program the United States will, in some cases, provide funds to the United Nations and other international agencies, and in other cases will make cooperative agreements with particular countries. These programs will thus be, in part, an extension of activities already in effect. Certain existing technical assistance programs with special objectives, such as those under the Economic Cooperation Administration, will not be included under the new authority.

European Recovery

The countries participating in the European Recovery Program as a whole continued to raise their levels of production. By June 1950, in most instances, industrial production had exceeded prewar levels. Agricultural production also had increased considerably over the preceding years. This recovery in industrial and agricultural production was reflected, in part, by changes in the commodity composition of United States assistance to the European countries which, to an increasing degree, was directed toward supplying industrial equipment to replace worn out or obsolete capital goods and facilitating a rise in the per capita standards of living. It also brought into clearer focus the basic problem of trade, both within Europe and between

Europe and the United States and other parts of the world. With more production, the possibilities of economically desirable and profitable trade increased. But the expansion of trade did not keep pace with the increase in production. It was for this reason that particular importance attaches to the currency readjustments and to other measures designed to increase the flow of trade. In the course of the year several of the participating countries made further progress toward internal financial stability as indicated by relatively stable price levels. In the second half of the year they also were able to reduce their trade deficits with the dollar area without impairing their levels of production and standards of living.

To deal with the problem of trade in Europe, the countries participating in the European Recovery Program reached an Agreement on Intra-European Payments and Compensations in October 1948. This agreement was projected to deal with the problem of intra-European trade under prevailing conditions of currency inconvertibility and inadequate monetary reserves. This arrangement was made at a time when the recovery, and hence the trade, of the European countries had developed at uneven rates. The mechanism established provided for the settlement of balances arising in the trade of European countries with each other by the extension of so-called "drawing rights," which the countries with a surplus would make available to countries with a deficit on their current account transactions. The United States supported this device by making part of its assistance available to the participating countries in the form of "conditional aid," i. e., the grants to some countries were made on condition that they provide drawing rights for others. While this method did not increase the total of United States assistance, it facilitated the operation of the payments mechanism. The 1948 agreement, however, did not provide for any specific reduction of the trade restrictions already in existence.

The European Payments Union, which came into effect in 1950, represents a more advanced attempt to deal with the problem of European trade and to further European integration. Under the new plan the countries participating agreed to undertake successive reductions in their trade barriers, while at the same time balances arising could be settled multilaterally through the payments mechanism established. The Congress, in the Foreign Economic Assistance Act of 1950, authorized the Administrator for Economic Cooperation "to transfer funds directly to any central institution . . . to be used on terms and conditions specified by the Administrator to facilitate the development of transferability of European currencies, or to promote the liberalization of trade by participating countries with one another and with other countries."

Exchange Rate Adjustments

The rates of exchange for the currencies of the world had been set, for the most part, during the war and the period immediately following it. With changes in price levels, production, and trade, these rates had become increasingly less satisfactory as means of bringing about equilibrium in the balances of payments of the countries of the world with each other and with the United States economy. While the International Monetary Fund provided a mechanism for the orderly adjustment of exchange rates, most countries had been reluctant to change their rates until such time as they could bring about better control of their internal finances and until increased levels of production would enable them more easily to expand foreign trade. The pressure for exchange rate adjustment had, accordingly, increased in the postwar period and the need became greater with the slump in international commodity trade in the course of 1949. The devaluation of the pound sterling in September 1949 by 30.5 percent was followed by the devaluations of many other currencies. The extent of the adjustment varied from country to country as shown by the reports of the National Advisory Council. (See exhibit 27, *infra* p. 309.) The revaluation of currencies in relation to the dollar made possible the adjustment of trade with the Western Hemisphere and so contributed to the reduction in the current dollar deficits of other countries. By the close of the fiscal year trade had begun to increase again and, in some instances, countries had increased their monetary reserves.

United States Participation in the International Monetary Fund and the International Bank for Reconstruction and Development

The National Advisory Council, established by the Bretton Woods Agreements Act, continued to exercise its function of coordinating the activities of the United States representatives on these international bodies with the activities of the financial agencies of the United States Government. In accordance with law, the Council submitted its semiannual reports and its Second Special Report (biennial) on the Fund and the Bank (see exhibits 27, 28, and 29).

The International Monetary Fund has as one of its purposes "to assist in the establishment of a multilateral system of payments in respect of current transactions between members and in the elimination of foreign exchange restrictions which hamper the growth of world trade." The Articles of Agreement provide, however, for an initial transitional period during which restrictions already in effect can be continued. After 1952 the Fund must be consulted on the

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retention of restrictions on current account transactions. As one of the steps in carrying out its responsibilities, the Fund presented its first annual report on exchange restrictions (March 1, 1950) in accordance with the requirements of its Articles. While this report regretfully notes the relatively slight progress made since the war in eliminating such restrictions, the Fund's comprehensive study of the regulations in force is a step toward the realization of one of the Fund's basic objectives.

The International Monetary Fund has continued to play an important role in advising its members on international exchange and monetary problems. At the request of its members, it has sent missions to them and consulted with the governments in the adjustment of exchange rates, currency controls, and exchange practices. The exchange adjustments which took place in 1949 were made in accordance with the Fund's Articles and in agreement with the Fund, after extensive studies of the problem by the member countries, as well as the Fund. In view of the conditions which prevailed through this period, the Fund's exchange transactions were relatively small. The importance of its activities, however, should not be measured in terms of the amount of currency sold, but rather in terms of the Fund's influence on the development of a code of fair practice in the field of international currency and exchange arrangements.

As shown in greater detail in the reports of the National Advisory Council, the International Bank for Reconstruction and Development expanded its loans in the course of the year, especially for economic development programs, e. g., India, Mexico, Brazil, El Salvador, and Iraq. In the course of the fiscal year new loans aggregating $166.3 million (less cancellations of $7.4 million) were made by the Bank. These loans were financed in large part from the United States subscription. The Bank has also floated its securities on the United States market and in January 1950 refunded an earlier issue of $100 million of its bonds and so reduced the cost of funds borrowed in our markets. In the course of the year the Bank further expanded its technical assistance activities in the member countries by sending missions to assist them in formulating development programs and to supply technical assistance in other related financial matters.

The Export-Import Bank of Washington

The Export-Import Bank of Washington, as the agency of the United States Government established to make foreign loans, has consulted with the Council on proposed credits. During the fiscal year the Export-Import Bank authorized new credits totaling approximately $405.5 million, principally loans to Latin American countries and Indonesia. The Bank also continued to administer the loans under the Foreign Assistance Act of 1948, as amended, on behalf of the Economic Cooperation Administration.

The United States-Mexican Stabilization Agreement

In 1947 the Secretary of the Treasury made an agreement for the stabilization of the Mexican peso-dollar exchange rate whereby *inter alia* the Treasury undertook to purchase, on request, pesos up to the equivalent of $50 million. In 1948 Mexico ceased to support the par value of the peso. In June 1949, following the acceptance by the International Monetary Fund of a new par value of 8.65 pesos to the dollar, the Secretary entered into a Supplemental Stabilization Agreement which added $12 million to the $13 million remaining unutilized under the original agreement. Mexico did not find it necessary to sell pesos to the Stabilization Fund under this supplemental agreement. The experience of Mexico under the new rate has been notably successful as indicated by the substantial increase in its monetary reserves. On January 2, 1950, Mexico repurchased pesos from the United States Stabilization Fund in an amount equivalent to $22 million, and, after the close of the fiscal year, an additional sum of pesos equivalent to $15 million. Thus all of the pesos previously purchased by the Stabilization Fund have been repurchased by Mexico. The Stabilization Agreement continues in effect until July 1, 1951.

Gold Policy and Transactions

During the year the Treasury maintained without change its policy of standing ready to buy gold at the official price of $35 per fine troy ounce from all legal holders and also to sell gold freely, at the official price, to foreign governments and central banks for all legitimate monetary purposes. A handling charge of ¼ of 1 percent is applied to both types of transactions. The Treasury also continued to sell gold for industrial, professional, and artistic purposes.

Concrete evidence of the improvement in the international financial positions of other countries as a whole appeared during the fiscal year in the monetary gold transactions of the Treasury. In the fiscal years 1947, 1948, and 1949, net sales of monetary gold by foreign countries to the United States Treasury totaled $1.8 billion, $2.5 billion, and $1.0 billion, respectively. Net sales at such rates could not have been kept up for very long. In the fiscal year 1950, gross sales of gold to the United States decreased to $422.7 million, and gross purchases of gold from the United States by foreign governments and central banks increased to $706.8 million, leaving a net movement to other countries of $284.1 million. The turning point from a net movement of gold to the United States to a net movement from the United States coincided with the currency devaluations in September 1949, but the change at that time was a continuation of trends toward increasing foreign purchases of gold from the United States and decreasing foreign sales of gold to the United States, which were already clearly in evidence.

The gold and short-term dollar assets of foreign countries (exclusive of the Soviet Union and international organizations) dropped from $19.9 billion on June 30, 1945, to $14.7 billion on June 30, 1949, and then rose to $16.6 billion by June 30, 1950. Thus, in the last year there has been some reconstruction of reserves on the part of some countries, but it has not as yet progressed to the point where most countries have reestablished reserves equal to those formerly maintained. The gold stock of the United States on June 30, 1950, was $24.2 billion.

ESTIMATES OF RECEIPTS

(On the basis of existing legislation)

The Secretary of the Treasury is required each year to prepare and submit in his annual report to the Congress estimates of the public revenue for the current fiscal year and for the fiscal year next ensuing (Public No. 129, 59th Congress, February 26, 1907). The estimates of receipts from taxes and customs are now made by the Treasury Department each year on the basis of legislation existing at the time of making the estimates. The estimates of miscellaneous receipts are prepared in general by the agency depositing the receipts in the Treasury.

The details of estimated and actual receipts are shown in table 116, which includes receipts under proposed legislation. The term "net budget receipts" as used in this report has the same significance as the term "budget receipts" used in the Budget document.

Total and Net Budget Receipts

Net budget receipts are estimated to be $44,511.9 million in the fiscal year 1951 and $55,138.4 million in the fiscal year 1952. The amount estimated to be received in 1952 represents the all-time peak in receipts and is $10,376.8 million greater than the previous record of $44,761.6 million received in 1945. The estimated increases in receipts in 1951 and 1952 result primarily from the estimated large increases in receipts from the corporation income and excess profits taxes and the individual income tax.

Total receipts (daily Treasury statement basis), before deductions for refunds and appropriation to the Federal old-age and survivors insurance trust fund, are estimated in the amounts of $49,807.5 million in 1951 and $61,664.3 million in 1952. Both estimates represent substantial increases over actual total receipts of $41,310.6 million in 1950.

As shown in the following table of percentage distribution, the individual income tax and corporation income and excess profits taxes continue to be by far the two most important sources of receipts. The corporation tax remains the lesser of the two but shows a decided gain in the fiscal year 1952. As a result of the large increases in receipts from individuals and corporations, miscellaneous internal revenue shows a decline percentagewise in both the fiscal years 1951 and 1952, although increasing in absolute amount for both years. Employment taxes show a steady increase from 1949 principally as a result of increases in the tax rates and coverage. Customs receipts, although increasing in absolute amounts, are estimated to decline as a percentage of total receipts in 1952. Miscellaneous receipts are expected to decline percentagewise in both 1951 and 1952.

Percentage distribution of total receipts, by sources

Source	Actual, 1949	Actual, 1950	Estimated, 1951	Estimated, 1952
Individual income tax	42.0	42.1	43.3	42.2
Corporation income and excess profits taxes	27.0	26.3	27.2	32.4
Miscellaneous internal revenue	19.5	20.1	18.0	14.6
Employment taxes [1]	5.8	7.0	7.6	7.6
Customs	.9	1.0	1.2	1.0
Miscellaneous receipts	4.8	3.5	2.7	2.2
Total receipts	100.0	100.0	100.0	100.0

[1] Includes Railroad Unemployment Insurance Act receipts.

Fiscal Year 1951

Actual receipts in the fiscal year 1950 and estimated receipts in 1951 are compared by major sources in the following table.

Source	Actual, 1950	Estimated, 1951	Increase, or decrease (−)
	In millions of dollars		
Individual income tax	17,408.3	21,599.0	4,190.7
Corporation income and excess profits taxes	10,854.4	13,560.0	2,705.6
Miscellaneous internal revenue	8,303.1	8,950.0	646.9
Employment taxes [1]	2,892.0	3,773.8	881.8
Customs	422.7	600.0	177.3
Miscellaneous receipts	1,430.2	1,324.7	−105.5
Total receipts	41,310.6	49,807.5	8,496.9
Deduct:			
Appropriation to Federal old-age and survivors insurance trust fund	2,106.4	2,960.0	853.6
Refunds of receipts	2,159.5	2,335.5	176.0
Net budget receipts	37,044.7	44,511.9	7,467.2

[1] Includes Railroad Unemployment Insurance Act receipts.

Net budget receipts in the fiscal year 1951 are estimated to amount to $44,511.9 million, an increase of $7,467.2 million over actual net budget receipts in 1950. All major tax sources of receipts contribute to the increase. The largest estimated increases are in the individual income tax and corporation income and excess profits taxes.

Individual income taxes.—The details of the yield of the individual income tax are shown in the following table.

Source	Actual, 1950	Estimated, 1951	Increase
	In millions of dollars		
Withheld	10,073.2	13,202.0	3,128.8
Not withheld	7,335.1	8,397.0	1,061.9
Total individual income tax	17,408.3	21,599.0	4,190.7

Receipts from income tax withheld are estimated to increase sharply as a result of an estimated increase in salaries and wages and the increased withholding tax rates enacted by the Revenue Act of 1950 which were increased effective October 1, 1950. Receipts from income tax not withheld are estimated to increase as a result of expected higher levels of income and the increased tax rates effective on calendar year 1950 incomes under the Revenue Act of 1950.

The Revenue Act of 1950 increased individual income tax liabilities substantially for the calendar year 1951 and increased calendar year 1950 liabilities by approximately one-quarter of this amount. Individual income tax receipts not withheld for the fiscal year 1951 represent principally calendar year 1950 liabilities and therefore do not reflect the full effect of the Revenue Act of 1950.

Corporation income and excess profits taxes.—Corporation taxes in the fiscal year 1950 reflect incomes of the calendar years 1948 and 1949, while receipts in the fiscal year 1951 reflect incomes of the calendar years 1949 and 1950.

The substantial increase of $2,705.6 million in receipts estimated for the fiscal year 1951 over actual collections of $10,854.4 million in 1950 is attributable to several factors. Corporation incomes in the calendar year 1950 were at a very high level. In addition, several changes in the laws affecting income and excess profits taxes on corporations will result in increased collections from this source.

The Revenue Act of 1950 increases tax rates on incomes for the taxable year 1950 up to four percentage points. It also provides for an acceleration in corporation tax payments, which will result in a larger proportion of the 1950 tax liability being collected in the fiscal year 1951. A second revenue measure, the Excess Profits Tax

Act of 1950, approved January 3, 1951, reinstituted an excess profits tax, which will affect approximately one-half of the 1950 income.

Miscellaneous internal revenue.—Collections from this source by major groups are listed in the following table.

Source	Actual, 1950	Estimated, 1951	Increase, or decrease (—)
	In millions of dollars		
Estate and gift taxes	706.2	710.0	3.8
Liquor taxes	2,219.2	2,396.0	176.8
Tobacco taxes	1,328.5	1,365.0	36.5
Stamp taxes	84.6	107.0	22.4
Manufacturers' excise taxes	1,826.7	2,088.0	261.3
Retailers' excise taxes	409.1	455.0	45.9
Miscellaneous taxes	1,721.2	1,829.0	107.8
Adjustment to daily Treasury statement basis	+7.5		−7.5
Total miscellaneous internal revenue	8,303.1	8,950.0	646.9

Estate and gift tax collections are estimated to increase slightly in the fiscal year 1951. The large increase in estimated receipts from the excise taxes in 1951 over actual receipts in 1950 reflects anticipated higher levels of income. Contributing to the increase are the war-scare purchases at the outbreak of the Korean conflict, especially in the manufacturers' excise taxes and liquor taxes. Collections from the other excise taxes reflect current consumption trends.

Employment taxes.—Receipts from the various employment taxes are summarized in the following table.

Source	Actual, 1950	Estimated, 1951	Increase
	In millions of dollars		
Federal Insurance Contributions Act	2,106.4	2,960.0	853.6
Federal Unemployment Tax Act	226.3	239.0	12.7
Railroad Retirement Tax Act	550.2	565.0	14.8
Railroad Unemployment Insurance Act [1]	9.1	9.8	.7
Total employment taxes	2,892.0	3,773.8	881.8
Deduct: Appropriation to Federal old-age and survivors insurance trust fund	2,106.4	2,960.0	853.6
Net employment taxes	785.6	813.8	28.2

[1] Not classified as an employment tax under the Internal Revenue Code.

The estimated increase in employment tax receipts in the fiscal year 1951 is attributable primarily to the increase in receipts under the Federal Insurance Contributions Act. Receipts from this tax reflect the full-year effect of the increase in the tax rate from 1 percent to 1½ percent each on employer and employee, effective January 1, 1950; and, in addition, collections in the latter part of the fiscal year 1951 will be affected by two important changes effective January 1, 1951. These are an increase in the tax base limitation from $3,000 to $3,600 and a significant extension of coverage. Receipts from all employment taxes are expected to increase because of anticipated higher salaries and wages.

Customs.—Customs receipts are estimated to amount to $600.0 million in the fiscal year 1951, an increase of $177.3 million over actual receipts of $422.7 million in 1950.

Miscellaneous receipts.—Miscellaneous receipts are estimated to be $1,324.7 million in the fiscal year 1951, a decrease of $105.5 million from 1950.

Refunds of receipts.—Refunds of receipts are estimated to be $2,335.5 million in the fiscal year 1951 as compared with $2,159.5 million in 1950.

Fiscal Year 1952

Estimated receipts in the fiscal years 1951 and 1952 are compared by major sources in the following table.

Source	Estimated, 1951	Estimated, 1952	Increase
	In millions of dollars		
Individual income tax	21,599.0	26,025.0	4,426.0
Corporation income and excess profits taxes	13,560.0	20,000.0	6,440.0
Miscellaneous internal revenue	8,950.0	8,977.0	27.0
Employment taxes [1]	3,773.8	4,709.0	935.2
Customs	600.0	620.0	20.0
Miscellaneous receipts	1,324.7	1,333.3	8.6
Total receipts	49,807.5	61,664.3	11,856.8
Deduct:			
Appropriation to Federal old-age and survivors insurance trust fund	2,960.0	3,823.0	863.0
Refunds of receipts	2,335.5	2,702.9	367.4
Net budget receipts	44,511.9	55,138.4	10,626.5

[1] Includes Railroad Unemployment Insurance Act receipts.

Net budget receipts in the fiscal year 1952 are estimated to amount to $55,138.4 million, an increase of $10,626.5 million over 1951 and $10,376.8 million greater than the previous peak year of 1945. All major sources of receipts contribute to the increase, with the largest increases appearing in corporation income and excess profits taxes and individual income taxes.

Individual income taxes.—The detail of the yield of the individual income tax is shown in the following table.

Source	Estimated, 1951	Estimated, 1952	Increase
	In millions of dollars		
Individual income tax:			
Withheld	13,202.0	16,358.0	3,156.0
Not withheld	8,397.0	9,667.0	1,270.0
Total individual income tax	21,599.0	26,025.0	4,426.0

Receipts from income tax withheld are estimated to increase by $3,156.0 million in 1952, principally because of an estimated increase in the level of salaries and wages for 1952. In addition, the fiscal year 1952 reflects a whole year of withholdings at the increased rates of the Revenue Act of 1950 which are effective for approximately three quarters of the fiscal year 1951. Income tax not withheld increases as a result of the higher level of income and the higher rates imposed by the Revenue Act of 1950, which are fully effective on the incomes reflected in fiscal year 1952 receipts.

Corporation income and excess profits taxes.—Corporation income and excess profits taxes are estimated to amount to $20,000.0 million in the fiscal year 1952, an increase of $6,440.0 million over 1951. The large increase in estimated receipts arises from the higher level of corporate profits and from the progressively greater effects of changes embodied in the Revenue Act of 1950 and the Excess Profits Tax Act of 1950.

The Revenue Act of 1950 increases the combined normal and surtax rates on calendar year corporations from 42 percent of 1950 net income to 45 percent of 1951 net income. The Excess Profits Tax Act of 1950 increases the corporation surtax rate by an additional 2 percent for taxable years beginning on or after July 1, 1950.

The impact of the excess profits tax will also become progressively greater on calendar year 1951 incomes. In the calendar year 1950 the tax is proportionate to the part of the taxable year after June 30, 1950, whereas all income for the calendar year 1951 is taxable.

Collections from both the income tax and the excess profits tax in the fiscal year 1952 will also be increased by the continued acceleration of installment payments provided in the Revenue Act of 1950.

Miscellaneous internal revenue.—Collections from this source by major groups of taxes are shown in the table following.

Source	Estimated, 1951	Estimated, 1952	Increase, or decrease (−)
	In millions of dollars		
Estate and gift taxes	710.0	755.0	45.0
Liquor taxes	2,396.0	2,569.0	173.0
Tobacco taxes	1,365.0	1,391.0	26.0
Stamp taxes	107.0	107.0	
Manufacturers' excise taxes	2,088.0	1,757.0	−331.0
Retailers' excise taxes	455.0	497.0	42.0
Miscellaneous taxes	1,829.0	1,901.0	72.0
Total miscellaneous internal revenue	8,950.0	8,977.0	27.0

All major groups except manufacturers' excise taxes and stamp taxes contribute to the increase in estimated receipts from miscellaneous internal revenue for the fiscal year 1952. Manufacturers' excise taxes are estimated to decline sharply as a result of expected material shortages. Other excise tax groups increase generally as a result of an anticipated increase in levels of income. Estate and gift tax collections are estimated to continue to increase.

Employment taxes.—The yields of the various employment taxes under existing legislation are shown in the following table.

Source	Estimated, 1951	Estimated, 1952	Increase
	In millions of dollars		
Federal Insurance Contributions Act	2,960.0	3,823.0	863.0
Federal Unemployment Tax Act	239.0	263.0	24.0
Railroad Retirement Tax Act	565.0	613.0	48.0
Railroad Unemployment Insurance Act [1]	9.8	10.0	.2
Total employment taxes	3,773.8	4,709.0	935.2
Deduct: Appropriation to Federal old-age and survivors insurance trust fund	2,960.0	3,823.0	863.0
Net employment taxes	813.8	886.0	72.2

[1] Not classified as an employment tax under the Internal Revenue Code.

Receipts from employment taxes in the fiscal year 1952 are estimated to increase over fiscal year 1951 receipts as a result of higher levels of salaries and wages, of the full-year effect of the increase in the tax base limitation from $3,000 to $3,600, and of the extended coverage under the Federal Insurance Contributions Act effective January 1, 1951. An additional factor is that receipts in the fiscal year 1952 will reflect for the first time collections from the self-employed category of the new coverage.

Customs.—Customs receipts are estimated to be $620.0 million in the fiscal year 1952, an increase of $20.0 million over 1951.

Miscellaneous receipts.—Miscellaneous receipts are estimated at $1,333.3 million in the fiscal year 1952, approximately the same as 1951.

Refunds of receipts.—Refunds of receipts in the fiscal year 1952 are estimated to increase to $2,702.9 million from $2,335.5 million in 1951 as a result of the higher level of withholding tax receipts in the calendar year 1951.

ESTIMATES OF EXPENDITURES

Actual expenditures for the fiscal year 1950 and estimated expenditures for the fiscal years 1951 and 1952 are summarized in the following table. Further details will be found in table 116. The estimates are based upon figures submitted to the Congress in the Budget for 1952.

Actual budget expenditures for the fiscal year 1950 and estimated expenditures for 1951 and 1952 [1]

[In millions of dollars. On basis of 1952 Budget document]

	Actual, fiscal year 1950 [2]	Estimated, fiscal year 1951	Estimated, fiscal year 1952
Agriculture Department:			
Commodity Credit Corporation	1,674.4	−149.5	253.4
Other	1,284.4	1,332.3	1,375.9
Atomic Energy Commission	550.2	817.6	1,277.0
Civil Service Commission	323.4	325.5	343.2
Commerce Department:			
Maritime activities	99.8	188.8	354.0
Other	763.3	766.1	761.9
Defense Department:			
Military functions	11,889.1	20,000.0	40,000.0
Civil functions	1,344.7	1,064.0	856.9
Export-Import Bank of Washington	49.2	100.6	105.6
Federal Civil Defense Administration	----------	10.0	265.0
Federal Security Agency	1,443.5	1,736.6	2,154.5
Funds appropriated to the President:			
Economic Cooperation Administration	3,404.5	2,600.0	1,200.0
Mutual defense assistance	39.1	1,000.0	2,500.0
Mutual assistance, military and economic	----------	----------	3,000.0
Other	183.4	554.8	1,636.8
General Services Administration:			
Strategic and critical materials	438.0	900.0	1,300.0
Other	136.4	216.3	350.9
Housing and Home Finance Agency [3]	−305.0	305.4	−568.1
Interior Department	568.4	704.4	609.9
Labor Department	257.0	217.8	220.8
Philippine War Damage Commission	136.3	89.0	----------
Post Office Department (general fund)	592.7	631.8	160.0
Railroad Retirement Board	596.3	605.1	656.0
Reconstruction Finance Corporation [3]	556.5	−79.1	22.7
State Department	361.2	353.4	371.9
Tennessee Valley Authority	19.2	170.5	236.6
Treasury Department:			
Interest on the public debt	5,720.4	5,625.0	5,800.0
Other	676.0	774.5	739.7
Veterans' Administration	6,626.1	5,820.4	4,912.7
Reserve for contingencies	----------	45.0	175.0
All other	408.7	484.2	522.0
Adjustment to daily Treasury statement basis	+329.6	----------	----------
Total budget expenditures	40,166.8	47,210.5	71,594.3

[1] These figures are derived from the 1952 Budget document. The actual figures for the fiscal year 1950 are based upon the Treasury's *Combined Statement of Receipts, Expenditures and Balances*, and therefore differ from figures published in the daily Treasury statement.

[2] Includes $11.0 million representing net investment in Federal securities by wholly owned Government corporations and agencies; such transactions are excluded from budget expenditures in the fiscal years 1951 and 1952.

[3] The Federal National Mortgage Association was transferred from the Reconstruction Finance Corporation to the Housing and Home Finance Agency, effective Sept. 7, 1950.

ADMINISTRATIVE REPORTS

ADMINISTRATIVE MANAGEMENT

The importance of improving the administration of the Government was reaffirmed on July 29, 1949, when the President issued Executive Order 10072, calling for aggressive, systematic appraisal and improvement of operations. Shortly after, on August 9, the Secretary of the Treasury assigned to the Treasury Department Management Committee responsibility for advising and assisting him in carrying out the directives of the Executive order and accelerating the Department management program established in 1946. Supporting the work of this Committee are the management committees of the several offices. The Department program has been directed toward reducing costs, improving efficiency, and giving better service to the public. While many diverse, technical changes in management and operating procedures are involved, they amount in the aggregate to substantial savings in terms of dollars. In many instances these savings are recurring and cumulative.

Summarized here are some of the management developments in the Treasury Department which have occurred during the year. These will indicate the progress made during 1950 on the foundation described in the 1949 annual report on pages 35 through 58. The administrative reports of the individual organizations of the Department integrate management improvements with their operations (pages 65 through 136).

Of Government-wide scope is the continuing work on the program to improve Federal accounting and financial reporting. This project was announced jointly in January 1949 by the Secretary of the Treasury, the Comptroller General of the United States, and the Director of the Bureau of the Budget, who are directing the undertaking. In addition to establishing in all departments and agencies accounting and reporting principles and standards suited to the Government's requirements, objectives include the strengthening of the facilities in the Treasury as the center for current accounting and over-all financial reports; making available for executive and legislative purposes more informative financial data at lower accounting costs; improving budgetary processes; and improving audit and control.

Legislation to provide a modern budget, accounting, and audit law was introduced and considered by the Congress during the fiscal year. The measure did not become law, however, until September 12, 1950. This law, the Budget and Accounting Procedures Act of 1950 (see exhibit 36), was cited by the President as the most important piece of legislation in its field since the Budget and Accounting Act, 1921, was enacted almost thirty years before. The new law assigns important responsibilities to the General Accounting Office, Bureau of the Budget, Treasury Department, and every other executive department and agency in the related fields of budgeting, accounting, financial reporting, and auditing. While the law makes a clear division of responsibilities and duties, it provides for their exercise in proper relationship and in harmony with the common objectives of achieving an integrated system for the Government. Significant features of the legislation are the following: (1) Recognition is given to the joint accounting program of the General Accounting Office, Treasury Department, and Bureau of the Budget as a permanent function, (2) a performance type of Budget is called for with considerable latitude for the President to determine the form in which the Budget shall be presented, (3) the prescribing of accounting requirements by the Comptroller General is to be largely on the basis of principles, standards, and related matters of fundamental importance rather than detailed procedures, (4) the responsibility for establishing and maintaining systems of accounting and internal control, which will fulfill certain specified needs, is placed directly with each executive agency, (5) responsibility is placed on the Secretary of the Treasury to furnish over-all reports on the results of the financial operations of the Government and to organize the Treasury Department's accounting and reporting in a manner to provide an operating center for that purpose, (6) authority is given the Secretary of the Treasury and Comptroller General jointly to modify procedures which involve the issuance and countersignature of warrants for the receipt, retention, and disbursement of public moneys and trust funds, in the interest of simplification and economy, (7) authority is given the Comptroller General to discontinue in the General Accounting Office appropriation, expenditure, limitation, receipt, and personal ledger accounts, (8) authority is given the Comptroller General to make comprehensive audits at the site of operations and leave documents supporting financial transactions with the agencies whose accounts are audited, and (9) authority is given to the heads of executive agencies to decide where the administrative examination of fiscal officers' accounts will be performed and for the Comptroller General, in appropriate circumstances, to waive the requirement for such examinations.

Within the Treasury Department, revisions of fiscal and accounting systems in accord with this program were under way in several large organizations. In the Bureau of Engraving and Printing the industrial nature of the operations makes them ideally suited to business-type procedures and to a working-capital method of financing. Substantive legislation for this purpose was obtained by the passage of Public Law 656, Eighty-First Congress, approved August 4, 1950. Although this law does not take effect until July 1, 1951, the new system of accounting and budgeting required will be installed during the fiscal year commencing July 1, 1950. Under the new system the Bureau of Engraving and Printing will recover all its costs of operation from the agencies which it services in producing currencies, securities, stamps, and other classes of engraved work.

A modern accounting system was established in the Coast Guard Headquarters on October 1, 1949, and a pilot installation was made in the 5th Coast Guard District (Norfolk) on March 1, 1950. Based on the results of this experiment, installations were scheduled in five other districts on July 1, 1950, in five more on September 1, 1950, and in the last (Honolulu) on January 1, 1951. A commercial-type accounting system was being installed at the Coast Guard Yard at Curtis Bay, Maryland, on July 1, 1950. This system is designed to charge against work orders performed the direct costs and the proportionate share of overhead expenses including depreciation and military personnel. Completion of the new system at the Yard was expected by March 1951.

The entire accounting program in the Coast Guard has been conducted with the active cooperation and assistance of representatives of the joint program for improvement of accounting in the Federal Government. Full time staff representatives have been provided by the Accounting Systems Division of the General Accounting Office and the Bureau of Accounts of the Treasury Department. Many innovations have been effected which required approval of the Secretary of the Treasury and the Comptroller General. Certain of these are being tested in the Coast Guard with a view to general adoption throughout the Federal Government.

The 1949 annual report explained that the survey of a private management engineering firm, completed in January 1948, was made the nucleus of a Customs management improvement program. For the purpose of implementing the firm's recommendations in the accounting and auditing field, a complete review of the accounting system of the Bureau of Customs was made from the standpoint of the joint accounting program which is being carried forward under the leadership of the General Accounting Office, Treasury Department, and Bureau of the Budget. This review was completed in January 1949 and resulted in a recommendation for a somewhat revised system of accounting and internal control with respect to the revenue collecting activities of the Bureau of Customs. The proposed new system is being carefully analyzed and considered by the Bureau of Customs from the management standpoint.

In line with the beginning made in the 1951 Budget in developing a "performance budget" for the entire Government, a program was undertaken in the Treasury Department to install this type of budget in its bureaus, offices, and divisions. This budget analyzes the cost of each activity in relation to its essential purpose and its relative importance. As one means of attaining such a budget, several bureaus have established a performance reporting system which makes available appropriate management data.

In the Bureau of Internal Revenue the audit control program was instituted in 1950. This program, designed to increase compliance with the revenue laws, employs a sampling technique to determine the over-all pattern of error in tax returns. During 1950, the program was confined to individual income tax returns for the year 1948, but in 1951 it will be directed to business-income and certain excise returns for 1949. The study of samples of the 1948 individual income tax returns revealed that (a) errors in tax liability, excluding those of less than two dollars, were found in 14 million out of 52 million returns; (b) 91 percent of the "errors" were against the Government; (c) understatements in individual income tax aggregated $1.3 billion, overstatements $90 million; and (d) the major sources of errors in the 14 million defective returns were income reported incorrectly, 54.9 percent, personal deductions reported incorrectly, 23.4 percent, exemptions claimed improperly, 16 percent, and mathematical errors, only 5.6 percent.

Continuing from last year's activities, procedures throughout the

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Treasury Department were further improved and simplified during 1950 with some of them crossing bureau and agency lines.

During 1950, the Fiscal Service, working through the Fiscal Service Management Committee, effected management savings totaling more than $6 million, including savings resulting from improvements initiated during the period 1947–49. Among the improvements adopted by the Fiscal Service were several in the Bureau of Accounts. One of these, a change in the form in which check accounting material is prepared by the Division of Disbursement, has expedited the reconciliation by the General Accounting Office of checking accounts of the Chief Disbursing Officer and Regional Disbursing Officers. The securing of lists of outstanding checks at an earlier date facilitates the handling of check inquiries. The more current reconciliation has reduced the number of requests for stopping payment, to the benefit of the Division of Disbursement, the General Accounting Office, and the Federal Reserve Banks. Earlier advice as to differences in the depositary account is now available and necessary adjustments are thereby accelerated.

In the Bureau of the Public Debt the reduction of five regional offices to three resulted in an annual saving of $250,000. In the Office of the Treasurer of the United States the payment of Government checks is the operation having the greatest personnel requirements. Cost and production analyses of this operation resulted in reductions in the unit salary costs for processing paper checks and card checks paid in Washington, D. C., of 3 percent and 10 percent, respectively, and 9 percent on card checks paid through the Federal Reserve Banks.

Effective January 1, 1950, the depositary receipt procedure was extended by the Bureau of Internal Revenue, in cooperation with the Fiscal Service, to cover employment taxes, as well as income taxes. Provision was made for payment to the Federal Reserve Banks either directly or through commercial banks. This change makes these funds available on a more current basis for investment by the Federal old-age and survivors insurance trust fund. Before the new procedure was established, commercial banks were compensated for accepting deposits and issuing receipts for withheld taxes. For the half year the new procedure was in operation, savings from elimination of compensation to the commercial banks amounted to $500,000. In addition the Bureau of Internal Revenue was able to reduce costs through the use of one combined form and one audit for the two kinds of taxes.

Customs procedures likewise were simplified during the year. On an international basis, technical discussions were held of customs procedures and laws affecting trade among 11 countries. A meeting of customs and foreign trade experts of Britain, Canada, and the United States was held from October 31 through November 8, 1949. Subsequently, similar discussions were held with representatives of eight additional countries. Information was exchanged on customs practices, and techniques were explored for classification and valuation of merchandise, assessment of penalties, marking requirements, accounting and auditing, sample-weighing and testing, and treatment of currency exchange practices. The elimination of consular invoice requirements for a substantial portion of imports was announced by the Commissioner of Customs on March 24, 1950, and a new customs duty bond to expedite clearance of merchandise was provided, to go into effect July 15, 1950.

Legislation was drafted and introduced in Congress to modernize and simplify United States customs requirements beyond the present limits of administrative action.

Mechanization of operations throughout the Department was continued, with a resulting saving of time and money. The use of electronic devices was expanded. Microfilming in the offices of the Collectors of Internal Revenue of 163 million income tax index cards and 3.8 million tax returns released for other use large numbers of filing cabinets as well as floor space having a substantial annual rental value. The modernization of the intaglio presses in the Bureau of Engraving and Printing ultimately will increase the output of currency by approximately 30 percent. Savings are estimated at over $1 million a year. Modern machines installed in the Mints have effected great savings in hand labor and in costs.

Decentralization of certain activities of the Bureau of Internal Revenue and certain delegation of authority have resulted in a substantial reduction in the number of employees in Washington. In the field, on the other hand, by temporary centralization the clerical facilities of one office were used for a mass mailing for seven large collection districts. This procedure is to be expanded to handle forms for 37 collection districts and 42 million taxpayers.

A number of bureaus have initiated higher recruiting standards and comprehensive training programs. The Treasury Department's incentive program, designed to increase efficiency by stimulating employee participation in management, is twofold. Cash awards are paid to employees for operating improvements which result in monetary savings. This new program was established by authority of Public Law 429, 81st Congress, approved October 28, 1949. Second, honorary recognition is granted for exceptional or meritorious service. Provisions for these awards are contained in Treasury Department Order No. 79, dated March 28, 1950.

As the fiscal year closed one of the new awards was granted to a group of 54 employees in the Division of Disbursement, Bureau of Accounts, for efficiency in the tremendous job of issuing checks for the national service life insurance dividends. An estimated savings of $158,000 were attributed to the work of this group and cash awards totaled $1,500. In addition, there were twenty individual awards during the year throughout the Department for superior accomplishment. Six employees received exceptional civilian service medals and emblems. Under the cash awards program, there were 2,939 employee suggestions during the year. Of the number acted upon, 915 merited adoption. Of those adopted, 783 were considered eligible for cash awards totaling $16,355. Savings accruing to the Department from the suggestions adopted were estimated at $252,000.

BUREAU OF THE COMPTROLLER OF THE CURRENCY[1]

The Bureau of the Comptroller of the Currency is responsible for the execution of laws relating to the supervision of national banking associations. Duties of the office include those incident to the forma-

[1] More detailed information concerning the Bureau of the Comptroller of the Currency is contained in the annual report of the Comptroller.

tion and chartering of new national banking associations, the establishment of branch banks, the consolidation of banks, the conversion of State banks into national banks, the issuance and retirement of preferred stock, and the issuance of Federal Reserve notes.

Changes in the Condition of Active National Banks

The total assets of the 4,977 active national banks in the United States and possessions on June 30, 1950, amounted to $89,937 million, as compared with the total assets of 4,993 banks amounting to $85,099 million on June 30, 1949, an increase of $4,837 million during the year. The deposits of the banks in 1950 totaled $82,660 million, which was $4,208 million more than in 1949. The loans and securities totaled $68,917 million, an increase of $5,209 million during the year. Capital funds of $6,195 million were $367 million more than in the preceding year.

The assets and liabilities of the active national banks are shown in the following statement.

Abstract of reports of condition of active national banks on the date of each report from June 30, 1949, to June 30, 1950

[In thousands of dollars]

	June 30, 1949 (4,993 banks)	Nov. 1, 1949 (4,988 banks)	Dec. 31, 1949 (4,981 banks)	Apr. 24, 1950 (4,982 banks)	June 30, 1950 (4,977 banks)
ASSETS					
Loans and discounts, including overdrafts	22, 578, 120	23, 438, 583	23, 928, 293	24, 135, 464	24, 671, 880
U. S. Government securities, direct obligations	35, 595, 411	38, 332, 370	38, 268, 473	37, 611, 919	37, 649, 227
Obligations guaranteed by U. S. Government	2, 087		2, 050		2, 019
Obligations of States and political subdivisions	3, 410, 267	3, 718, 789	3, 747, 200	4, 188, 866	4, 294, 138
Other bonds, notes, and debentures	1, 959, 419	2, 027, 769	2, 023, 542	2, 053, 616	2, 127, 187
Corporate stocks, including stocks of Federal Reserve Banks	162, 609	165, 216	166, 485	169, 639	172, 098
Total loans and securities	*63, 707, 913*	*67, 682, 727*	*68, 136, 043*	*68, 159, 504*	*68, 916, 549*
Cash, balances with other banks, including reserve balances, and cash items in process of collection	20, 376, 181	19, 676, 846	21, 044, 958	18, 876, 766	19, 962, 172
Bank premises owned, furniture and fixtures	587, 617	601, 720	599, 582	611, 428	613, 526
Real estate owned other than bank premises	12, 351	12, 725	12, 184	14, 383	14, 593
Investments and other assets indirectly representing bank premises or other real estate	48, 414	50, 992	51, 831	51, 856	54, 442
Customers' liability on acceptances	75, 325	83, 415	106, 421	79, 169	90, 312
Income accrued but not yet collected	150, 161	195, 139	166, 653	170, 393	172, 521
Other assets	141, 488	145, 509	121, 507	112, 359	112, 497
Total assets	85, 099, 450	88, 449, 073	90, 239, 179	88, 075, 858	89, 936, 612

Abstract of reports of condition of active national banks on the date of each report from June 30, 1949, to June 30, 1950—Continued

[In thousands of dollars]

	June 30, 1949 (4,993 banks)	Nov. 1, 1949 (4,988 banks)	Dec. 31, 1949 (4,981 banks)	Apr. 24, 1950 (4,982 banks)	June 30, 1950 (4,977 banks)
LIABILITIES					
Demand deposits of individuals, partnerships, and corporations	44, 470, 804	46, 415, 997	47, 352, 731	46, 151, 980	46, 787, 942
Time deposits of individuals, partnerships, and corporations	19, 008, 719	18, 935, 621	18, 954, 970	19, 149, 165	19, 218, 390
Deposits of U. S. Government and postal savings	1, 451, 478	2, 025, 538	2, 030, 693	1, 944, 094	2, 402, 109
Deposits of States and political subdivisions	5, 398, 970	5, 182, 966	5, 423, 285	5, 357, 725	5, 683, 478
Deposits of banks	6, 946, 245	7, 717, 139	8, 279, 678	7, 196, 001	7, 363, 254
Other deposits (certified and cashiers' checks, etc.)	1, 175, 252	1, 105, 524	1, 302, 961	1, 081, 308	1, 204, 618
Total deposits	78, 451, 468	81, 382, 785	83, 344, 318	80, 880, 273	82, 659, 791
Demand deposits	*58, 367, 215*	*61, 374, 683*	*63, 293, 252*	*60, 645, 433*	*62, 299, 629*
Time deposits	*20, 084, 253*	*20, 008, 102*	*20, 051, 066*	*20, 234, 840*	*20, 360, 162*
Bills payable, rediscounts, and other liabilities for borrowed money	14, 123	170, 075	7, 562	76, 171	24, 783
Mortgages or other liens on bank premises and other real estate	274	260	260	249	244
Acceptances outstanding	83, 860	95, 579	123, 927	86, 450	98, 880
Income collected but not yet earned	116, 661	135, 279	138, 910	156, 813	165, 506
Expenses accrued and unpaid	225, 396	272, 400	231, 581	265, 192	248, 282
Other liabilities	379, 765	408, 584	458, 280	554, 153	544, 059
Total liabilities	79, 271, 547	82, 464, 962	84, 304, 838	82, 019, 301	83, 741, 545
CAPITAL ACCOUNTS					
Capital stock	1, 907, 958	1, 913, 907	1, 916, 340	1, 943, 108	1, 979, 941
Surplus	2, 506, 653	2, 521, 377	2, 639, 440	2, 680, 807	2, 770, 630
Undivided profits	1, 084, 283	1, 213, 773	1, 067, 664	1, 121, 893	1, 133, 190
Reserves and retirement account for preferred stock	329, 009	335, 054	310, 897	310, 749	311, 306
Total capital accounts	5, 827, 903	5, 984, 111	5, 934, 341	6, 056, 557	6, 195, 067
Total liabilities and capital accounts	85, 099, 450	88, 449, 073	90, 239, 179	88, 075, 858	89, 936, 612

SUMMARY OF CHANGES IN NUMBER AND CAPITAL STOCK OF NATIONAL BANKS

The authorized capital stock of the 4,979 national banks in existence on June 30, 1950 (including 2 banks that had discontinued business although not in formal liquidation as of that date), consisted of common stock aggregating $1,964 million, an increase during the year of $78 million; and preferred stock aggregating $17 million, a decrease during the year of $6 million. The total net increase of capital stock was $72 million. During the year charters were issued to 15 national banks having an aggregate capital of $3 million of common stock only. There was a net decrease of 15 in the number of national banks in the system by reason of voluntary liquidations and statutory consolidations.

More detailed information regarding the changes in the number and capital stock of national banks in the fiscal year 1950 is given in the following table.

Organizations, capital stock changes, and liquidations of national banks, fiscal year 1950

	Number of banks	Capital stock	
		Common	Preferred
Charters in force June 30, 1949, and authorized capital stock [1]	4,994	$1,885,615,492	$22,566,975
Increases:			
Charters issued	15	2,875,000	
Capital stock:			
130 cases by statutory sale		40,014,850	
250 cases by statutory stock dividend		37,032,070	
33 cases by stock dividend under articles of association		1,887,375	
10 cases by statutory consolidation		1,818,500	156,500
2 cases by increase in par value of stock			616,000
Total increases	15	83,627,795	772,500
Decreases:			
Voluntary liquidations	26	5,530,000	280,000
Statutory consolidations	4		
Capital stock:			
82 cases by retirement			6,492,282
2 cases by statutory reduction		82,000	
Total decreases	30	5,612,000	6,772,282
Net change	−15	78,015,795	−5,999,782
Charters in force June 30, 1950, and authorized capital stock [1]	4,979	1,963,631,287	16,567,193

[1] These figures differ from those shown in the preceding table. June 30, 1949, figures include 1 bank with common stock, that was chartered but not open for business on that date. June 30, 1950, figures include 2 banks that had discontinued business but were not in formal liquidation on that date.

BUREAU OF CUSTOMS

The principal functions of the Bureau of Customs are to enter and clear vessels; supervise the discharge of cargo; ascertain the quantities of imported merchandise, appraise and classify such merchandise, and assess and collect the duties thereon; control the customs warehousing of imports; inspect international traffic by vessel, highway, railway, and air; review protests against the payment of duties; determine and certify for payment the amount of drawback due upon the exportation of articles produced from duty-paid or tax-paid imports; prevent smuggling, undervaluations, and frauds on the customs revenue; issue documents and signal letters to vessels and prepare publications and reports in connection therewith; apprehend violators of the customs and navigation laws; enforce the Antidumping and Export Control Acts; and perform certain duties under the Foreign Trade Zones Act.

Management Program

Management improvement efforts in the Bureau were again directed into the five areas covered by the program in 1948 and 1949, and the savings in 1950, both monetary and manpower, were used to cope with the continuing increase in Customs business.

Trade agreement activities.—The Bureau participated in the Annecy Trade Agreement conference which extended the General Agreement on Tariffs and Trade to ten new countries; and, in cooperation with the Department of State, reviewed the proclamations issued in connection with the Annecy and other trade agreements. The Bureau cooperated with the Tariff Commission also in the preparation of a schedule of all United States import duty rates in force on July 1, 1950, for publication by the Commission.

Aids to trade.—Following the Tripartite economic conference, the Bureau carried on discussions of procedural problems affecting trade with representatives of the United States, Great Britain, and Canada, and subsequently with representatives of eight other foreign countries who had similar problems. These discussions pointed up the difficulties experienced by exporters to the United States, and it is believed were of great benefit to the United States and to the participating foreign governments in their efforts to facilitate world commerce.

Procedure simplification.—The use of scientific control weighing and testing procedures, which were adopted in 1949 for sugar, wool, and tobacco, was extended to other products in 1950, and resulted in savings of more than twice the amount which had been estimated.

The system of joint Customs-Immigration preliminary questioning of pedestrian and vehicular traffic at land border ports was extended during 1950 and now is installed on both Canadian and Mexican borders. With a single Government official performing these duties for both the Customs and Immigration Services, substantial savings to each organization resulted, as well as better service to the traveling public.

A modification in customs regulations relieves importers in many cases from the necessity of supplying certified consular invoices on several significant categories of importations.

A new customs duty bond and new bonding procedures for import transactions, promulgated late in the fiscal year 1950, will simplify the methods for payment of duties found owing to the Government after the merchandise has left Customs custody and will permit speedier release from Customs custody of packages retained for examination.

In line with the over-all training program of the Bureau, indoctrination of supervisors in work simplification techniques was completed during 1950.

Public educational aids.—The pamphlet, *Customs Information for Exporters to the United States,* was completed during 1950 and its initial distribution received widespread approval. As in the case of *Customs Hints*, every effort is being made to widen its distribution. It has already been translated into 5 foreign languages.

Public response to Customs invitation to visit its local offices in order to present and discuss problems far exceeded expectations.

Other management control measures.—During 1950, additional authority and responsibility were delegated to the field offices with respect to fiscal and budgetary operations and in connection with the functions directly related to the processing of imported merchandise.

A scientific analysis to determine the number of bales of wool which would have to be sampled in order to accurately gauge the clean content resulted in a reduction in the required number of such bales to be sampled.

Preparatory work was completed during 1950 on the legislative changes required to place in effect many management improvement recommendations, and the Customs Simplification Act of 1950 was introduced in Congress in May 1950. As of the close of the fiscal year, no action had been taken on the bill.

Proposed legislation to revise, consolidate, and codify the navigation laws administered by Customs will be submitted to Congress in the near future. This legislation is designed to facilitate the administration of these laws and to eliminate requirements which burden shipping interests without serving any essential official need.

Revenue Collections

The total revenue collected by Customs in the fiscal year 1950 was $560,565,350 as compared with $515,241,518 in 1949, an increase of 9 percent. These totals include items collected for other governmental agencies such as internal revenue taxes for the Bureau of Internal Revenue and head taxes for the Immigration Service. Actual collections from duties, navigation fines, violations of the customs laws, etc., amounted to $428,891,788, an increase of more than 10 percent from the previous year's total of $388,470,747. The bulk of customs collections consists of duties paid by importers at the time of the entry of merchandise and when withdrawn from warehouse for consumption. The types of collections for the past two years are shown in table 8.

The increase in collections during the fiscal year 1950 reflected a generally higher level of foreign trade than prevailed during 1949 which more than offset the decrease in rates of duty provided by the Annecy Protocol some of which became effective January 1, 1950, with other subsequent changes in rates of duty as additional signatory nations came under the terms of the Agreement. These changes in rates of duty, however, were less drastic and less numerous than those resulting from the General Agreement on Tariffs and Trade, much of which became effective January 1, 1948.

Customs collections, which had declined almost continuously during the last 10 months of the fiscal year 1949, began to rise very early in the fiscal year 1950. Collections during each of the last 9 months of 1950 were larger than for each of the corresponding months of the previous fiscal year. This trend paralleled the trend in the quantity and value of imported merchandise but was not affected by any increase in prices since the index of the unit cost of imported articles was slightly lower than during the previous year.

The chief source of customs revenue, raw wool, yielded approximately $50 million, an increase of 30 percent over the revenue from this source during the fiscal year 1949. Importations of wool which yielded $150 million of revenue in 1946 declined sharply during the following three years. The increased revenue from wool imports in 1950 as compared with the previous year marked the first change in trend since the end of World War II.

Imports of cane sugar, another important source of customs revenue, were almost 700 million pounds smaller in 1950 than during the previous year and yielded only $34 million in duties as compared with

[r] $38 million in 1949. Importations of free sugar from the Philippine Islands were practically the same as during the previous year.

Another important source of customs revenue, distilled liquors, showed very little increase. The volume imported increased from 13,522,000 gallons in 1949 to 13,980,000 gallons in 1950, while the revenues increased from $20,050,000 to $20,603,000.

The many changes in commodity classifications and the rates of duty resulting from the General Agreement on Tariffs and Trade made it impossible until recently to compute duty collections by tariff schedules and countries for many months of the fiscal years 1948 and 1949. Therefore, tables 84 and 87, showing duty collections by tariff schedules and by countries, which were omitted in the 1949 annual report, are published in this report for the fiscal years 1948, 1949, and 1950. Table 86, duty collections by tariff schedules, shows the months for which computations were not available when the 1949 report was being prepared.

The largest amount of revenue continued to be collected at New York City where almost $174 million, or 41 percent of the total customs collections for all districts, was turned over to the Treasury. This constitutes a small increase of $9 million over the total collected in New York in 1949. Customs collections at the Atlantic and Pacific Coast customs districts were generally at a higher level than in 1949, only Maine, North Carolina, and Oregon showing reduced collections. Collections along the land border were far from uniform. Five of the Canadian border districts reported increased revenues, while an equal number collected a smaller amount than in 1949. Two of the five Mexican border districts showed increased collections, but none of the districts on the Gulf of Mexico collected more than during the previous year.

At Boston, where approximately three-fourths of all customs collections are the result of importations of unmanufactured wool, the increased importations of that commodity resulted in an increase in collections of almost 39 percent. At Philadelphia, another important wool importing district, there was an increase of 21 percent in collections. Customs collections by customs districts are shown in table 83.

The increase in customs collections was accompanied by an increase in the value of dutiable imports of from [r] $2,849 million in 1949 to $3,060 million in 1950. This increase in value appears to be due entirely to an increased volume of imported commodities since the unit cost was slightly lower in 1950 than in the previous year.

Movement of Persons by Vessels, Trains, Airplanes, and Automotive Vehicles

The increase in passenger travel evidenced since the end of the war continued during the fiscal year 1950. Almost 87 million persons arrived at this country's seaports and crossed the land borders during 1950, an increase of more than 3 million over the preceding year. For the first time in many years travel by aircraft was slightly lower than for the previous year. Sixteen hundred fewer planes arrived

[r] Revised.

from abroad and 3 thousand fewer passengers used this means of transportation. Almost half of the planes and more than half of the airplane passengers arrived at the airports in New York City and Miami, Fla. The number of passengers arriving at New York, for the first time since the establishment of LaGuardia and Idlewild fields, exceeded those arriving at the Miami fields. Tables 89 and 90 show the volume of traffic into the United States in 1949 and 1950.

During the year Annex 9 to the Convention on International Civil Aviation became effective. This annex contains international customs, immigration, public health, and agricultural quarantine procedures applicable to air traffic. As far as customs is concerned the United States has been among the foremost in bringing its customs procedures into agreement with those adopted by the International Civil Aviation Organization.

Entries of Merchandise

Commercial importations as represented by consumption entries, warehouse entries, and warehouse withdrawals showed a substantial increase over the previous year. The continued increase in tourist travel was reflected in an increase of 7 percent in the number of baggage entries filed, although the amount collected on baggage entries declined as a result of the increase in the exemptions granted to returning travelers. The number of mail entries continued to decline, although collections on such entries were larger than in 1949. Informal entries remained at practically the same level as in the previous year. Table 88 shows the number of important types of entries for the fiscal years 1949 and 1950.

Drawback Transactions

Drawback, amounting to 99 percent of the customs duties paid at the time the goods were entered, is allowed on the export of merchandise manufactured from imported materials. The drawback allowed in 1950 was $8,442,133 as compared with $9,378,768 in 1949, a decrease of 10 percent. More than 90 percent of the drawback allowed in each year was due to the export of products manufactured from imported raw materials. The more important raw materials used in manufacturing the exported products in 1950 were sugar, wool, tobacco, crude petroleum, and several of the metals. Tables 91 and 92 show the drawback transactions for 1949 and 1950.

Protests and Appeals

There was a sharp increase in the number of protests filed by importers against the rate and amount of duty assessed and other actions by the collectors as compared with 1949. Appeals for reappraisement filed by importers who did not agree with the appraiser as to the value of merchandise were also much more numerous than during the previous year. Both increases were presumably due to the continuation of the use of dual currency in many countries with resulting confusion as to the true value of merchandise for customs purposes. The following table shows the number of protests and appeals filed and acted upon in 1949 and 1950:

Protests and appeals	1949	1950	Percentage increase
Protests:			
Filed with collectors by importers	10,635	17,759	67.0
Allowed by collectors	579	3,104	436.1
Denied by collectors and forwarded to customs court	9,563	13,029	36.2
Appeals for reappraisement filed with collectors	11,114	16,495	48.4

Appraisement of Merchandise

The continued increase in the importation of foreign merchandise, both in volume and variety of commodities, is indicated by the examination of 543,772 packages at the public stores during the fiscal year 1950, as compared with 484,760 packages examined during the previous year. The imports in 1950 required the processing of 1,197,539 accompanying invoices as compared with 1,105,646 invoices in 1949.

The handling of foreign mail at Los Angeles, Calif., has been transferred to the building occupied by the appraiser of merchandise. This works to the mutual advantage of the post office and customs and has released needed space to the post office.

Customs Information Exchange

Under a system which has been in effect for many years, appraising officers are required to report to the Customs Information Exchange at New York, N. Y., a cross section of importations of merchandise received at their ports. This serves as a spot check on the classification and valuation of merchandise at the various ports, and makes possible greater uniformity of action by all appraising officers. The number of reports increased during 1950 as the result of increased importations. The following table is indicative of the work of this office.

Activity	1949	1950	Percentage increase, or decrease (−)
Appraisers' reports of value or classification received	31,936	38,615	20.9
Differences in classification reported	2,819	2,940	4.3
Differences in value reported	3,805	3,357	−11.8
Requests for foreign investigations	628	634	1.0

Laboratories

The ten customs laboratories, maintained for the purpose of testing representative samples of imported merchandise to aid in the correct assessment of duties, tested 83,429 samples, an increase of 14 percent over the total tested in the previous year. The number of samples of ores, metals, and wool increased while those of sugar declined. Samples of ores, sugar, and wool constituted more than 50 percent of the total number analyzed.

The operation of the laboratory at Honolulu, which was discontinued after the attack on Pearl Harbor, was resumed during 1950. Plans for the installation of a new customs laboratory at San Juan, Puerto Rico, were initiated and considerable progress was made toward its completion.

Most of the samples tested in the laboratories were taken from regular imports in 1950; however, there were 369 samples taken from export shipments and 2,032 samples from customs seizures.

In cooperation with other activities the customs laboratories assisted in determining whether samples of Government stockpile purchases of strategic materials complied with contract specifications. The laboratories provided technical supervision, equipment, and space for the analysis.

Law Enforcement Activities

The law enforcement activities of the Customs Service consist of the seizure of merchandise which has been fraudulently declared or illegally introduced into this country and of the investigation of violations discovered after the entry of merchandise. Fewer seizures were made in 1950 than in 1949, but the value of such seizures was almost as large as during the previous year. Practically the same number of automobiles and trucks were seized as in 1949, but the value of these seizures was considerably less than in the previous year. Five more boats were seized than in 1949 and the total value of such seizures was over a million dollars greater than in the previous year. Liquor seizures increased slightly in number, gallonage, and value, but the number of prohibited articles seized in 1950 was considerably less than the previous year. Seizures of ordinary merchandise were also less numerous and of considerably less value than in 1949.

There were 210 fewer seizures of narcotics and the reported value of such seizures was less than the year before. As compared with 1,735 ounces of raw opium seized in 1949, only 645 ounces were seized during 1950. The quantity of morphine, heroin, and cocaine seized also declined sharply from the preceding year. The decrease in the quantity of seizures of cocaine was the result of the breaking up of an extensive ring operating between Peru and the United States as a consequence of the joint investigation by customs and narcotics agents. Seizures of smoking opium, however, were made in greater quantity in 1950 than in the previous year, 1,038 ounces being seized during 1950 and 855 ounces in 1949. Marihuana seizures continued extremely heavy, amounting to 33,291 ounces as compared with 38,086 ounces in 1949, most of these being made on the Mexican border. There were also numerous seizures, in small quantities, of marihuana in the form prepared in India, Turkey, Tunisia, and South Africa. A notable feature of the marihuana seizures along the Mexican border during the past two years has been the large quantity contained in single seizures, in some cases as much as 100 pounds in a single seizure.

Seizures for violations of customs laws are shown in tables 93 and 94.

Investigative Activities

The investigative arm of the Customs Service, the Customs Agency Service, investigates all important criminal cases covering the violations of the customs laws and also conducts many other examinations where expert investigative ability is needed. Probably the most important case of the use of false invoices and entries involved the importation of Swiss watches which resulted in a claim against the importer for more than $6.8 million. Several attempts to smuggle diamonds and jewelry were discovered during the year and in two cases the amounts involved exceeded $100 thousand each. One unusual smuggling attempt at San Ysidro involved 40 live parrots, 20 of which were in a wire mesh cage underneath the seat of a truck and 20 more in cardboard cartons on top of the motor. Since the importation of live parrots is prohibited, the truck was seized, the driver jailed, and the parrots destroyed.

In the enforcement of the export control regulations a number of planes were seized which were apparently destined for the east European area. A number of shipments of gold, one of which was concealed in an electric refrigerator, and a private yacht, which was being used to transport merchandise for pay, were also seized. Investigations of the violation of the Neutrality Act involved a number of seizures of firearms and ammunition.

A steamship which was wrecked at an isolated spot on the coast of the Seattle district was looted by local residents, crews of passing fishing vessels, and Indians from a nearby reservation. Most of the fishing vessels involved were seized and 60 cases are pending against other looters. The cargo of lumber will probably never be salvaged completely since some of it broke loose and drifted out to sea. About one-half million feet, however, were landed and seized at various ports in the Washington district.

In the course of their regular duties customs personnel often discover violations of other than customs laws. During 1950, 11,670 seizures were made for other governmental agencies, 11,584 of which were for the Department of Agriculture. In addition, 50 persons were apprehended, of whom 33 were for the Immigration and Naturalization Service.

Table 95 summarizes the investigative activities during the last two years.

Foreign Trade Zones

During the thirteenth year of its operation, Foreign Trade Zone No. 1 on Staten Island handled a somewhat smaller volume of business than during the preceding year, although there was an increase in duties collected on goods entering customs territory from the zone. The decline in volume was due to the fact that the storage space in the zone was fully occupied since a large part of the merchandise remained in the zone for longer periods than formerly. Up to the end of the year the space formerly within zone territory had not yet been restored by the Army for zone use. In addition the number of manipulations (such as fumigating, sorting, sampling, marking, labeling, repacking, etc.) performed in zone territory increased considerably over previous years.

Operations in Foreign Trade Zone No. 2 at New Orleans continued at a high level but involved a large volume of goods exported after manipulation so that the dutiable merchandise entering customs territory was comparatively small.

For the second full year of its operations Foreign Trade Zone No. 3 at San Francisco handled approximately the same tonnage as in 1949 but the value of the goods entering the zone was more than double that received during the first year of its operation.

Foreign Trade Zone No. 4 at Los Angeles was opened for business on September 9, 1949, and Foreign Trade Zone No. 5 at Seattle on September 1 of the same year. Both zones received a wide variety of products and appear to have made a successful start.

Foreign Trade Zone No. 6 has been authorized at San Antonio, Tex., and will be the first inland foreign trade zone, the first zone operated at an airport, and the first zone operated by a private concern.

The following is a brief summary of the foreign trade zone operations:

Trade zone	Number of entries	Received in zone		Duties collected
		Long tons	Value	
New York	7,915	(1)	(1)	$3,679,312
New Orleans	(1)	29,223	$13,627,729	174,024
San Francisco	4,571	10,021	7,231,346	1,069,710
Los Angeles	(1)	5,957	2,238,350	(1)
Seattle	238	2,957	1,623,118	233,519

[1] Not reported.

Legal Problems and Proceedings

Considerable attention was given during the year to problems in connection with the establishment of new foreign trade zones. Questions arising in connection with the conversion of foreign currency for which two or more rates of exchange have been certified by the Federal Reserve Bank of New York continued to require considerable time. General regulations, prepared for the conversion of all currencies for which multiple rates are certified, have expedited the conversion of such rates and obviated the necessity for the issuance of special instructions for each such currency.

Although the bulk of the large number of overtime cases pending in the Court of Claims has been disposed of on the basis of rulings in the cases of *Myers* v. *United States* (320 U. S. 561; 321 U. S. 750) and *O'Rourke* v. *United States* (109 Ct. Cls. 33), a considerable amount of work continued throughout the year on special problems in connection with the cases not previously settled and on other questions arising in connection with the overtime laws.

Miscellaneous

Changes in customs ports and stations.—The customs port at Guayanilla, Puerto Rico, and stations at Port Orchard and Bremerton, Wash., Manistee, Mich., Boquillas and Dolores, Tex., were abolished and a port established at Neah Bay, Washington. The name of the port of Senoyta, Ariz., was changed to Lukeville, Ariz.

Cost of administration.—During the fiscal year 1950 the Customs Service incurred expenses of $35,689,921 for collecting the revenue and for printing, excluding expenses of enforcing the renewed export control regulations. This was $700,236 more than during the previous year. The increase in expenditures was due to the raise in pay authorized by the Eighty-First Congress and to the automatic within-grade raises provided by the Meade-Ramspeck law. The expenses, moreover, do not include salaries paid to customs personnel for overtime and other services authorized by law for which reimbursement was made to the appropriation by parties interested. The increased collections more than offset the increase in expenditures, so that the cost of collecting $100 of revenue declined from $6.79 in 1949 to $6.37 in 1950. A summary of the collections and expenditures for 1950 will be found in table 82.

BUREAU OF ENGRAVING AND PRINTING

The Bureau of Engraving and Printing designs, engraves, and prints currency, bonds, certificates, stamps and various other official documents and forms. Deliveries of finished work during the fiscal year 1950 totaled 729,297,594 sheets, a decrease of 16,901,967 sheets, or approximately 2.3 percent, as compared with the quantity delivered during the previous year.

A comparative statement of deliveries of finished work in the fiscal years 1949 and 1950 follows:

Class	Sheets		Face value, 1950
	1949	1950	
Currency:			
United States notes	3, 610, 000	4, 065, 000	$206, 460, 000
Silver certificates	102, 390, 000	100, 935, 000	1, 949, 460, 000
Federal Reserve notes	34, 220, 000	31, 977, 000	4, 348, 020, 000
Total	140, 220, 000	136, 977, 000	6, 503, 940, 000
Bonds, notes, bills, certificates, and debentures:			
Bonds:			
Panama Canal	2, 000	2, 900	20, 900, 000
Postal savings	2, 690	3, 238	1, 253, 000
Treasury	217, 150	123, 486	891, 118, 000
United States savings	69, 714, 000	64, 451, 000	7, 145, 625, 000
Depositary	1, 550		
Consolidated Federal farm loan for the twelve Federal land banks		66, 000	316, 360, 000
Home Owners' Loan Corporation		125	125, 000, 000
Home Owners' Loan Corporation: Obsolete engraved stock delivered to Destruction Committee and destroyed		1, 076, 188	
Insular Puerto Rican	250		
Joint stock farm loan: Obsolete engraved stock delivered to Destruction Committee and destroyed		12, 120	
Government of the Republic of the Philippines		200	200, 000
Notes:			
Treasury	808, 550	1, 019, 325	66, 627, 800, 000
Consolidated, Federal home loan banks	32, 800	22, 200	500, 000, 000
Special United States, International Monetary Fund series		200	200, 000, 000
Obsolete engraved stock delivered to Destruction Committee and destroyed:			
Commodity Credit Corporation	132, 620		
Federal National Mortgage Association	60, 090		
Reconstruction Finance Corporation	100, 696		
U. S. Housing Authority	504		
Treasury bills	468, 000	539, 600	75, 500, 000, 000

Class	Sheets 1949	Sheets 1950	Face value, 1950
Bonds, notes, bills, certificates, and debentures—Con.			
Certificates:			
Indebtedness	1, 170, 050	478, 650	$25, 275, 000, 000
Cuban silver	885, 300	578, 333	7, 414, 000
Military	473, 192	46, 046	10, 282, 000
Philippine Treasury	2, 599, 000		
Philippine Treasury: Surplus stock delivered for destruction and destroyed		868, 400	
Postal savings	r 3, 302, 700	2, 504, 200	1, 748, 267, 000
Interim transfer, postal savings bonds	1, 000	1, 000	
Debentures:			
Collateral trust of the Central Bank for Cooperatives		3, 940	44, 000, 000
Consolidated collateral trust for the Federal intermediate credit banks	39, 500	78, 550	929, 250, 000
Obsolete engraved stock delivered to Destruction Committee and destroyed:			
Federal ship mortgage insurance fund	2, 222		
War housing insurance fund		2, 105	5, 000, 000
Specimens:			
Bonds		55	
Notes	8	8	
Certificates	13	3	
Debentures	60	61	
Proof sheets, military certificates	7		
Total	r 80, 013, 952	71, 877, 933	179, 347, 469, 000
			Number of stamps, etc., 1950
Stamps:			
Customs	352, 500	452, 500	4, 525, 000
Internal revenue:			
To offices of issue	291, 124, 982	298, 565, 758	21, 213, 382, 100
Specimens	584	376	780
Puerto Rican revenue:			
To offices of issue	1, 681, 400	1, 751, 763	105, 198, 575
Obsolete delivered to Destruction Committee and destroyed	51, 000		
Virgin Islands revenue	300	550	55, 000
United States war savings	455, 488	486, 315	50, 243, 025
Postage:			
United States	214, 353, 803	200, 920, 496	20, 883, 126, 204
Specimens, United States	214	261	13, 272
Canal Zone	167, 850	31, 170	2, 697, 000
Philippine: Obsolete delivered to Destruction Committee and destroyed	103, 658		
Adhesive postal note	735, 928	740, 363	74, 036, 300
District of Columbia beverage tax-paid	1, 041, 200	592, 300	29, 615, 000
Federal migratory-bird hunting	36, 975	83, 465	9, 348, 080
Foreign service fee	r 11, 489	1, 800	180, 000
Total	r 510, 117, 371	503, 627, 117	42, 372, 420, 336
Miscellaneous:			
Checks	9, 528, 936	9, 538, 519	47, 713, 265
Warrants		9, 548	5, 674
Commissions	301, 548	50, 396	37, 725
Certificates	649, 591	1, 020, 686	929, 686
Drafts	625, 325	38, 250	10, 500
Government requests for transportation	285, 845	259, 514	1, 297, 570
Other miscellaneous	r 4, 455, 782	5, 462, 280	7, 444, 904
Specimens	11	90	450
Blank paper	1, 200	1, 000	
Military payment orders: Obsolete stock delivered to Destruction Committee and destroyed		435, 261	2, 176, 305
Total	r 15, 848, 238	16, 815, 544	59, 616, 079
Grand total	746, 199, 561	729, 297, 594	

r Revised to adjust classification.

Orders were received and dies were engraved for new issues of postage stamps as follows:

Issue	Denomination (cents)
Grand Army of the Republic Commemorative, Series 1949	3
Edgar Allen Poe Commemorative, Series 1949	3
75th Anniversary of the Universal Postal Union Commemorative, Air Mail, Series 1949	10
75th Anniversary of the Universal Postal Union Commemorative, Air Mail, Series 1949	15
75th Anniversary of the Universal Postal Union Commemorative, Air Mail, Series 1949	25
Wright Brothers Commemorative, Air Mail, Series 1949	6
American Bankers Association Commemorative, Series 1950	3
Samuel Gompers Commemorative, Series 1950	3
National Capital Sesquicentennial Commemorative, Series 1950	3
Railroad Engineers of America Commemorative, Series 1950	3
Gateway to the West Commemorative, Series 1950	3
Executive, National Capital Sesquicentennial Commemorative, Series 1950	3
Boy Scouts of America Commemorative, Series 1950	3
Indiana Territory Sesquicentennial Commemorative, Series 1950	3
Judicial, National Capital Sesquicentennial Commemorative, Series 1950	3
Canal Zone, Series 1949	2

Under the management program, comprehensive modernization of the Bureau, begun during the previous fiscal year, was continued during 1950.

The installation of auxiliary polishers and semi-automatic feedboards on 251 of the old style intaglio plate printing presses, used for printing currency and other engraved work, was completed during the year. As a result of this conversion the output of these presses ultimately will be increased approximately 30 percent, thereby effecting estimated annual savings of over $1 million.

The five modern offset presses installed during the year print revenue stamps in 800-subject sheets, thereby doubling the output of the old-type presses; and the three new typographic presses for overprinting revenue stamps and checks have a productive capacity about 25 percent greater than the obsolete presses which they replaced.

An improved method of packing sheets of postage stamps for delivery was adopted during the year. In lieu of the previous practice of wrapping the packages in kraft paper, the stamps are shipped in cardboard cartons which are sealed by a stapling machine. The new method facilitates the packing operation and affords greater protection to the stamps while in transit.

In accordance with the general policies and objectives of the joint program for improving accounting procedures in the Federal Government, representatives of the General Accounting Office, the Bureau of the Budget, and the Bureau of Accounts of the Treasury Department have worked in close collaboration during the year with the accounting staff of this Bureau in a survey of its fiscal activities. As stated in the report "Administrative Management," conclusions of the survey were that the industrial nature of this Bureau's operations and its relationships with other agencies make it especially adaptable to business-type procedures and to a working-capital fund method of financing. An illustrative budget was prepared on this basis and was submitted to the Appropriations Committees of Congress, together with a request for legislation authorizing this Bureau to operate on a wholly reimbursable basis beginning with the fiscal year 1952. Work is progressing satisfactorily to effect the necessary

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changes required in the existing financing and accounting procedures in accordance with the plan of action recommended by the joint committee assigned to this project.

The Classification Act of 1949, Public Law 429, 81st Congress, approved October 28, 1949, exempted those Bureau employees formerly in the clerical-mechanical service and specified that the compensation of such employees shall be fixed and adjusted from time to time as nearly as is consistent with the public interest in accordance with prevailing rates. In conformity with this provision of the law, wage surveys were conducted by the Bureau and rates of pay comparable to those paid by the Government Printing Office for similar work were recommended to the Treasury Wage Board. In April 1950 the rates of pay for these positions were approved by the Administrative Assistant to the Secretary. The new rates, which were made effective on April 30, 1950, affected approximately 4,000 employees and resulted in a salary increase for a majority of these employees. The total annual cost of these wage increases will be approximately $1,115,000.

In order to develop a more effective personnel program, the functions of the industrial relations office and the activities of the personnel division have been consolidated and are now administered under a newly created industrial relations division.

The total personnel at the beginning of the fiscal year comprised 6,070 employees. There were 1,353 appointments and 1,176 separations, leaving a total of 6,247 employees on the rolls at the end of the year.

Expenditures amounted to $25,081,019.73 which is a decrease of $1,767,392.50 or approximately 7 percent less than the total expended during the previous fiscal year. The following tabulation shows the appropriations, reimbursements, and expenditures for the fiscal years 1949 and 1950.

	1949	1950	Increase, or decrease (−)
Appropriation:			
Salaries and expenses	$15,660,000.00	$15,825,000.00	$165,000.00
Reimbursements to appropriation from other bureaus for work completed: [1]			
Salaries and expenses	11,223,848.44	9,299,243.81	−1,924,604.63
Total	26,883,848.44	25,124,243.81	−1,759,604.63
Expenditures:			
Salaries and expenses	26,848,412.23	25,081,019.73	−1,767,392.50
Unexpended balance	35,436.21	43,224.08	7,787.87

[1] Additional amounts of $1,555.65 for 1949 and $7,316.25 for 1950 were received from employees for recoveries of Government property lost or damaged, refunds of terminal leave compensation, recoveries for jury service, and collections to correct discrepancies in the paper accounts; and from firms for empty drums returned by Bureau, recoveries of excess cost over contract price, repayments of lapsed appropriations, settlement of claim for damage to property, and proceeds from sale of offset printing presses.

FISCAL SERVICE—Bureau of Accounts

Receipts and expenditures.—The Government's central accounts for revenues, appropriations, and expenditures of departments and establishments are maintained, under existing provisions of law, in the Bureau of Accounts. Under the act of July 31, 1894 (5 U. S. C. 264), this Bureau prepares annually for the Secretary a report to the

Congress, classifying receipts wherever practicable by districts, States, and ports of collection, and the expenditures under each separate head of appropriation. Receipts and expenditures of the Government for the fiscal year 1950 are shown in the summary of Federal fiscal operations appearing on page 3 of this report, while a more detailed statement is included as table 1.

Accounting improvements.—In the report "Administrative Management," beginning on page 61, reference was made to the program to improve the Government's accounting under the joint leadership of the Comptroller General of the United States, the Secretary of the Treasury, and the Director of the Bureau of the Budget. The accounting staff of the Bureau of Accounts from the standpoint of the Treasury Department has carried on the work under this program at the joint working level with the General Accounting Office and the Bureau of the Budget. This accounting staff also during the year rendered technical advice and assistance to the various bureaus and offices of the Treasury Department, principally the United States Coast Guard, the Bureau of Engraving and Printing, and the Bureau of Customs. Substantial progress was made under the joint accounting program as set forth on page 135 of the annual report of 1949. Under the new Budget and Accounting Procedures Act of 1950 the accounting staff of the Bureau of Accounts will be actively engaged in the work of organizing the accounting and reporting activities of the Treasury Department for the purpose of implementing that act (see exhibit 36).

Management improvement.—Under the improvement program in the Bureau of Accounts further changes in procedures were adopted during the year and increased mechanization of operations was effected. Certain of these developments are described in the report "Administrative Management," pages 61 to 65. These included the extension of the withholding tax procedure to employment taxes; the preparation of check accounting material in a form to facilitate earlier reconciliation and settlement of Treasury checking accounts; and the efficient preparation and delivery of the 15 million dividend checks to veterans of World War II who held national service life insurance policies.

A wide variety of other procedural improvements were instituted during the year. These are described in the following paragraphs.

A new form of Government check has been designed which will show the amount at one place on the check instead of two places. This change will not only facilitate payments of the checks but will effect savings in the preparation of addressograph plates and in modifications of these plates.

Procedure has been placed in operation to effect benefit payments in local currencies of foreign countries for the Veterans' Administration, Social Security Administration, Civil Service Commission, and Railroad Retirement Board. Payments in Poland, Czechoslovakia, and Hungary are made through the United States Disbursing Officers of the Department of State.

Payments in certain foreign countries were further facilitated by a new procedure effective May 1, 1950, permitting the drawing of checks on the Treasurer of the United States by the United States Disbursing Officers of the Department of State in lieu of making drafts on the

Secretary of State. This plan will be extended to other countries as rapidly as possible.

To facilitate the issuance of Philippine peso checks and to provide a more economical operation, account No. 3 of the Chief Disbursing Officer was established with the Manila Branch of the National City Bank of New York. This account, operated from Washington, D. C., is to pay certain beneficiaries of the Veterans' Administration and for other purposes.

To establish a better control and to simplify the accounting and disposition of Philippine pesos reclaimed by the Treasurer of the United States on peso checks negotiated on forged endorsements, there was established special deposit account No. 4 to which amounts reclaimed in Philippine pesos are credited and from which payments are made. The account is administered by the Division of Investments, Bureau of Accounts.

Daily Statement of the United States Treasury.—Commencing November 1, 1949, interest on the public debt is reported in the daily Treasury statement as an expenditure when such interest becomes due and payable, as distinguished from the previous practice of showing the expenditure on the basis of interest paid by the Treasurer of the United States.

During the year procedures were installed on an experimental basis whereby expenditures of the Departments of the Air Force and the Army were reported to the Treasury through the use of teletype facilities. Commencing in July 1950, the expenditures of these Departments are included in the daily Treasury statement on the basis of teletype reports. This moves in the direction of the change commencing July 1, 1948, when the expenditures of the departments and establishments of the Government serviced by the Division of Disbursement were first reported in the daily Treasury statement as of the day on which checks are issued in payment of Government obligations rather than the day the reports of checks paid were received by mail in Washington, D. C.

Disbursement activities.—The Division of Disbursement maintains 27 regional disbursing offices in the continental United States and Territories and other disbursing facilities in foreign countries, serving all executive departments and agencies except the Post Office Department, United States Marshals, the Panama Canal, the Department of Defense, and certain Government corporations. The number of payments, collections, and savings bonds issued by the Division of Disbursement during the fiscal years 1949 and 1950 are as follows:

Classification	Number	
	Fiscal year 1949	Fiscal year 1950
Payments (checks and cash):		
Social security	28, 822, 250	33, 878, 237
Veterans' benefits	80, 137, 417	80, 264, 384
Special dividend program		14, 731, 388
Tax refunds	38, 407, 651	29, 412, 534
Other	28, 368, 258	31, 450, 035
Collection items	5, 787, 078	5, 875, 718
Savings bonds issued to Federal employees in payroll savings plan	2, 402, 927	2, 485, 644
Total	183, 925, 581	198, 097, 940

The improvements in disbursing practices and procedures during the year are summarized on pages 64 and 65 of this report.

National service life insurance special dividend program.—Commencing in January 1950 the Division of Disbursement issued for the Veterans' Administration 14,731,388 dividend checks totaling $2.6 billion to veterans of World War II who held national service life insurance policies. To accomplish this task within the shortest period of time possible, a branch of the Washington Regional Office was established and staffed with the best qualified supervisory personnel available. The operation was geared to produce 200,000 checks a day. In view of the magnitude of the program, many innovations and precautionary measures were introduced to provide every safeguard and to facilitate efficient preparation and prompt delivery of the check to the veteran. The transfer posting process of preparing checks was used. This method, having proved expedient on previous tax refund programs, reduced the overall cost of the operation to a unit figure of 3¼ cents, which was considerably less than the original estimate. As a result, the Secretary of the Treasury presented cash awards to those supervisory employees of the Division of Disbursement who were instrumental in effecting the economies. The savings realized resulted from the comprehensive training of the employees assigned to responsible functions and from the adoption of the production line principle which prevented duplication of effort and minimized the possibility of error. See also the report "Administrative Management."

Withheld foreign checks.—Regulations of the Treasury Department relating to the delivery of Government checks to payees residing in foreign countries were amended to allow delivery in all places in the world except the Russian Zone of Occupation of Germany; the Russian Sector of Occupation of Berlin, Germany; and in Albania and Bulgaria. A copy of the amendment appears as exhibit 37.

Government losses in shipment.—The value of shipments reported by Government departments and agencies during the year under coverage of the Government Losses in Shipment Act, as amended (5 U. S. C. 134–134h), amounted to $418,044,811,084, as compared with $405,111,163,200 for the fiscal year 1949. Claims totaling $105,917.65, which includes $102,890.20 on account of United States savings bonds and armed forces leave bonds redemption cases, were paid out of the revolving fund during the year, and recoveries during the year amounting to $100,094.59 were deposited to the credit of the fund, leaving a net expenditure of $5,823.06 for losses. The cumulative amount of estimated insurance premium savings to the Government from the inception of the act in 1937, based on rates in effect at that time, totaled $31,537,726.30. Information concerning the operation of this self-insurance plan by the Government will be found in tables 98 to 102.

Bonding of Government employees.—During the year the Treasury Department was requested to report on legislation introduced in the Congress to provide for the purchase of blanket position schedule bonds, from funds made available for administrative expenses, to cover officers and employees of the Government. The Treasury was in favor of the proposed legislation to relieve employees of the personal expense of providing surety bonds and to reduce administrative expenses of handling the individual bonds.

Authorized surety companies.—A list of the surety companies authorized to write bonds in favor of the United States is published by the Treasury semiannually. During the year certificates of authority were issued to 13 additional companies qualifying them as sole sureties on bonds in favor of the United States. A total of 47,124 bonds and consent agreements were approved by the Treasury as to corporate surety during the year.

Depositaries of public moneys.—The Division of Deposits handles the administrative work relating to the designation of depositaries of public moneys. Cash balances held by the various classes of depositaries are shown in the table on page 99.

The Division completed arrangements with approximately 1,000 additional commercial banks during the year to furnish drafts to officers of the Farmers' Home Administration, the Public Housing Administration, and other agencies for transmitting their collections of Government funds to Federal Reserve Banks for account of the Treasury. The extension of this program facilitates the transmittal and deposit of Government funds at certain points where volume is small.

Effective January 1, 1950, the Bureau of Internal Revenue, in cooperation with the Fiscal Service, adopted a procedure whereby tax returns covering withheld taxes and social security taxes are combined. Under this new procedure employers deposit withheld taxes with Federal Reserve Banks either directly or through commercial banks. The commercial banks, through which deposits of withheld taxes are made, render such services as a convenience to their customers without cost to the Government. Prior to the new procedure commercial banks were compensated for accepting deposits and issuing receipts for withheld income taxes.

Investments of trust funds.—Under various provisions of law, the Secretary of the Treasury is responsible for investing certain trust funds. A summary of the various investment accounts for which he is responsible is shown as table 41.

The revision effective January 1, 1950, in the procedure followed by the Treasury Department in collecting and accounting for deposits of social security taxes provides a basis for earlier collection of employment taxes and for appropriating on a current basis from the general fund of the Treasury to the Federal old-age and survivors insurance trust fund amounts equal to funds received. In view of this change, the practice of making investments for the fund was changed from a quarterly to a monthly basis. Under this change, the earlier use of tax collections accrues to the benefit of the trust fund.

Interest payments to trust funds.—The Treasury Department and the Bureau of the Budget have been giving consideration to interest payments by the Government on securities issued to trust funds and not available to the public. In some cases Congress has provided specific guides as to the rate of interest to be paid on public debt securities issued to trust funds, but in other cases specific guides have not been provided. The Secretary of the Treasury has taken the position that, in the absence of specific guides or directives by the Congress to the contrary, the rate of interest paid on such securities should be the average interest rate paid on all interest-bearing public issues of the public debt outstanding at any one time (see exhibit 35).

Transfer of Canal Zone and Alaska Railroad retirement funds to civil service retirement and disability fund.—Pursuant to Public Law 180, 81st Congress, approved July 21, 1949, which provided for consolidation of the accounts for the Canal Zone and Alaska Railroad retirement funds with the civil service retirement and disability fund, the Treasury transferred assets from the abolished accounts amounting to $294,123.83 in cash and $17,539,500 in special issues of securities to the civil service retirement and disability fund.

Collections under section 16 of Federal Reserve Act, as amended (12 U. S. C. 414).—During the fiscal year 1950 there was deposited in the Treasury as miscellaneous receipts by the Federal Reserve Banks the sum of $191,875,030.82, representing interest levied by the Board of Governors of the Federal Reserve System on basis of the amount of Federal Reserve notes in circulation. Such deposits are made quarterly and the above amount covers the last three quarters of the calendar year 1949 and the first quarter of the calendar year 1950. Comparative figures of amounts deposited by each Federal Reserve Bank for the fiscal years 1948 through 1950 appear in table 9.

Loans and capital subscriptions.—In supplying funds required by Government corporations and agencies which are authorized to borrow money for operations, the Treasury made cash advances aggregating $7,203,723,545.91 in 1950. The Treasury received repayments of $5,631,828,343.55, resulting in net advances of $1,571,895,202.36. A statement showing obligations of Government corporations and other agencies held by the Treasury as of June 30, 1950, appears as table 66.

Cancellations by the Treasury of obligations of Government corporations and agencies amounted to $73,202,146.01 in 1950, of which $73,000,000 applied to capital stock.

The Treasury's holdings of capital stock in Government corporations decreased by $236,270,800 during the year as a result of cash payments in the amount of $163,270,800 and the cancellations of $73,000,000. Dividends, interest, and like payments received by the Treasury from Government corporations and other enterprises in which the Government has a financial interest aggregated $144,922,557.29. Certain transactions of particular interest are described below, and a tabulation showing dividends, interest, and like payments received from Government corporations and other enterprises in which the Government has a financial interest appears as table 76.

Loans to Administrator for Economic Cooperation.—Pursuant to provisions in the act of April 19, 1949 (63 Stat. 50), and Public Law 327, 81st Congress, approved October 6, 1949, which further amended the Economic Cooperation Act of 1948 (22 U. S. C. 1501–1522), the Treasury accepted additional notes of the Administrator for Economic Cooperation in the amount of $122,300,000 for the purpose of guaranteeing investments in private enterprises undertaken in foreign countries and $150,000,000 for the purpose of loans to participating countries. As of June 30, 1950, the Treasury had accepted $150,000,000 face amount of guaranty notes and $1,122,300,000 face amount of loan notes.

The agreement between the Administrator and the Secretary of the Treasury provides that the notes constitute allocations against which the Export-Import Bank of Washington may draw as funds are required. By June 30, 1950, the Bank had drawn $444,373.08 against the guaranty notes and $963,979,000 against the loan notes, leaving undisbursed balances of $149,555,626.92 and $158,321,000, respectively. Of the $444,373.08 drawn against the guaranty notes, $12,389.33 was repaid to the Treasury, leaving $431,983.75 unpaid as of June 30, 1950.

The Foreign Economic Assistance Act of 1950 (Public Law 535, 81st Congress, approved June 5, 1950) authorized an additional $50,000,000 for guaranty purposes. As of the end of the year the Administrator had not presented any notes to the Treasury for purchase against this authorization.

Loans to District of Columbia for expansion of the water system.—Public Law 533, 81st Congress, approved June 2, 1950, authorized the Commissioners of the District of Columbia to accept, and the Secretary of the Treasury to make, loans not exceeding $23,000,000 to finance the expansion and improvement of the District of Columbia water system when sufficient sums are not available from the District of Columbia water fund. Any advances must be repaid to the Secretary of the Treasury in the period 1961–80 in such annual amounts as the Congress shall hereafter direct, and interest shall accrue as of the dates the advances are credited to the water fund. No advances under this authority were made during the fiscal year 1950.

Loans to Housing and Home Finance Administrator.—Pursuant to the Housing Act of 1949, Public Law 171, 81st Congress, approved July 15, 1949, the Treasury agreed to purchase notes of the Administrator of the Housing and Home Finance Agency for the purpose of providing funds for carrying out the provisions of title I of the act for slum clearance and community development and redevelopment. As of June 30, 1950, the Treasury had purchased one note of the Administrator in the amount of $500,000. The agreement between the Administrator and the Secretary of the Treasury provides for payment of interest to the Treasury at the average rate on outstanding interest-bearing marketable public debt securities of the United States subject to a provision that the rate during each fiscal year will be adjusted to the average rate which pertains as of the close of the preceding fiscal year.

In accordance with title IV of the Housing Act of 1950, Public Law 475, 81st Congress, approved April 20, 1950, the Administrator may assist educational institutions in providing housing for their students and faculties by making loans of funds to such institutions for the construction of such housing. To obtain funds for loans under this title, the Administrator may issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury in an amount not to exceed $300,000,000. As of June 30, 1950, the Administrator had not issued any notes or obligations under this title.

Production credit corporations.—Production credit corporations, through the Department of Agriculture, returned to the Treasury $4,000,000 during the fiscal year 1950, which together with $30,000,000 repaid in the fiscal year 1949 reduced the capital stock owned by the Government as of June 30, 1950, to $42,235,000.

Commodity Credit Corporation.—The appraised value of the liabilities and capital of the Commodity Credit Corporation as of June 30, 1949, as determined by the Secretary of the Treasury under the act of March 8, 1938, as amended (15 U. S. C. 713a–1), exceeded the value of the assets by $66,698,457.34. An amendment to the general appropriations bill, 1951 (H. R. 7786), authorized the Secretary of the Treasury to discharge this indebtedness of the Corporation by canceling notes in the amount of $66,698,457.00. A statement showing the results of annual appraisals appears in table 71.

The acts of December 17, 1947 (61 Stat. 934), and December 23, 1947 (61 Stat. 941), required the Secretary of the Treasury to cancel notes of the Corporation in the amount of the losses incurred by the Corporation through the sale of commodities in connection with the foreign-aid program. No notes were canceled during 1950. Notes canceled under this provision previous to 1950 amounted to $56,239,432.11.

Interest on capital stock, Commodity Credit Corporation.—Pursuant to the Commodity Credit Corporation Charter Act of June 29, 1948 (62 Stat. 1072), the Corporation paid to the Treasury $2,000,000 as interest on its capital stock. The interest rate of 2 percent was determined by the Secretary of the Treasury on the basis of the average interest rate on outstanding interest-bearing marketable public debt securities of the United States on June 30, 1949.

Dividends received from the Reconstruction Finance Corporation.—Under the act of May 25, 1948 (62 Stat. 261), which requires an annual payment, between July 1 and December 31, of the amount, if any, by which the accumulated net income of the Reconstruction Finance Corporation exceeds $250,000,000, the Corporation paid into the Treasury on December 31, 1949, as miscellaneous receipts, a dividend of $1,345,185.29 on its capital stock.

Cancellations of notes, Reconstruction Finance Corporation.—In accordance with the act of June 30, 1948 (62 Stat. 1187), the Secretary of the Treasury in 1950 canceled notes of the Reconstruction Finance Corporation in the amount of $202,146.01, which equaled the costs incurred by the Corporation subsequent to June 30, 1947, for handling, storing, processing, and transporting critical materials to stock piles.

As also required by the act, the Corporation deposited in the Treasury as miscellaneous receipts the recoveries less related expenses, made subsequent to June 30, 1947, of national defense, war, and reconversion costs, which in 1950 amounted to $25,022,694.56.

A statement showing all cancellations and recoveries by the Treasury in connection with Reconstruction Finance Corporation notes is shown in table 72.

Dividends on and repayments of capital stock of Federal home loan banks.—Dividends amounting to $1,260,268.75 on capital stock holdings of the Treasury in Federal home loan banks were deposited in the Treasury as miscellaneous receipts. The banks also made repayments totaling $27,270,800 on capital stock, of which $3,723,300 was required under section 6 (g) of the Federal Home Loan Bank Act, as amended (12 U. S. C. 1426 (g)), and $23,547,500 was voluntary. A statement showing dividends and stock repayments by banks appears as table 74.

Dividends on capital stock of the Federal Farm Mortgage Corporation.—The Federal Farm Mortgage Corporation paid to the Treasury during the fiscal year 1950 as dividends $17,000,000, in accordance with the act of June 29, 1949 (63 Stat. 347). This sum was deposited as miscellaneous receipts.

Federal intermediate credit banks.—The Agricultural Credits Act of 1923, as amended (12 U. S. C. 1072), requires each credit bank, at the end of each fiscal year, after all necessary expenses and costs of operation for the year have been provided or paid for, to apply its remaining net earnings to (1) making up any losses in excess of reserves, (2) eliminating capital impairment, (3) creating reserves against unforeseen losses, and (4) paying 25 percent of the amount then remaining to the United States as a franchise tax. During the fiscal year 1950, $260,665.80 was deposited into the Treasury.

Panama Railroad Company.—During the year the Panama Railroad Company paid to the Treasury $1,000,000 as dividends on capital stock owned by the Government.

Smaller War Plants Corporation.—During the fiscal year the Reconstruction Finance Corporation, as liquidation agency, paid to the Treasury $10,000,000 for retirement of capital stock of the Smaller War Plants Corporation, reducing the June 30, 1950, holding of the stock by the Treasury to $44,400,000.

Home Owners' Loan Corporation (in liquidation).—The Treasury received during the year final payment on $125,000,000 face amount of Home Owners' Loan Corporation bonds and interest. Repayments of capital stock reduced the Treasury holdings of $200,000,000 to $74,000,000 on June 30, 1950.

Federal Savings and Loan Insurance Corporation.—The Treasury received from the Federal Savings and Loan Insurance Corporation $28,981,112.27 representing interest on its capital stock at 2 percent from June 27, 1934, to June 30, 1950, less dividends previously paid by the Corporation to the Home Owners' Loan Corporation. The payment was made pursuant to Public Law 576, 81st Congress, approved June 27, 1950, which also contains provisions for future payments to the Treasury of interest on its capital stock at a rate to be determined by the Secretary of the Treasury, and for the retirement of capital stock annually in amounts equal to 50 percent of net income for the fiscal year.

Federal savings and loan associations.—During the fiscal year 1950 the Treasury received $136,600.00 which completes the repayments on $49,300,000 of shares of Federal savings and loan associations acquired under the act of June 13, 1933, as amended (12 U. S. C. 1464 g–j). Dividends received during the year amounted to $1,670.50, which brings the total amount of dividends through June 30, 1950, to $10,563,393.85.

Federal Crop Insurance Corporation.—Pursuant to Public Law 268, 81st Congress, approved August 25, 1949, which amended the Federal Crop Insurance Act (7 U. S. C. 1501–1519), the Treasury canceled, without any payment being made by the Corporation, outstanding receipts for payments of $73,000,000 of capital stock of the Federal Crop Insurance Corporation, thus reducing the stock of the Corporation held by the Treasury to $27,000,000.

Obligations of foreign governments.—The indebtedness to the United States from foreign governments arising from World War I amounted to $16,134,787,078.95 as of November 15, 1950, including $11,-434,794,809.51 on account of principal and $4,699,992,269.44 on account of interest. The principal figure does not include the World War I indebtedness of Germany amounting to $1,225,023,750 (3,037,500,000 reichsmarks). Tables 110 and 111 show the status of the indebtedness of foreign governments to the United States arising from World War I.

The indebtedness of foreign governments arising from World War II, representing amounts receivable on lend-lease settlement agreements, collections on which are being handled by the Treasury, surplus-property sales agreements, and other lend-lease accounts, totaled $2,394,002,510.82, details concerning which are shown in table 112. This amount includes $291,215,172.64 due the United States for the value of silver transferred to foreign governments under the lend-lease program which is to be repaid in kind. Final settlement agreements have not been reached with all foreign governments.

Payments by Finland on World War I indebtedness.—During the fiscal year 1950 the Treasury received $424,041.98 in payment of Finland's indebtedness under the funding agreement of May 1, 1923, and the moratorium agreements of May 1, 1941, and October 14, 1943. Public Law 265, 81st Congress, approved August 24, 1949, provides that the amounts paid by Finland after August 24, 1949, shall be placed in a special deposit account which shall be available to the Department of State to finance educational and technical instruction and training in the United States for citizens of Finland, American books and technical equipment for institutions of higher education in Finland, and participation of United States citizens in academic and scientific enterprises in Finland. In accordance with the act, the amount received was made available to the Department of State.

Lend-lease and surplus-property fiscal operations.—The billing and collecting from foreign governments for reimbursable supplies and services furnished under lend-lease and reciprocal aid agreements and surplus-property sales agreements negotiated by the Department of State were continued. Collections made by the Treasury on these accounts during the fiscal year 1950 amounted to $34,484,200.82, bringing the total collections to $545,340,889.32.

Articles and services furnished under agreements as authorized by the Lend-Lease Act were reported in the amount of $13,904,353.38, bringing the total defense aid provided to $50,242,673,031.59 between March 11, 1941, and June 30, 1950. The increase in the total defense aid provided was the net result of the receipt of heretofore unreported charges affecting both reimbursable and nonreimbursable accounts. Reverse lend-lease, consisting of articles and services furnished by foreign governments to the United States up to September 2, 1945, amounted to $7,819,322,790.90. Between March 11, 1941, and June 30, 1950, funds received from foreign governments amounted to $1,766,243,220.78. Of this amount $1,281,178,939.71 has been covered into the United States Treasury as miscellaneous receipts, $221,517,703.91 net has been allocated to the procuring agencies under the cash reimbursement program, $171,035,317.10 has been returned to foreign governments, $88,299,000.00 was reappropriated to the President by the act of June 30, 1944 (58 Stat. 627), $1,578,332.85 was reimbursed to other agencies, and the remainder of $2,633,927.21 is being held in the Treasury pending settlement of accounts.

Foreign currencies.—During the fiscal year the Treasury continued the operation of central facilities for receipt and utilization by the United States of foreign currencies received under surplus property and lend-lease agreements, and excess foreign currencies acquired by sales of surplus property and lend-lease goods, Economic Cooperation Administration counterpart and guaranty funds, and other operations in foreign countries. These currencies are sold to various Government agencies as required. In accordance with provisions for educational exchange programs conducted between the United States and certain countries as authorized in section 32 (b) (2) of the Surplus Property Act of 1944, as amended (50 U. S. C. 1641 (2)), the currencies in the following statement were delivered in the fiscal year 1950 to the Department of State without receipt of the equivalent amount in United States dollars:

Country	Foreign currency	Equivalent dollar value
Australia	11,548 pounds	$37,280.00
Belgium	7,037,062.50 francs	150,000.00
Burma	1,615,500 rupees	400,000.00
China	68,000,000,000 gold yuan [1]	29,000.00
Egypt	5,033,820 pounds	14,500.00
France	279,905,000 francs	810,000.00
Great Britain	213,238 pounds	750,000.00
Greece	5,004,200,000 drachmas	350,000.00
India	142,794 rupees	30,000.00
Iran	550,000 rials	13,750.00
Italy	354,400,000 lire	557,232.70
Netherlands	1,513,212.50 guilders	500,000.00
New Zealand	41,039 pounds	115,000.00
Norway	1,091,811.60 kroner	220,000.00
Philippines	803,000 pesos	400,000.00
Total		4,376,762.70

[1] Currency delivered during fiscal year 1949.

The amounts of foreign currencies held by the Treasury on June 30, 1949, transactions during the fiscal year, and balances on June 30, 1950, in foreign currencies and approximate United States dollar values are shown in table 109.

Liquidation of Institute of Inter-American Transportation.—On August 21, 1946, a certificate of dissolution of this Corporation was filed with the Secretary of the State of Delaware. Liquidation was completed under the direction of the Department of State as of August 21, 1949. Since that date various small collections have been deposited in the Treasury as miscellaneous receipts.

Liquidation of other war agencies.—Public Law 446, 81st Congress, approved February 9, 1950, relieved certifying officers of terminated war agencies in liquidation by the Treasury Department of liability for bona fide payments which had been suspended or disallowed by the General Accounting Office. These suspensions and disallowances have been removed from the accounts of the certifying officers. As of June 30, 1950, the liquidation of the residual fiscal affairs of certain war agencies was completed, except the final disposition of the remaining fiscal documents and the processing of a few miscellaneous claims that are received from time to time. The terminated war agencies include the Division of Central Administrative Services of the Office for Emergency Management, Office of Civilian Defense, War Refugee

Board, Office of Censorship, Office of War Information, Committee on Fair Employment Practices, and Price Decontrol Board.

Liquidation of railroad obligations.—The Treasury received $528,950.75 during the year on account of securities acquired by the United States in connection with loans which were made to railroads under sections 207 and 210 of the Transportation Act of 1920 (41 Stat. 462 and 468). Of this amount $524,550.75 was collected as interest and dividends on securities of the Seaboard Air Line Railway Company, which are administered by the Reconstruction Finance Corporation pursuant to Executive order, and $4,400.00 represents earnings on railroad securities owned by the Treasury, other than those held by the Reconstruction Finance Corporation. A statement concerning the liquidation of railroad obligations appears as table 75.

Bonds of the Republic of the Philippines.—An additional $1,700,000 was paid by the Republic of the Philippines to the Government of the United States for deposit to the special trust account which was established in the Treasury for the purpose of paying principal and interest on pre-1934 Philippine Government bonds. The money was invested in accordance with the act of August 7, 1939 (53 Stat. 1229). The amounts of cash and investments in the special trust account as of June 30, 1950, are shown in table 107.

Deposits of the Republic of the Philippines.—Under authority of the act of June 11, 1934, as amended by the act of August 7, 1946 (22 U. S. C. 1333), and agreements with the Republic of the Philippines, the Treasury maintains two interest-bearing time deposit accounts for public moneys of the Republic. The authority to maintain the accounts will expire July 1, 1951. As of June 30, 1950, the accounts consisted of deposits of $55,000,000 at 2 percent interest and $70,000,000 at 1 percent interest.

Settlement of prewar Philippine depositary account.—In connection with the reconstruction of the account of the Treasurer of the United States with the Treasury of the Philippine Islands at the time of the Japanese invasion, a balance of $525,705.09 was computed from records available to the Treasury Department. Additional information, based on records of the Philippine Treasury as audited by the General Auditing Office of the Philippine Government, indicated a balance of $422,674.11. After taking into consideration certain transactions which were known to the United States Treasury, a balance of $433,060.57 was determined to be due the Philippine Treasury. The Comptroller General approved a settlement with the Philippine Government on that basis. Settlement was made with the Philippine Government on December 7, 1949, by the transfer of $433,060.57 to the demand deposit account of the Central Bank of the Philippines.

A residual balance of $157,689.70 representing the net excess of unidentified credits over unidentified payments was placed in a special deposit account of the Secretary of the Treasury, where these funds were held until such time as the General Accounting Office had completed the audit and reconciliation through December 31, 1941, of the accounts of those disbursing officers who customarily used the Philippine Treasury as a depositary. Under date of May 8, 1950, the Comptroller General advised the Secretary of the Treasury that all of the checking accounts involved had been reconciled through December 31, 1941, and there appeared to be no objection to clearing the special deposit account. Accordingly, the balance of $157,689.70 in the account was deposited in the general fund of the United States Treasury in June 1950. This completed all necessary action on the settlement of the account of the Treasurer of the United States with the Philippine Treasury.

American-Mexican Claims Commission.—The Treasury received from the Government of the United States of Mexico $2,500,000 in November 1949 as an installment on the $40,000,000 which Mexico, in the Convention of November 19, 1941, agreed to pay in full settlement of the claims of American nationals as adjudicated by the American-Mexican Claims Commission. The amount enabled a further distribution of 6.2 percent on the unpaid principal amount of each award, making a total distribution of 65.1 percent. A statement of the Mexican claims fund appears as table 103.

Mixed Claims Commission, United States and Germany.—No further funds were received by the Treasury from the Department of Justice for distribution on the awards of the Mixed Claims Commission in accordance with the Settlement of War Claims Act of 1928, as amended (50 App. U. S. C. 9). A statement showing the payments by classes and status of the accounts to date is shown as table 104.

International Claims Settlement Act of 1949.—Public Law 455, 81st Congress, approved March 10, 1950, provides for the settlement of certain claims of the Government of the United States, on its own behalf and on behalf of American nationals against foreign governments, arising out of World War II. An International Claims Commission has been established in the Department of State to receive claims, conduct hearings, and adjudicate and render final decisions with respect to such claims. Awards of the Commission will be certified to the Secretary of the Treasury for payment to awardees or their successors or assigns in accordance with the provisions of the act.

FISCAL SERVICE—BUREAU OF THE PUBLIC DEBT

The Bureau of the Public Debt performs the administrative work in connection with the management of the public debt, including the preparation of offering circulars and regulations, the issuance of securities and processing of transactions relating thereto, the final audit and custody of securities retired, the keeping of accounts for registered securities, and the drawing of interest checks. Two principal offices are maintained—one in Washington, D. C., for all functions relating to the issuing, servicing, and retiring of public debt securities except those relating to savings bonds following their issue to the public, and the other in Chicago, Ill., where the functions consist of transactions relating to savings bonds after their issue to the public. In addition to these offices, three field regional offices, located in New York, Chicago, and Cincinnati, are maintained for the purpose of decentralizing the auditing of redeemed savings bonds.

Management improvement.—The Bureau continued its program aimed at the reduction of the cost of all functions wherever such reductions could be effected without sacrificing any of the security controls. The improvements made during the year will produce annual savings of nearly $500,000. In addition, savings resulting from improvements installed in the period 1947–49 amounted to $2.5 million in 1950.

The regional offices of the Register of the Treasury in St. Louis and Los Angeles were abolished and their functions transferred to the Chicago and Cincinnati regional offices. This action substantially reduced administrative costs without impairment of operating efficiency.

The issuance of duplicate savings bonds resulting from claims cases was transferred from the Bureau of the Public Debt in Washington, D. C., to the Federal Reserve Bank of Chicago. There this function was consolidated with other bond issue activities of the Bank. The cost of issuing duplicate bonds was thus reduced and delivery of the bonds to their owners was expedited.

A summary of public debt operations handled by the Bureau appears on pages 14 to 26 of this report, and a series of statistical tables dealing with the public debt will be found in tables 11 to 27 and 35 to 39.

The public debt of the United States falls into two broad categories: (1) public issues, and (2) special issues. The public issues are classified as to marketable obligations, consisting of Treasury bills, certificates of indebtedness, Treasury notes, and Treasury bonds; and nonmarketable obligations, consisting mainly of United States savings bonds and Treasury savings notes.

During the fiscal year 1950 the gross public debt increased by $4,586,992,491 and the guaranteed obligations held outside the Treasury declined by $7,772,374. Total public debt issues, including issues in exchange for other securities, amounted to $125,610,332,406 during 1950, and retirements amounted to $121,023,339,916. A summary showing the effect of Government operations on the public debt will be found on page 3 of this report.

On June 30, 1950, there were 4,670 employees on the rolls of the Bureau of the Public Debt, as compared with 5,848 on June 30, 1949. The decrease of 1,178 employees was made possible through a reduced work load and improved operating procedures.

United States savings bonds.—In terms of volume of work, the issue and redemption of United States savings bonds represent by far the largest administrative problem of the Bureau. Since these bonds are in registered form and in the hands of millions of American people, the task of maintaining both alphabetical and numerical records of over 1.3 billion of these bonds, the replacement of lost or stolen bonds, and the handling of erroneous redemptions by financial institutions throughout the country on forged signatures involves a major administrative task.

Receipts from the sales of savings bonds during the year were $5,672,735,862 and accrued discount, charged to the interest account and credited to the savings bonds principal account, amounted to $1,045,108,870, making a total of $6,717,844,732. Expenditures for redeeming savings bonds, including matured bonds, amounted to $5,422,086,571. The amount of savings bonds of all series outstanding on June 30, 1950, including accrued discount, was $57,628,701,716, an increase of $1,295,758,161 over the amount outstanding on June 30, 1949. Detailed information regarding savings bonds will be found in tables 28 to 33.

During the fiscal year 1950 approximately 67.8 million stubs representing issued savings bonds of Series E were received for registration, making a total of 1,314.8 million, including reissues, received through June 30, 1950. These stubs are sorted alphabetically by name of owner and microfilmed, and then are sorted in numerical sequence of their bond serial numbers and microfilmed, after which the original stubs are destroyed. The microfilms serve as permanent registration records. Of the 1,314.8 million Series E bond stubs received as of June 30, 1950, 1,254.9 million have been completely processed and 1,218.1 of the latter have been destroyed.

The great backlogs in these operations which resulted from the manpower shortage during World War II have been almost entirely eliminated, as indicated in the following table which shows the processing, at various stages, of the registration stubs of Series E savings bonds.

Period	Stubs of issued Series E savings bonds in Chicago office (in millions of pieces)					
	Stubs received	Numerically filmed	Alphabetically sorted: Restricted basis sort [1]	Alphabetically sorted: Fine sort prior to filming [2]	Alphabetically filmed	Destroyed after filming
Cumulative through June 30, 1946	1,042.3	1,022.1	958.9	535.4	317.9	265.6
Fiscal year:						
1947	76.8	76.1	120.4	37.9	120.1	152.3
1948	61.7	66.2	72.4	323.1	318.4	196.2
1949	66.2	58.9	58.5	290.5	382.8	447.4
1950	67.8	6.0	91.1	88.1	115.7	156.6
Total	1,314.8	1,229.3	1,301.3	1,275.0	1,254.9	1,218.1

[1] Not complete alphabetical arrangement but sorted to a degree whereby individual stubs can be located. Includes those stubs fine sorted.
[2] Completely sorted.

The registration records of stubs of issued savings bonds of Series F and G are maintained in Chicago.

The audit of retired savings bonds is conducted in the regional offices of the Register of the Treasury. There were 84.4 million retired savings bonds of all series received in the regional offices during the year. Retired bonds are audited and then microfilmed, after which the bonds may be destroyed. Destruction of bonds commenced in the fiscal year 1950 when 317.2 million were destroyed. The bonds of all series received in these offices have been audited, microfilmed, and destroyed to the extent indicated in the following table.

Period	Retired savings bonds of all series in regional offices (in millions of pieces)					
	Bonds received in regional offices	Audited	Microfilmed	Balance unaudited	Balance unfilmed	Destroyed
Cumulative through June 30, 1946	27.9	19.2		8.7	27.9	
Fiscal year:						
1947	113.3	118.4		3.6	141.2	
1948	95.1	94.6	51.7	4.1	184.6	
1949	85.7	86.8	171.4	3.0	98.9	
1950	84.4	83.0	153.3	4.4	29.9	317.2
Total	406.4	402.0	376.5	4.4	29.9	317.2

After the retired bonds have been audited in the regional offices, a listing of the serial numbers is transmitted to the Chicago departmental office where the serial numbers are posted to numerical registers, and the postings verified. The following statement shows the status of the posting of all series of retired savings bonds.

Period	Retired savings bonds of all series in the Chicago office (in millions of pieces)				
	Number of retired bonds reported	Status of posting			
		Posted	Verified	Unposted	Unverified
Cumulative through June 30, 1946	454.2	384.0	313.5	70.2	70.5
Fiscal year:					
1947	137.9	195.7	256.5	12.4	9.7
1948	99.5	105.2	110.8	6.7	4.1
1949	92.5	96.8	94.9	2.4	6.0
1950	82.6	81.2	82.2	3.8	5.0
Total	866.7	862.9	857.9	3.8	5.0

Of the 78.8 million Series A–E savings bonds redeemed prior to release of registration and received in the regional offices during the year, 76.9 million, or 97.6 percent, were redeemed by over 16,000 paying agents, who were reimbursed for this service, in each quarter year, at the rate of 15 cents each for the first 1,000 bonds paid and 10 cents each for all over the first 1,000. The total amount paid to agents on this account during the year was $9,558,666, which was at an average rate of 12.44 cents per bond.

The following table shows the number of issuing and paying agents for Series A–E savings bonds, by classes.

June 30	Post offices	Banks	Building and savings and loan	Credit unions	Companies operating payroll plans	All others	Total
	Issuing agents						
1947	25,420	15,178	1,856	719	2,910	1,320	47,403
1948	25,179	15,178	1,706	615	3,289	605	46,572
1949	24,944	15,205	1,621	565	3,192	595	46,122
1950	25,060	15,225	1,557	522	3,052	550	45,966
	Paying agents						
1947		15,176	683	140		53	16,052
1948		15,527	786	145		50	16,508
1949		15,559	863	138		64	16,624
1950		15,623	874	137		57	16,691

During the fiscal year, 8,728,509 Series G bond interest checks were issued with a value of $446,579,998. This is an increase of about 145,000 checks over the number issued during 1949.

There were 37,213 applications during the year for the issue of duplicates of lost, stolen, or destroyed savings bonds, in addition to

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2,710 cases on hand at the beginning of the year, making a total of 39,923 cases, of which 9,179 were credit cases referred to Washington for settlement. In 8,518 cases the bonds were recovered, and in 20,142 cases the issuance of duplicate securities was authorized. On June 30, 1950, only 2,084 cases remained unsettled.

Registered accounts for other than savings bonds.—During the year 14,000 individual accounts covering publicly held registered securities other than savings bonds were opened and 38,000 were closed, leaving a total of 358,000 such accounts open on June 30, 1950, covering registered securities in the principal amount of $14.5 billion. There were 715,000 interest checks issued to owners of record during the year, which was a decrease of 43,000 from 1949.

Armed forces leave bonds.—Through June 30, 1950, armed forces leave bonds aggregating $2,088,672,000 in face value had been issued and $1,783,447,000 had been retired, leaving a balance of $305,225,000 outstanding on that date. The issues and retirements of armed forces leave bonds monthly during 1950, on the daily Treasury statement basis, are shown in table 21, and the accumulated issues and retirements of the issues outstanding on June 30, 1950, on the Public Debt accounts basis, are shown in table 17. The following statement shows the issues, retirements, and outstanding for selected periods:

Period	Issued	Retired	Outstanding at end of period
	In thousands of dollars		
October 1, 1946, to April 30, 1947	1,721,045	38,151	1,682,893
May 1, 1947, to August 31, 1947	205,557	23,457	1,864,993
September 1, 1947 to October 31, 1947	90,568	[1] 1,047,022	908,540
November 1, 1947, to June 30, 1948	63,866	408,252	564,153
June 1, 1948, to June 30, 1949	7,490	171,054	400,589
June 1, 1949, to June 30, 1950	147	95,511	305,225
Total	2,088,672	1,783,447	

[1] Redemption on and after September 1, 1947, at owner's option, was provided in amendment to Armed Forces Leave Act, approved July 26, 1947.

The total number of armed forces leave bonds issued, including reissues, through June 30, 1950, was 10,113,171 and the number retired was 8,693,772. Of the total bonds issued, 6,927,881 were issued by the Army, 2,611,757 by the Navy, 415,354 by the Marine Corps, 157,540 by the Coast Guard, and 639 by the Division of Loans and Currency. This Division is now the only agency which issues these bonds.

Redeemed currency.—On July 1, 1949, the Division of Loans and Currency (Washington) had on hand 22,248 unaudited bundles (4,000 half-notes each) of United States currency that had been retired from circulation as unfit. During the year 333,634 bundles were received, an increase of 12,119 bundles over 1949; and 331,945 bundles were audited, leaving a balance of 23,937 unaudited bundles on hand on June 30, 1950.

The Destruction Committee supervised the incineration of redeemed canceled currency during the year as follows:

Class of currency	Pieces	Value
Gold certificates	86,035	$2,065,120
Silver certificates	1,278,874,012	1,867,590,960
United States notes	48,531,291	199,465,521
Treasury notes of 1890	119	355
Federal Reserve notes	457,681,301	5,629,633,865
Federal Reserve Bank notes	1,760,245	36,066,428
National Bank notes	402,797	6,219,374
Fractional currency	1,114	212
Total	1,787,336,914	7,741,041,835

FISCAL SERVICE—Office of the Treasurer of the United States

The Office of the Treasurer of the United States is essentially a banking facility of the Government. The responsibilities of the Treasurer include the receipt of all public moneys; custody, issue, and redemption of United States currency and coin; payment of Government checks; custody of securities deposited in the Treasury as collateral or for safekeeping; and payment of principal and interest on the public debt. The Office of the Treasurer of the United States prepares the *Daily Statement of the United States Treasury*, which recapitulates all transactions in the accounts of the Treasurer, and issues monthly statements of the public debt and of currency outstanding.

Management improvement.—The Office of the Treasurer continued its program of improving operations and effecting economies. The major activity of the Office from the standpoint of personnel required is the payment of Government checks. Studies and reviews of this activity, facilitated by means of a system of cost and production reports, resulted in reductions in the unit salary costs for processing paper checks and card checks paid in Washington, 3 percent and 10 percent respectively, and 9 percent on card checks paid through the Federal Reserve Banks.

Constant effort is directed toward the streamlining of procedures, one result of which was the discontinuance of the audit of paid interest coupons prior to their transmittal to the Register of the Treasury for final audit. This will result in annual savings of approximately $80,000 in the Office of the Treasurer.

Money received and disbursed by the Treasurer.—Moneys collected by Government officers are deposited with the Treasurer at Washington, D. C., and in Federal Reserve Banks and designated Government depositaries for credit of the account of the Treasurer of the United States, and all payments are charged against this account. Total receipts and payments for 1949 and 1950 are shown in the following table on the basis of the daily Treasury statement.

	1949 [1]	1950
Receipts:		
Budgetary (net) [2]	$38,245,667,810.11	$37,044,733,557.37
Trust accounts, etc.[3]	5,714,426,671.10	6,668,734,224.25
Public debt [4]	118,201,295,520.89	125,610,332,406.21
Subtotal	162,161,390,002.10	169,323,800,187.83
Balance in general fund beginning of year	4,932,021,477.07	3,470,403,311.67
Total	167,093,411,479.17	172,794,203,499.50
Expenditures:		
Budgetary [5]	40,057,107,857.79	40,166,835,914.82
Trust accounts, etc.[3]	6,209,160,036.37	6,569,596,863.78
Clearing account for outstanding checks, interest coupons, and telegraphic reports from Federal Reserve Banks	[6] 366,441,900.21	[6] 482,656,886.25
Public debt [4]	117,723,182,173.55	121,023,339,915.50
Subtotal	163,623,008,167.50	167,277,115,807.85
Balance in general fund at close of year	3,470,403,311.67	5,517,087,691.65
Total	167,093,411,479.17	172,794,203,499.50

[1] See table 1, footnote 7.
[2] Total budget receipts less amounts appropriated to Federal old-age and survivors insurance trust fund and refunds of receipts. See also table 1, footnote 3. For details of receipts for 1950, see table 3.
[3] For details for 1950, see table 4.
[4] For details for 1950, see table 21.
[5] See table 1, footnotes 3 and 4. For details for 1950, see table 3.
[6] Excess of credits (deduct).

Assets and liabilities of Treasurer's accounts.—The assets of the Treasurer consist of gold and silver bullion, coin and paper currency, and deposits in Federal Reserve Banks and commercial banks designated as Government depositaries.

A summary of the assets and liabilities in the Treasurer's account at the close of the fiscal years 1949 and 1950 is shown in table 40.

Gold.—Gold receipts during 1950 amounted to $484.7 million and disbursements totaled $720 million, a net decrease of $235.3 million. This decrease reduced the total gold assets to $24,230.6 million on June 30, 1950. Liabilities against these assets were $23,022.9 million of gold certificates and credits payable in gold certificates and $156.0 million for gold reserve against currency. The balance, $1,051.6 million, was in the general fund on June 30, 1950.

Credits during the year to the gold increment account, as a result of the revaluation of gold in relation to the dollar, amounted to $82,444.84. This makes a total dollar increment from 1934 through the fiscal year 1950 of $2,819,221,746.09.

Silver.—During the year 26.5 million ounces of silver bullion, which had been carried in the general fund at a cost value of $23.2 million, was monetized at a monetary value of $34.3 million. This $34.3 million increase in silver assets was offset by a decrease of $6.3 million in holdings of silver dollars, making a net increase of $28.0 million in assets during the year. As of June 30, 1950, the silver assets of the Treasurer (exclusive of subsidiary coin and bullion held in the general fund at cost and recoinage value) amounted to $2,342.9 million.

Liabilities against silver at the end of the year amounted to $2,324.6 million for silver certificates outstanding and $1.1 million for Treasury notes of 1890 outstanding, leaving a net balance of $17.2 million in the general fund.

The silver bullion held in the general fund at cost value (exclusive of the $17.2 million at monetary value) increased from $88.3 million on

June 30, 1949, to $97.6 million on June 30, 1950. This increase of $9.3 million is accounted for as follows: $36.7 million net purchases of silver less $23.2 million of silver monetized and less $4.2 million of silver used for coinage.

Subsidiary silver and minor coins.—Shipments of subsidiary silver and minor coins from United States mints during the year for circulation usage amounted to $25,048,480.52 as compared with $47,693,-386.39 the year before. The following table shows the shipments by denominations:

Denomination	1949	1950
Half dollars	$5,660,021.00	$5,110,016.00
Quarters	13,799,511.50	7,752,009.00
Dimes	14,380,474.50	6,578,501.20
Nickels	7,473,102.15	2,183,851.05
Cents	6,380,277.24	3,424,103.27
Total	47,693,386.39	25,048,480.52

Paper currency.—Under the laws of the United States the Treasurer is the agent for the issue and redemption of United States currency and coin.

Table 81 shows by class and denomination the value of paper currency issued and redeemed during 1950, and the amounts outstanding at the end of the fiscal year.

A comparison of the amounts of paper currency of all classes issued, redeemed, and outstanding, follows:

	Fiscal year 1949		Fiscal year 1950	
	Pieces	Amount	Pieces	Amount
Outstanding at beginning of year	2,825,197,185	$30,446,577,581	2,800,319,705	$29,935,772,635
Issues during year	1,724,113,091	7,246,488,000	1,761,917,277	7,440,477,100
Redemptions during year	1,748,990,571	7,757,292,946	1,799,873,896	7,870,101,672
Outstanding at end of year	2,800,319,705	29,935,772,635	2,762,363,086	29,506,148,063

For further details on stock and circulation of money in the United States, see tables 77 to 81.

Depositaries.—The following table shows the number of each class of depositaries and balances at the end of the year:

Class	Number of facilities [1]	Deposits to the credit of the Treasurer, U. S., June 30, 1950
Federal Reserve Banks and branches	36	$1,093,218,624.22
Other banks in continental United States:		
General depositaries	1,214	245,447,845.91
Special depositaries, Treasury tax and loan accounts	11,106	3,267,784,040.29
Insular and territorial depositaries	32	24,545,455.08
Foreign depositaries	20	33,211,716.82
Total	12,408	4,664,207,682.32

[1] Does not include limited depositaries which have been designated for the sole purpose of receiving deposits made by Government officers for credit in their official checking accounts with such depositaries and which are not authorized to accept deposits for credit of the Treasurer of the U. S.

For details on the administrative work relating to designation of depositaries, see page 84.

Checking accounts of disbursing officers and agencies.—During the year the Treasurer maintained 4,567 checking accounts of disbursing officers and Federal agencies, including those maintained at the Federal Reserve Banks as fiscal agents of the United States. The number of disbursing officers' accounts by classes and the number of checks paid during the fiscal year were as follows:

Disbursing officers	1949		1950	
	Number of disbursing officers' accounts	Number of checks paid	Number of disbursing officers' accounts	Number of checks paid
Treasury	767	177,886,692	1,295	191,475,228
Army	887	25,136,684	854	25,024,627
Navy	1,395	25,193,254	1,275	22,842,117
Air Force	140	4,191,637	270	4,979,383
Other	1,276	23,992,604	873	24,999,304
Total	4,465	256,400,871	4,567	269,320,659

Of the 269,320,659 checks paid in the fiscal year 1950, 223,366,186 were in the form of card checks. There were 204,696,414 checks paid by the Federal Reserve Banks acting as fiscal agents of the Treasurer and the remaining 64,624,245 were paid by the Treasurer in Washington.

The amount to the credit of checking accounts of disbursing officers and agencies on the books of the Treasurer of the United States on June 30, 1950, was $7,627,516,906.60 as compared with $7,135,391,447.41 on June 30, 1949.

Check claims.—During the year the Treasurer of the United States issued 25,239 checks totaling $1,838,315.03 in settlement of claims for the proceeds of checks which had been paid bearing forged or unauthorized endorsements. The Chief Disbursing Officer issued 40,225 substitute checks totaling $8,570,897.75 to replace unpaid checks which, it was claimed, had not been received, or were lost, destroyed, etc. Many additional claims were received but not honored because they were not well founded. Cases involving forgeries are investigated by the United States Secret Service. For information on check forgeries see the report of the United States Secret Service, page 134.

Treasurer's Cash Room.—The commercial checks, drafts, postal express money orders, etc., deposited by Government officers with the Treasurer's Cash Room in Washington for collection aggregated 3,501,748 items for the fiscal year 1950, as compared with 3,327,236 items for the fiscal year 1949.

Treasurer's Securities Division.—The public debt securities and interest coupons examined by the Division of Securities of the Treasurer's Office are as follows:

	Pieces	
	1949	1950
Marketable securities:		
Principal	1, 139, 876	1, 233, 708
Interest coupons [1]	16, 213, 801	4, 781, 324
Nonmarketable securities:		
Armed forces leave bonds [2]	5, 985	2, 409
United States savings bonds [2]	57, 310	54, 310
United States savings stamps [3]	2, 141, 780	960, 745
Other	320, 380	186, 989
Total	19, 879, 132	7, 219, 485

[1] Effective Nov. 1, 1949, interest coupons paid by Federal Reserve Banks are sent directly to the Register of the Treasury by the Federal Reserve Banks.
[2] Armed forces leave bonds and United States savings bonds paid by Federal Reserve Banks are sent directly to the Register of the Treasury by the Federal Reserve Banks.
[3] Effective Mar. 1, 1950, United States savings stamps paid by Federal Reseave Banks are sent directly to the Register of the Treasury by the Federal Reserve Banks.

The Treasurer issued and redeemed the following savings bonds during the fiscal years 1949 and 1950:

	1949		1950	
	Number	Amount	Number	Amount
Issues: [1]				
E	76, 544	$5, 464, 931. 25	70, 961	$4, 756, 387. 50
F	575	506, 012. 00	501	602, 582. 00
G	2, 712	3, 567, 100. 00	2, 283	3, 280, 400. 00
Total	79, 831	9, 538, 043. 25	73, 745	8, 639, 369. 50
Redemptions: [1]				
A–D	9, 555	3, 055, 132. 07	13, 316	3, 801, 283. 00
E	39, 485	2, 345, 555. 91	32, 281	2, 059, 043. 75
F	2, 935	2, 111, 251. 09	3, 030	2, 486, 585. 00
G	5, 335	5, 202, 878. 19	5, 683	5, 366, 654. 00
Total	57, 310	12, 714, 817. 26	54, 310	13, 713, 565. 75

[1] For the most part United States savings bonds are issued and redeemed by issuing and paying agents throughout the country (see p. 95).

Savings bonds placed in safekeeping with the Treasurer and then withdrawn therefrom are as follows:

	Number	
	1949	1950
In safekeeping at beginning of year	740, 809	694, 750
Placed in safekeeping	75, 507	74, 614
	816, 316	769, 364
Withdrawn from safekeeping	121, 566	95, 725
In safekeeping at end of year	694, 750	673, 639

Securities held in safekeeping.—The face value of securities held by the Treasurer in safekeeping on June 30, 1949, and June 30, 1950, is shown in the following table:

Purpose for which held	June 30, 1949	June 30, 1950
To secure deposits of public moneys in depositary banks	$304, 462, 200	$311, 029, 800
To secure deposits of postal savings funds	7, 079, 800	9, 314, 000
For District of Columbia:		
Teachers' retirement and annuity fund	14, 902, 850	16, 248, 500
Water fund	1, 773, 000	1, 773, 000
Other	5, 586, 670	740, 670
United States savings bonds held for various depositors	54, 239, 280	53, 089, 060
For the Board of Trustees, Postal Savings System	2, 358, 542, 660	2, 109, 539, 160
For the Secretary of the Army	6, 895, 480	6, 895, 480
For the Secretary of the Treasury:		
Foreign obligations (World War I)	12, 071, 934, 757	12, 071, 934, 757
Obligations on account of sales of surplus property	46, 737, 095	46, 737, 095
Capital stock and obligations of Government corporations and agencies	9, 463, 984, 645	10, 727, 700, 686
Other	12, 218, 987	265, 452, 456
For Federal Deposit Insurance Corporation	923, 000, 000	1, 065, 000, 000
For Attorney General [1]	21, 151, 134	21, 151, 134
Miscellaneous	110, 491, 352	107, 485, 277
Total	25, 402, 999, 910	26, 814, 091, 075

[1] Noninterest-bearing participating certificate for funds deposited in German special deposit account.

Servicing of securities for other Federal agencies.—In accordance with agreements between the Secretary of the Treasury and the several Government corporations and agencies and insular governments, the Treasurer of the United States acts as special agent for the payment of principal of and interest on their securities. The amounts of such payments during the fiscal year 1950, on the basis of the daily Treasury statement, were as follows:

	Principal	Interest paid in cash	Registered interest	Coupon interest
Federal home loan banks	$416, 145, 000. 00	$4, 894, 082. 12		
Federal farm loan bonds	145, 846, 800. 00	2, 981. 75		$10, 950, 450. 96
Federal Farm Mortgage Corporation	346, 500. 00	1, 366. 13		25, 262. 21
Federal Housing Administration	2, 870, 100. 00	35, 742. 42		
Home Owners' Loan Corporation	647, 000. 00	262. 50		56, 321. 62
Public Housing Administration	1, 000. 00			68. 75
Philippine Islands			$163, 782. 50	1, 030, 757. 50
Puerto Rico	[1] 300, 550. 00	2, 595. 00	96, 705. 00	349, 582. 50
Total	566, 156, 950. 00	4, 937, 029. 92	260, 487. 50	12, 412, 443. 54

[1] Includes $50 premium.

BUREAU OF INTERNAL REVENUE

The Bureau of Internal Revenue is responsible for the collection of the internal revenue and for the enforcement of the laws relating thereto. These laws include such statutes as the Federal Alcohol Administration Act (49 Stat., 977), as amended (27 U. S. C. and Sup. 201–212); the Liquor Enforcement Act of 1936 (49 Stat., 1928, 27 U. S. C., 211–228); and the Federal Firearms Act (52 Stat., 1250, 15 U. S. C., 901–909), which are regulatory in purpose and do not impose taxes.

Some of the major aspects of the Bureau's operations are discussed herein. A more detailed account will be found in the *Annual Report of the Commissioner of Internal Revenue for 1950.*

Collections

Internal revenue collections for the fiscal year 1950 totaled $38,957,125,591, a decrease of 3.7 percent from the total for the preceding year. Decreases occurred principally in the collections of income and profits taxes and miscellaneous internal revenue. The principal increase was in the collection of employment taxes.

Collections by tax sources for the fiscal years 1929–50 are shown in table 7 in the tables section of this report. A comparison of collections from the principal sources of tax revenue for the fiscal years 1949 and 1950 follows.

Source	Fiscal year 1949	Fiscal year 1950	Percent increase, or decrease (−)
	In thousands of dollars		
Income and profits taxes:			
Individual (including withheld)	18, 051, 822	17, 153, 308	−5. 0
Corporation	11, 553, 669	10, 854, 351	−6. 1
Total income and profits taxes	29, 605, 491	28, 007, 659	−5. 4
Employment taxes	2, 476, 113	2, 644, 575	6. 8
Estate and gift taxes	796, 538	706, 227	−11. 3
Liquor taxes [1]	2, 210, 601	2, 219, 196	0. 4
Tobacco taxes	1, 321, 875	1, 328, 464	0. 5
Stamp taxes	72, 828	84, 648	16. 2
Manufacturers' excise taxes	1, 771, 533	1, 836, 053	3. 6
Retailers' excise taxes	449, 211	409, 128	−8. 9
Miscellaneous taxes [2]	1, 758, 930	1, 721, 175	−2. 1
Total collections [1]	40, 463, 119	38, 957, 126	−3. 7

[1] Excludes collections for credit to trust accounts.
[2] Includes repealed taxes.

Enforcement Activities

The campaign that was started in 1946 to strengthen the Bureau's enforcement program was vigorously pursued in the fiscal year 1950. The recruitment and training during the year of additional deputy collectors, auditors, revenue agents and special agents raised the enforcement personnel strength of the Bureau to a total approaching the number on the rolls prior to the personnel reductions made at the beginning of the fiscal year 1948. However, the benefits from the recruitment and training of additional enforcement personnel are cumulative, rather than highly fruitful for the first year or two. Consequently, they are not reflected to any substantial degree in the results of the Bureau's enforcement activities during the fiscal year 1950.

Additional assessments resulting from enforcement operations in 1950 totaled $1.7 billion, as compared with approximately $1.9 billion the preceding year. Distraint warrant collections, however, showed a

6 percent increase, reaching a total of $368 million for the year. A comparison of the 1950 totals with earlier years is as follows:

Fiscal year	Additional assessments	Distraint warrant collections [1]	Fiscal year	Additional assessments	Distraint warrant collections [1]
	In thousands of dollars			In thousands of dollars	
1942	438, 441	62, 572	1947	1, 928, 610	209, 455
1943	566, 058	73, 127	1948	1, 897, 015	280, 184
1944	730, 974	83, 339	1949	1, 891, 679	346, 509
1945	922, 428	166, 488	1950	1, 747, 592	368, 386
1946	1, 280, 218	198, 731			

[1] Distraint warrant collections represent primarily collections of undisputed amounts which taxpayers have failed to pay when due. Occasionally, it becomes necessary to collect additional assessments by distraint warrant, but these cases represent only a small portion of the total distraint warrant collections.

Audits and investigations of income and profits tax cases accounted for 89 percent of the additional assessments made in 1950. These assessments resulted primarily from errors and omissions discovered in the routine audit of returns. Not counting special fraud investigations, 3,545,169 returns of all kinds—including 2,980,534 individual income tax returns and 190,778 corporation income and profits tax returns—were examined or investigated through direct contact, either personally or by correspondence, with taxpayers. The number of returns subjected to these enforcement activities was 15.4 percent greater than in the preceding year. There remains a large backlog of returns for the tax year 1947, which require prompt examination in order that assessment of the taxes properly due may not be prevented by statutory limitations. In addition, there are the many millions of returns for the tax years 1948 and 1949, which have a high potentiality of additional revenue upon audit.

In addition to the foregoing examinations, 3,120 fraud investigations were made, resulting in criminal prosecution recommendations against 1,048 individuals. Cash penalties of a civil nature were assessed in many cases which did not warrant criminal prosecution. Numerous investigations were made also under various regulatory statutes, especially the Federal Alcohol Administration Act (49 Stat., 977), as amended (27 U. S. C. and Sup., 201–212).

The effectiveness of enforcement efforts is further indicated by the increasing number of persons convicted on tax evasion charges. The record of convictions, beginning with the fiscal year 1945, is as follows:

Fiscal year	Individuals convicted
1945	65
1946	149
1947	182
1948	315
1949	346
1950	385

Work-Load

More than half of the total man-hours available to the Bureau during the year were spent in providing necessary facilities and services for the millions of taxpayers who settle their tax accounts voluntarily. Tax returns and directly related information documents aggregating 220 million were received, controlled, and filed. The taxes reported were assessed and accounting operations were performed in connection with the amounts paid in. In addition, the income tax liability of the more than 16 million taxpayers filing returns on Form 1040–A was computed for them, and income tax refunds and credits were scheduled for more than 29 million individuals whose prepayments exceeded their liabilities.

The total number of returns of all types available for enforcement action during the year was 160,383,997, consisting of 78,999,820 returns on hand at the beginning of the year and 81,384,177 returns filed or reopened during the year. The number of returns disposed of was 96,313,237, leaving a backlog of 64,070,760 returns awaiting action at the close of the year—a decrease of 18.9 percent as compared with the number at the beginning of the year. Of the number disposed of during the year, 3,545,169 returns were subjected to audit as described in the "Enforcement Activities" section of this report. There were 92,768,068 returns disposed of without audit or investigation. The wide variance in the amount of attention tax returns require; the fact that expenditure of investigative resources would be uneconomical in many cases; and the lack of enforcement personnel necessary for wider audit coverage are the primary reasons for disposing of such a large number of returns after only superficial examination.

In addition to the processing of an enormous quantity of returns and related information documents, the Bureau's work-load includes the disposition of many thousands of claims for adjustments based on section 722 and the various "carry-back" provisions of the Internal Revenue Code. Under the provisions of section 722, which allows relief from excess profits tax for corporations under certain circumstances, there had been filed as of the close of the year more than 54,482 applications for excess profits tax reductions totaling more than $6 billion. There were 15,302 claims totaling $4.5 billion still pending on June 30, 1950. "Carry-back" allowances of more than $265 million were made during the year under the "quick refund" provisions of the Tax Adjustment Act of 1945.

Although much less numerous than the returns to be processed, the complexity and importance of these so-called "section 722 claims", and the carry-back adjustments, require the full-time attention of a large percentage of the best-qualified technicians in the Bureau.

Management Improvement Program

The Bureau continued in 1950 to place major emphasis upon management improvement. Notable progress was made in the utilization of time-saving operating equipment and in the development of more efficient procedures. Management savings during the year were estimated at 480 man years, exclusive of recurring savings from improvements made in prior years.

The use of punch card tabulating machines was extended to one more collector's office, and additional applications of the punch card technique were made in the six establishments already using such equipment. Several high-speed electronic calculators were installed in collectors' offices in seven of the largest cities, for use in the computation of the individual income tax on Form 1040–A and in the mathematical verification of individual income tax returns on Form 1040. Successful tests were made in four collectors' offices of the use of continuous-feed electric typewriters to speed up preparation of identification and account records, and also of new high-speed posting machines to make both original and subsequent postings direct to unit ledger cards, in lieu of assessment lists. The installation of metering devices for the collection of liquor taxes, in lieu of the conventional stamp, was authorized during the year, and a pilot model of such a device was constructed and demonstrated prior to testing by the Bureau of Standards.

Procedural improvements in the Bureau were many and varied. A combined return form for reporting both income tax withheld and Federal Insurance Contributions Act taxes was placed in use on a Nation-wide basis effective with the quarter beginning January 1, 1950. The combination of the two tax returns into one return form cuts in half the number of such returns that must be filed by employers and handled by collectors' offices. At the same time, the depositary receipt procedure was extended to Federal Insurance Contributions Act taxes, with provision for making deposits directly with Federal Reserve Banks or through authorized local banks.

A program for an exchange of income tax audit information by the Federal and State Governments was initiated. Under this program it is contemplated that one audit made by either the Federal or State Government will serve the requirements of both Governments, thereby reducing the inconvenience to taxpayers caused by multiple audits and at the same time offering considerable possibility of operating economy.

An operational cost reporting system covering all office and field activities was introduced in twenty-seven collectors' offices as a means of obtaining information for general management purposes and statistics for the new performance type budget. The system will be extended to all collectors' offices during 1951.

Under the Bureau's decentralization program, material reductions were effected in the Washington office in the number of clerical and technical operations involved in specific activities. One measurable result of this program was a reduction during the year of 251 in the number of Washington office personnel.

Results in the first year of the audit control program, designed to increase compliance with the revenue laws, are summarized in the report "Administrative Management." The program for testing 1949 returns, which will be directed principally to business-income returns, has been extended to cover the returns of smaller corporations and to include returns of certain Federal excises. This is a long-range program, the benefits from which will be realized progressively over a period of years.

Personnel

The number of employees on Bureau rolls at the close of the year was 55,551, consisting of 4,303 employees in the departmental service and 51,248 in the field service. At the close of the preceding year, the number of persons employed totaled 52,266, comprised of 4,554 departmental employees and 47,712 field employees.

Changes during the year in numbers of employees in the various branches of the internal revenue service are shown in the following table:

Summary of personnel, Bureau of Internal Revenue, June 30, 1949, as compared with June 30, 1950

Branch of service	Number on payroll as of— June 30, 1949	Number on payroll as of— June 30, 1950	Increase, or decrease (−)
Departmental service	4,554	4,303	−251
Field service:			
Offices of collectors of internal revenue	29,908	32,776	2,868
Supervisors of accounts and collections	86	92	6
Internal revenue agents' forces:			
Income, profits, estate, and gift taxes	9,177	10,012	835
Miscellaneous and sales taxes	86	85	−1
Alcohol Tax Unit:			
Offices of district supervisors	4,058	4,083	25
Field inspection force	15	17	2
Intelligence Unit	1,470	1,622	152
Technical Staff	607	628	21
Excess Profits Tax Council	149	147	−2
Office of the Chief Counsel	409	430	21
Processing Division	1,747	1,356	−391
Total field service	47,712	51,248	3,536
Grand total	52,266	55,551	3,285

Cost of Administration

The entire cost of the Bureau's operations during the year, including all items of expense except amounts refunded to taxpayers, was $230,408,200. The amount appropriated for administrative expenses was $230,500,000; thus, there was an unexpended balance of $91,800. The cost of collecting $38,957,131,768 during the year was approximately 59 cents per $100 of revenue, compared with 52 cents per $100 in 1949, when collections were higher and expenditures were lower.

Data on the annual cost of administration, although of interest and value for certain purposes, can not be relied upon either as a guide to the proper scale of administrative activity or as a measure of relative efficiency of operation from year to year. An annual ratio of cost to collections is determined by many factors, most of which have no relationship to these objectives. To illustrate, the higher the level of tax rates and the more numerous the levies that are inherently economical to collect, the lower will be the average cost ratio. The prevailing level of salaries paid to Bureau personnel and the volume of essential services performed for taxpayers are other examples of these determinative factors. The increase in administrative costs during 1950 is due primarily to additional salary obligations arising from a sizable increase in Bureau personnel and from the general pay increases provided for by the Classification Act of 1949 (63 Stat. 971).

Refunds

Refunds of internal revenue taxes and the interest thereon, as required by law, are paid out of an appropriation separate from that covering the Bureau's administrative expenses. The total amount of these payments for the fiscal year 1950 was $2,216,834,210, as compared with $2,902,742,898 in the preceding year. The decrease was attributable in part to the fact that many individual income tax refunds paid during the fiscal year 1949 were 1948 refunds deferred for payment because of the exhaustion of the 1948 appropriation for tax refunds. Interest payments on refunds increased from $86,346,884 in 1949 to $91,563,575 in 1950.

Settlement of Disputes

In a large proportion of the tax disputes arising from the Bureau's investigative operations, settlements are reached through conferences with taxpayers, thereby avoiding expensive and time-consuming litigation. Of 55,241 income, profits, estate, and gift tax returns with respect to which the examiners' findings had been protested by the taxpayers, 47,321 were settled by the Bureau and 7,920 were appealed to the Tax Court. As a result of further hearings conducted by the Bureau in cases pending before the Tax Court, settlement by stipulation was effected with respect to an additional 4,864 returns, thereby reducing substantially the number of cases to be tried.

OFFICE OF INTERNATIONAL FINANCE

The Office of International Finance, under the general direction of an Assistant Secretary, advises and assists the Secretary of the Treasury in the formulation and execution of policies and programs in international financial and monetary matters. The Director of the Office is assisted by advisers on financial policy and by a staff organized into divisions corresponding to geographic areas or to the functional activities of the Office. These divisions are: National Advisory Council Secretariat; Stabilization Fund, Gold and Silver Division; International Statistics Division; Commercial Policy and United Nations Division; European Division; British Commonwealth and Middle East Division; Latin American Division; and Far Eastern Division. The Office also maintains Treasury representatives in several foreign countries.

By direction of the Secretary, the Office of International Finance is responsible for the Treasury's activities in matters of international financial and monetary policy, including international monetary and exchange problems, and gold and silver policy; the Bretton Woods Agreements Act and the operations of the International Monetary Fund and the International Bank for Reconstruction and Development; foreign lending and assistance programs; the activities of the National Advisory Council on International Monetary and Financial Problems; the Anglo-American Financial Agreement; and the United States Exchange Stabilization Fund.

The Office makes continuing studies of the flow of capital funds into and out of the United States and of the international accounts of foreign countries with special attention to transactions in gold and dollars. In carrying out its functions, the Office also studies the legislation and policy of foreign countries relating to finance, gold and silver, exchange rates and exchange controls, and other relevant matters.

The Office also provides economic analyses of the customs activities of the Department and advises the Secretary on international financial aspects of matters arising in connection with his responsibilities under the Tariff Act. The Office acts for the Treasury on the financial aspects of international treaties, agreements, and organizations in which the United States participates. It also participates in negotiations with foreign governments with regard to matters included within its responsibilities.

The Office of International Finance represents the Treasury in the work of the National Advisory Council on International Monetary and Financial Problems (of which the Secretary of the Treasury is Chairman) and its subordinate organs. Professional personnel of the Office perform staff and secretariat functions of the Council. (See exhibits 27 and 29.)

The Office of International Finance advises Treasury officials and other departments and agencies of the Government concerning exchange rates and other financial problems encountered in operations involving foreign currencies. In particular, it advises the State Department and the Department of Defense on financial matters related to their normal operations in foreign countries and the special financial problems arising from military operations and in areas occupied by United States forces. The Treasury representatives in foreign countries act as financial advisers to the diplomatic missions, to the occupation authorities, and to the missions of the Economic Cooperation Administration.

LEGAL DIVISION

The General Counsel is by statute the chief law officer of the Treasury Department. He is directly responsible to the Secretary for the work of the Legal Division and performs other legal activities which the Secretary assigns or which are required by law. The Legal Division consists of the legal staff in the Office of the General Counsel, including the Tax Legislative Counsel, and the legal staffs of the Bureau of the Comptroller of the Currency, Bureau of Customs, Bureau of Internal Revenue, Office of International Finance, Bureau of Narcotics, Bureau of the Public Debt, and the United States Coast Guard.

The Office of the General Counsel advises the units of the Department not having legal staffs, including the immediate Office of the Secretary, Bureau of Accounts, Office of Administrative Services, Bureau of Engraving and Printing, Bureau of the Mint, Committee on Practice, Office of the Treasurer of the United States, United States Savings Bonds Division, and United States Secret Service.

The Office of the General Counsel coordinates the legislative work in the Department and does the related legal work. This includes appearances before congressional committees, the drafting of legislation, and the preparation of reports to committees of the Congress and to the Bureau of the Budget. Similar work is done in connection with Executive orders and proclamations and departmental rules and regulations.

In addition to responsibilities in connection with tax legislation, the General Counsel, through the Tax Legislative Counsel, aids in the negotiation of treaties involving taxation; advises the United States delegate to the United Nations Fiscal Commission regarding international tax problems; studies proposals for amending the tax laws; reviews all proposed closing agreements with taxpayers; participates in the periodic revision of forms necessary to the administration of the revenue laws; and reviews proposed Treasury decisions amending regulations on internal revenue taxation.

Special fields in which the Office operates include gold and silver transactions and administration of the stabilization fund; Treasury participation in the activities of the National Advisory Council on International Monetary and Financial Problems, which coordinates the foreign financial and lending operations of the United States Government, including the policies and operations of the United States representatives on the International Monetary Fund and the International Bank for Reconstruction and Development; payments of Mexican claims and payments to holders of awards of the Mixed Claims Commission; and compromise settlement of general claims of the United States.

The Office also coordinates the Department's activities and handles the legal work in respect to a variety of other problems affecting the Treasury, such as the necessary pretrial work in litigation involving Treasury activities, the settlement of tort claims against the Treasury, the claims of Treasury employees for losses sustained in connection with assignments abroad, disclosure of official information, the patent rights of Treasury employees, the employee loyalty program under Executive Order 9835, and the licensing and disbarment of practitioners before the Department.

The activities of the Legal Division include consideration of the legal problems relating to broad financial, economic, and social programs, and international cooperation in the monetary and financial fields. The Division's activities also embrace all legal matters arising in connection with the duties and functions of the various bureaus, divisions, and branches of the Department. A more complete description of the scope of these activities is to be found in the separate administrative reports of these organizations.

During the fiscal year 1950, the Legal Division handled a number of special problems, which are summarized in the paragraphs which follow. These included legal matters arising in connection with the National Security Resources Board and the Foreign Trade Zones Board, of which Boards the Secretary is a member. The Legal Division represented the Department on various interdepartmental committees, including one to recommend revisions in the inspectional overtime laws, and on various National Security Resources Board committees.

In the fields of international finance and aid, the Legal Division dealt with legal problems arising in connection with financial, fiscal, and foreign exchange aspects of the European Recovery Program; assisted in formulating the financial and economic aspects of the programs and legislation relating to military assistance, technical cooperation, and measures to encourage American capital to be invested in foreign countries; participated in the meetings of the Contracting Parties to the General Agreement on Tariffs and Trade; and participated in the Transport and Communications Commission of the United Nations.

Technical assistance was given to congressional committees in connection with the drafting of legislation to implement the President's taxation and social security programs. The Legal Division studied proposals for the modification of excise tax laws, the closing of tax loopholes, changes in the estate tax structure, tax changes to implement extension of aid to underdeveloped areas, and changes in the corporate rate structure in connection with the general tax program; other miscellaneous revenue bills were also studied. It participated in preparing regulations under the Technical Changes Act of 1949 (Public Law 378, 81st Congress, approved October 25, 1949) pertaining to minor changes in the income, estate, and gift tax laws. Assistance was also given in the negotiation of tax conventions with the Governments of the Union of South Africa, Colombia, Venezuela, Cuba, Canada, Uruguay, Mexico, Switzerland, and Argentina; the negotiation of a treaty of friendship, commerce, and navigation with the Argentine Government; and in negotiations with the United Kingdom for the establishment of an agreement for joint government of the Canton and Enderbury Islands.

During the fiscal year 1950, the Legal Division coordinated and assisted in drafting legislation to reform customs procedures, the proposed Customs Simplification Act of 1950; and aided in many other aspects of the Department's program to simplify and modernize customs procedures. It participated in handling many special problems of importance under the statutes relating to foreign products which are dumped, subsidized, improperly marked, or produced by forced labor. It assisted in conducting the tripartite talks with Great Britain and Canada, and in following up and implementing decisions.

BUREAU OF THE MINT

The principal functions of the Bureau of the Mint consist of the manufacture of domestic and foreign coins; the acquisition of gold and silver, payments for which are made on the basis of mint assays; the safeguarding of the Government's holdings of the monetary metals, including coins in processing stages until finished and issued; the refining of gold and silver; the administration of regulations pertaining to gold and silver, including the issuance of licenses for the acquisition, ownership, possession, use, and exportation of gold for industrial, professional, and artistic purposes; and the production of medals and other decorations.

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The office of the Director of the Mint in Washington administers all activities of the Bureau of the Mint. During the fiscal year 1950 seven field institutions were in operation: Coinage mints in Philadelphia, San Francisco, and Denver; assay offices in New York City and Seattle; the gold bullion depository in Fort Knox, Ky.; and the silver bullion depository in West Point, N. Y., which operates as an adjunct of the New York Assay Office. Electrolytic refineries are maintained at the San Francisco, Denver, and New York City institutions. The Medal Department is located at the Philadelphia Mint. At the close of the fiscal year 1950 there were 943 persons employed in the departmental and field institutions compared with 1,272 at the beginning of the year.

The operations of the field institutions during the fiscal year 1950 and the report of this Bureau on the production and consumption of gold and silver in the United States during the calendar year 1949 are summarized herein. Further detailed information is contained in the *Annual Report of the Director of the Mint, Fiscal Year Ended June 30, 1950.*

Management program.—A management improvement program vigorously projected in 1950 and directed toward continuing improvements in operating procedures has produced revolutionary results in the manufacturing processes of coinage during the present fiscal year.

The massive melting and rolling equipment in the Denver Mint, which a year ago was in the experimental stage of operation, has been brought to a high state of efficiency. In it is processed a 400-pound bronze ingot in place of the 6-pound ingot, formerly processed in small rolling mills. It has also eliminated the hand pouring method heretofore used. Coincident with the installation of modern annealing equipment now pending, this equipment will be used for nickel and silver coinage.

A new type water-cooled mold, invented by mint technicians at the Philadelphia Mint, has resulted in a 23 percent reduction in silver ingot melting costs during the year. Experiments are now being conducted to utilize this equipment for production of nickel and bronze ingots. Recent realignment of the melting operations and other mechanical changes at the Philadelphia Mint will result in important economies.

With the installation of more powerful motors on the rolling mills at the San Francisco Mint provision will be made for the processing of longer and wider ingots, and as a result an increase can be made of 100 to 300 percent in the production of coin blanks without increasing personnel. The output of 1-cent blanks will be doubled and dimes quadrupled; other denominations will come within that range.

Operations of the Mints, Assay Offices, and Bullion Depositories

Domestic coinage.—Production of United States coins during the fiscal year 1950 totaled 497,271,759 pieces with a value of $22,107,-498.66. Denominations were as follows:

Denomination	Number of pieces produced	Face value
Half dollars [1]	16, 118, 222	$8, 059, 111. 00
Quarter dollars	15, 938, 994	3, 984, 748. 50
Dimes	28, 582, 573	2, 858, 257. 30
5-cent pieces	70, 976, 554	3, 548, 827. 70
1-cent pieces	365, 655, 416	3, 656, 554. 16
Total	497, 271, 759	22, 107, 498. 66

[1] Includes 536,099 Booker T. Washington commemorative half dollars.

Foreign coinage.—Coins produced for seven other governments during the fiscal year 1950 totaled 94,267,944 pieces, as follows:

Government	Number of pieces produced	Government	Number of pieces produced
China	17, 640, 000	Mexico	750, 000
El Salvador	2, 000, 000	Venezuela	17, 877, 944
Ethiopia	32, 000, 000		
Haiti	15, 000, 000	Total	94, 267, 944
Honduras	9, 000, 000		

Issue of domestic coins.—United States coins issued by the mints during the fiscal year totaled 500,914,823 pieces with a value of $31,261,074.82. Denominations were as follows:

Denomination	Number of pieces issued	Face value
Silver dollars	5, 951, 406	$5, 951, 406. 00
Half dollars	10, 574, 887	5, 287, 443. 50
Quarter dollars	31, 210, 850	7, 802, 712. 50
Dimes	65, 784, 522	6, 578, 452. 20
5-cent pieces	44, 178, 226	2, 208, 911. 30
1-cent pieces	343, 214, 932	3, 432, 149. 32
Total	500, 914, 823	31, 261, 074. 82

Stock of coins.—The estimated stock of coins in the United States as of June 30, 1950, totaled $1,872,619,658, of which $492,582,858 were silver dollars, $1,001,573,600 were subsidiary coins, and $378,463,200 were minor coins.

Medals.—The number of service medals and other distinguishing devices delivered to the Department of Defense and other Government departments and agencies totaled 29,570 during the fiscal year 1950. In addition, there were 6,073 medals sold to the public.

Bullion deposit transactions.—Bullion deposit transactions at the mints and assay offices totaled 10,589, including 16 intermint transfers during the fiscal year 1950. These transactions required 17,905 assay determinations, including 638 determinations for intermint transfers.

Acquisitions of gold.—Deposits and purchases of gold during the fiscal year totaled $585,760,504.89, classified as follows:

	Value
Purchases at $20.67+ per fine ounce	$2, 412. 48
Increment to $35 per fine ounce	1, 673. 45
Purchases at $35 per fine ounce	572, 191, 745. 88
Domestic coin transferred (melted)	257, 993. 35
Intermint transfers	13, 306, 679. 73
Total value at $35 per ounce	585, 760, 504. 89

Acquisitions of silver.—During the fiscal year deposits and purchases of silver totaled 107,885,995 fine ounces, classified as follows:

	Number of fine ounces
Newly mined domestic silver	38, 228, 805
Silver contained in gold deposits, etc	95, 326
Silver received in exchange for Government-stamped bars	380, 883
Recoinage bullion from uncurrent subsidiary coin	1, 860, 299
Recoinage bullion from uncurrent silver dollars	205, 400
Intermint transfers of silver	117, 373
Deposits of silver in trust by foreign governments	11, 991, 097
Redeposits [1]	55, 006, 812
Total	107, 885, 995

[1] Consists of Treasury stock previously held by certain agencies of the Federal Government.

Refinery production of gold and silver.—During the fiscal year the refineries produced 2,267,708 fine ounces of gold and 2,317,468 fine ounces of silver by the electrolytic process. In addition, 3,078,190 fine ounces of gold and silver were subject to fire process only.

Issue bars manufactured.—The mints and assay offices manufactured 79,899 issue bars containing 18,179,815 fine ounces of gold and 1,197 issue bars containing 310,343 fine ounces of silver during the fiscal year.

Stock of unrefined bullion.—At the close of the fiscal year the stock of unrefined bullion at the mints and assay offices, in terms of the assayed fine metal content, amounted to 953 tons of gold and 510 tons of silver.

Monetization of silver bullion.—Silver certificates in the amount of $34,275,555 were issued by the Treasury during the fiscal year against 26,510,000 fine ounces of silver bullion valued at $1.29+ per fine ounce, the statutory monetary value of silver. Seigniorage, representing the difference between the cost and the monetary value of silver, amounted to $11,026,197.04.

Sales of gold and silver for industrial use.—Sales of gold bars to licensed purchasers for industrial, professional, and artistic use totaled $82,724,085.89 during the fiscal year. Under the act of July 31, 1946 (60 Stat. 750), which authorized sales of silver, there were no transactions during the year.

Stock of monetary bullion.—The United States stock of gold bullion held by the mint institutions totaled 692,304,800 fine ounces valued at $24,230,633,002 on June 30, 1950. On the same date the mint institutions held 1,151,473,202 fine ounces of silver bullion and, in addition, 180,714,089 fine ounces of silver bullion in a special custody account for the Treasurer of the United States. The silver in this account was formerly held by the Office of Reconstruction Finance Corporation, and is being melted and cast into regular mint bars.

Production and Consumption of Gold and Silver in the United States

During the calendar year 1949 the total production of gold and silver refined from ores mined in the several States and Alaska was as follows: Gold—1,921,949 fine ounces valued at $67,268,215; and silver—34,944,554 fine ounces.

Gold issued for use in the industrial arts in the United States during the calendar year 1949 aggregated $148,975,571, and the return from industrial use of secondary materials, including old jewelry, plate, scrap, etc., amounted to $40,133,100, giving a net consumption of gold of $108,842,471.

Silver issued for use in industry and the arts in the United States during the calendar year 1949 aggregated 110,660,459 fine ounces, and the return from industrial use of secondary materials including old silverware, scrap, etc., amounted to 22,660,459 fine ounces, giving a net consumption of silver of 88,000,000 fine ounces.

BUREAU OF NARCOTICS [1]

The Bureau of Narcotics is charged with the investigation, detection, and prevention of violations of the Federal narcotic and marihuana laws and of the Opium Poppy Control Act of 1942 (56 Stat. 1045), and related statutes. The scope of its activities is gradually enlarging as additional drugs are made subject to these laws. Under the act of March 8, 1946 (60 Stat. 38), eleven new synthetic drugs have been brought under control through findings by the Secretary of the Treasury, proclaimed by the President, that the drugs possessed addiction liability similar to morphine. A significant aid to the Bureau in the discharge of its duties was provided by Public Law 365, 81st Congress, approved October 20, 1949, under which moneys expended from appropriations of the Bureau for the purchase of narcotics, including marihuana, and subsequently recovered are reimbursed to the appropriation for the enforcement of the narcotics and marihuana laws current at the time of the deposit.

The Bureau directs its activities toward the suppression of the illicit traffic in narcotic drugs and marihuana and the control of the legitimate manufacture and distribution of narcotics through the customary channels of trade. It issues permits for import of the crude narcotic drugs and for export and in-transit movements of narcotic drugs and preparations. It supervises the manufacture and distribution of narcotic substances within the country, and has authority to issue licenses for the production of opium poppies to meet the medical needs of the country if and when such production should be found in the public interest. It cooperates with the Department of State in the discharge of the international obligations of the United States concerning the abuse of narcotic drugs and marihuana.

Management was improved throughout the Bureau of Narcotics during the fiscal year 1950. The Bureau made every effort to improve operating methods so that funds thus saved could be used to develop investigations of major violations of the narcotic laws. Arrests for narcotic law violations were 1,048 more than during 1949. These results were achieved without any increase in personnel and with an additional appropriation of only $50,000 available for this activity. The scope of enforcement activities is gradually enlarging to the point where additional money and personnel will be required to combat the increasing illicit narcotic traffic.

During the year procedures were simplified and forms were revised and consolidated or eliminated, as circumstances warranted, in order

[1] Further information concerning narcotic drugs is available in the separate annual report of the Commissioner of Narcotics.

to relieve agents in the field of as much paper work as possible without sacrificing essential controls or lessening accounting responsibilities.

During the fiscal year 1950 the total quantity of narcotic drugs seized in the internal illicit traffic amounted to 1,698 ounces, in comparison with 1,726 ounces seized in 1949. Seizures of marihuana amounted to 752 pounds bulk, 23 pounds seeds, 21,313 cigarettes, and 64 growing plants, as compared with 707 pounds bulk, 6 pounds seeds, 25,591 cigarettes, and 59 growing plants in 1949.

The table following shows for the fiscal year 1950 the number of violations of the narcotic and marihuana laws by persons registered with collectors of internal revenue to engage in legitimate narcotic and marihuana activities and by persons who have not qualified by registration to engage in such activities, as reported by Federal narcotic enforcement officers.

Number of violations of the narcotic and marihuana laws reported during the fiscal year 1950, with their dispositions and the penalties

	Narcotic laws				Marihuana law	
	Registered persons		Nonregistered persons		Nonregistered persons	
	Federal Court	State Court	Federal Court	State Court	Federal Court	State Court
Pending July 1, 1949	419		1,307		481	
Reported during 1950						
Federal [1]	290		2,724		640	
Joint [1]	18		1,379		1,112	
Total to be disposed of	727		5,410		2,233	
Convicted:						
Federal	45	12	963	1,216	383	105
Joint	5	7	435	564	483	312
Acquitted:						
Federal	4		24	55	17	12
Joint	1		8	31	23	10
Dropped:						
Federal	321	6	375	101	108	21
Joint	15	2	119	102	144	51
Compromised: [2]						
Federal	68		1			
Joint						
Total disposed of	486		3,994		1,669	
Pending June 30, 1950	241		1,416		564	
Sentences imposed:	*Yrs. Mos.*	*Yrs. Mos.*	*Yrs. Mos.*	*Yrs. Mos.*	*Yrs. Mos.*	*Yrs. Mos.*
Federal	98 3	11 6	1,913 10	1,024 4	593 11	75 3
Joint	13 --	9 2	884 4	461 3	646 --	277 1
Total	111 3	20 8	2,798 2	1,485 7	1,239 11	352 4
Fines imposed:						
Federal	$26,552		$72,889	$7,092	$11,125	$928
Joint		$3,250	18,792	16,569	5,468	5,449
Total	26,552	3,250	91,681	23,661	16,593	6,377

[1] Federal cases are made by Federal officers working independently while joint cases are made by Federal and State officers working in cooperation.
[2] Represents 69 cases which were compromised in the sum of $12,020.

The importation, manufacture, and distribution of opium and its derivatives are subjected to a system of quotas and allocations designed to secure their proper distribution for medical needs. Additional quantities of opium were imported during the year. Coca leaf imports were sufficient for medicinal purposes, and additional supplies were available for the manufacture of nonnarcotic flavoring extracts.

The quantity of narcotic drugs exported was slightly higher than in 1949, but the total exported is not significant when compared with the amount used domestically. The manufacture of opium derivatives continued high principally by reason of the high medical consumption of codeine and papaverine.

Thefts of narcotics decreased during 1950, both in the number and quantity of drugs stolen.

There were approximately 400,000 registrations under the Federal narcotic and marihuana laws during the fiscal year.

COMMITTEE ON PRACTICE

The Committee on Practice receives and acts upon applications of attorneys and agents for admission to practice before the Treasury Department. It makes inquiries, holds hearings and in general acts as the administrative and advisory agency in all matters pertaining to practice, makes recommendations to the Secretary of the Treasury, and performs other duties prescribed by Department Circular 230, revised.

The Committee also receives and acts upon applications of individuals, corporations, associations, and partnerships for customhouse brokers' licenses, issues customhouse brokers' licenses, makes recommendations to the Secretary of the Treasury, and performs other duties as prescribed by Department Circular 559, revised May 1, 1947.

The following statement summarizes the work of the Committee for the fiscal year 1950:

		Number
Attorneys and agents:		
Applications for enrollment approved		5, 550
Applications for enrollment disapproved		14
Applications withdrawn on advice of Committee		98
Applications abandoned by Committee		80
Applications withdrawn with prejudice		1
Resignations in good standing		1
Special enrollment to practice before the Bureau of Internal Revenue:		
Applications approved by reason of examination		4
Applications approved pursuant to standards and procedures based upon former service with the Treasury Department		51
Applications of former employees denied		22
Applications abandoned		180
Applications withdrawn		11
Complaints disposed of pursuant to section 5 (b) of the Administrative Procedure Act, as amended (5 U. S. C. 1004 (b)):		
Resignations submitted in order to evade proceedings in disbarment and accepted by the Committee. Names ordered stricken from the roll		11
Resignations accepted with prejudice		1
Formal complaints against enrolled persons	4	
Disposed of by disbarment	1	
Pending June 30, 1950		3
Customhouse brokers:		
Applications for licenses approved		84
Applications withdrawn		4
Applications abandoned		25
Applications for licenses disapproved		1
Licenses canceled		18

Since the organization in 1921 of the Committee on Practice 92,565 applications for enrollment have been approved and 853 disapproved, 257 practitioners have been disbarred from further practice before the Treasury Department, 140 have been suspended from practice for various periods, 184 have been reprimanded, and 50 resignations have been accepted.

TAX ADVISORY STAFF

The Tax Advisory Staff of the Secretary has as its principal responsibility the economic analysis and preparation of material for use by the Secretary in the formulation of Treasury tax policies.

In assisting the Secretary to discharge his responsibilities in the field of Federal taxation, the Staff explores the basic economic considerations involved in the formulation of the Administration's tax programs and in tax questions presented to the Secretary by the President, committees of the Congress, individual Members of Congress, other Government agencies, and the public. This requires broad economic surveys of tax problems, the assembly and presentation of statistical materials and analysis of the effects of alternative programs or measures for meeting revenue requirements. Upon request, information is furnished to the House Committee on Ways and Means, the Senate Finance Committee, and the Joint Committee on Internal Revenue Taxation.

These responsibilities also involve the consideration of State and local taxation in relation to Federal tax problems and the relationship between United States and foreign tax systems.

During the fiscal year 1950 the work of the Tax Advisory Staff was concerned primarily with the preparation of material for an excise revision program with the resulting revenue loss to be compensated for by increases from other sources, including the closing of the most serious tax loopholes. This program was outlined to the Ways and Means Committee of the House of Representatives by the Secretary on February 3, 1950.[1]

In the field of international tax relations the Staff assisted in the development of proposals designed to implement the President's Point IV Program and participated in the negotiation of tax treaties with several foreign countries. It also assisted in the Secretary's cooperative undertaking with representatives of State and local governments to arrive at a basis for an action program on some of the principal problems requiring coordination of Federal with State and local fiscal policies.

OFFICE OF THE TECHNICAL STAFF

The Office of the Technical Staff in the Office of the Secretary serves as a technical staff for the Secretary on matters relating to Treasury financing, public debt management, and various general economic problems arising in connection with Treasury activities.

For use in policy decisions in these fields the Technical Staff works out possible courses of action, and keeps Treasury officials informed of shifts in the basic economic and fiscal situation. Primary factors in

[1] The outbreak of hostilities in Korea on June 25, 1950, caused a drastic change in the proposed 1950 tax revision program while the bill was pending in the Senate. H. R. 8920, as modified, was enacted in September 1950.

debt management policy are the outlook for net cash flow into or out of the Treasury and the outlook for Federal budget receipts, expenditures, surplus or deficit, the debt, and the cash balance.

In particular financing operations the Technical Staff draws up alternative plans, including what specific securities might be offered to tap various sources of new funds or in exchange operations. Terms for such securities are reviewed, including rate of interest, maturity, call period, negotiability, eligibility as collateral, redemption privileges accorded to holders, and restrictions as to the amount of purchases or holdings by different classes of investors.

The Technical Staff analyzes the relation of these securities to the maturity schedule and interest cost of the public debt, the effect of their issuance on the market prices and ownership distribution of outstanding Government securities, and the impact of the Treasury's public debt operations on the banking system, the money supply, and the over-all credit structure. Alternative courses of action are weighed as to the probable effect on the general economy, with particular reference to their inflationary or deflationary impact.

The Technical Staff also works out analyses of the assets and the investment position of the various classes of investors, with particular reference to their problems in managing their Federal security portfolios. It reviews the relative desirability of cash pay-offs to, and additional borrowing from, each investor class, and the types of securities best suited to the requirements of each class.

The Technical Staff work also includes discussions with consulting committees composed of leading bankers, insurance men, bond dealers, and others. The committees represent the American Bankers Association, the Investment Bankers Association, the Life Insurance Association of America and the American Life Convention, the National Association of Mutual Savings Banks, the Government Security Dealers group, and others. The groups confer with the Secretary from time to time and discuss their particular situations as well as the general aspects of public debt management. On these occasions the Secretary usually has the Technical Staff review developments and outline the problems ahead in the field of debt management. After these meetings the Technical Staff prepares reports for the Secretary to integrate the various reports and recommendations which were received.

The facilities of the Technical Staff also are utilized by the Secretary for the preparation of official estimates of Government receipts for incorporation in the President's Annual Budget Message and in intervening budget revisions. Similarly, estimates of the revenue effects of proposed and pending legislation are prepared.

Technical mathematical analyses needed in connection with financing and public debt problems are also prepared. This work is under the supervision of the Government Actuary, who is an Assistant Director of the Technical Staff. He is responsible for reports on actuarial matters involved in Treasury operations, and prepares actuarial estimates required by statute with respect to the operations of Government trust funds. The Secretary of the Treasury is charged with the duty of handling the investments and other operations for most of these funds.

UNITED STATES COAST GUARD

The operations of the Coast Guard during the fiscal year ended June 30, 1950, embraced in general terms: Maritime law enforcement; saving of life and property at sea; providing navigational aids to maritime commerce and to transoceanic air commerce; promoting the efficiency and safety of the American merchant marine; and maintenance of a state of military readiness.

Throughout the year the Coast Guard utilized its available personnel and facilities to the best advantage in carrying out these activities. However, lack of sufficient personnel and facilities prevented a desired expansion in the field of assistance, search, and rescue. Operations in the field of electronic navigational aids to maritime and air commerce were restricted below a desired minimum level for the same reason.

Pursuant to a directive from the Bureau of the Budget to the Secretary of the Treasury, an objective survey, conducted by a special panel of Coast Guard officers, was completed. The recommendations of the Board concerning "specific lifeboat stations, light stations, and light vessels which could be disestablished in the interests of economy without increasing maritime hazards" have been submitted to the President.

Another special objective survey is being conducted by a panel of Coast Guard officers to re-evaluate the requirements for air stations, air detachments, and aircraft.

During the year several projects in the management field were carried forward. Principal among these was the development of new internal accounting and supply systems. The new accounting system is described in the report "Administrative Management" and the supply system in the section which immediately follows.

Management Improvement

The benefits derived from the study of the Coast Guard operations during the fiscal year 1948 by a private firm of management consultants have demonstrated the effectiveness of this procedure to further management improvement. Two additional contracts have been signed with private consultants to conduct studies of current major problems. The first of these studies will constitute a complete survey of the Coast Guard Yard at Curtis Bay, Maryland, the Service's principal industrial plant and shipyard. This study will embrace the organization and administrative practices and controls at the yard, and its production management and industrial processes. The second study will be a detailed classification survey of the military and civilian jobs at thirty selected "type" shore stations. This will serve as a basis for the future Service-wide program on job analysis, specification, evaluation, classification structure, and coding, and on the development of comprehensive information looking toward expansion of the present work measurement program. It is expected that both of these special studies will be completed during the calendar year 1950.

Under the supply improvement program four of the ten authorized district supply depots were established during the fiscal year 1949 and the remaining six should be in operation by the end of the calendar year 1950. Formal agreements were recently made under which the Navy will supply the Coast Guard with items of equipment and consumables common to the two Services. This procedure will eliminate the necessity for frequent open market purchases by the Coast Guard.

A special survey board has been appointed to evaluate, and make recommendations with respect to the location, disposition, utilization, effectiveness, etc., of existing air facilities and aircraft. The objective of this study is general improvement in the efficiency, economy, and effectiveness of the Coast Guard aviation program. Completion of this study is scheduled for the end of the calendar year 1950.

The first phase of the program to strengthen the statistical system of the Coast Guard by a further centralization of statistical services and the establishment of a strong central reports review and control has been accomplished. Increased effectiveness will be realized during the fiscal year 1951 with the proposed establishment of a central statistical service division at Headquarters.

During 1950 the central management group initiated a series of field management surveys to make systematic reviews of operations looking toward general improvement in management practices. One survey trip on the east coast and another on the west coast have been completed.

The Administrative Management Division has completed a long-term revision of the *Organization Manual* of the Service, which, with a new *Filing Manual*, also recently completed, will provide more effective guidance to the several administrative levels of the Coast Guard organization.

Law Enforcement

In addition to the general enforcement of Federal laws on the high seas and territorial waters of the United States, the Coast Guard assisted those departments and agencies of the Government having primary responsibility in the enforcement of the Oil Pollution Act, Anchorage Regulations, laws relating to internal revenue, customs, immigration, quarantine, and laws and regulations for the conservation and protection of wildlife and the fisheries. Only 39 reports of oil pollution violations were received which reflected considerable improvement over the fiscal year 1949, during which twice that number of violations were reported. Full cooperation in law enforcement matters was extended to all Federal, and to many State and municipal, law enforcement agencies.

Coast Guard districts were divided into law enforcement zones and a captain of the port, under the district commander, was designated for each zone in order to facilitate execution of the Coast Guard's Federal law enforcement function.

Assistance Operations

In carrying out responsibilities with respect to search and rescue—the saving of life and property—the Service maintains an established organization of inshore and offshore surface rescue vessels, aircraft, lifeboat stations, and radio stations, together with rescue coordination centers in each Coast Guard district. The assistance rendered by stations, vessels, and aircraft during the year is reflected in the following statistics:

Number of assistance calls responded to	10, 440
Number of instances of major assistance	3, 860
Number of instances of minor assistance	4, 782
Value of vessels and aircraft assisted	$210, 489, 172
Value of cargo of vessels and aircraft assisted	$22, 932, 918
Lives saved or persons rescued from peril	7, 619

The term "major assistance" signifies the rescue of persons from water or from drifting ice, the removal of persons from endangered vessels, the towing to safety of vessels on which personnel are endangered, and, during floods, the removal of persons to safety when danger of drowning threatens. When Coast Guard aircraft are employed, "major assistance" includes open-sea landings and take-offs under abnormally hazardous conditions.

The difference in the number of calls responded to and the number of instances of assistance reflects those cases in which the Coast Guard responded but assistance was given by some other source or was no longer possible.

In collaboration with other Government agencies, the Red Cross, and local authorities, the Coast Guard rendered extensive assistance in evacuating citizens and salvaging property during the floods which occurred in the valleys of the Mississippi, the Red River of the North, the Red River of the South, and the Columbia River.

Considerable assistance was rendered to marine commerce on the Great Lakes in the breaking of ice for the passage of vessels. Although the opening of the Lakes to navigation was somewhat later than usual this year, the ice breaker U. S. C. G. C. *Mackinaw*, with a helicopter attached, was instrumental in an earlier opening than would otherwise have been possible.

International Ice Patrol

The postseason activities of the International Service for Study and Observation of Ice Conditions in the North Atlantic for the 1949 season continued into the fiscal year 1950 and consisted of an oceanographic survey in Baffin Bay and Davis Strait and a census of icebergs in Baffin Bay. The oceanographic survey was carried out by the U. S. C. G. C. *Evergreen* during the month of July 1949 while the iceberg census was accomplished by two long-range aircraft and the U. S. C. G. C. *Winnebago*.

The 1950 Ice Patrol season was inaugurated by aerial ice reconnaissance flights on February 24, 1950. Beginning March 26, because of the menace of icebergs in the United States-Europe shipping lanes, a continuous surface vessel patrol was established by the U. S. C. G. C. *Acushnet* and the U. S. C. G. C. *Tampa*. When the ice situation no longer presented hazards to the shipping lane, the surface patrol was discontinued on June 10. The service of International Ice Patrol for the 1950 season was discontinued on June 26, 1950.

The scientific aspects of the International Service of Ice Observation and Ice Patrol were carried out by the oceanographic vessel, U. S. C. G. C. *Evergreen*; and, as last year, a postseason oceanographic cruise to Davis Strait and Baffin Bay is planned.

Bering Sea Patrol

The Bering Sea Patrol was continued this year. The purpose of the patrol is the protection of life and property; protection of the seal herds and other wild life; law enforcement and transportation of a floating court in the administration of justice; and the furnishing of medical and dental assistance to natives and others in remote localities in the areas contiguous to the Bering Sea and Arctic Ocean. The major part of this patrol was accomplished by the U. S. C. G. C. *Northwind.*

Ocean Stations

During the year, the number of ocean stations maintained by the Coast Guard in the North Atlantic was decreased from 7½ to 5⅔. This was brought about by the discontinuance of 2 stations and a change in the agreement with Canada for joint occupation of 1 station whereby the Coast Guard became responsible for its maintenance for two thirds rather than for one half of the time. In the North Pacific, the number of stations maintained was increased from 2 to 3. While engaged in this duty, Coast Guard vessels made 56,456 weather reports, made 19,660 radio contacts with aircraft, gave assistance in 63 cases, and cruised 668,643 miles.

Aids to Navigation

On June 30, 1950, 37,702 aids to navigation were maintained in the navigable waters of the United States, its Territories, and its possessions, and at overseas military bases. These aids consisted of many different devices, ranging from simple unlighted wooden spar buoys to light stations, lightships, and complex loran (electronic long-range aids to navigation) networks. During the year, 2,093 new aids were established and 1,746 aids were discontinued, resulting in an increase of 347 compared with the number maintained on June 30, 1949. This increase was due principally to the establishment of aids to navigation required for the marking of completed rivers and harbors improvements.

In addition to 8 loran stations in the United States, 22 others, located in widely separated and isolated localities (Greenland, Labrador, Newfoundland, Alaska, the Philippines, and the islands of the Pacific), provide navigators traversing the military and civil air and sea routes of the North Atlantic and Pacific Oceans with means for accurate and quick determination of their positions at all times, regardless of weather conditions. Coast Guard cutters and aircraft were utilized in providing frequent logistic service to these isolated and distant stations.

Marine Inspection and Safety Measures

Among the duties which the Coast Guard performed in promoting safety in the merchant marine and on navigable waters were approval of plans for the construction, repair, and alteration of vessels; approval of materials, equipment, and appliances; issuance of certificates of inspection; administration of loadline requirements; licensing and certificating of officers, pilots, and seamen; investigation of marine casualties; enforcement of manning requirements, citizenship requirements, and requirements for the mustering and drilling of crews; control of logbooks; shipment, discharge, protection, and welfare of merchant seamen; promulgation and enforcement of rules for lights, signals, speed, steering, sailing, passing, anchorage, movement, and towlines of vessels, and of regulations governing the transportation of explosives and other dangerous cargoes aboard vessels; numbering of undocumented vessels; prescription and enforcement of regulations for outfitting and operation of motorboats; licensing of motorboat operators; and the regulation of regattas and marine parades.

A digest of certain phases of the marine inspection activities follows:

	Number of vessels	*Gross tonnage of vessels*
Annual inspections completed [1]	6, 125	16, 847, 851
Drydock examinations	5, 090	19, 610, 185
Reinspections	2, 949	12, 146, 075
Special surveys (passenger vessels)	176	
Special examinations by traveling inspectors on passenger vessels and ferries	90	
Miscellaneous inspections	12, 586	
Undocumented vessels numbered under provisions of the act of June 7, 1918, as amended (46 U. S. C. 288) (this is an increase of 6,219 over the previous fiscal year)	452, 327	

[1] Includes 234 vessels, totaling 490,004 gross tons, which were conversions or new construction completed during the year.

There were 2,731 marine casualties reported of which 2,239 were investigated, 18 of these by formal Marine Casualty Investigation Boards. Of the 272 lives lost in 119 casualties, only five passengers lost their lives on inspected and certificated vessels and no vessels of over 1,000 gross tons were lost as a result of marine hazards.

Two serious marine casualties occurred and were investigated by the Coast Guard. The first of these was the explosion of munitions while being loaded on barges at South Amboy, N. J., which caused 31 persons to lose their lives. The second was the collision between the Norwegian freight ship *Ravnefjell* and the Great Lakes passenger steamer *City of Cleveland III*, which resulted in the death of four passengers on the steamer.

Under the provisions of the act of May 27, 1936, as amended (46 U. S. C. 369), requiring approval by the Commandant of the Coast Guard of all contract plans and specifications for building or altering passenger vessels of the United States of one hundred gross tons and over, 13,388 vessel plans were examined to determine conformance with applicable regulations. Plans covering items of equipment which require approval by the Commandant for use on merchant vessels were reviewed and 178 such items were approved.

In order to assess the fire hazard which exists with modern types of stateroom construction, a fire test, using an actual size stateroom, was conducted with the National Bureau of Standards. The stateroom was constructed of aluminum and was furnished with metal beds and metal furniture. The draperies, bedspreads, mattresses, and chair upholstery were given a fire retardant treatment, and in the room was placed actual baggage such as might be brought aboard by the passengers. The fire severity obtained during the test was measured and recorded, and the results will provide a factual basis for use in the development of standards for fireproof construction to safeguard properly a vessel against fire in this type of space.

The monthly periodical entitled "The Proceedings of the Merchant Marine Council," United States Coast Guard, was published to promote safety of life at sea and was distributed free to seamen, ship owners, operators, and the various Government agencies concerned with the merchant marine. This publication contained feature articles of interest to the merchant marine, lessons taken from actual casualties occurring in the merchant marine, advance notices regarding changes in regulations, and other statistics of interest to the merchant marine.

Merchant Marine Personnel

The licensing and certificating of merchant marine personnel covered the issuance of 75,148 documents. Of this number, 15,246 were issued to men who had not previously served in the merchant marine, and 1,264 were licenses issued to radio officers under the provisions of the act of May 12, 1948 (62 Stat. 232). In the process of regulating the orderly conversion of the merchant marine from wartime to peacetime operation, 236 individual waivers of manning requirements were issued. Shipping commissioners supervised the execution of 13,699 sets of shipment and discharge shipping articles.

Merchant Marine Investigating Units in major domestic ports and Merchant Marine Details in certain foreign ports continued to operate in the administration of discipline in the merchant marine as required by the act of February 28, 1871, as amended (46 U. S. C. 239). Merchant Marine Details in London, Antwerp, Bremerhaven, Naples, Trieste, and Piraeus operated throughout the year. The detail in Antwerp was reestablished July 1, 1950, after having been closed for about two years. During the year, 6,050 investigations of cases involving negligence, incompetence, and misconduct were made. As a result of these investigations charges were preferred and hearings held on 806 cases by civilian examiners.

Personnel

On June 30, 1950, the military personnel strength of the Coast Guard on active duty consisted of 2,073 commissioned officers (1,734 Regular, 206 temporary service, 133 Reserve), 406 commissioned warrant officers (350 Regular, 56 temporary service), 427 warrant officers (82 Regular, 345 temporary service), 296 cadets, and 19,988 enlisted men.

The authorized force of civilian employees at Coast Guard Headquarters on June 30, 1950, was 734. In the field service there were 1,419 salaried personnel, 2,589 wage board employees, and 665 lamplighters.

Upon the enactment of Public Law 351, 81st Congress, approved October 12, 1949, new procedures with respect to physical disability retirements were instituted and the reevaluation of personnel retired for physical disability prior to October 1, 1949, was begun. Also pursuant to the law and prescribed regulations, warrant officers were distributed in various grades for pay purposes.

On June 2, 1950, 68 cadets graduated, after satisfactorily completing the 4-year course at the Coast Guard Academy, and were commissioned as ensigns. In the 1950 Nation-wide competitive examination for appointment as cadets, 507 candidates from among 1,351 participants received passing grades; and it is expected that 215 will be appointed as the class of 1954. The 1950 summer practice cruise for practical sea training was made aboard the cutters *Campbell* and *Eagle*, and included visits to European ports.

An officer procurement program was carried on during the year. Regular officers for the Coast Guard are being obtained from the inactive Coast Guard Reserve, by the selection of commissioned warrant and warrant officers or enlisted men in the Coast Guard who formerly held temporary commissions, and from among qualified merchant marine officers.

Of the 13,806 men who applied for enlistment in the Coast Guard, 3,227 were enlisted, 3,327 were rejected for physical reasons, 6,314 were rejected for other reasons, 595 were accepted but failed to enlist, and 343 applications were pending on June 30, 1950. There were 2,369 recruits received during the year at Cape May, N. J., Receiving Center, and beginning in September 1949 the recruit training period was increased to 12 weeks.

Public Law 351, 81st Congress, approved October 12, 1949, provides that, in the case of any member whose total compensation on September 30, 1949, exceeded the amount of total compensation to which he would have become entitled under the act, if application is made within one year from October 1, 1949, the effective date of the act, he shall be discharged. During the period from October 1, 1949, to June 30, 1950, 961 enlisted men were discharged pursuant to this provision of law, and this loss contributed greatly to the deficiency in enlisted personnel strength at the end of the year.

On June 30, 1950, 17 medical officers, 28 dental officers, 10 nurse officers, 1 scientist officer, and 1 sanitary engineer officer of the Public Health Service were on detail to the Coast Guard.

Coast Guard Reserve

The revitalization of the Coast Guard Reserve and the initiation of a large scale training program were not possible during the year since no funds were appropriated for those purposes. Estimates of appropriations were again submitted by the President for the consideration of the Congress for training Reserve personnel to enable the Coast Guard when operating as a part of the Navy in time of war or national emergency to perform those duties which have been delegated to the Service.

Reserve Directors in the respective Coast Guard districts established volunteer training units where personnel and facilities permitted. Where circumstances did not permit Coast Guard Reserve officers to form such units, arrangements were made for them to associate with naval activities. Additional training was provided by offering Naval Reserve correspondence courses to members of the Coast Guard Reserve and approximately 1,000 such courses were completed by Reserve officers. Through the cooperation of the Naval

Reserve Air Training Command, a limited number of Coast Guard Reserve aviators were permitted to participate as individuals in volunteer units of the Naval Reserve Air Training program.

During the year, 116 Coast Guard Reserve volunteer training units were established, and of this number 71 were scheduling drills and meeting regularly. Some 3,200 officers were assigned to these 71 units and of this group approximately 28 percent were regularly participating in unit training activities. It is estimated that 25 percent of the total Reserve officers (4,132) were participating in volunteer training during the year.

Reappointments were offered to 1,440 Reserve officers, of which 882 accepted. At the end of the year, the Reserve numbered 4,132 commissioned and warrant officers and 391 enlisted personnel.

Coast Guard Auxiliary

The Coast Guard Auxiliary is a nonmilitary organization sponsored by the Coast Guard to assist it in promoting safety and in effecting rescues on and over the high seas and on navigable waters; in promoting efficiency in the operation of motorboats and yachts; in fostering a wider knowledge of, and better compliance with, the laws, rules, and regulations governing the operation of motorboats and yachts; and facilitating other operations of the Coast Guard. The Auxiliary had a membership of 12,164 on June 30, 1950, with an affiliated ownership of 6,251 boats, 317 planes, and 156 radio stations. In addition to the requirements that members maintain a high standard of efficiency in engineering, safety, navigation, and operating practices, the members gave approximately 15,000 courtesy motorboat inspections and small-boat seamenship training to approximately 2,400 nonmembers, provided safety patrols for regattas and marine parades, and carried on a vigorous program of safety education and self-help under the general auspices and guidance of the Coast Guard.

Facilities and Equipment

Floating units.—On June 30, 1950, the floating units in active commission consisted of 177 cutters of various types, 50 patrol boats, 37 lightships, 41 harbor tugs, and 10 buoy boats. During the year these vessels cruised 2,085,952 miles in carrying out Coast Guard duties.

In addition to the larger floating units there were 177 motor lifeboats, 1,577 motorboats, and 2,295 nonpowered craft in operation aboard ships and at shore installations of the Service.

Shore establishments.—The 17th Coast Guard District was reestablished on July 1, 1949, with the district office located in Juneau, Alaska. This district embraces the Territory of Alaska and adjacent waters. Its reestablishment increased the number of Coast Guard districts to twelve.

Authorized shore units as of June 30, 1950, included 9 air stations, 12 bases, 41 depots, 170 lifeboat stations, 429 manned light stations, 78 light attendant stations, 30 loran transmitting stations, 49 marine inspection offices, 12 primary radio stations, 1 shipyard, 2 supply

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centers, 9 supply depots, 1 academy, 1 training station, and 1 receiving center.

Aircraft.—During the year the Coast Guard operated 79 fixed and rotary wing aircraft deployed from nine continental air stations and eight air detachments. One new air detachment was established and commissioned at San Juan, Puerto Rico. Other air detachments beyond the continental limits of the United States were located at Argentia, Newfoundland; Honolulu, T. H.; Guam, M. I.; Sangley Point, P. I.; Annette Island, Alaska; and Kodiak, Alaska.

In carrying out the aviation program of the Coast Guard, the aircraft were flown approximately 11,333 sorties for a total of 31,183.7 hours.

Communications.—The Coast Guard maintained and operated an extensive communications system to provide for rapid, essential communications between its units. This includes the operation of rescue control centers which provide for liaison and coordinated communications with all rescue agencies using multiple circuits both military and commercial.

Navy and other Government facilities are used where available to avoid duplication. Commercial landlines, where available, are augmented by Coast Guard-owned landlines and submarine cables to connect isolated units.

Strategically located, primary, secondary, base, and radio stations (aero) provide communications with cutters, patrol craft, and aircraft. These facilities are employed for handling distress traffic and for broadcasting both routine and urgent marine information.

Isolated shore units having no landline facilities available are radio equipped. More important shore units are also radio equipped to provide for a casualty circuit in the event of landline failure.

Excess vessels and property.—During the year, excess vessels with an acquisition value of $2,121,530.36 and other excess property with an acquisition value of $1,711,111.17 were disposed of.

Construction and Development

Maintenance, repair, and modernization of the Coast Guard's 22,000 fixed structures, and the repair and improvement of mechanical equipment continued throughout the year. Approximately 6,000 projects for construction, repair, and maintenance were undertaken.

A continuing program of test and development was carried on during the year in technical fields directly related to the Coast Guard's statutory responsibilities. Emphasis was placed on those developments showing long range promise of effecting substantial economies in performing present duties. As a result of the development program new standards for shipboard and buoy painting were placed in effect, which lower material cost and give improved performance. The adoption of more effective techniques of maintaining wooden boats will extend their useful life and reduce annual hull maintenance costs. Technical requirements as to construction of staterooms on passenger vessels were validated by a full scale fire test.

Significant development programs which are in progress are: Fiberglass and aluminum boat construction aimed at producing longer lived boats at lower annual costs; redesign of standard buoys to better serve radar equipped vessels; improving radar beacons so as to provide a practical tool at reasonable cost; preventing deterioration of service material so as to reduce annual maintenance and replacement costs; studying practicable methods of improving motorboat safety and investigation of methods of making present loran service more useful to mariners.

Two lightships under construction by a commercial shipbuilder in East Boothbay, Maine, were launched, and completion and delivery are scheduled for the fall of 1950. Construction was begun on a third lightship at the Coast Guard Yard. These three vessels will replace overage lightships now in service.

Reconstruction of 15 loran stations in the Hawaiian, Japanese, and Marshall chains was started, including relocation of the Marianas chain.

Two new lighthouses in the Aleutian Islands were completed during the year at Scotch Cap and Cape Sarichef.

A chain stopper for use on buoy tenders in servicing buoys was designed and installed on several vessels for testing. This chain stopper eliminates much of the manual handling of buoy chain in the operations of removing and replacing buoys and experience to date indicates that it speeds up the work and greatly reduces the hazard to personnel.

Production was begun on a 40-foot utility boat for replacement, as such becomes necessary, of 38-foot cabin picket boats, 30-foot rescue boats, and various miscellaneous craft. This boat is a development of a single prototype 38-foot utility boat built last year for testing and evaluation.

Several installations of modern postwar search radar have been made at shore lifeboat stations and further operational information is being collected regarding the usefulness of this equipment for protection of life and property on our coasts.

Helicopters were equipped with added safety devices designed in former years, with particular reference to emergency flotation. Stabilization was further investigated with gratifying results. Helicopters were modernized and steps taken to standardize all of a type to insure greater familiarity and safety in operation. Hydraulic controls were added for reduced pilot fatigue and greater operational efficiency.

The Ship Structure Committee, through joint efforts of the Army, Navy, Coast Guard, Maritime Administration, and the American Bureau of Shipping, has made considerable progress during the year toward the solution of the problem of cracking or breaking apart of welded ships' hulls. With the advantages of welded construction clearly apparent and with fractures still occurring the Ship Structure Committee has attacked the problem through basic research programs in the fields of design, materials and fabrication, with the assistance and cooperation of the National Academy of Sciences, the National Bureau of Standards, the American Iron and Steel Institute, the Welding Research Council, and the British Admiralty Welding Committee.

Funds Available, Obligations, and Balances

During the fiscal year 1950 the sum of $625,900 was expended for mustering out payments under the provisions of the act of February 3, 1944, as amended (38 U. S. C. 691). In settlement of unused leave under the Armed Forces Leave Act of 1946 (60 Stat. 963), $2,511 was paid to 15 claimants.

The following table shows the amounts available for the Coast Guard during 1950, and the amounts of obligations and unobligated balances:

	Funds available	Net total obligations	Unobligated balances
Current operating appropriation:			
Salaries, office of Commandant	$2, 515, 000	$2, 502, 030	$12, 970
Pay and allowances	82, 520, 000	80, 477, 401	2, 042, 599
Civilian employees (field)	4, 400, 000	4, 368, 836	31, 164
General expenses	39, 385, 000	39, 026, 854	358, 146
Subtotal	128, 820, 000	126, 375, 121	2, 444, 879
Retired pay	13, 864, 000	13, 861, 010	2, 990
Acquisition, construction, and improvements:			
Total appropriation, 1950	10, 000, 000	6, 097, 030	3, 902, 970
Prior year unobligated balances:			
Acquisition, construction, and improvements	2, 074, 398	1, 564, 757	509, 641
Acquisition of vessels and shore facilities	2, 877, 963	2, 489, 818	388, 145
Establishing and improving aids to navigation	467, 599	426, 981	40, 618
Special projects, aids to navigation	2, 516	2, 249	267
Subtotal	15, 422, 476	10, 580, 835	4, 841, 641
Total appropriated funds	158, 106, 476	150, 816, 966	7, 289, 510
Miscellaneous funds:			
Payments, Armed Forces Leave Act of 1946 (allotment to Treasury, Coast Guard)	81, 324	1, 300	80, 024
Proceeds of sales of Coast Guard sites, Treasury Department	17, 229	17, 227	2
Coast Guard Academy, donations for chapel, Treasury Department	469, 843	31, 075	438, 768
Fund for management improvement, Executive Office of the President (allotment to Treasury, Coast Guard)	69, 000	69, 000	
Total miscellaneous funds	637, 396	118, 602	518, 794
Working funds established by advances from other Government agencies:			
Department of Defense:			
Department of the Navy	307, 777	267, 263	40, 514
Department of the Army	57, 175	52, 402	4, 773
Federal Security Agency	414, 012	413, 933	79
Department of Commerce	20, 000	14, 023	5, 977
Veterans' Administration	1, 015	1, 015	
Total working funds	799, 979	748, 636	51, 343
Grand total	159, 543, 851	151, 684, 204	7, 859, 647

UNITED STATES SAVINGS BONDS DIVISION

The principal function of the United States Savings Bonds Division of the Treasury Department is to promote and effect the sale of United States savings bonds.

The Savings Bonds Division is headed by a National Director, serving without compensation, who is also an Assistant to the Secretary of the Treasury. His chief aide is a National Director of Sales under whom function the following eight divisions: Publicity and Promotion, Payroll Savings, Banking and Investments, Education, Labor Organizations, Community Activities, Agriculture, and Advertising. A Nation-wide organization of volunteers, under the direction of State and local advisory chairmen and aided by more than 25 national advisory committees, all serving without compensation, carry forward the sales activities of the Division.

The cost of promoting the savings bond program is held to a minimum because of contributions of advertising by newspapers, magazines, radio and television industries, outdoor and transportation advertising businesses, and various other media, as well as by a great many national and local advertisers. These contributions by national advertisers and their agencies are made through the Advertising Council, Inc., a voluntary nonprofit organization of the advertising industry for the support of public service programs.

The "Independence Drive," having as its theme the encouragement of thrift and the fostering of public interest in the affairs of the Government, was the major campaign effort of the year. The Drive was conducted from May 15 through July 4, 1950, and the national sales quota of $650 million in Series E bonds was exceeded by 10 percent. The volunteer efforts of thousands of workers and the contribution of all types of promotional media contributed greatly to the success of the Drive.

The symbol for the Drive was the Liberty Bell, exact reproductions of which were displayed in each of the 48 States and in Alaska, Hawaii, Puerto Rico, the Virgin Islands, and the District of Columbia. At the conclusion of the Drive, these reproductions were presented by the Secretary of the Treasury to the geographical units in which they had been exhibited, with the intention that the bells should be kept permanently on public, noncommercial exhibition. A bronze plaque accompanied each bell memorializing the purpose of the gift. The plaque named the six American copper companies which provided funds for the purchase of the bells, the steel company which furnished supports for the bells, and the copper fabricating company which donated the plaques.

Throughout the year the Savings Bonds Division, effectively supported by an Industrial Advisory Committee made up of 28 nationally known industrialists and bankers, as well as by numerous industrial and trade organizations, carried out an intensified campaign to increase participation in the payroll savings plan. This plan facilitates regular investment in savings bonds by wage and salary earners. The stimulation of payroll savings contributed materially to the extension of the plan, particularly in the steel, petroleum, glass, and railroad industries.

The Interdepartmental Savings Bond Committee, allied with the Federal Payroll Savings Section to promote savings bond sales to Government employees, reported total sales during the year of $319 million, a gain of $25 million over the preceding year. This gain was accomplished despite a considerable reduction in the total number of Government employees.

Gross sales of savings bonds of all series during the fiscal year 1950 amounted to $5,673 million. Details of these sales, as well as of redemptions and amounts outstanding, will be found on pages 22 and 23 and 558 through 568.

In accord with the Treasury Department's management program, a Committee on Materials was organized in the Savings Bonds Division to analyze all requests for the printing and reproduction of promotional materials and to approve only those requests which meet essential requirements. In addition to the immediate economies effected in this program, plans are under way to transfer all excess stocks of promotional materials from the field offices to the warehouse of the Chicago Mailing Division for redistribution. Savings of materials as well as the freeing of space for essential needs will result.

There was developed a better correlation of distribution and requirements of mats, plates, and engraved blocks to newspapers and magazines which contribute advertising space. This close control resulted in substantial savings in procurement costs, with no loss in the amount of contributed advertising space.

Final plans were formulated for the establishment of an inventory control system whereby property in the field and departmental offices will be more readily identifiable for management purposes. This system is currently being installed and should be in full operation by the end of the calendar year 1950.

UNITED STATES SECRET SERVICE

The Secret Service protects the President of the United States and members of his family, the President-elect, the Treasury Building and other buildings housing Treasury Department activities, and the currency and other obligations and securities of the United States in production, storage, and transit. The Secret Service is also charged with the suppression of counterfeiting, forging, or alteration of obligations and securities of the United States and foreign countries, and of counterfeiting of foreign and domestic coins. The Secret Service investigates forged endorsements on, or the fraudulent negotiation of, United States Treasury checks and bonds; losses of valuables in shipments by Government agencies; violations of the Gold Reserve Act; and other offenses as specified in 18 U. S. C. 3056.

Management improvement by the Secret Service during 1950 was concentrated mainly on more effective suppression of counterfeiting and on a reorganization of the Field Force.

With counterfeiting more prevalent than at any time since 1935, the Secret Service took a number of steps toward its more effective suppression. The Service established extensive, centralized files on all counterfeiting offenders and suspects, in order to coordinate the investigations by field offices; participated in the "Counterfeit Clinics" sponsored by several of the Federal Reserve Banks, and distributed several thousand post card-size warnings of counterfeit notes in circulation and new framed exhibits of genuine and counterfeit bills for the information of banks, merchants, civic organizations, business groups, etc.; participated in the Third International Conference of the Central Offices for the Suppression of Counterfeiting at The Hague in an effort to stamp out the foreign counterfeiting of United States money; and drafted legislation to strengthen the currency laws. This legislation was introduced in both Houses of Congress and is awaiting action.

During the year plans were made for a reorganization of the Field Force of the Secret Service. The 56 field offices, instead of being under the control of 14 supervising agents, will be independent units, each under a special agent in charge, who will report directly to the Chief of the United States Secret Service. Four regional inspectors, acting under the Chief's delegated authority and with headquarters in the Chief's office, will make regular systematic inspections of the field offices in their respective regions, so that there will be direct and continuing liaison between the Chief and the special agent in charge of each field office. Under this system, reports and correspondence will be sent direct to the Chief; and appraisals of personnel and field administration will be of assistance in the utilization of available manpower in the most efficient manner.

Other management improvements included the installation of a standardized filing system in all Secret Service offices, and the preparation of a new manual prescribing the procedure for all Secret Service personnel.

Protective and Security Activities

In connection with its protection of the President, the Secret Service also protected certain distinguished visitors to the United States, including the President of Chile, the Prime Minister of Pakistan, and the President of the Philippine Republic.

The Uniformed Force of the Secret Service safeguarded more than $194 billion of currency, stamps, and other obligations in transit, and $801 billion of securities in production and storage.

Enforcement Activities

Counterfeiting continued to increase during the year. The force of less than 200 Secret Service agents seized $1,289,281 in counterfeit bills and coins, $554,154 of which was captured before it could be passed on the public. Counterfeit bills and coins seized in 1949 totaled $957,764.

There were 208 new counterfeit note issues during the year, 58 of which were of foreign origin. Agents captured 13 plants for the manufacture of 75 issues of notes, and arrested 542 persons who were charged with counterfeiting offenses. Arrests for counterfeiting exceeded arrests made in 1949 by 161.8 percent.

Undercover agents, playing hazardous roles as racketeers, disrupted several well-organized counterfeiting gangs. After one agent negotiated to buy $200,000 in counterfeit $20 bills, the counterfeits were seized and five important distributors were arrested. All were sentenced to terms ranging from 10 to 25 years. Continuing the investigation, a special squad of agents apprehended seven more principals, including the printer and engraver who were responsible for manufacturing 34 issues of counterfeit $10 and $20 Federal Reserve notes representing $800,000, and of counterfeit Canadian $10 notes representing $500,000. The notes were passed in 28 States, and 62 passers were taken into custody. The gang had also printed thousands of counterfeit Irish Sweepstakes tickets, 3-cent postage stamps, and lottery tickets. Their counterfeiting technique had been learned from their extensive counterfeiting of OPA ration stamps during World War II.

In another case the Secret Service ended a 12-year-old manhunt with the arrest of a notorious "lone-wolf" counterfeiter in Chicago, where agents also seized his plant for the manufacture of counterfeit $5 and $10 notes. He was promptly sentenced to serve 15 years.

A young couple arrested in Amsterdam, N. Y., for passing counterfeit $10 notes surrendered the equipment they had used to manufacture the counterfeits. Their notes had been passed in seven States. The man, 18, and his wife, 17, are now awaiting trial.

In San Francisco agents arrested a perfectionist who had been striving for nine years to produce a perfect counterfeit bill. They captured an elaborate counterfeiting plant with 16 plates, 205 film negatives, and a quantity of completed counterfeit $20 bills. The offender even manufactured his own currency paper, but never attempted to pass any of his counterfeits during his 9-year criminal venture. He pleaded guilty and was sentenced and fined.

Agents in New York arrested 16 persons for the manufacture of 6 million counterfeit 3-cent postage stamps and $400,000 in counterfeit American Express travelers' checks. A perforating machine used in preparing the stamps was recovered by a Navy diving team from the ocean off Long Beach, N. Y., where it had been thrown by the counterfeiters.

In New York and Miami four members of another counterfeiting gang were arrested by Secret Service agents and charged with the sale of counterfeit $10 and $20 notes to a representative of a Cuban smuggling ring. These arrests followed the apprehension of several Cubans in Havana and the seizure of $20,000 in counterfeit notes. The four were convicted in New York and sentenced to terms ranging from 15 to 25 years each.

With agents diverted to counterfeiting cases, check and bond forgery cases continued to accumulate. Agents investigated 30,059 forged Government checks worth $2,066,226 and 6,162 forged bonds, and arrested 2,336 persons charged with forgery. Convictions in forgery cases, including cases pending from prior years, totaled 2,080. As of June 30, 1950, there were 14,373 forged checks and 3,019 forged bonds awaiting investigation.

In Michigan an alien, who had been in a Japanese concentration camp in Shanghai and who later entered the United States illegally, was arrested for stealing and forging nearly 200 checks, including 20 Government checks. After marrying an American woman he made his living by stealing checks from the mails for more than a year. He pleaded guilty and was sentenced to six years.

Arrests for all offenses aggregated 3,168, and there were 2,667 convictions in cases of all types, representing 97.3 percent of convictions in the cases which went to trial. Prison sentences aggregated 3,245 years and additional sentences of 2,737 years were suspended or probated. Fines in criminal cases totaled $30,592.70.

The following tables constitute a statistical summary of Secret Service activities for 1950:

Counterfeit money seized, fiscal years 1949 and 1950

	1949	1950	Increase, or decrease (−)	Percentage increase, or decrease (−)
Counterfeit and altered notes seized:				
After being circulated	$331,021.00	$727,086.33	$396,065.33	119.6
Before being circulated	618,721.10	553,315.00	−65,406.10	−10.6
Total	949,742.10	1,280,401.33	330,659.23	34.8
Counterfeit coins seized:				
After being circulated	7,041.84	8,040.73	998.89	14.2
Before being circulated	979.77	839.20	−140.57	−14.3
Total	8,021.61	8,879.93	858.32	10.7
Grand total	957,763.71	1,289,281.26	331,517.55	34.6

Number of investigations of criminal and noncriminal activities, fiscal years 1949 and 1950

	1949	1950	Increase, or decrease (−)	Percentage increase, or decrease (−)
Criminal cases:				
Making or passing:				
Counterfeit notes	319	1,256	937	293.7
Counterfeit coins	53	98	45	84.9
Altered obligations	288	274	−14	−4.9
Forgery of Government checks	33,427	30,059	−3,368	−10.1
Stolen or altered bonds	9,105	6,162	−2,943	−32.3
Protective research cases	1,841	2,610	769	41.8
Other criminal cases	351	300	−51	−14.5
Total	45,384	40,759	−4,625	−10.2
Noncriminal cases	1,735	1,745	10	.6
Grand total	47,119	42,504	−4,615	−9.8

Number of arrests and cases disposed of, fiscal years 1949 and 1950

	1949	1950	Increase, or decrease (−)	Percentage increase, or decrease (−)
Arrests for:				
Making or passing:				
Counterfeit notes	162	489	327	201.9
Counterfeit coins	45	53	8	17.8
Altered obligations	61	61		
Forgery of Government checks	1,817	2,336	519	28.6
Violation of Gold Reserve Act	2	33	31	1,550.0
Stolen, altered, or forged bonds	184	112	−72	−39.1
Protective research cases	52	46	−6	−11.5
Stamp and strip stamp cases	3	15	12	400.0
False claim cases		1	1	
Theft of Treasury Department property	1		−1	−100.0
Miscellaneous	19	22	3	15.8
Total	2,346	3,168	822	35.0
Cases disposed of:				
Convictions in connection with:				
Counterfeit notes	105	295	190	181.0
Counterfeit coins	31	49	18	58.1
Altered obligations	73	57	−16	−21.9
Forgery of Government checks	1,676	2,080	404	24.1
Violation of Gold Reserve Act		6	6	
Violation of Farm Loan Act	1		−1	−100.0
Stolen, altered, or forged bonds	173	110	−63	−36.4
Protective research cases	51	40	−11	−21.6
False claim cases	1	1		
Theft of Treasury Department property	1		−1	−100.0
Miscellaneous	13	29	16	123.1
Total	2,125	2,667	542	25.5
Acquittals	45	75	30	66.7
Dismissed, not indicted, or died before trial	131	197	66	50.4
Total cases disposed of	2,301	2,939	638	27.7

EXHIBITS

PUBLIC DEBT OPERATIONS

TREASURY CERTIFICATES OF INDEBTEDNESS, TREASURY NOTES, AND TREASURY BONDS

Exhibit 1.—Offering of $1\frac{1}{8}$ percent certificates of Series G–1950 [1]

[Department Circular No. 849. Public Debt]

TREASURY DEPARTMENT,
Washington, August 31, 1949.

I. OFFERING OF CERTIFICATES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par, from the people of the United States for certificates of indebtedness of the United States, designated $1\frac{1}{8}$ percent Treasury certificates of indebtedness of Series G–1950, in exchange for 2 percent Treasury bonds of 1949–51, dated May 15, 1942, called for redemption on September 15, 1949.

II. DESCRIPTION OF CERTIFICATES

1. The certificates will be dated September 15, 1949, and will bear interest from that date at the rate of $1\frac{1}{8}$ percent per annum, payable with the principal at maturity on September 15, 1950. They will not be subject to call for redemption prior to maturity.

2. The income derived from the certificates shall be subject to all taxes, now or hereafter imposed under the Internal Revenue Code, or laws amendatory or supplementary thereto. The certificates shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The certificates will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

4. Bearer certificates will be issued in denominations of $1,000, $5,000, $10,000, $100,000 and $1,000,000. The certificates will not be issued in registered form.

5. The certificates will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States certificates.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Treasury Department, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of certificates applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par for certificates allotted hereunder must be made on or before September 15, 1949, or on later allotment, and may be made only in Treasury bonds of 1949–51, called for redemption on September 15, 1949, which will be accepted at par, and should accompany the subscription. Payment of final interest due September 15 on bonds surrendered will be paid, in the case of coupon bonds, by payment of September 15, 1949, coupons, which should be detached by holders before presentation of the bonds, and in the case of registered bonds, by checks drawn in accordance with the assignments on the bonds surrendered.

[1] Details of Department Circular No. 847, dated June 20, 1949, covering the offering of certificates of Series F-1950, dated July 1, 1949, will be found in exhibit 2.

V. Assignment of Registered Bonds

1. Treasury bonds of 1949–51 in registered form tendered in payment for certificates offered hereunder should be assigned by the registered payees or assignees thereof to "The Secretary of the Treasury for exchange for Treasury certificates of indebtedness of Series G–1950 to be delivered to ————————," in accordance with the general regulations of the Treasury Department governing assignments for transfer or exchange, and thereafter should be presented and surrendered with the subscription to a Federal Reserve Bank or branch or to the Treasury Department, Division of Loans and Currency, Washington, D. C. The bonds must be delivered at the expense and risk of the holders.

VI. General Provisions

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for certificates allotted, to make delivery of certificates on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive certificates.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

John W. Snyder,
Secretary of the Treasury.

Exhibit 2.—Details of certificate issues and allotments

Circulars pertaining to issues of Treasury certificates of indebtedness during the fiscal year 1950 are similar in form to the circular shown in exhibit 1, and therefore are not reproduced in this report. However, the essential details regarding each issue are summarized in the following table, and the final allotments of new certificates in exchange for maturing or called securities are shown in the succeeding table.

Summary of information contained in circulars pertaining to Treasury certificates of indebtedness issued during the fiscal year 1950

Date of circular	Number of circular	Certificates of indebtedness issued, and securities exchanged for new issues	Date of issue	Date of maturity	Date subscription books closed	Allotment payment date on or before (or on later allotment)
1949			1949	1950	1949	1949
June 20	847	1¼% Series F–1950. Exchanged for 1⅛% Series F–1949 certificates maturing July 1, 1949.	July 1	July 1	June 23	[1] July 1.
Aug. 31	849	1⅛% Series G–1950. Exchanged for 2% Treasury bonds of 1949–51 (dated May 15, 1942) called for redemption on Sept. 15, 1949.	Sept. 15	Sept. 15	Sept. 3	[2] Sept. 15.
Sept. 21	850	1⅛% Series H–1950. Exchanged for 1¼% Series G–1949 certificates maturing Oct. 1, 1949.	Oct. 1	Oct. 1	Sept. 24	[1] Oct. 1.
			1950	1951		1950
Dec. 19	855	1⅛% Series A–1951. Exchanged for 1¼% Series A–1950 certificates maturing Jan. 1, 1950.	Jan. 1	Jan. 1	Dec. 22	[1] Jan. 3.

[1] Interest due on the certificates surrendered was paid to the subscriber following acceptance of the certificates.

[2] Final interest due Sept. 15, 1949, on bonds surrendered was paid as follows: On coupon bonds, by payment of Sept. 15, 1949, coupons; and on registered bonds, by checks drawn in accordance with assignments on bonds surrendered.

Treasury certificates of indebtedness issued in exchange for matured or called securities, by Federal Reserve districts, fiscal year 1950

[In thousands of dollars]

Federal Reserve district	1¼% Series F-1950 certificates exchanged for 1⅛% Series F-1949 certificates maturing July 1, 1949	1⅛% Series G-1950 certificates exchanged for 2% Treasury bonds of 1949-51 (dated May 15, 1942) called for redemption on Sept. 15, 1949	1⅛% Series H-1950 certificates exchanged for 1¼% Series G-1949 certificates maturing Oct. 1, 1949	1⅛% Series A-1951 certificates exchanged for 1¼% Series A-1950 certificates maturing Jan. 1, 1950
Boston	82,632	74,693	155,834	119,748
New York	3,881,256	670,837	3,500,760	2,873,283
Philadelphia	105,130	40,308	138,386	101,646
Cleveland	98,348	24,249	122,191	124,115
Cincinnati	17,617	5,437	33,350	30,838
Pittsburgh	31,272	8,787	33,934	49,864
Richmond	18,086	6,333	46,725	25,124
Baltimore	9,263	5,180	26,771	30,567
Charlotte	28,502	1,847	25,460	12,643
Atlanta	39,842	7,733	53,719	54,662
Birmingham	10,470	811	15,262	14,423
Jacksonville	8,440	6,648	19,428	8,865
Nashville	10,420	3,499	21,258	14,213
New Orleans	32,170	2,976	49,908	28,529
Chicago	492,737	158,353	727,958	806,607
St. Louis	93,279	15,455	112,660	93,545
Little Rock	4,674	133	8,709	9,105
Louisville	31,297	3,317	43,967	48,911
Memphis	14,864	673	25,054	12,223
Minneapolis	103,296	29,036	179,274	167,568
Kansas City	150,558	32,803	243,121	168,906
Dallas	45,842	12,070	70,202	53,197
El Paso	2,710	224	6,915	5,109
Houston	27,921	4,435	38,275	57,357
San Antonio	17,536	4,919	46,079	31,008
San Francisco	135,317	34,638	191,552	179,608
Los Angeles	82,069	34,570	217,390	193,752
Portland	3,662	1,885	16,256	8,866
Salt Lake City	4,368	263	3,849	12,488
Seattle	12,158	2,160	12,731	29,479
Treasury	5,289	2,522	60,609	6,419
Total allotments on exchanges	5,601,025	1,196,794	6,247,587	5,372,668
Maturing or called securities redeemed for cash or carried to matured debt	181,865	95,650	287,574	321,928
Total matured or called securities	5,782,890	1,292,444	6,535,161	5,694,596

Exhibit 3.—Offering of 1⅜ percent Treasury notes of Series A–1954

[Department Circular No. 854. Public Debt]

TREASURY DEPARTMENT,
Washington, December 5, 1949.

I. OFFERING OF NOTES

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, invites subscriptions, at par, from the people of the United States for notes of the United States, designated 1⅜ percent Treasury notes of Series A–1954, in payment of which any of the following listed Treasury securities, singly or in combinations aggregating $1,000 or multiples thereof, may be tendered:

Treasury certificates of indebtedness:
1¼ percent certificates, Series H–1949, dated December 15, 1948, maturing December 15, 1949.

Treasury bonds:
2 percent bonds of 1949–51, dated July 15, 1942, due December 15, 1951, called for redemption December 15, 1949,
3⅛ percent bonds of 1949–52, dated December 15, 1934, due December 15, 1952, called for redemption December 15, 1949,
2½ percent bonds of 1949–53, dated December 15, 1936, due December 15, 1953, called for redemption December 15, 1949.

II. DESCRIPTION OF NOTES

1. The notes will be dated December 15, 1949, and will bear interest from that date at the rate of 1⅜ percent per annum, payable on a semiannual basis on September 15, 1950, and thereafter on March 15 and September 15 in each year until the principal amount becomes payable. They will mature March 15, 1954, and will not be subject to call for redemption prior to maturity.

2. The income derived from the notes shall be subject to all taxes, now or hereafter imposed under the Internal Revenue Code, or laws amendatory or supplementary thereto. The notes shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

3. The notes will be acceptable to secure deposits of public moneys. They will not be acceptable in payment of taxes.

4. Bearer notes with interest coupons attached will be issued in denominations of $1,000, $5,000, $10,000, $100,000 and $1,000,000. The notes will not be issued in registered form.

5. The notes will be subject to the general regulations of the Treasury Department, now or hereafter prescribed, governing United States notes.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and branches and at the Treasury Department, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of notes applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions will be allotted in full. Allotment notices will be sent out promptly upon allotment.

IV. PAYMENT

1. Payment at par for notes allotted hereunder must be made on or before December 15, 1949, or on later allotment, and may be made only in Treasury certificates of indebtedness of Series H–1949, maturing December 15, 1949, or in Treasury bonds of 1949–51, Treasury bonds of 1949–52 or Treasury bonds of

1949–53, all called for redemption December 15, 1949, which will be accepted at par, and should accompany the subscription. The full year's interest on the certificates surrendered will be paid to the subscriber following acceptance of the certificates. Final interest due December 15 on bonds surrendered will be paid, in the case of coupon bonds, by payment of December 15, 1949 coupons, which should be detached by holders before presentation of the bonds, and in the case of registered bonds, by checks drawn in accordance with the assignments on the bonds surrendered.

V. Assignment of Registered Bonds

1. Treasury bonds of 1949–51, Treasury bonds of 1949–52 or Treasury bonds of 1949–53 in registered form tendered in payment for notes offered hereunder should be assigned by the registered payees or assignees thereof to "The Secretary of the Treasury for exchange for Treasury notes of Series A–1954 to be delivered to ----------------", in accordance with the general regulations of the Treasury Department governing assignments for transfer or exchange, and thereafter should be presented and surrendered with the subscription to a Federal Reserve Bank or branch or to the Treasury Department, Division of Loans and Currency, Washington, D. C. The bonds must be delivered at the expense and risk of the holders.

VI. General Provisions

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for notes allotted, to make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

John W. Snyder,
Secretary of the Treasury.

Exhibit 4.—Details of Treasury note issues and allotments

Circulars pertaining to issues of Treasury notes during the fiscal year 1950 are similar in form to the circular shown in exhibit 3, and therefore are not reproduced in this report. However, the essential details regarding each issue are summarized in the following table, and the final allotments of new notes in exchange for maturing or called securities are shown in the succeeding table.

907795—51——11

Summary of information contained in circulars pertaining to Treasury notes issued during the fiscal year 1950

Date of circular	Number of circular	Treasury notes issued, and securities exchanged for new issues	Date of issue	Date of maturity	Date subscription books closed	Allotment payment date on or before (or on later allotment)
1949 Dec. 5	854	1⅜% Series A-1954. Exchanged for— 1¼% Series H-1949 certificates maturing Dec. 15, 1949. Treasury bonds called for redemption on Dec. 15, 1949, as follows: 2% of 1949-51 (dated July 15, 1942). 3⅛% of 1949-52 (dated Dec. 15, 1934). 2½% of 1949-53 (dated Dec. 15, 1936).	1949 Dec. 15	Mar. 15, 1954	1949 Dec. 8	1949 [1] [2] Dec. 15.
1950 Jan. 20	856	1¼% Series A-1951. Exchanged for 1¼% Series B-1950 certificates maturing Feb. 1, 1950	1950 Feb. 1	Oct. 1, 1951	1950 Jan. 24	1950 Feb. 1.
Feb. 17	858	1¼% Series B-1951. Exchanged for 1¼% Series C-1950 certificates maturing Mar. 1, 1950.	Mar. 1	July 1, 1951	Feb. 21	Mar. 1.
Do	859	1½% Series A-1955. Exchanged for 2% Treasury bonds of 1950-52 (dated Oct. 19, 1942) called for redemption on Mar. 15, 1950.	Mar. 15	Mar. 15, 1955	do	[3] Mar. 15.
Mar. 20	860	1¼% Series C-1951. Exchanged for 1¼% Series D-1950 certificates maturing Apr. 1, 1950.	Apr. 1	July 1, 1951	Mar. 23	[4] Apr. 1.
Do	861	1½% Series A-1955 (additional issue). Exchanged for 1⅜% Series A-1950 notes maturing Apr. 1, 1950.	Mar. 15	Mar. 15, 1955	do	[1] Apr. 1.
May 22	866	1¼% Series D-1951. Exchanged for 1¼% Series E-1950 certificates maturing June 1, 1950.	June 1	July 1, 1951	May 25	[1] June 1.
June 21	867	1¼% Series E-1951. Exchanged for 1¼% Series F-1950 certificates maturing July 1, 1950.	July 1	Aug. 1, 1951	June 24	[1] July 1.

[1] Interest due on the certificates surrendered was paid to the subscriber following acceptance of the certificates.

[2] Final interest due Dec. 15, 1949, on bonds surrendered was paid as follows: On coupon bonds, by payment of Dec. 15, 1949, coupons; and on registered bonds, by checks drawn in accordance with assignments on bonds surrendered.

[3] Final interest due Mar. 15, 1950, on bonds surrendered was paid as follows: On coupon bonds, by payment of Mar. 15, 1950, coupons; and on registered bonds, by checks drawn in accordance with assignments on bonds surrendered.

[4] Accrued interest from Mar. 15 to Apr. 1, 1950 ($0.69293 per $1,000), on notes allotted was paid by the subscriber when subscription was tendered. Final interest due Apr. 1, 1950, on notes surrendered was paid on Apr. 1, 1950, coupons.

Treasury notes issued in exchange for matured or called securities, by Federal Reserve districts, fiscal year 1950

[In thousands of dollars]

Federal Reserve district	1⅜% Series A-1954 notes exchanged for—					1¼% Series A-1951 notes exchanged for 1¼% Series B-1950 certificates maturing Feb. 1, 1950
	1¼% Series H-1949 certificates maturing Dec. 15, 1949	2% Treasury bonds of 1949-51 (dated July 15, 1942) called for redemption on Dec. 15, 1949	3⅛% Treasury bonds of 1949-52 (dated Dec. 15, 1934) called for redemption on Dec. 15, 1949	2½% Treasury bonds of 1949-53 (dated Dec. 15, 1936) called for redemption on Dec. 15, 1949	Total	
Boston	8,424	94,907	24,983	52,217	180,531	73,047
New York	225,477	945,024	261,198	872,062	2,303,761	875,465
Philadelphia	5,448	66,192	8,694	53,322	133,656	58,428
Cleveland	7,918	34,649	20,812	94,501	157,879	52,476
Cincinnati	3,007	16,889	628	5,859	26,383	12,695
Pittsburgh	13,841	19,513	923	21,584	55,861	12,632
Richmond	1,484	20,180	772	10,017	32,452	8,168
Baltimore	6,027	16,772	45	2,883	25,727	6,811
Charlotte	566	4,579	52	557	5,754	3,691
Atlanta	2,525	12,706	477	5,044	20,752	23,739
Birmingham	261	2,997	86	348	3,692	7,603
Jacksonville	2,517	1,860	1,136	1,210	6,723	7,590
Nashville	448	3,362	1,033	5,040	9,883	8,362
New Orleans	1,490	9,377	880	1,857	13,604	14,540
Chicago	135,845	335,230	79,100	270,346	820,521	258,573
St. Louis	7,680	39,008	2,483	23,019	72,190	39,797
Little Rock	154	1,207	28	58	1,447	4,129
Louisville	3,052	14,765	5,355	2,123	25,295	26,187
Memphis	1,004	2,316	61	1,554	4,935	5,777
Minneapolis	8,799	69,114	9,328	27,370	114,611	55,470
Kansas City	13,162	79,906	19,611	41,000	153,679	80,539
Dallas	6,471	20,048	622	13,812	40,953	35,912
El Paso	211	728	41	1,278	2,258	2,582
Houston	2,464	10,942	144	5,424	18,974	12,468
San Antonio	677	11,583	35	2,979	15,274	9,349
San Francisco	16,131	123,059	18,595	96,327	254,112	65,545
Los Angeles	5,457	42,677	8,400	67,713	124,247	97,110
Portland	463	7,558	557	667	9,245	4,566
Salt Lake City	27	1,127	366	318	1,838	2,484
Seattle	994	7,164	614	8,422	17,194	48,908
Treasury	1,820	12,575	259	6,984	21,638	3,724
Total allotments on exchanges	483,844	2,028,016	467,316	1,695,893	4,675,069	1,918,367
Maturing or called securities redeemed for cash or carried to matured debt	35,309	69,599	24,059	90,217	219,184	74,883
Total matured or called securities	519,153	2,097,615	491,375	1,786,110	4,894,253	1,993,250

Treasury notes issued in exchange for matured or called securities, by Federal Reserve districts, fiscal year 1950—Continued

[In thousands of dollars]

Federal Reserve district	1¼% Series B–1951 notes exchanged for 1¼% Series C–1950 certificates maturing Mar. 1, 1950	1½% Series A–1955 notes exchanged for—			1¼% Series C–1951 notes exchanged for 1¼% Series D–1950 certificates maturing Apr. 1, 1950	1¼% Series D–1951 notes exchanged for 1¼% Series E–1950 certificates maturing June 1, 1950	1¼% Series E–1951 notes exchanged for 1¼% Series F–1950 certificates maturing July 1, 1950
		2% Treasury bonds of 1950–52 (dated Oct. 19, 1942) called for redemption on Mar. 15, 1950	1⅜% Series A–1950 notes maturing Apr. 1, 1950	Total			
Boston	51, 488	59, 738	130, 045	189, 783	21, 854	132, 413	88, 879
New York	1, 610, 227	1, 077, 435	1, 647, 279	2, 724, 714	366, 050	2, 811, 778	3, 556, 801
Philadelphia	52, 376	66, 106	76, 433	142, 539	23, 896	106, 777	132, 880
Cleveland	32, 873	31, 270	148, 017	179, 287	15, 042	102, 616	82, 220
Cincinnati	25, 769	13, 888	28, 396	42, 284	10, 367	29, 000	26, 440
Pittsburgh	27, 883	16, 903	28, 138	45, 041	9, 631	35, 996	34, 436
Richmond	24, 957	21, 162	19, 240	40, 402	5, 617	19, 810	18, 065
Baltimore	13, 822	11, 812	23, 881	35, 693	7, 768	45, 130	8, 522
Charlotte	4, 574	9, 409	3, 801	13, 210	18, 114	24, 731	28, 741
Atlanta	23, 670	7, 058	22, 802	29, 860	10, 985	40, 834	35, 894
Birmingham	10, 899	3, 688	4, 537	8, 225	3, 695	10, 641	10, 857
Jacksonville	6, 150	1, 787	9, 928	11, 715	2, 954	21, 145	9, 419
Nashville	7, 448	5, 387	5, 389	10, 776	6, 208	13, 474	8, 935
New Orleans	28, 752	9, 142	19, 815	28, 957	8, 412	23, 267	25, 177
Chicago	304, 621	231, 834	601, 376	833, 210	124, 576	594, 651	557, 145
St. Louis	52, 809	33, 282	82, 267	115, 549	22, 198	79, 919	78, 468
Little Rock	2, 921	912	6, 010	6, 922	3, 034	11, 026	6, 033
Louisville	28, 043	9, 583	39, 843	49, 426	17, 543	32, 678	27, 933
Memphis	6, 805	830	6, 975	7, 805	4, 300	17, 357	17, 412
Minneapolis	81, 892	54, 693	96, 275	150, 968	41, 863	80, 343	89, 008
Kansas City	87, 245	41, 053	156, 061	197, 114	46, 485	158, 927	154, 943
Dallas	29, 674	13, 657	25, 848	39, 505	11, 343	51, 254	43, 651
El Paso	2, 023	1, 130	4, 351	5, 481	1, 006	6, 543	3, 531
Houston	23, 710	10, 584	16, 138	26, 722	14, 864	29, 319	27, 967
San Antonio	10, 963	3, 421	29, 084	32, 505	5, 292	24, 288	14, 318
San Francisco	70, 871	67, 303	148, 690	215, 993	33, 191	164, 533	169, 481
Los Angeles	87, 554	38, 960	88, 173	127, 133	29, 846	107, 723	67, 545
Portland	4, 798	4, 880	10, 736	15, 616	2, 035	8, 549	4, 998
Salt Lake City	3, 042	2, 338	3, 635	5, 973	2, 735	7, 951	4, 783
Seattle	5, 481	3, 342	17, 123	20, 465	2, 030	18, 644	12, 733
Treasury	17, 790	8, 185	4, 021	12, 206	13, 352	6, 325	3, 927
Total allotments on exchanges	2, 741, 130	1, 860, 772	3, 504, 307	5, 365, 079	886, 286	4, 817, 642	5, 351, 142
Maturing or called securities redeemed for cash or carried to matured debt	180, 406	101, 915	91, 690	193, 605	76, 258	201, 146	249, 883
Total matured or called securities	2, 921, 536	1, 962, 687	3, 595, 997	5, 558, 684	962, 544	5, 018, 788	5, 601, 025

Exhibit 5.—Call, August 12, 1949, for redemption on December 15, 1949, of three issues of Treasury bonds (press release August 12, 1949)

The Secretary of the Treasury announced today that the bonds of three outstanding issues which may be redeemed at the option of the United States on December 15, 1949, are called for redemption on that date. These issues are the 2 percent Treasury bonds of 1949–51, dated July 15, 1942, due December 15, 1951; 3⅛ percent Treasury bonds of 1949–52, dated December 15, 1934, due December 15, 1952; and 2½ percent Treasury bonds of 1949–53, dated December 15, 1936, due December 15, 1953. There are now outstanding $2,097,615,100 of the 2 percent bonds, $491,375,100 of the 3⅛ percent bonds, and $1,786,110,450 of the 2½ percent bonds.

The texts of the formal notices of call are as follows:

TWO PERCENT TREASURY BONDS OF 1949–51 (DATED JULY 15, 1942)

To Holders of 2 Percent Treasury Bonds of 1949–51 (Dated July 15, 1942), and Others Concerned:

1. Public notice is hereby given that all outstanding 2 percent Treasury bonds of 1949–51, dated July 15, 1942, due December 15, 1951, are hereby called for redemption on December 15, 1949, on which date interest on such bonds will cease.
2. Holders of these bonds may, in advance of the redemption date, be offered the privilege of exchanging all or any part of their called bonds for other interest-bearing obligations of the United States, in which event public notice will hereafter be given and an official circular governing the exchange offering will be issued.
3. Full information regarding the presentation and surrender of the bonds for cash redemption under this call will be found in Department Circular No. 666, dated July 21, 1941.

JOHN W. SNYDER,
Secretary of the Treasury.

THREE AND ONE-EIGHTH PERCENT TREASURY BONDS OF 1949–52 (DATED DECEMBER 15, 1934)

To Holders of 3⅛ Percent Treasury Bonds of 1949–52 (Dated December 15, 1934), and Others Concerned:

1. Public notice is hereby given that all outstanding 3⅛ percent Treasury bonds of 1949–52, dated December 15, 1934, due December 15, 1952, are hereby called for redemption on December 15, 1949, on which date interest on such bonds will cease.
2. Holders of these bonds may, in advance of the redemption date, be offered the privilege of exchanging all or any part of their called bonds for other interest-bearing obligations of the United States, in which event public notice will hereafter be given and an official circular governing the exchange offering will be issued.
3. Full information regarding the presentation and surrender of the bonds, for cash redemption under this call will be found in Department Circular No. 666, dated July 21, 1941.

JOHN W. SNYDER,
Secretary of the Treasury.

TWO AND ONE-HALF PERCENT TREASURY BONDS OF 1949–53
(DATED DECEMBER 15, 1936)

To Holders of 2½ Percent Treasury Bonds of 1949–53 (Dated December 15, 1936), and Others Concerned:

1. Public notice is hereby given that all outstanding 2½ percent Treasury bonds of 1949–53, dated December 15, 1936, due December 15, 1953, are hereby called for redemption on December 15, 1949, on which date interest on such bonds will cease.

2. Holders of these bonds may, in advance of the redemption date, be offered the privilege of exchanging all or any part of their called bonds for other interest-bearing obligations of the United States, in which event public notice will hereafter be given and an official circular governing the exchange offering will be issued.

3. Full information regarding the presentation and surrender of the bonds for cash redemption under this call will be found in Department Circular No. 666, dated July 21, 1941.

JOHN W. SNYDER,
Secretary of the Treasury.

Exhibit 6.—Call, November 14, 1949, for redemption on March 15, 1950, of 2 percent Treasury bonds of 1950–52, dated October 19, 1942 (press release November 14, 1949)

The Secretary of the Treasury announced today that all outstanding 2 percent Treasury bonds of 1950–52, dated October 19, 1942, due March 15, 1952, are called for redemption on March 15, 1950. There are now outstanding $1,962,-687,300 of these bonds.

The text of the formal notice of call is as follows:

To Holders of 2 Percent Treasury Bonds of 1950–52 (Dated October 19, 1942), and Others Concerned:

1. Public notice is hereby given that all outstanding 2 percent Treasury bonds of 1950–52, dated October 19, 1942, due March 15, 1952, are hereby called for redemption on March 15, 1950, on which date interest on such bonds will cease.

2. Holders of these bonds may, in advance of the redemption date, be offered the privilege of exchanging all or any part of their called bonds for other interest-bearing obligations of the United States, in which event public notice will hereafter be given and an official circular governing the exchange offering will be issued.

3. Full information regarding the presentation and surrender of the bonds for cash redemption under this call will be found in Department Circular No. 666, dated July 21, 1941.

JOHN W. SNYDER,
Secretary of the Treasury.

TREASURY BILLS

Exhibit 7.—Inviting tenders for Treasury bills dated July 7, 1949 (press release June 28, 1949)

The Secretary of the Treasury, by this public notice, invites tenders for $900,000,000, or thereabouts, of 91-day Treasury bills, for cash and in exchange for Treasury bills maturing July 7, 1949, to be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided. The bills of this series will be dated July 7, 1949, and will mature October 6, 1949, when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000, and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and branches up to the closing hour, two o'clock p. m., Eastern Daylight Saving time, Friday, July 1, 1949. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or branches on application therefor.

Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and branches, following which public announcement will be made by the Secretary of the Treasury of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for $200,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on July 7, 1949, in cash or other immediately available funds or in a like face amount of Treasury bills maturing July 7, 1949. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, shall not have any exemption, as such, and loss from the sale or other disposition of Treasury bills shall not have any special treatment, as such, under the Internal Revenue Code, or laws amendatory or supplementary thereto. The bills shall be subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States shall be considered to be interest. Under sections 42 and 117 (a) (1) of the Internal Revenue Code, as amended by section 115 of the Revenue Act of 1941, the amount of discount at which bills issued hereunder are sold shall not be considered to accrue until such bills shall be sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

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

Exhibit 8.—Acceptance of tenders for Treasury bills dated July 7, 1949 (press release July 2, 1949)

The Secretary of the Treasury announced last evening that the tenders for $900,000,000, or thereabouts, of 91-day Treasury bills to be dated July 7 and to mature October 6, 1949, which were offered on June 28, were opened at the Federal Reserve Banks on July 1.

The details of this issue are as follows:

Total applied for__ $1,696,622,000.
Total accepted____ $900,537,000 (includes $56,520,000 entered on a noncompetitive basis and accepted in full at the average price shown below).
Average price_____ 99.734+. Equivalent rate of discount approximately 1.052% per annum.
Range of accepted competitive bids:
High__________ 99.740. Equivalent rate of discount approximately 1.029% per annum.
Low__________ 99.732. Equivalent rate of discount approximately 1.060% per annum.
(78 percent of the amount bid for at the low price was accepted.)

Federal Reserve district	Total applied for	Total accepted
Boston	$11,214,000	$5,614,000
New York	1,354,209,000	747,670,000
Philadelphia	29,679,000	13,679,000
Cleveland	28,140,000	12,700,000
Richmond	2,820,000	1,820,000
Atlanta	7,683,000	2,383,000
Chicago	147,536,000	49,712,000
St. Louis	22,893,000	10,165,000
Minneapolis	4,530,000	3,280,000
Kansas City	20,862,000	5,462,000
Dallas	13,807,000	4,257,000
San Francisco	53,249,000	43,795,000
Total	1,696,622,000	900,537,000

Exhibit 9.—Summary of Treasury bill information contained in press releases

Press releases pertaining to Treasury bill issues during the fiscal year 1950 were similar in form to exhibits 7 and 8, and are, therefore, not reproduced here. The essential details regarding each issue are summarized in the following table.

Summary of information contained in press releases [1] pertaining to Treasury bills issued during the fiscal year 1950

Date of issue	Date of maturity	Days to maturity	Amounts (in thousands)						Prices and rates					
			Total applied for [2]	Tenders accepted					Total bids accepted		Competitive bids accepted			
											High		Low	
				Total accepted [2]	On competitive basis [2]	On noncompetitive basis [2 3]	For cash	In exchange	Average price per hundred	Equivalent average rate [4] (percent)	Price per hundred	Equivalent rate [4] (percent)	Price per hundred	Equivalent rate [4] (percent)
1949	1949													
July 7	Oct. 6	91	$1,696,642	$900,559	$844,019	$56,540	$608,666	$291,893	99.734	1.052	99.740	1.029	99.732	1.060
14	13	91	1,799,501	900,714	795,241	105,473	660,154	240,560	99.767	.923	99.785	.851	99.763	.938
21	20	91	1,625,606	901,722	816,675	85,047	662,147	239,575	99.766	.927	99.800	.791	99.763	.938
28	27	91	1,428,487	900,467	834,140	66,327	678,207	222,260	99.743	1.017	99.775	.890	99.739	1.033
Aug. 4	Nov. 3	91	1,390,980	1,000,032	923,521	76,511	737,258	262,774	99.739	1.032	99.751	.985	99.735	1.048
11	10	91	1,656,368	1,001,642	906,925	94,717	978,945	22,697	99.746	1.007	99.751	.985	99.743	1.017
18	17	91	1,586,093	1,000,784	898,785	101,999	982,884	17,900	99.743	1.017	[5] 99.752	.981	99.740	1.029
25	25	92	1,625,308	1,000,510	916,440	84,070	984,250	16,260	99.737	1.031	[6] 99.750	.978	99.734	1.041
Sept. 1	Dec. 1	91	1,620,353	1,001,578	921,525	80,053	636,342	365,236	99.734	1.054	99.747	1.001	99.732	1.060
8	8	91	1,579,940	1,000,238	924,575	75,663	657,743	342,495	99.733	1.056	99.746	1.005	99.732	1.060
15	15	91	1,472,268	904,782	800,746	104,036	671,367	233,415	99.732	1.059	99.746	1.005	99.732	1.060
22	22	91	1,550,059	900,828	810,090	90,738	482,516	418,312	99.732	1.061	99.746	1.005	99.730	1.068
29	29	91	1,462,344	901,592	832,457	69,135	515,926	385,666	99.728	1.076	99.742	1.021	99.726	1.084
	1950													
Oct. 6	Jan. 5	91	1,699,535	900,178	829,155	71,023	496,639	403,539	99.732	1.059	99.745	1.009	99.731	1.064
13	12	91	1,706,766	900,776	793,516	107,260	638,886	261,890	99.735	1.049	99.750	.989	99.733	1.056
20	19	91	1,777,593	903,256	804,754	98,502	820,794	82,462	99.740	1.027	99.744	1.013	99.739	1.033
27	26	91	1,619,078	900,603	816,268	84,335	667,516	233,087	99.738	1.036	99.746	1.005	99.737	1.040
Nov. 3	Feb. 2	91	1,608,224	1,000,827	915,505	85,322	597,504	403,323	99.731	1.063	99.746	1.005	99.729	1.072
10	9	91	1,525,190	1,001,836	904,558	97,278	686,275	315,561	99.728	1.074	99.755	.969	99.726	1.084
17	16	91	1,643,090	1,000,530	902,005	98,525	669,659	330,871	99.733	1.056	99.742	1.021	99.732	1.060
25	23	90	1,656,847	1,003,211	905,121	98,090	977,277	25,934	99.737	1.052	[7] 99.750	1.000	99.734	1.064
Dec. 1	Mar. 2	91	1,587,853	1,000,772	917,222	83,550	756,108	244,664	99.720	1.108	99.750	.989	99.717	1.120
8	9	91	1,505,880	1,002,121	916,988	85,133	641,630	360,491	99.718	1.115	[8] 99.735	1.048	99.717	1.120
15	16	91	1,486,313	903,483	805,411	98,072	601,368	302,115	99.718	1.116	[9] 99.735	1.048	99.717	1.120
22	23	91	1,524,214	900,608	809,768	90,840	468,608	432,000	99.725	1.087	99.735	1.048	99.723	1.096
29	30	91	1,482,259	900,943	834,090	66,853	530,248	370,695	99.725	1.087	99.740	1.029	99.724	1.092

Footnotes at end of table.

Summary of information contained in press releases[1] *pertaining to Treasury bills issued during the fiscal year 1950*—Continued

Date of issue	Date of maturity	Days to maturity	Amounts (in thousands)						Prices and rates					
			Total applied for [2]	Tenders accepted					Total bids accepted		Competitive bids accepted			
											High		Low	
				Total accepted [2]	On competitive basis [2]	On noncompetitive basis [2] [3]	For cash	In exchange	Average price per hundred	Equivalent average rate [4] (percent)	Price per hundred	Equivalent rate [4] (percent)	Price per hundred	Equivalent rate [4] (percent)
1950	1950													
Jan. 5	Apr. 6	91	$1,782,359	$904,985	$828,308	$76,677	$784,783	$120,202	99.727	1.081	99.733	1.056	99.726	1.084
12	13	91	1,646,715	905,762	787,513	118,249	876,006	29,756	99.728	1.076	99.733	1.056	99.726	1.084
19	20	91	1,683,756	903,026	788,229	114,797	615,530	287,496	99.722	1.101	99.735	1.048	99.720	1.108
26	27	91	1,614,132	902,846	796,599	106,247	630,800	272,046	99.721	1.103	99.735	1.048	99.720	1.108
Feb. 2	May 4	91	1,686,669	1,002,780	908,119	94,661	674,040	328,740	99.717	1.119	99.735	1.048	99.716	1.124
9	11	91	1,637,051	1,004,410	900,859	103,551	784,378	220,032	99.717	1.119	99.730	1.068	99.716	1.124
16	18	91	1,551,479	1,003,584	918,108	85,476	568,229	435,355	99.714	1.131	99.730	1.068	99.713	1.135
23	25	91	1,554,884	1,000,930	901,737	99,193	721,662	279,268	99.714	1.132	99.722	1.100	99.712	1.139
Mar. 2	June 1	91	1,664,390	1,000,048	912,454	87,594	535,508	464,540	99.713	1.137	99.720	1.108	99.711	1.143
9	8	91	1,525,461	1,001,102	910,183	90,919	606,785	394,317	99.712	1.139	99.720	1.108	99.710	1.147
16	15	91	1,641,473	902,542	802,846	99,696	583,152	319,390	99.714	1.131	99.717	1.120	99.713	1.135
23	22	91	1,478,007	900,473	805,950	94,523	511,232	389,241	99.712	1.138	99.717	1.120	99.710	1.147
30	29	91	1,423,792	901,943	820,736	81,207	565,190	336,753	99.711	1.145	99.716	1.124	99.709	1.151
Apr. 6	July 6	91	1,428,598	901,759	824,909	76,850	775,350	126,409	99.710	1.148	99.715	1.127	99.709	1.151
13	13	91	1,368,352	1,001,609	895,200	106,409	859,046	142,563	99.707	1.160	99.715	1.127	99.705	1.167
20	20	91	1,658,682	1,001,540	891,988	109,552	682,376	319,164	99.706	1.162	99.712	1.139	99.705	1.167
27	27	91	1,549,288	1,000,032	894,466	105,566	665,518	334,514	99.705	1.166	99.713	1.135	99.704	1.171
May 4	Aug. 3	91	1,700,145	1,102,229	1,003,415	98,814	716,721	385,508	99.705	1.166	99.710	1.147	99.704	1.171
11	10	91	1,739,542	1,102,803	985,912	116,891	705,274	397,529	99.705	1.166	99.715	1.127	99.704	1.171
18	17	91	1,784,438	1,103,862	1,001,893	101,969	625,458	478,404	99.705	1.165	99.710	1.147	99.704	1.171
25	24	91	1,538,046	1,102,992	1,007,684	95,308	804,916	298,076	99.705	1.167	99.709	1.151	99.704	1.171
June 1	31	91	1,714,684	1,103,908	1,014,776	89,132	662,906	441,002	99.705	1.168	99.709	1.151	99.703	1.175
8	Sept. 7	91	1,603,524	1,102,096	1,016,451	85,645	742,726	359,370	99.702	1.179	99.709	1.151	99.700	1.187
15	14	91	1,613,035	1,003,875	904,503	99,372	753,733	250,142	99.703	1.176	99.706	1.163	99.701	1.183
22	21	91	1,824,473	1,002,829	914,080	88,749	606,677	396,152	99.703	1.174	99.709	1.151	99.702	1.179
29	28	91	1,730,737	1,003,454	921,807	81,647	706,781	296,673	99.704	1.172	99.707	1.159	99.703	1.175

NOTE.—Amount of matured issues will be found in table 22.

[1] Press release inviting tenders for Treasury bill issue is dated 6 days before date of issue. Press release announcing acceptance of tenders is dated 2 days before date of issue. Closing date on which tenders for issue are accepted is 3 days before date of issue.

[2] Figures, at maturity value, are final and differ in most cases from those shown in press releases announcing details of particular issue.

[3] Noncompetitive tenders for $200,000 or less without stated price from any one bidder were accepted in full at average price of accepted competitive bids.

[4] Bank discount basis.

[5] Except $1,075,000 at 99.775.

[6] Except $100,000 at 99.770 and $300,000 at 99.764.

[7] Except $700,000 at 99.766.

[8] Except $200,000 at 99.750.

[9] Except $100,000 at 99.750.

Exhibit 10.—Fifth amendment, July 25, 1950, to Department Circular No. 418, relating to the issue and sale of Treasury bills

TREASURY DEPARTMENT,
Washington, July 25, 1950.

Paragraph 8 of Department Circular No. 418, as amended, dated February 28, 1941, is hereby amended to read as follows (31 CRF 309):

"SEC. 309.8. Tenders should be submitted on the printed forms and forwarded in the special envelopes which will be supplied on application to any Federal Reserve Bank, or branch. If a special envelope is not available, the inscription '*Tender for Treasury Bills*' should be placed on the envelope used. The instructions of the Federal Reserve Banks with respect to the submission of tenders should be observed. Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders from incorporated banks and trust companies, and from responsible and recognized dealers in investment securities will be received without deposit. Tenders from all others must be accompanied by a payment of such percent of the face amount of the Treasury bills applied for as the Secretary of the Treasury may from time to time prescribe; *Provided, however,* That such deposit will not be required if the tender is accompanied by an express guaranty of payment in full by an incorporated bank or trust company. Forfeiture of the prescribed payment may be declared by the Secretary of the Treasury, if payment is not completed, in the case of accepted tenders, on the prescribed date."

JOHN W. SNYDER,
Secretary of the Treasury.

TREASURY SAVINGS NOTES, DEPOSITARY BONDS, AND UNITED STATES SAVINGS BONDS

Exhibit 11.—First amendment, August 11, 1949, to Department Circular No. 833, relating to payment of accrued interest in purchasing Treasury savings notes of Series D

TREASURY DEPARTMENT,
Washington, August 11, 1949.

PAYMENT OF ACCRUED INTEREST IN PURCHASING NOTES

1. The first paragraph of section I is amended to read as follows:

"1. *Offering of notes.*—The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, offers for sale to the people of the United States, at par and accrued interest from the first day of the month in which purchased to the day, inclusive, on which full payment is made in cash or other immediately available funds, an issue of notes of the United States, designated Treasury savings notes, Series D, which notes, if inscribed in the name of a Federal taxpayer, will be receivable as hereinafter provided at par and accrued interest in payment of income, estate and gift taxes imposed by the Internal Revenue Code, or laws amendatory or supplementary thereto."

2. The first paragraph of section II is amended to read as follows:

"1. *General.*—Treasury savings notes, Series D, will in each instance be dated as of the first day of the month in which payment, at par and accrued interest, if any, is received and credited by an agent authorized to issue the notes. They will mature three years from that date, and may not be called by the Secretary of the Treasury for redemption before maturity. All notes issued during any one calendar year shall constitute a separate series indicated by the letter 'D' followed by year of maturity. At the time of issue the authorized issuing agent will inscribe on the face of each note the name and address of the owner, will enter the date as of which the note is issued and will imprint his dating stamp (with current date). The notes will be issued in denominations of $100, $500, $1,000, $5,000, $10,000, $100,000, $500,000 and $1,000,000. Exchange of authorized denominations from higher to lower, but not from lower to higher, may be arranged at the office of the agent that issued the note."

3. The second paragraph of section III is amended to read as follows:

"2. *Applications and payment.*—Applications will be received by the Federal Reserve Banks and branches, and by the Treasurer of the United States, Washington, D. C. Banking institutions and security dealers generally may submit applications for account of customers, but only the Federal Reserve Banks and their branches and the Treasury Department are authorized to act as official agencies. The use of an official application form is desirable but not necessary. Appropriate forms may be obtained on application to any Federal Reserve Bank or branch, or the Treasurer of the United States, Washington, D. C. Every application must be accompanied by payment in full, at par and accrued interest, if any. The amount of accrued interest payable by the purchaser will be computed at the rate at which interest accrues on the notes ($0.80 per month per $1,000 par amount) for the actual number of days in the month in which the purchase is made. One day's accrued interest in a 31-day month is $0.02581 per $1,000, in a 30-day month $0.02667, in a 29-day month $0.02759 and in a 28-day month $0.02857. Any form of exchange, including personal checks, will be accepted subject to collection, and should be drawn to the order of the Federal Reserve Bank or of the Treasurer of the United States, as payee, as the case may be. The date funds are made available on collection of exchange will govern the issue date of the notes. Any depositary, qualified pursuant to the provisions of Treasury Department Circular No. 92, Revised, as amended, will be permitted to make payment by credit for notes applied for on behalf of itself or its customers up to any amount for which it shall be qualified in excess of existing deposits."

JOHN W. SNYDER,
Secretary of the Treasury.

Exhibit 12.—First amendment, November 10, 1949, to the First Supplement to Department Circular No. 660, terminating the issue of 2 percent depositary bonds, Second Series

TREASURY DEPARTMENT,
Washington, November 10, 1949.

The issue of 2 percent depositary bonds, Second Series, under the First Supplement, dated June 29, 1943, to Department Circular No. 660, is hereby terminated as of the close of business January 1, 1950.

All 2 percent depositary bonds, Second Series, outstanding on February 28, 1950, will be redeemed as of the close of business on that date. Notice of redemption will be given to the holders of such bonds as provided by the terms thereof.

JOHN W. SNYDER,
Secretary of the Treasury.

Exhibit 13.—Sixth amendment, January 4, 1950, to Department Circular No. 530, Sixth Revision, prescribing regulations governing United States savings bonds

TREASURY DEPARTMENT,
Washington, January 4, 1950.

To Owners of United States Savings Bonds and Others Concerned:

Pursuant to section 22 (a) of the Second Liberty Bond Act, as amended (55 Stat. 7, 31 U. S. C. 757c), section 315.9 (d) (4) and section 315.23 (c) of Department Circular No. 530, Sixth Revision, dated February 13, 1945 (31 CFR 1945 Supp. 315), as amended, are further amended, effective January 1, 1950, to read as follows:

"SEC. 315.9 (d) (4). With respect to bonds of Series E, those purchased with the proceeds of matured bonds of Series A, Series C–1938, Series D–1939 and Series D–1940, where such matured bonds are presented by an individual (natural person in his own right) owner or coowner for that purpose and the Series E bonds are registered in his name in any form of registration authorized for that series.

"SEC. 315.23 (c). *Series G—Redemption at par before maturity.*—A bond of Series G (but not of Series F) will be redeemed at par before maturity, in whole or in part, in amounts corresponding with authorized denominations, not less than six months from the issue date, (1) upon the death on or after January 1, 1950, of an owner or coowner, if a natural person, or (2) in the case of bonds held by a trustee or other fiduciary estate upon the termination of the trust or other fiduciary estate by reason of the death on or after January 1, 1950, of any person, except that if the trust or fiduciary estate is terminated only in part, redemption at par will be made to the extent of not more than the pro rata portion of the trust or fiduciary estate so terminated. Redemption at par will be made at the option of the person entitled to the bonds and such option may be shown by a signed request for payment or by express written notice (*in either case specifying that redemption at par is desired*); payment will be made as of the first day of the first month following by at least one full calendar month the date of receipt of the bonds or the request by the Treasury Department, Division of Loans and Currency, Merchandise Mart, Chicago 54, Illinois, or a Federal Reserve Bank. If desired and so stated in the request for payment or notice of intention, payment may be postponed to the second interest date following the date of death; otherwise, payment will be made in regular course. A death certificate or other competent proof of death must accompany the bonds or the notice and if separate notice is given the bonds must be surrendered to the same agency to which the notice is given, not less than twenty days before the effective redemption date. *In no case of redemption at par before maturity will interest be paid beyond the second interest payment date following the date of death.* In cases in which the death of the owner, coowner, or person whose death terminated a fiduciary estate, took place before January 1, 1950, redemption at par will be governed by the regulations in force at the date of death."

JOHN W. SNYDER,
Secretary of the Treasury.

Exhibit 14.—Fourth supplement, March 15, 1950, to Department Circular No. 653, Second Revision, discontinuing sales of the $10 denomination of Series E savings bonds

TREASURY DEPARTMENT,
Washington, March 15, 1950.

The first supplement to Department Circular No. 653, Second Revision, which supplement is dated June 7, 1944 (31 C. F. R. 316.12), is hereby withdrawn effective at the close of business March 31, 1950, and thereafter no sales of United States savings bonds of Series E of the denomination of $10 will be made.

E. H. FOLEY, Jr.,
Acting Secretary of the Treasury.

OBLIGATIONS GUARANTEED BY THE UNITED STATES

Exhibit 15.—Partial redemption, before maturity, of 2¾ percent housing insurance fund debentures, Series D (sixth call)

[Department Circular No. 851. Public Debt]

TREASURY DEPARTMENT,
Washington, September 27, 1949.

To Holders of 2¾ Percent Housing Insurance Fund Debentures, Series D:

I. NOTICE OF SIXTH CALL FOR PARTIAL REDEMPTION, BEFORE MATURITY, OF 2¾ PERCENT HOUSING INSURANCE FUND DEBENTURES, SERIES D

The Federal Housing Commissioner, with the approval of the Secretary of the Treasury, has issued the following notice of call for partial redemption and offer to purchase with respect to 2¾ percent housing insurance fund debentures, Series D:

"Pursuant to the authority conferred by the National Housing Act (48 Stat. 1246; U. S. C., title 12, sec. 1701 et seq.) as amended, public notice is hereby given that 2¾ percent housing insurance fund debentures, Series D, of the denominations and serial numbers designated below, are hereby called for redemption, at par and accrued interest, on January 1, 1950, on which date interest on such debentures shall cease:

2¾ percent housing insurance fund debentures, Series D

Denomination:	Serial numbers (all numbers inclusive)
$50	6 to 7
$100	29 to 31
$500	6 to 7
$1,000	28 to 29
$5,000	7
$10,000	1,065 to 1,113

"The debentures first issued as determined by the serial numbers were selected for redemption by the Commissioner, Federal Housing Administration, with the approval of the Secretary of the Treasury.

"No transfers or denominational exchanges in debentures covered by the foregoing call will be made on the books maintained by the Treasury Department on or after October 1, 1949. This does not affect the right of the holder of a debenture to sell and assign the debenture on or after October 1, 1949, and provision will be made for the payment of final interest due on January 1, 1950, with the principal thereof to the actual owner, as shown by the assignments thereon.

"The Commissioner of the Federal Housing Administration hereby offers to purchase any debentures included in this call at any time from October 1, 1949, to December 31, 1949, inclusive, at par and accrued interest, to date of purchase.

"Instructions for the presentation and surrender of debentures for redemption on or after January 1, 1950, or for purchase prior to that date will be given by the Secretary of the Treasury."

II. Transactions in Sixth-Called Debentures

1. The debentures included in the foregoing notice of call for partial redemption on January 1, 1950, are hereby designated sixth-called 2¾ percent housing insurance fund debentures, Series D, and are hereinafter referred to as sixth-called debentures.

2. Transfers and denominational exchanges in sixth-called debentures will terminate at the close of business on September 30, 1949.

III. Redemption or Purchase

1. Holders of sixth-called debentures will be entitled to have such debentures redeemed and paid at par on January 1, 1950, with interest in full to that date, at the rate of $13.75 per $1,000. Interest on sixth-called debentures will cease on January 1, 1950.

2. Holders of sixth-called debentures have the privilege of presenting such debentures at any time from October 1 to December 31, 1949, inclusive, for purchase at par and accrued interest, at the rate of $0.074728 per $1,000 per day from July 1, 1949, to date of purchase.

IV. Rules and Regulations Governing Redemption and Purchase

1. The United States Treasury Department is the agent of the Federal Housing Commissioner for the redemption and purchase of sixth-called debentures. In accordance with regulations adopted by the Federal Housing Commissioner and approved by the Secretary of the Treasury, the assignment, redemption, and purchase of sixth-called debentures will be governed by the general regulations of the Treasury Department with respect to United States bonds and notes, so far as applicable, except as otherwise provided herein.

2. Sixth-called debentures presented for redemption on January 1, 1950, or for purchase from October 1 to December 31, 1949, inclusive, must be assigned by the registered payee or assignee thereof or by their duly constituted representatives in the form indicated in paragraph 3 of this section, and should thereafter be presented and surrendered to any Federal Reserve Bank or to the Division of Loans and Currency, Treasury Department, Washington 25, D. C., accompanied by appropriate written advice. (Use Form PD 2218.) The debentures must be delivered at the expense and risk of the holders. (See paragraph 8 of this section.) In all cases checks in payment of principal and final interest will be mailed to the address given in the form of advice accompanying the debentures when surrendered.

3. If the registered payee or an assignee holding under proper assignment from the registered payee desires that payment be made to him, the debentures should be assigned by such payee or assignee or by a duly constituted representative to "The Federal Housing Commissioner for redemption" or to "The Federal Housing Commissioner for purchase," according to whether the debentures are to be presented for redemption on January 1, 1950, or for purchase prior to that date. If it is desired for any reason that payment be made to some other person without intermediate assignment, the debentures should be assigned to "The Federal Housing Commissioner for redemption (or purchase) for the account of ---------------," inserting the name and address of the person to whom payment is to be made.

4. An assignment in blank or other assignment having similar effect will be recognized, but in that event payment will be made to the person surrendering the debenture for redemption or purchase since, under such an assignment, the debenture becomes in effect payable to bearer. Assignments in blank or assignments having similar effect should be avoided, if possible, in order not to lose the protection afforded by registration.

5. Final interest on any sixth-called debentures, whether purchased prior to or redeemed on or after January 1, 1950, will be paid with the principal in accordance with the assignments on the debentures surrendered.

6. All assignments must be made on the debentures themselves unless otherwise directed by the Treasury Department. Detached assignments will be recognized and accepted in any particular case in which the use of detached assignments is specifically authorized by the Treasury Department. Any assignment not made upon the debenture is considered a detached assignment.

7. A sixth-called debenture registered in the name of, or assigned to, a corporation, will be paid to such corporation on or after January 1, 1950, upon an appropriate assignment for that purpose executed on behalf of the corporation by a duly authorized officer thereof. An assignment so executed and duly attested in accordance with Treasury Department regulations will ordinarily be accepted without proof of the officer's authority. In all cases coming under this provision payment will be made only by check drawn to the order of the corporation. Proof of the authority of the officer assigning on behalf of a corporation will be required, in accordance with the general regulations of the Treasury Department, in the case of assignments for purchase prior to January 1, 1950, and in case of assignments for redemption on or after January 1, 1950, for the account of any person other than the corporation.

8. Debentures presented for redemption or purchase under this circular must be delivered to a Federal Reserve Bank or to the Division of Loans and Currency, Treasury Department, Washington 25, D. C., at the expense and risk of the holder. Debentures bearing restricted assignments may be forwarded by registered mail, but debentures bearing unrestricted assignments should be forwarded by registered mail insured or by express prepaid.

9. In order to facilitate the redemption of sixth-called debentures on January 1, 1950, any such debenture may be presented and surrendered in the manner herein prescribed in advance of that date but not before December 1, 1949. Such early presentation by holders will insure prompt payment of principal and interest when due.

V. General Provisions

1. Any further information which may be desired regarding the redemption of sixth-called debentures under this circular may be obtained from any Federal Reserve Bank or from the Division of Loans and Currency, Treasury Department, Washington 25, D. C., where copies of the Treasury Department's regulations governing assignments may be obtained.

2. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to perform any necessary acts under this circular. The Secretary of the Treasury may at any time or from time to time prescribe supplemental and amendatory rules and regulations governing the matters covered by this circular, which will be communicated promptly to the registered owners of sixth-called debentures.

John W. Snyder,
Secretary of the Treasury.

Exhibit 16.—Summary of information contained in circulars pertaining to calls for partial redemption, before maturity, of insurance fund debentures

During the fiscal year 1950 there were five calls for partial redemption, before maturity, of insurance fund debentures. The essential details contained in the circulars covering these calls are summarized in the following table. The first circular, covering the sixth call for partial redemption of Series D housing insurance fund debentures, is shown as exhibit 15. The other four circulars have been omitted, but the general rules and regulations contained in the omitted circulars are, with the exception of the applicable dates, the same as those shown in exhibit 15.

Summary of information contained in circulars pertaining to insurance fund debentures called for redemption during the fiscal year 1950

	2¾% housing insurance fund debentures, Series D		2½% war housing insurance fund debentures			2¾% mutual mortgage insurance fund debentures, Series E, fifth call
			Series H		Series J, first call	
	Sixth call	Seventh call	Sixth call	Seventh call		
Department circular covering call	No. 851, Sept. 27, 1949.	No. 862, Apr. 5, 1950.	No. 852, Sept. 27, 1949.	No. 864, Apr. 5, 1950.	No. 864, Apr. 5, 1950.	No. 863, Apr. 5, 1950.
Redemption date	Jan. 1, 1950	July 1, 1950	Jan. 1, 1950	July 1, 1950	July 1, 1950	July 1, 1950.
Serial numbers called, by denominations:						
$50	6-7		3,033-3,075	3,076-3,139	1	2,002-2,023.
$100	29-31		8,102-8,253	8,254-8,545	5-11	2,002-2,081.
$500	6-7		4,036-4,075	4,076-4,147	2	28-2,525.
$1,000	28-29		9,130-9,272	9,273-9,536	4-6	6,001-6,091.
$5,000	7		1,024-1,072	1,073-1,174		1,202-1,214.
$10,000	1,065-1,113	1,114-1,159	5,102-5,254	5,255-5,529	48-141	301.
Final date for transfers or denominational exchanges (but not for sale or assignment).	Sept. 30, 1949	Mar. 31, 1950	Sept. 30, 1949	Mar. 31, 1950	Mar. 31, 1950	Mar. 31, 1950.
Redemption on call date, amount paid at par with interest in full, at rate of.	$13.75 per $1,000	$13.75 per $1,000	$12.50 per $1,000	$12.50 per $1,000	$12.50 per $1,000	$13.75 per $1,000.
Presentation for purchase prior to call date:						
Period	Oct. 1-Dec. 31, 1949.	Apr. 1-June 30, 1950.	Oct. 1-Dec. 31, 1949.	Apr. 1-June 30, 1950.	Apr. 1-June 30, 1950.	Apr. 1-June 30, 1950.
Amount paid at par and accrued interest at rate of.	$0.074728 per $1,000 per day from July 1, 1949, to date of purchase.	$0.075967 per $1,000 per day from Jan. 1, 1950, to date of purchase.	$0.067935 per $1,000 per day from July 1, 1949, to date of purchase.	$0.069061 per $1,000 per day from Jan. 1, 1950, to date of purchase.	$0.069061 per $1,000 per day from Jan. 1, 1950, to date of purchase.	$0.075967 per $1,000 per day from Jan. 1, 1950, to date of purchase.

PUBLIC DEBT MANAGEMENT

Exhibit 17.—Statement by Secretary of the Treasury Snyder before the Subcommittee on Monetary, Credit, and Fiscal Policies of the Joint Committee on the Economic Report, December 2, 1949

Mr. Chairman and Members of the Subcommittee of the Joint Committee on the Economic Report: I am pleased to have the opportunity of appearing before you today to discuss questions on the monetary, credit, and fiscal policies of the United States Government. I should like at this time to take a few minutes to talk about some of the current factors in the outlook for Treasury financing and debt management policies in the light of the budget estimates that have been released since I sent my answers to your questionnaire to the Committee. In discussing some of the figures, I shall refer occasionally to a booklet of charts which we have prepared.

The budget position is a matter of first importance. The new budget estimates show a deficit of $5.5 billion for the present fiscal year. Expenditures are estimated at $43.5 billion and receipts at $38 billion, as is shown in chart A in the booklet. It seems to me, however, that in times as prosperous as these we should have a balanced budget. National income today is close to the highest level in our history; and, by every standard of sound government finance, the time to have a balanced budget is now.

This is the position I have taken consistently since I became Secretary of the Treasury in June 1946. In the statement which I made at that time, I said:

"* * * It is the responsibility of the Government to reduce its expenditures in every possible way, to maintain adequate tax rates during this transition period, and to achieve a balanced budget—or better—for 1947."

It was, therefore, a source of great satisfaction to me to be able—as Secretary of the Treasury—to announce at the end of the fiscal year 1947 that the Federal Government had operated with a budget surplus. In the following fiscal year, which ended on June 30, 1948, we again had a budget surplus—it amounted to $8.4 billion and was, in fact, the largest budget surplus in the history of the United States Government.

In the past three years, I have restated the urgent need for an excess of receipts over expenditures on many occasions—notably when the Congress was considering tax reduction measures in 1947 and 1948.

Furthermore, President Truman has repeatedly urged the necessity of reducing the public debt under the circumstances which have existed since the end of the war. In his message to the Congress on April 2, 1948, in which he returned, without approval, the tax reduction bill, H. R. 4790, he stated:

"* * * I repeat what I have so often said before—if we do not reduce the public debt by substantial amounts during a prosperous period such as the present, there is little prospect that it will ever be materially reduced."

You will recall that it was this tax reduction measure which the Congress passed over the President's veto, and which resulted in a loss of revenues to the Federal Government amounting to approximately $5 billion annually. It is largely as a result of the enactment of this legislation that we had a budget deficit of $1.8 billion in the fiscal year which ended last June 30, and that we have a prospective budget deficit of $5.5 billion in the current fiscal year.

About $3 billion of the deficit for the fiscal year 1950 has already occurred. It has been financed principally by increases in the weekly Treasury bill offerings and by increased sales of Treasury savings notes. The total amount of Treasury bills outstanding rose approximately $800 million between August 4 and September 8, as a result of six successive offerings in excess of the amounts maturing. The amount of Treasury savings notes outstanding has increased by over $2½ billion since the end of June.

The Treasury cash balance is currently running between $4 billion and $5 billion. Without any further new financing, the balance should remain near this level for the next four months, as shown in chart B. If everything works out exactly as calculated in present estimates, the balance would run down to approximately $3 billion by next April 30.

There are always, however, a number of variables which could have an important influence on the picture. There is the possibility that revenues might vary from the amount shown in the budget estimates. We knew, for example, at the time the revenue estimates were made, that it was very difficult to gauge the full effect of strikes on incomes and corporate profits. It still is not possible to do so. There is bound to be considerable range in expenditure estimates for such programs as farm price supports, RFC mortgage purchases, and various types of payments to veterans. These considerations are important in our estimate of cash balance levels.

The picture of how the various Government operations affect the cash balance is one that I have before me daily as I consider debt management decisions and policies. We revise our appraisals constantly as new information comes in. It looks at this time as though we will have to do some additional new-money financing later in this fiscal year.

There are three main sources which we might tap for new borrowing. These are nonbank institutional investors, such as insurance companies, mutual savings banks, and savings and loan associations; other private nonbank investors, including individuals and pension funds; and the commercial banks of the country. We keep close watch at all times on the position of the various investor classes which comprise the market for Government securities.

In addition to the problem of new borrowing, the Treasury will find itself faced next year—as it has been in each of the postwar years—with a large refunding task. Approximately $1 billion of Treasury bills mature each week; there will be a number of issues of certificates of indebtedness and notes maturing, totaling about $33 billion; and there will be four Treasury bonds amounting to about $11 billion which mature or are callable next year. This is shown in chart C. The budget deficit makes it clear that there will not be any reduction during the fiscal year 1950 on these maturities, except for tail-ends of maturing securities not turned in for refunding. There will not be any official budget estimates for the fiscal year 1951, of course, until the President's Budget Message is released in January. The total of maturing or callable marketable securities in the calendar year 1950 is approximately $56 billion; and, on net balance, it appears that nearly the entire amount will be refunded into securities maturing in the future.

Two-thirds of the securities which mature in 1950 are held by the commercial banking system. A significant portion of the remainder is held by industrial, commercial, and mercantile corporations. The ownership of maturing issues, as well as the ownership of the remainder of the public debt, is, of course, one of the considerations which we must take into account in making our debt management decisions.

The debt is broadly distributed, and we want to keep it that way. The present widespread ownership is, to a large extent, the result of the Treasury's policy of fitting its security offerings to the needs of various investor classes. This first became of special importance during the war period when one of the major objectives was to sell as great a portion as possible of the large wartime offerings to nonbank investors. It has had increasing importance in the postwar period, when we wished to maintain a large nonbank holding of Government securities, especially among individuals, under varying circumstances of business reconversion and then expansion.

A central consideration in fitting Government securities to the needs of different classes of investors has been setting the appropriate maturities for each class. Industrial, commercial, and mercantile corporations, for example, have been sold short-term securities primarily, since their purchases are generally made with reserves which they may want to have readily convertible. The same type of consideration was kept in mind in fitting Government security offerings to the needs of other classes of investors. The net results of this policy can be observed by an analysis of the portfolios of the leading investor classes. Information on this account appears in chart D which shows changes in the estimated average number of years to maturity of the Government security portfolios of three important investor groups—life insurance companies, mutual savings banks, and commercial banks.

Life insurance companies and mutual savings banks are, of course, generally longer-term investors. During the war, insurance companies acquired a large volume of Governments; and it was the Treasury's policy to sell them longer-term securities. The results are evident. The average length of Government securities held by life insurance companies increased from about 10 years in 1941 to about 16 years in 1945. Since then, there has been a gradual decline; and, at the present time, the figure is 14 years.

The picture with respect to mutual savings banks differs somewhat from that of the life insurance companies. The average length of the Government security holdings of these banks increased during the war finance period from 9 years to 14 years; and has declined subsequently to 12 years. Savings banks also were sold longer-term securities, but their investment needs resulted in the acquisition of more medium-term securities than were acquired by life insurance companies.

Because there have been no new offerings of long-term marketable securities since the end of 1945, the average length of the outstanding marketable Federal debt has been automatically shortened during this period. Investors who are primarily bondholders have this reflected in their investment portfolios to a greater degree, of course, than do investors who hold primarily short-term debt. The average length of the holdings of life insurance companies and of mutual savings banks would have declined more sharply since 1945, therefore, if these institutions had not bought long-term issues in the market and sold shorter-term issues. They offset thereby, to some extent, the automatic shortening of their portfolios.

Commercial banks have been offered principally short-term securities throughout the war finance period and as a part of our postwar program. This has been a major factor in keeping their portfolios short on the average. The average length to first call or maturity date of the Government security holdings of commercial banks has declined from 7 years in June 1941 to about 3 years at the present time.

There is considerable variation among banks throughout the country in the maturities of the Governments which they hold. Estimates of the average number of years to maturity of Governments held by commercial banks, by Federal Reserve Districts, are shown in chart E. Longer-term securities are generally held in the eastern areas—with the exception of New York City—than in the western areas. There are three districts in which the average length of Governments held is less than 2½ years; and, as you can see from the chart, these areas are in the western part of the country. The shortest average length, 2 years, is found in the Kansas City Federal Reserve District; while the longest average length, 4¾ years, is in the New York District, excluding New York City. In this connection, it is interesting to note that as we go farther west, commercial banks also have more loans in proportion to their capital.

I have gone into these matters at some length to indicate how the present maturity distribution of the public debt developed. Our objective has been a smoothly functioning economy, and securities have been issued to the various investor classes to suit their needs and the requirements of the economy.

In handling the new-money and refunding operations that are in prospect for next year, the interest cost of the debt to taxpayers must also be one of the considerations in our debt management program. The interest cost of the debt comprises over 13 percent of the Federal budget for the fiscal year 1950. The total annual cost is likely to grow, even without any increase in the debt, because the rate of interest on savings bonds increases as they approach maturity, and because an increasingly large proportion of the debt represents the accumulation of trust funds invested at an average interest rate which is higher than the present average rate on the total debt.

Even a relatively small increase in the average interest rate on the debt would add a substantial amount to the total annual interest cost. It is estimated that the interest on the debt will amount to $5.7 billion in the calendar year 1949. About $1¼ billion would be added to this amount, if the average interest rate were ½ of 1 percent higher. The annual interest cost would be more than $5 billion larger, if the average interest rate were equal to the average borrowing cost of World War I—which was approximately 4¼ percent. The annual saving in the taxpayers' money as a result of the present level of interest rates is an important factor in the budget picture of the Federal Government.

The distribution throughout the economy of the interest on the public debt is, of course, determined by the ownership of the debt. The next chart, which is chart F, shows interest on the Federal debt, by class of recipient, from 1946 through 1949.

It seems to me that the outstanding fact in this connection is the increase during this period in the interest on the Federal debt going to individuals. Their share during the current calendar year is one-third of the estimated $5.7 billion total. It rose from $1.4 billion in 1946 to an estimated $1.9 billion in the current year.

The share received by Government investment accounts also rose during this period, while interest payments to other nonbank investors declined slightly. The share received by commercial banks also declined. This was largely due to the Treasury's policy of concentrating debt reduction in the holdings of commercial banks.

Another way of looking at the interest cost of the debt is to consider the burden which it represents when compared with the gross national product of the country, from which it must be paid. The public debt is nearly 10 times as large as it was at the World War I peak in August 1919, as is shown in chart G. But, because we were able to finance the Second World War at a borrowing cost about one-half as great as the average borrowing cost of World War I, the interest cost of the public debt today is only 5 times, rather than 10 times, as large as it was in 1919. This does not, however, mean an interest burden 5 times as great. For, in the meantime, our gross national product has risen from less than \$80 billion in 1919 to an estimated annual rate above \$250 billion at the present time. We have a tremendously increased product out of which to pay the interest on the debt, and the present interest cost is only 2.3 percent of gross national product. This compares with 1.4 percent in 1919.

One of the important refunding matters which will come before the Treasury in 1950—and in greater volume in 1951, 1952, and subsequent years—will involve the Government security holdings of individuals. These holdings amounted to \$69½ billion on October 31, 1949, up from \$65 billion on December 31, 1945, and from \$10½ billion before the war, as shown in chart H.

Ownership of Government securities by millions of individuals is good for the country as well as for those individuals. It gives the people of the country an increased interest in the affairs of their Government and causes them to participate more actively in those affairs. We have continued to promote the sale of savings bonds in order to encourage thrift. Thrift has played a vital part in the building of our Nation, and, today, it is as important to our well-being as it has ever been in the past. At the end of October, \$48½ billion of savings bonds of all series were held by individuals. Savings bonds comprised 70 percent of their total holdings of Government securities. Holdings of E bonds alone—the bond which is designed to meet the needs of small investors—amounted to \$33½ billion.

The savings bonds held by individuals at the present time are distributed broadly throughout the country. In chart I, the United States is divided into geographical areas to show that the \$48½ billion of savings bonds outstanding in the hands of individuals are distributed approximately as follows: \$16½ billion held in the northeastern area of the country; \$10 billion held in the States of Michigan, Illinois, Indiana, and Ohio; \$6 billion held in the southern part of the United States; \$6 billion held in the seven States which are the farthest west; and \$10 billion held in the large block of central States which is bounded roughly by the Mississippi on the east, the Rocky Mountains on the west, and stretches from Canada to Mexico. These savings bonds comprise a tremendous amount of assets in the hands of individuals. The \$48½ billion total seems particularly significant, if we recall that at the bottom of the depression—in 1933—national income in the country was only \$39½ billion. Across the Nation, people now have a cushion of reserves to fall back upon that is greater than the total income in the Nation in that year.

You may remember that during the latter years of the war there was considerable speculation as to the probable redemption experience with Series E bonds as soon as the war had ended. The opinion was freely expressed that the large quantities of bonds which were being sold under the pressure of patriotism and intensive wartime selling methods would be redeemed speedily as soon as the war was ended. Instead, as I have noted, we have continued to sell savings bonds and to increase the total amount outstanding. Redemption experience with Series E bonds is, in fact, more favorable than the postwar rate of turnover in other forms of savings. Chart J shows the annual rate of savings account withdrawals and savings bond redemptions, from 1943 to date, expressed as a percentage of total amounts outstanding. The rate of redemption of Series E bonds has been substantially lower than the rate of withdrawals from savings accounts. Furthermore, since the end of the war, savings bond redemptions as a percentage of the amount outstanding have followed a downward trend, while the rate of turnover of other forms of savings has followed an upward trend.

We have not, however, encouraged the sale of savings bonds at the expense of other types of savings. From December 31, 1945, through October 31, 1949, the increases in practically all other forms of individuals' savings were substantially greater relatively than the increase in savings bond holdings.

I have been talking about some of the technical matters that will have to be considered in connection with Treasury borrowing and refunding. Uppermost in our minds in making all of our policy decisions is the fact that the foremost responsibility of the Secretary of the Treasury is to maintain confidence in the credit of the United States. One hundred and fifty years ago, the main financial problem of our newly born Nation was to establish that credit. Confidence in our Government's financial soundness was successfully established; and it has been the responsibility of Secretaries of the Treasury for a century and a half to maintain it.

But never before has this responsibility been so great as since the end of World War II. The public debt increased more than fivefold during the war. It represents more than half of all of the debt of the country, public and private. It comprises a substantial proportion of the assets of the leading investor classes; and the decisions which are made with respect to it are of immediate and vital significance to each and every one of us.

The primary concern of the Secretary of the Treasury in formulating debt management policies is to promote sound economic conditions in the country. Because the debt is so great, because it is such a large proportion of the total debt of the country, and because it is interwoven in the financial structure of the country, the policies and decisions made in the Treasury Department are of tremendous importance and significance to the economic and financial welfare of the Nation.

Figures on the total debt of the country—public and private—are shown in chart K. At the end of 1939, the debt of the Federal Government amounted to \$47½ billion and accounted for 23 percent of the total debt of the entire country. At the present time, the public debt amounts to \$257 billion and comprises 51 percent of all debt.

The estimated distribution of the ownership of the debt on October 31 of this year is shown in chart L. Nonbank investors held \$172 billion of Government securities—two-thirds of the \$257 billion of Federal debt outstanding on that date. It is particularly significant that the holdings of individuals are so large. They totaled \$69½ billion, as I mentioned earlier. Insurance companies held \$20½ billion of Government securities. Mutual savings bank holdings totaled \$11½ billion. Government investment accounts, principally Government trust funds which are required by law to be invested in Government securities, held \$39½ billion of the public debt. The holdings of "other" nonbank investors—which include State and local governments, corporations, pension funds, and charitable institutions—were \$31 billion.

One-third of the debt—\$85 billion—was held by the commercial banking system. Commercial banks held \$67½ billion; and the remainder, \$17½ billion, was held by the twelve Federal Reserve Banks.

These figures are large, in dollar terms; and they are also a substantial proportion of the assets of the various investor classes, as shown in chart M. In the case of commercial banks, for example, holdings of Governments are equal to 56 percent of earning assets—a large percentage, but a sharp decline from February 28, 1946, when Government securities comprised over 70 percent of the earning assets of these institutions.

Nonbank investors—both financial and nonfinancial—also have a large share of their assets invested in Government securities. On October 31, mutual savings bank holdings of Governments represented 54 percent of their total assets; life insurance companies had 27 percent of total assets invested in Government securities; and other insurance companies—fire, marine, and casualty—had 47 percent. Nonfinancial corporations had 13 percent of their current assets in this form. And, when we turn to individuals, we find that Government securities accounted for 34 percent of their liquid assets—that is, their combined holdings of Government securities, savings and checking accounts, and currency—which approximated \$200 billion on October 31.

These figures are unmistakable evidence that the decisions which are made with respect to the public debt affect every segment of our economy. They indicate the compelling necessity for considering not only the effect of our decisions upon the financial structure of the Government itself, but their effect on the financial and economic structure of the whole country.

It is for this reason that Treasury and Federal Reserve authorities have cooperated to keep the market for Government securities stable during the postwar period. Under the circumstances which existed, stability in the Government bond market has been of tremendous importance to the country. It contributed to the underlying strength of the country's financial system and eased reconversion, not only for the Government, but also for industrial and business enterprises.

This is in marked contrast to the situation after World War I, when prices of Government securities were permitted to decline sharply—with disastrous results. Investors suffered serious financial losses. And the decline contributed importantly to the business collapse that occurred in the early post-World War I period. These things happened at a time when the public debt was a much less powerful element in the economy than it is at the present time. It seemed obvious to us that widely fluctuating Government bond prices would have even more serious repercussions after World War II.

It is now four years since Victory Loan 2½'s were issued. Chart N shows the price history of the Victory Loan 2½'s after World War II, as compared with the price history of the Fourth Liberty Loan 4¼'s during the corresponding period after World War I. At the end of the fourth year, Victory Loan 2½'s are above par; at the end of a similar period, Fourth Liberty Loan 4¼'s were in the vicinity of par. But the price movements within the two periods differed radically. Victory Loan 2½'s have always been above par. The Fourth Liberty Loan 4¼'s dropped substantially below par, reaching a low of about 82½. From this point, they had a long climb back before reaching par.

In the short-term area of the Government security market, we also had to consider the possible effect of our actions on the financial markets. When interest rates on short-term Government securities were raised, beginning in mid-1947, they were raised gradually in order not to disrupt these markets. When they were reduced, the change was small for the same reason.

In the four years since VJ-day, the United States has achieved a record level of prosperity. There can be no doubt that world-wide confidence in the financial soundness of the Government of the United States played a prominent role in achieving this prosperity.

I have gone into some of the current matters of public debt management with you in some detail in order to round out the entire picture for your Committee. Many of the answers to the questions submitted by your Committee to me and to other Government officials and agencies touched on some of the points that I have mentioned; but I felt that it would make for better understanding of the problems and considerations involved, if I summarized the current situation as it looks from my position as Secretary of the Treasury.

CHART A

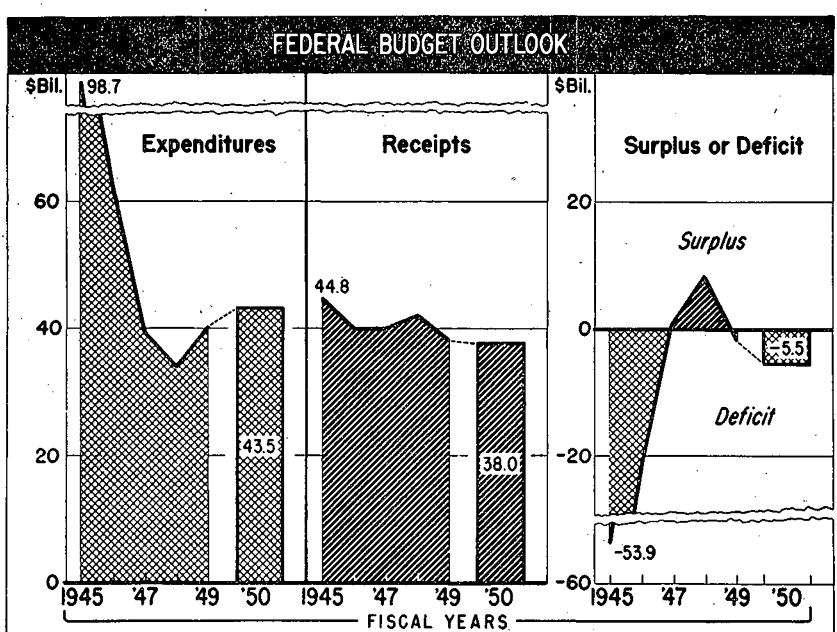


CHART B

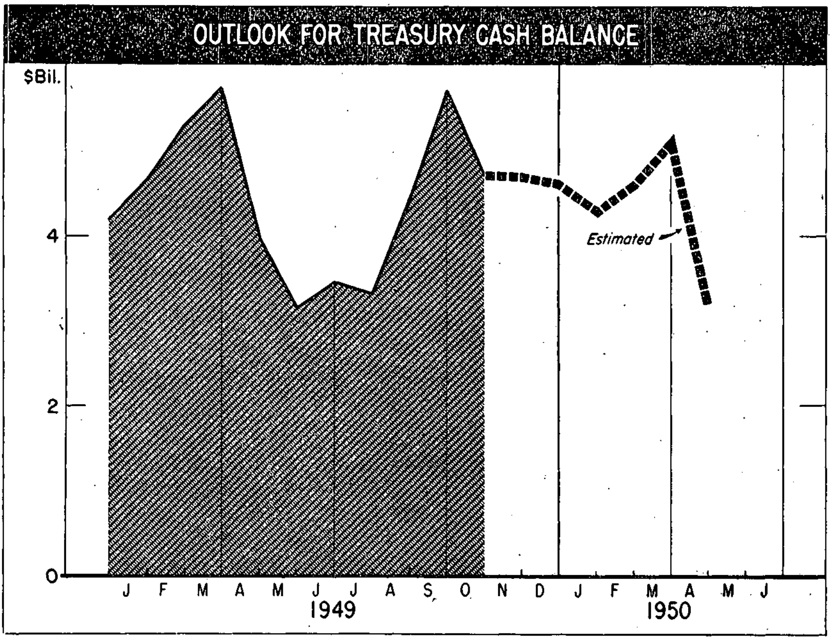
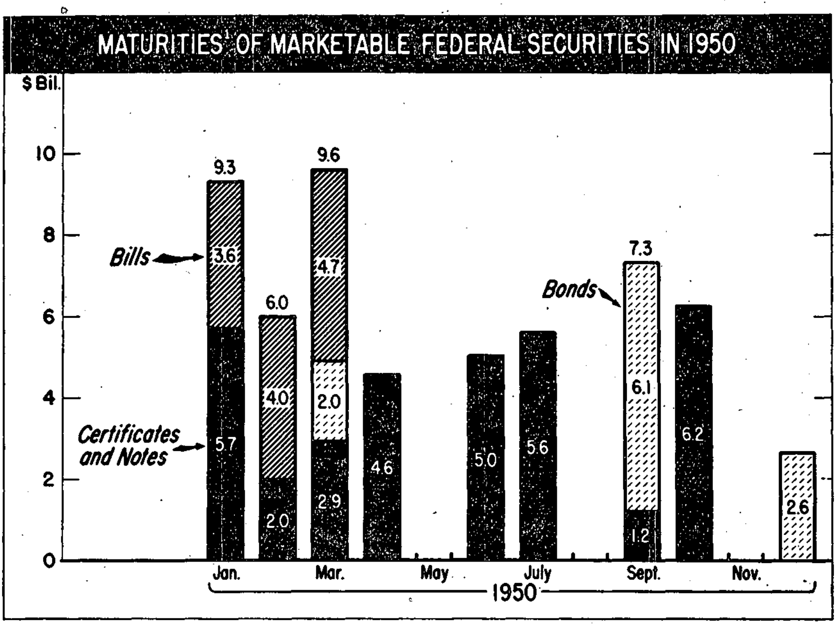
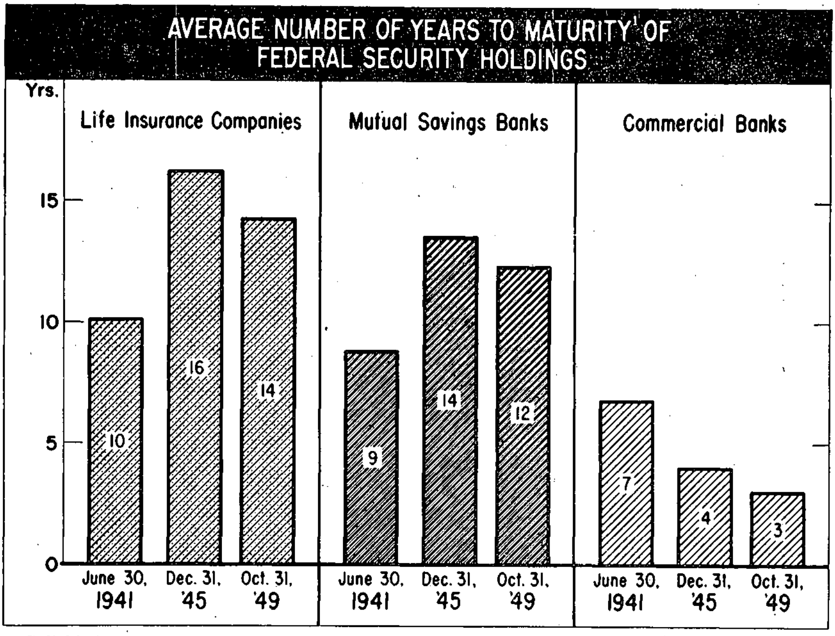


CHART C



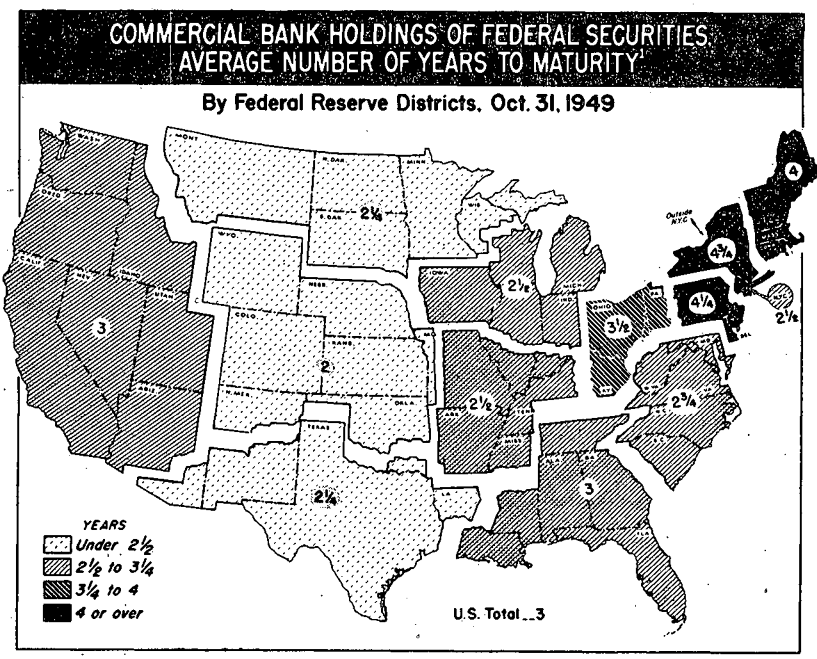
[1] Callable bonds in months of earliest call dates.

CHART D



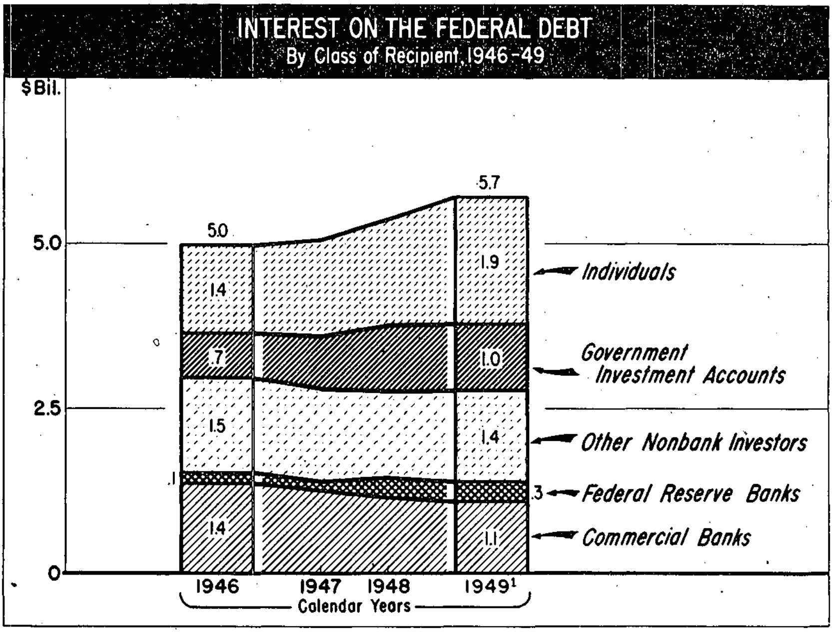
[1] Callable bonds to earliest call date.

CHART E



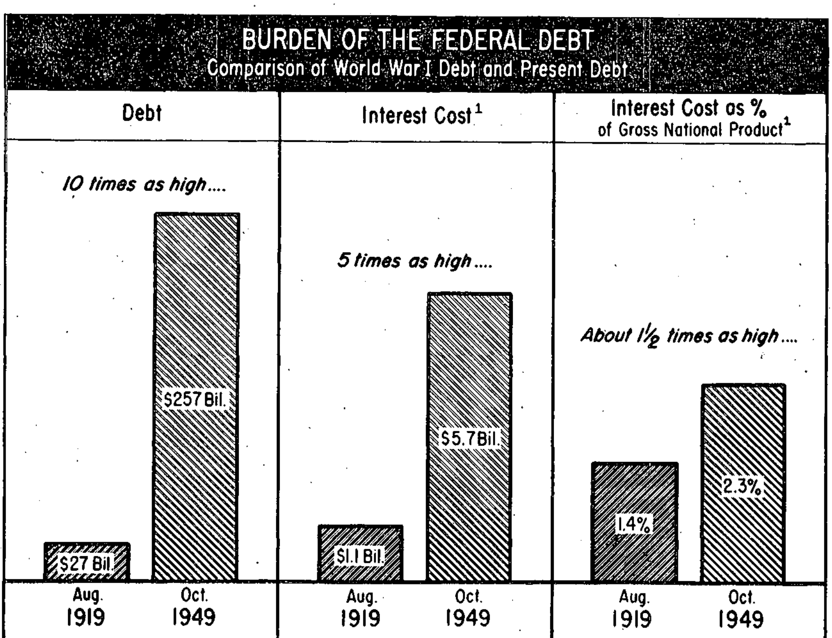
[1] Callable bonds to earliest call date.

CHART F



[1] Estimated.

CHART G



[1] Annual rates.

CHART H

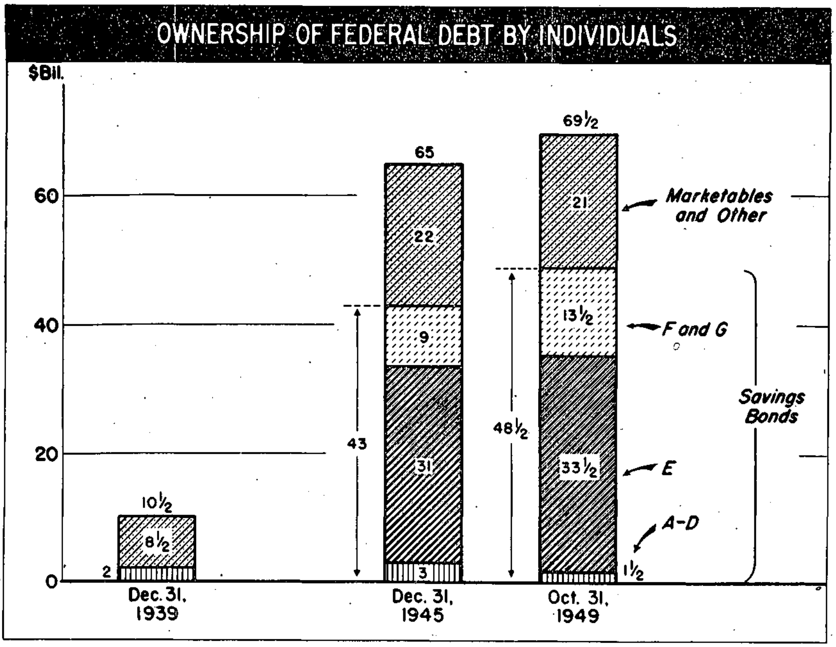


CHART I

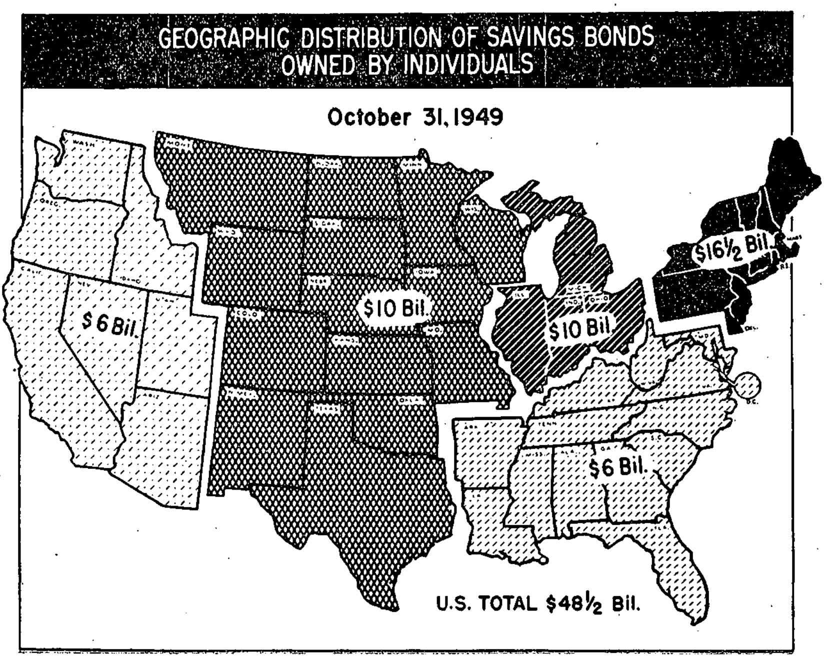


CHART J

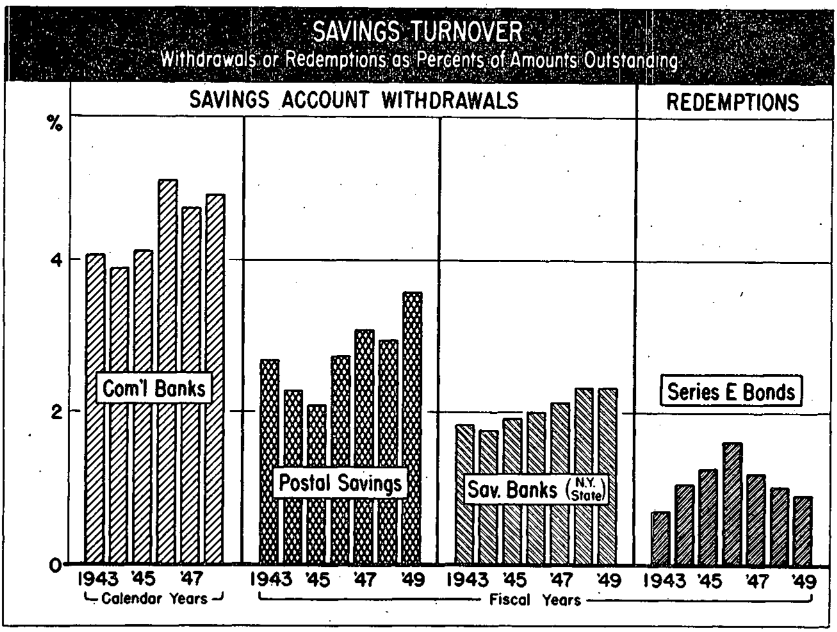
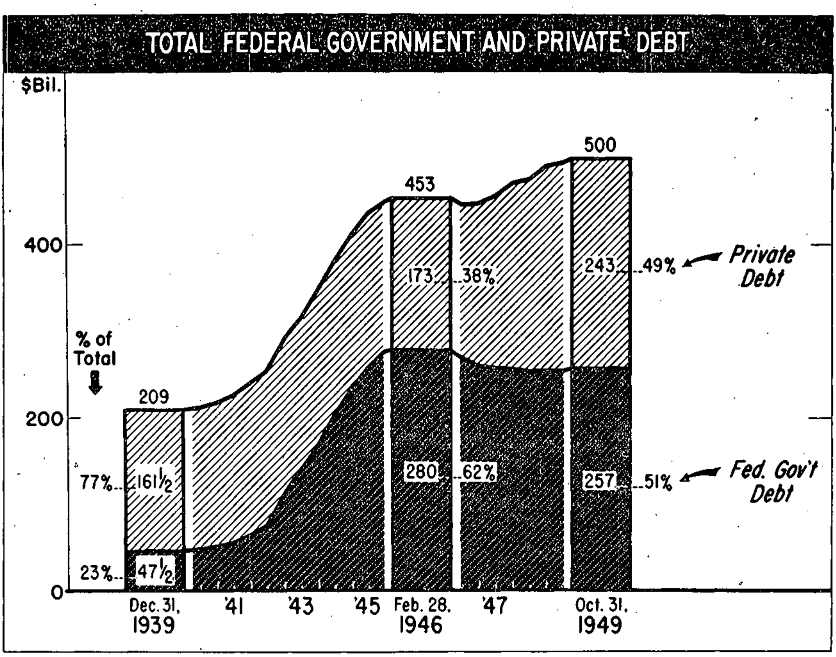


CHART K



[1] Includes State and local and nonguaranteed Federal agency debt. Figures based on Department of Commerce estimates. Oct. 31, 1949, is Treasury estimate.

CHART L

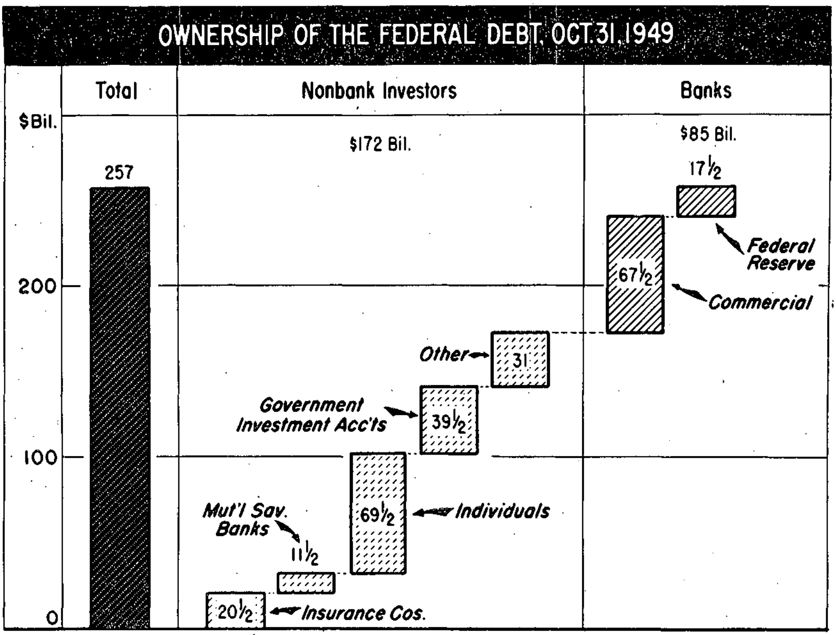
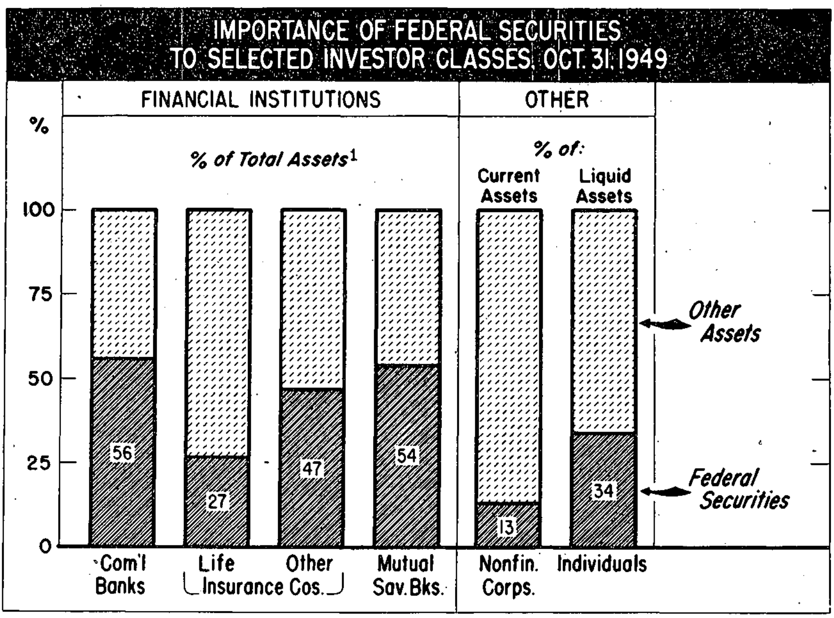


CHART M



[1] Earning assets of commercial banks.

CHART N

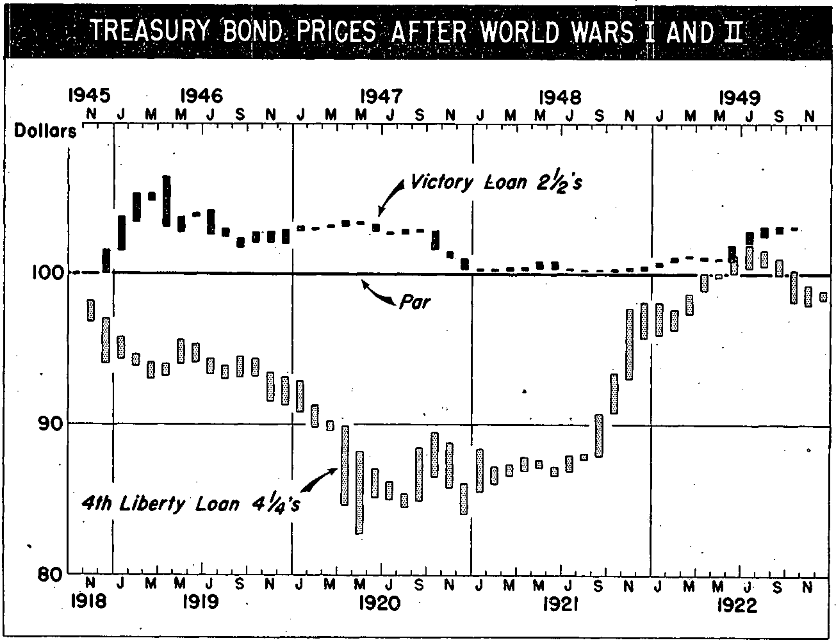


Exhibit 18.—Letter of Secretary of the Treasury Snyder, October 31, 1949, to the Chairman of the Subcommittee on Monetary, Credit, and Fiscal Policies of the Joint Committee on the Economic Report, replying to a questionnaire on monetary, credit, and fiscal policies

TREASURY DEPARTMENT,
Washington, October 31, 1949.

MY DEAR MR. CHAIRMAN: This is in reply to your letter dated August 22, 1949, in which you enclosed a questionnaire which you asked me to answer in connection with a comprehensive study relating to the effectiveness and coordination of monetary, credit, and fiscal policies, which has been undertaken by the Joint Committee on the Economic Report, by direction of Congress.

The subject matter of the questions falls into several main categories. All of the questions are answered; but, since much of the material would be repetitive if each question were answered separately, I have taken the liberty of answering the questions by groups rather than question-by-question.

The first eight questions relate to the monetary and debt management policies of the Treasury and their coordination with the policies of the Federal Reserve System. The questions are as follows:

1. What are the principal guides and objectives of the Treasury in formulating its monetary and debt management policies? What attention is paid to the interest costs on the Federal debt? To the prices of outstanding Government obligations? To the state of employment and production? To the behavior of price levels in general? To other factors?

2. To what extent and by what means are the monetary and debt management policies of the Treasury coordinated with those of the Federal Reserve? Describe in detail the procedures followed for these purposes.

3. What were the principal reasons for the particular structure of interest rates maintained during the war and the early postwar period?

4. To what extent, if at all, would a monetary and debt management policy which would have produced higher interest rates during the period from January 1946 to late 1948 have lessened inflationary pressures?

5. When there are differences of opinion between the Secretary of the Treasury and the Federal Reserve authorities as to desirable support prices and yields on Government securities, whose judgment generally prevails?

6. What, if anything, should be done to increase the degree of coordination of Federal Reserve and Treasury policies in the field of money, credit, and debt management?

7. What would be the advantages and disadvantages of providing that the Secretary of the Treasury should be a member of the Federal Reserve Board? On balance, would you favor such a provision?

8. What are the advantages and disadvantages of offering for continuous sale savings bonds of the E, F, and G Series with their present yields, maturities, and limitations on the annual amount to be purchased by each buyer? Does this policy lessen the supply of private savings for equity capital and riskier private loans? What are the advantages and disadvantages of promoting the sale of these securities during periods of recession? Should the terms of these securities and the amount that each buyer may purchase be varied with changes in economic conditions?

The primary concern of the Treasury in formulating its monetary and debt management policies is to promote sound economic conditions in the country. When I took office as Secretary of the Treasury, the country had only started the tremendous task of converting the economy from a wartime to a peacetime basis. Federal expenditures, which had raised the output of the United States to the highest levels on record during the war years, had been cut back sharply as soon as the war ended. In the fiscal year 1945, Federal expenditures had been just under $100 billion, and had accounted for nearly one-half of the gross national product; in the fiscal year ending June 30, 1946, they dropped to a little over $60 billion. This prompt cut in Federal expenditures after the close of the war was necessary and desirable; but it left the Nation facing the problem of replacing the production which had gone for war purposes with civilian production as rapidly as possible. There were many who felt that the reconversion could be achieved only after the country had experienced serious unemployment and severe economic dislocation. Government and business, farmers, and labor were all worried about many factors on the economic scene.

Not the least of the economic factors which were causing concern was the size of the public debt—which had increased more than fivefold during the war years. It was difficult at the time to forecast how so large a debt might be handled. The size was unprecedented, both in terms of the dollar amount involved and of the debt's relation to the economy of the country. On February 28, 1946, at its postwar peak, the Federal public debt stood at nearly $280 billion. It constituted over 60 percent of all outstanding debt, public and private. At the end of 1939, before the United States started its defense and war finance program, the total public debt had stood at $48 billion—this was only 23 percent of the entire debt of the country.

At the end of the war, the public debt was widely held. This broad ownership made it possible for the debt to play its part in the flexible fiscal policy which was necessary to promote economic stability in the postwar period. The particular composition of the debt was the result of conscious planning by the Treasury as a part of its policy of fitting Government securities to the needs of various types of investors. Practically all of the securities sold to commercial banks, for example, have been short-term, in order that the portfolios of banks would be kept highly liquid. This was essential if banks were to be in a position to finance reconversion needs. Business corporations likewise have been provided with short-term securities for the temporary investment of their reserve funds. Insurance companies and savings banks, on the other hand, have held longer-term securities—largely with maturities over ten years. Savings bonds have been, of course, the principal type of Government security held by individuals. At the same time, however, that broad ownership of the debt contributed to easing the problems of postwar debt management, it made good debt management particularly vital, since every segment of the economy was affected.

When I became Secretary of the Treasury, total Government security holdings of individuals, including marketable as well as nonmarketable issues, amounted to $64 billion—a significant change from the situation prior to the war, when they owned only about $10 billion of Government securities. Over $43 billion of the Government securities held by individuals were savings bonds. Other nonbank investors also held large amounts of Government securities. Financial institutions had a substantial proportion of their assets invested in the public debt issues of the Federal Government. For mutual savings banks, it amounted to $11½ billion—about 64 percent of their total assets. All insurance companies—life, fire, casualty, and marine—held $25½ billion of Government securities. Life insurance companies alone had holdings of $22 billion—over 46 percent of their total assets. Federal agencies and trust funds, which are by law required to invest their accumulated funds in Government securities, held $29 billion. Other nonbank investors, which include business corporations, State and local governments, and other small groups of investors, held $32 billion.

The commercial banking system held $108 billion of Government securities. Commercial banks held $84½ billion of the total. This comprised 71 percent of their earning assets. The balance, $23½ billion, was held by the Federal Reserve Banks.

It was obvious that the decisions which had to be made with respect to a public debt which was so large, and which was interwoven in the financial structure of the entire economy, would significantly affect the economic and financial welfare of the country. It was essential, under these circumstances, that debt management be directed toward promoting and maintaining a stable and smoothly functioning economy. In the nature of things, the Federal Government must exercise firm control of debt management as long as the debt remains so large and so important. In the course of formulating debt management policies, I have consulted with advisory committees representing a cross-section of American business, for an exchange of views and information. These consultations have been helpful in determining the soundest possible debt management policies; but, in the final analysis, the responsibility for these policies belongs to the Secretary of the Treasury and under the law cannot be delegated.

As I have said, the overriding consideration in debt management policy is the economic welfare of the country. The Secretary of the Treasury has many responsibilities; but his primary one is that of maintaining confidence in the credit of the United States Government. In addition, in prosperous years such as we have enjoyed since the end of the war, it is important to reduce the total amount of the public debt and to reduce bank ownership of Federal securities and widen the distribution of the debt. Accordingly, these have been the principal objectives of the Treasury's debt management program during the postwar period.

1. *To maintain confidence in the credit of the United States Government.*—It is for this reason that stability in the Government bond market has been a continuing policy during the postwar period. Stability in the Government bond market during the transition period has been of tremendous importance to the country. It contributed to the underlying strength of the country's financial system and eased reconversion, not only for the Government, but also for industrial and business enterprises. This is in marked contrast to the situation after the First World War, when the severe decline in the prices of Government securities contributed to the business collapse that occurred within two years after the war's end.

The particular structure of interest rates maintained during World War II was, with only minor variations, the one which existed at the time we began our defense and war finance program. It was apparent almost from the beginning of this program that it would require a large increase in the public debt; and an important consideration was the cost of the borrowed funds. It was especially fortunate, therefore, that interest rates were at a relatively low level. It made it possible to finance the war cheaply without disrupting the financial structure of the country.

Stability in the Government bond market since the end of the war has been achieved through the cooperative efforts of the Federal Reserve System and the Treasury Department. Some of the stabilizing measures—notably, of course, the operations of the Federal Open Market Committee—have been primarily the responsibility of the Federal Reserve System. Others have been primarily the responsibility of the Treasury Department.

In maintaining stability in the Government bond market, flexibility in adapting policies to changing economic conditions has been essential. It has been necessary at times to take steps to prevent too sharp a rise in Government security prices; and, at other times, declining prices have been halted.

Beginning in the spring of 1947, the Federal Reserve and the Treasury took action to control an incipient boom in the Government bond market. Long-term bonds were sold from some of the Government investment accounts, the Investment Series of bonds was offered to institutional investors, and interest rates on short-term Government securities were increased. All of these operations combined to take upward pressure off the market. When conditions changed, and a downward pressure on bond prices developed, the market was stabilized through purchases of long-term bonds. Short-term interest rates—which had been permitted to rise beginning in mid-1947—were held steady from the fall of 1948 until this summer. Then, in mid-September of this year, they were reduced.

All of these actions have been taken with a view toward promoting confidence in the Nation's business and financial structure and the attainment of a high level of employment and production in the economy.

2. *To reduce the amount of the debt.*—In the statement which I made when I took office as Secretary of the Treasury in June 1946, I said:

"* * * It is the responsibility of the Government to reduce its expenditures in every possible way, to maintain adequate tax rates during this transition period, and to achieve a balanced budget—or better—for 1947."

During the first two fiscal years after I took office, the Federal Government operated with a budget surplus. In the fiscal year 1948, the surplus was, in fact, the largest in the history of the country. Starting in March 1946, the large cash balances that had remained at the end of the Victory Loan were applied to the reduction of the public debt. These balances were largely expended during the calendar year 1946, and subsequent debt reduction was effected through pay-offs from the budget surpluses of the fiscal years 1947 and 1948. At its postwar peak on February 28, 1946, the public debt stood at $279.8 billion; on June 27 of this year, it reached a postwar low of $251.3 billion.

There is no longer a budget surplus, however, largely because of the tax reductions enacted by Congress in 1948, over the President's veto. As a result, the debt has been rising steadily in recent months; and at the end of September it stood at $256.7 billion. Both President Truman and I have stressed the importance of continuing debt reduction in years of prosperity such as we have enjoyed since the end of the war. This was one of the reasons why the President on three occasions vetoed measures reducing taxes at a time when the economic condition of the country permitted continued retirement of the debt.

3. *To reduce bank ownership of Federal securities and widen the distribution of the debt.*—Strong inflationary pressures existed during most of the postwar period. In order that debt reduction would have the greatest possible anti-inflationary effect, under these circumstances, it was concentrated on debt held by the commercial banking system. The concentration of debt reduction in bank holdings was facilitated by the Treasury's policy of fitting the debt to the needs of investors, which had placed a large volume of short-term debt in the hands of the banking system. The reduction in the public debt held by the commercial banking system has been actually greater than the reduction in the total debt.

The total public debt was reduced $28.5 billion from its postwar peak of $279.8 billion to the postwar low of $251.3 billion. During the same period, bank-held debt was reduced by approximately $34 billion. This came about because the Treasury was able to increase the Government security holdings of nonbank investors. Funds from the sale of savings bonds and other nonmarketable issues to nonbank investors were available for the retirement of maturing issues of bank-held debt, in addition to the budget surpluses of the fiscal years 1947 and 1948. There has been an increase of $5.4 billion in the debt, however, since the low point was reached in June of this year; and at the end of September, the total amount of debt outstanding was $256.7 billion. Bank holdings have increased approximately $2 billion since the end of June, so that the net reduction in these holdings from February 1946 to the end of September totals $32 billion.

Because of the social and economic benefits of broad ownership of public debt securities, the maintenance of the widespread distribution of the debt has been an essential part of the Treasury's postwar debt management policies. It has been one of the principal objectives in the continued promotion of savings bond sales. Broad ownership of the public debt is good for the purchasers of Government securities and it is good for the country. It gives to the people a greater sense of economic security and an enhanced feeling of personal dignity. It causes them to take an increased interest in national issues. It gives them a direct stake in the finances of the United States.

Another postwar objective of savings bond sales was to combat inflationary pressures. The sale of savings bonds was a two-edged weapon against inflation. It took purchasing power directly out of the hands of consumers; and the funds obtained from the sale of savings bonds were available for the retirement of bank-held debt, thereby reducing the money supply to that extent.

We have continued actively to promote the sale of savings bonds to encourage thrift on the part of Americans. Thrift is a vital factor in our present-day life.

The total amount of savings bonds oustanding at the end of September was over $56½ billion, an increase of nearly $8½ billion since the end of 1945. The success of the postwar savings bond program is especially notable since it was generally expected that a flood of savings bond redemptions would be one of the major debt management problems as soon as the war ended.

Actually, the savings bond redemption experience has been better than the turnover rate on other comparable forms of savings. For example, during 1949, average monthly redemptions of Series E bonds have amounted to 0.91 percent of the total of Series E bonds outstanding. For other forms of savings the ratios of withdrawals to total deposits have been as follows: Postal Savings accounts, 3.57 percent; savings banks (in New York State), 2.32 percent; insured savings and loan associations, 2.30 percent; savings accounts in commercial banks, 4.86 percent (1948 figure). Moreover, the trend of savings bond redemptions when related to the total amount outstanding has been downward since the end of the war, whereas the percentage trend of withdrawals in most other forms of savings has been upward.

The sale of savings bonds has not, however, been at the expense of other types of savings. During the period in which we were using the savings bond program as an anti-inflationary weapon, the whole tone of our advertising was to encourage personal savings in any practical form—not just to encourage the sale of savings bonds. Individuals have increased their holdings of savings bonds by 13 percent since the end of 1945. But, in this same period, individuals increased their shareholdings in savings and loan associations by over 60 percent; their life insurance by 30 percent; their deposits in mutual savings banks by 25 percent; their savings accounts in commercial banks by 15 percent; their checking accounts by about 10 percent; and their Postal Savings accounts by about 10 percent. Of the various forms of liquid savings, only currency holdings in the hands of individuals declined.

The reasons for offering Series E savings bonds are, of course, not the same as those for offering Series F and G bonds. A "small" savings bond program was instituted in 1935 for the purpose of providing a risk-free investment for small investors. When it was decided early in the war to sell as large a portion as possible of the wartime security offerings of the Federal Government to nonbank investors, and especially to individuals, Series E savings bonds became the keystone of that policy. This was done in order to prevent a repetition of the post-World War I experience. After the war, the prices of Government bonds dropped precipitously—one of the Liberty Bond issues sold below 82—and small investors, inexperienced in the operations of security markets, were the greatest losers. Series F and G bonds, which are intended for larger investors than those reached by the Series E bonds, were introduced early in 1941 as a part of the Treasury policy of shaping offerings of Government securities to meet the needs of various investor classes.

The savings bond program, like other parts of the debt management policies of the Treasury Department, has been adapted to changing conditions in the economy. You asked whether the terms of savings bonds and limitations on purchases should be varied with economic conditions. We have done this to the extent that seemed necessary. On March 18, 1948, the limitation on holdings of Series E savings bonds purchased in any one calendar year was raised from $5,000 (maturity value) for each individual to $10,000 (maturity value), effective beginning in the calendar year 1948. In the fall of 1947, the Treasury offered the Investment Series bond—a savings bond type of issue—to certain institutional investors. Again in order to meet the needs of these investors, we raised the limitation on purchases of Series F and G bonds, for the period from July 1, 1948, through July 15, 1948.

Achievement of the debt management objectives of the Treasury Department requires day-to-day attention to debt operations. Decisions are made continuously.

There is, for example, the matter of refunding maturing issues. This is one of the constantly recurring duties of the Department. There is a Treasury bill maturity each week. There are frequent maturities of certificates of indebtedness; and, in the postwar years, there have been several note and bond maturities each year. In addition, there are savings bond and savings note maturities—and redemptions of these issues before maturity. The volume of refunding carried through each year has amounted to approximately $50 billion—in itself a task of considerable magnitude. It exceeds the total of all security refunding engaged in by all other borrowers in the country during the past twenty-five years.

The interest cost of the debt to taxpayers is another of the many considerations which must be taken into account in debt management policies. It is estimated that the interest charge on the public debt during the fiscal year 1950 will be \$5,450 million. This item represents over 13 percent of the Federal budget for the year. The interest cost is likely to grow over a period of time—in the absence of substantial debt reduction—because the rate of interest on savings bonds increases as the bonds are held to maturity, and because an increasingly large proportion of the debt represents the accumulation of trust funds invested at rates set forth in the law which are higher than the present average interest rate on the debt.

A general rise in interest rates would bring about a further rise in the budget charge for interest payments. An increase of as little as ½ of 1 percent in the average interest paid on the debt would add about \$1¼ billion to this charge. The Treasury was able to finance the last war at an average borrowing cost of less than one-half the borrowing cost of World War I. If this had not been done, the interest charge at the present time would be more than \$10 billion a year instead of \$5 billion a year. It is clearly evident that this \$5 billion annual saving in the taxpayers' money is a highly important factor in the budget picture of the Federal Government.

It has been argued that if the Government had permitted higher interest rates on its long-term securities at the end of the war—that is, had permitted Government bond prices to drop below par—inflationary pressures would have been lessened.

Fiscal-monetary weapons have only limited effectiveness in combating inflationary pressures. They operate against inflation in an over-all fashion. They can be used to cut down the total spending power of the economy and so are effective—and, in fact, indispensable—in periods of general price rise. Any curtailment of general spending power drastic enough, however, to bring special price situations into line might set off a severe deflationary spiral. High prices in special areas are most effectively dealt with by specific measures applied directly to those areas; and it was with this in mind that President Truman repeatedly asked Congress to enact appropriate legislation to deal with special areas of inflationary pressures.

The Government's fiscal policy from January 1946 to late 1948 did, however, have a direct counterinflationary effect. Federal Government expenditures were cut rapidly and sharply from their wartime peak, while revenues were maintained at high levels. I have mentioned that President Truman on three occasions vetoed tax measures designed to cut revenues because he recognized the urgency of reducing the debt during this period. Debt reduction by the use of a surplus of receipts over expenditures was, in fact, the most potent anti-inflationary fiscal measure available to the Government. A surplus of Federal receipts over expenditures takes purchasing power directly out of the hands of consumers; and by using this surplus to reduce bank-held debt, the Treasury to a large extent offset the increase in the money supply due to other factors. I have already noted also the promotion of savings bond sales as an anti-inflationary measure; and that short-term interest rates were permitted to rise, starting in the summer of 1947.

The policy of stabilizing the Government bond market in itself made a substantial contribution to economic stability. I do not agree with those who believe that if the support prices of Government securities had been lowered below par, sales of these securities to the Federal Reserve would have been stopped and inflationary pressures would have been lessened. It seemed to me that under the circumstances which existed, we would have taken the risk of impairing confidence in the Government's credit if the prices of Government bonds had been permitted to go below par; and that as a result the Federal Reserve might have had to purchase more bonds below par than at a par-support level. This, of course, would have increased bank reserves and to that extent would have been inflationary, rather than anti-inflationary.

During the postwar period, the country has enjoyed a level of prosperity never before achieved in peacetime. Personal income has reached the highest level on record, and has remained near that level. Civilian employment likewise attained the highest peak in our history, and today there are nearly 60 million persons employed. There is no doubt that the successful management of the public debt and the maintenance of a continued period of stability in the Government bond market have contributed materially to the economic well-being of the country during this period.

In the execution of its monetary and debt management policies, the Treasury consults with the Federal Reserve. The chairman of the Board of Governors of the Federal Reserve System and I discuss policy matters thoroughly and arrive at decisions which are mutually satisfactory. It does not seem to me that statutory directives to increase the degree of coordination of Federal Reserve and Treasury policies are needed. In my opinion, such policies can best be coordinated as they are at the present time, by discussions between the Secretary of the Treasury and the Chairman of the Board of Governors of the Federal Reserve System.

Neither would there be any particular advantage in providing that the Secretary of the Treasury should be a member of the Federal Reserve Board. The Secretary of the Treasury did serve as a member of the Federal Reserve Board from its inception until February 1, 1936. There is no evidence that the coordination of Federal Reserve and Treasury policies was carried out any more effectively during that period than it has been subsequently.

The Secretary of the Treasury is the chief fiscal officer of the Government. It seems to me that any proposal to make him a member of the Board of Governors of the Federal Reserve System for the express purpose of bringing about better coordination of Federal Reserve and Treasury policies would appear to subordinate the responsibility of the Treasury Department in fiscal-monetary matters. In the final analysis, the principal responsibility in the fiscal-monetary area must rest with the President and his fiscal officers, who are accountable to the electorate for their actions.

Questions 9, 10, and 11 are concerned with the monetary system of the United States. The questions are as follows:

9. What would be the principal advantages and disadvantages of re-establishing a gold-coin standard in this country? Do you believe that such a standard should be re-established?

10. Under what conditions and for what purposes, if any, should the price of gold be altered? What consideration should be given to the volume of gold production and the profits of gold mining? What effects would an increase in the price of gold have on the effectiveness of general monetary and credit policies? On the division of power over monetary and credit conditions between the Federal Reserve and the Treasury?

11. What changes, if any, should be made in our monetary policy relative to silver? What would be the advantages of any such changes?

I do not think that conditions require an alteration in the monetary system. As the Committee undoubtedly knows, I am on record as being opposed to any change in the price of gold; and the Treasury Department is firmly of the view that a gold-coin standard should not be re-established in the United States.

The Department has considered the latter proposal in connection with a number of bills which have been introduced in the Congress. For example, in the last session of Congress, we submitted a report to the Senate Banking and Currency Committee on bills S. 13 and S. 286. A copy of our report on those bills is attached.[1]

The present monetary policy of the United States relative to silver is laid down in three acts of Congress; namely, the Silver Purchase Act of 1934, section 4 of the act of July 6, 1939, and the act of July 31, 1946, which has largely superseded the 1939 act. Under the third act, domestic silver mined since July 1, 1946, may be delivered, at the owner's option, to United States mints for a return of 90.5 cents per ounce. The Treasury has no discretion under this legislative provision. Since this price is considerably higher than the open market price (now between 73 cents and 74 cents per ounce), the effect of this act is to divert to the United States Treasury at the 90.5 cent price substantially all of the current production of silver in the United States. On previous occasions, the Treasury has stated that it would interpose no objection if Congress wished to repeal all the provisions relating to acquisitions of silver in the above-named act.

[1] Omitted here. This was published in the 1949 annual report, p. 305.

Question 12 relates to the coordination of the lending and loan insuring and guaranteeing policies of the various Government agencies. The question is as follows:

12. To what extent and by what methods does the Treasury coordinate the activities of the various Government agencies that lend and insure loans to private borrowers? In what ways, if at all, should the Treasury's powers in this field be altered?

The Treasury does not, of course, have statutory authority to coordinate the activities of the various Government agencies that lend and insure loans to private borrowers. The Department has been instrumental, however, in furthering consultations between the heads of these agencies, with a view to coordinating lending, insuring, and guaranteeing policies. In the final analysis, it seems to me that this voluntary type of consultation is perhaps the best method of coordinating these policies. The heads of the lending, insuring, and guaranteeing agencies are responsible to the President; and the decisions which they make must be made in accordance with his policies. Furthermore, the policies and operations of these agencies are subject to annual review by the Congress in connection with their annual budgets.

Such limited authority as the Treasury has with respect to the lending, insuring, and guaranteeing policies of Government agencies is restricted almost entirely to the methods employed by the agencies in borrowing funds which they, in turn, are authorized to lend to private borrowers. For example, under the Government Corporation Control Act, "All bonds, notes, debentures, and other similar obligations which are . . . issued by any wholly owned or mixed-ownership Government corporation and offered to the public shall be in such forms and denominations, shall have such maturities, shall bear such rates of interest, shall be subject to such terms and conditions, shall be issued in such manner and at such times and sold at such prices as have been or as may be approved by the Secretary of the Treasury" except that any mixed-ownership Government corporation from which Government capital has been entirely withdrawn is exempt from this provision during the period it remains without Government capital. In addition, the Federal intermediate credit banks, the production credit corporations, the Central Bank for Cooperatives, the regional banks for cooperatives, and the Federal land banks are specifically exempted from this provision, but are required to consult with the Secretary of the Treasury prior to issuing securities; and, in the event an agreement is not reached on the terms of the securities, the Secretary of the Treasury may make a report in writing to the corporation involved, to the President, and to the Congress stating the grounds for his disagreement.

There are only a few cases in which the Treasury has any direct control over lending operations of Government agencies. Reconstruction Finance Corporation loans on the nonassessable preferred stock of insurance companies can be made only upon certification by the Secretary of the Treasury of the necessity for such loans to increase the capital funds of the companies concerned. Also, under section 103 of Public Law 901, 80th Congress, the Administrator of Veterans Affairs has the authority, with the approval of the Secretary of the Treasury, to raise the permissible rate of interest on loans guaranteed or insured under title III of the Servicemen's Readjustment Act of 1944 from the rate specified in the law, namely 4 percent, to a maximum of 4½ percent. In addition, the Secretary of the Treasury, or an officer of the Treasury designated by him, is a member of the Board of Directors of the Federal Farm Mortgage Corporation.

In the field of foreign loans, there is in existence a coordinating and policy determining agency. The Secretary of the Treasury is Chairman of the National Advisory Council on International Monetary and Financial Problems, established by the Congress in the Bretton Woods Agreements Act, approved July 31, 1945. Among other things, the statute directs the Council to coordinate the policies and operations of the representatives of the United States on the International Monetary Fund and the International Bank for Reconstruction and Development, the Export-Import Bank of Washington, and all other agencies of the Government "to the extent that they make or participate in the making of foreign loans or engage in foreign financial, exchange or monetary transactions."

Question 13 asks my opinion on the Hoover Commission proposal that supervision of the Federal Deposit Insurance Corporation be vested in the Secretary of the Treasury. The question is as follows:

13. What would be the advantages and disadvantages of adopting the Hoover Commission proposal that supervision of the operations of the F. D. I. C.

be vested in the Secretary of the Treasury? On balance, do you favor this proposal?

The recommendation that the supervision of the operations of the F. D. I. C. be vested in the Secretary of the Treasury has been carefully considered. There is much to be said for the independent status which this agency now enjoys. Its policies are, in many cases, governmental policies which have been set after consultation with the President and other Cabinet members; and the agency can, therefore, function independently. However, it could also function as a part of the Treasury.

Question 14 asks my opinion with respect to the establishment of a National Monetary and Credit Council of the type proposed by the Hoover Commission. The question is as follows:

> 14. What would be the advantages and disadvantages of establishing a National Monetary and Credit Council of the type proposed by the Hoover Commission? On balance, do you favor the establishment of such a body? If such a council were established, what provisions relative to its composition, powers, and procedures would make it function most satisfactorily?

I am not opposed to the establishment of a National Monetary and Credit Council of the type proposed by the Hoover Commission. The establishment of such a council would not of itself, however, solve any fundamental problem. But, if such a council were established, the Treasury Department would be happy to contribute the accumulated knowledge and earnest efforts of its various staff groups.

Questions 15 and 16 relate to Federal budget policy. The questions are as follows:

> 15. What, in your opinion, should be the guiding principles in determining, for any given period, whether the Federal budget should be balanced, should show a surplus, or should show a deficit? What principles should guide in determining the size of any surplus or deficit?
>
> 16. Do you believe it is possible and desirable to formulate automatic guides for the Government's over-all taxing-spending policy? If so, what types of guides would you recommend? What are the principal obstacles to the successful formulation and use of such guides?

The general economic welfare of the country should be the guiding principle in determining for any given period whether the Federal budget should be balanced, should show a surplus, or should show a deficit; and in determining the size of any surplus or deficit.

Since I took office as Secretary of the Treasury in June 1946, I have continuously urged a Federal budget that would permit debt retirement. Both President Truman and I have stated on a number of occasions that it is essential to reduce the public debt in years of prosperity, such as we have enjoyed since the end of the war. This was one of the reasons why the President on three occasions vetoed tax reduction measures. This has also been a major reason why the President has constantly limited budget expenditures to the minimum amount necessary to carry out the defense program and other essential domestic and international programs.

I do not believe that it is feasible to attempt to formulate automatic guides for the Government's over-all taxing-spending policy. The economic and social variants which should determine the policy in any given period are so numerous and for different periods are present in such different combinations that taxing-spending policy can be determined only after the most careful consideration of the situation existing at any given time. Budget receipts and expenditures for each fiscal period must be examined item by item with due regard to their relative need and public service. This is a responsibility which can be discharged properly only by Congress.

One of the most frequently mentioned possibilities along these lines is that automatic guides can be established based on levels of national income. It obviously is not possible to say that under all circumstances the budget should be balanced when the national income is at any particular level; and it is not possible to provide by statute exemptions to cover all the cases when exemptions would be necessary. In my opinion, policy formulation and action must, of necessity, be left to the responsible authorities to be made in accordance with their best judgment in view of economic developments as they occur.

Questions 17, 18, and 19 are concerned with the commercial banking system. The questions are as follows:

17. What were the aggregate amounts of interest payments by the Treasury to the commercial banking system during each year since 1940?

18. What changes, if any, should be made in the ownership of the Federal Reserve Banks? In the dividend rates on the stocks of the Federal Reserve Banks?

19. What changes, if any, should be made in the laws relating to the disposal of Federal Reserve profits in excess of their dividend requirements?

The following table shows the estimated distribution of interest payments on the public debt, by class of recipient, for the calendar years 1940 through 1948:

Calendar year	Total interest [1]	Banks			Nonbank investors			
		Total	Commercial banks	Federal Reserve Banks	Total	Individuals	U. S. Government investment accounts	Other investors
	Billions of dollars							
1940	1.1	0.3	0.3	(*)	0.8	0.3	0.2	0.3
1941	1.1	.3	.3	(*)	.8	.3	.2	.3
1942	1.5	.5	.4	0.1	1.0	.4	.3	.3
1943	2.2	.8	.7	.1	1.4	.5	.3	.6
1944	3.0	1.1	1.0	.1	1.9	.7	.4	.8
1945	4.1	1.4	1.3	.1	2.7	1.1	.5	1.1
1946	5.0	1.5	1.4	.1	3.5	1.4	.7	1.5
1947	5.0	1.4	1.2	.2	3.6	1.5	.7	1.4
1948	5.4	1.4	1.1	.3	3.9	1.6	1.0	1.4

*Less than $50 million.
[1] Actual payments on the basis of daily Treasury statements.

Interest payments to commercial banks amounted to approximately 27 percent of the total interest paid on the debt in 1940, but amounted to only 20 percent in 1948. Payments to the entire commercial banking system, that is, to commercial banks and Federal Reserve Banks—which amounted to about $350 million in 1940 and $1,450 million in 1948—similarly showed a decline as a percentage of total interest payments during this period.

Interest earnings on Federal Reserve Bank holdings of Government securities increased from $42 million in 1940 to $299 million in 1948, as a result of the wartime credit and currency needs of the country. The Board of Governors of the Federal Reserve System took the initiative in turning over a part of the Reserve Banks' relatively high earnings to the Federal Government, by invoking its authority to levy an interest charge on Federal Reserve notes issued by the Banks. In its announcement on April 24, 1947, the Board stated that the purpose of the charge was to pay into the Treasury approximately 90 percent of the net earnings of the Federal Reserve Banks in excess of their dividend requirements. Payments to the Treasury as a result of this action amounted to $75 million in 1947 and $167 million in 1948.

If Congress wishes, it can, of course, set forth specific statutory directives for the disposal of Federal Reserve Bank profits in excess of their dividend requirements.

With respect to the matter of stock ownership of the Federal Reserve Banks and the dividend rate on this stock, I do not believe that there is any urgent need to deal with these questions at this time.

Very truly yours,

John W. Snyder,
Secretary of the Treasury.

Honorable Paul H. Douglas,
Chairman, Subcommittee on Monetary, Credit, and Fiscal Policies of the Joint Committee on the Economic Report, United States Senate, Room 109, Senate Office Building, Washington 25, D. C.

TAXATION DEVELOPMENTS

Exhibit 19.—Message from the President, January 23, 1950, transmitting a request for a revision of the tax laws

[House Doc. No. 451, 81st Cong., 2d sess.]

To the Congress of the United States:

The tax policy of the United States Government is of major significance to the national welfare. Taxes are the means by which our people pay for the activities of the Government which are necessary to our survival and progress as a Nation. Decisions about Federal tax policy should be made in full recognition of the economic and budgetary situation, and should contribute to our national objectives of economic growth and broader opportunity for all our citizens.

At the present time, I believe we should make some revisions in our tax laws to improve the fairness of the tax system, to bring in some additional revenue, and to strengthen our economy.

Our general objective should be a tax system which will yield sufficient revenue in times of high employment, production, and national income to meet the necessary expenditures of the Government and leave some surplus for debt reduction. In the budget message I estimated that receipts in the fiscal year 1951 will fall short of meeting expenditures by 5.1 billion dollars. This defic t will be due largely to the short-sighted tax reduction enacted by the Eightiieth Congress, and to the present necessity for large expenditures for national security and world peace. Moreover, owing to the time lag between corporation earnings and tax payments, the 1949 decline in corporation profits will be reflected in lower tax receipts in the fiscal year 1951.

The policies I am recommending to the Congress are designed to reduce the deficit and bring about a budgetary balance as rapidly as we can safely do so. These policies are threefold: First, to hold expenditures to the lowest level consistent with the national interest; second, to encourage and stimulate business expansion which will result in more revenue; and third, to make a number of changes in the tax laws which will bring in some net additional revenue and at the same time improve the equity of our tax system.

First, as to Government expenditures: I have recently transmitted to the Congress a budget containing recommendations for appropriations and estimates of expenditures for the fiscal year 1951. This budget was carefully prepared with a view toward holding expenditures to the lowest possible levels consistent with the requirements of national security, world peace, economic growth, and the well-being of our people.

The decisions of the Congress, as well as unpredictable changes in circumstances over the next 18 months, may alter in many particulars the character and amount of the expenditures contemplated in this budget. Nevertheless, I believe the estimates contained in the budget represent the most realistic appraisal that it is possible to make at this time of the necessary expenditures in 1951. I believe the Congress will generally concur in this view after it has had an opportunity to consider these estimates carefully.

The expenditures estimated in the 1951 budget have been reduced by about $900,000,000 below the level estimated for the present fiscal year. The policies recommended in the budget will permit further reductions in subsequent years as the costs of some of the extraordinary postwar programs continue to decline.

To achieve these reductions we must continue to practice rigid economy. At the same time it would be self-defeating to cripple activities which are essential to our national strength. It will require wisdom and courage to find and hold fast to the course of wise economy without straying into the field of foolish budget slashes.

Second, as to the strength and growth of our national economy: We cannot achieve and maintain a balanced budget without a strong and prosperous economy. A recession in economic activity would call for increased Government expenditures at the same time that revenues were reduced, thus creating greater budget deficits.

At the present time the economy of the United States is growing, and we have every reason to expect it to continue to expand if we follow the right policies. It is largely the task of private business to achieve this growth. The Government, however, can and should contribute to it. Through such cooperation, national employment and income will grow. This will result, in time, in increasing Government revenues.

Just as the condition of our national economy has an overriding effect upon our efforts to balance the budget, so do our policies for managing the Federal budget have a decisive effect upon the national economy. Drastic reductions in Federal expenditures in the wrong places and at the wrong time could have serious disruptive effects throughout our economy.

Government revenue policies are as important in our economy as Government expenditure policies. Events of the last few years have proved that our economy can grow and prosper, and that employment, production, and incomes can increase, at the same time that individuals and businesses are paying taxes which are high by prewar standards. However, taxes can and do have an important effect upon business conditions and economic activity. It should be our constant objective to improve our tax system so that the required revenues can be obtained without impairing the private initiative and enterprise essential to continued economic growth.

We should always keep in mind that the maintenance of a sound fiscal position on the part of the Government is a long-range matter. Nothing could be more foolhardy than to attempt to bring about a balanced budget in 1951 by measures that would make it impossible to maintain a balanced budget in the following years.

Third, as to changes in the tax laws: If, over the next few years, we hold expenditures to the minimum necessary levels and at the same time follow policies which contribute to stable economic growth, we can look forward to steady progress toward a balanced budget. Nevertheless, we should not rely only upon budgetary economy and upon economic expansion to produce a balanced budget. We should accelerate the attainment of this objective by changes in the tax laws. Drastic increases in tax rates, just as in the case of drastic cuts in essential expenditures, might prove to be self-defeating. Our primary objective should be to improve and strengthen our revenue system for the long run.

Under these circumstances, I am now recommending a number of important revisions in our present tax system, to reduce present inequities, to stimulate business activity, and to yield about $1,000,000,000 in net additional revenue.

In making changes in the tax laws, we should be sure they move toward, and not away from, the major principles of a good tax system. Our tax structure should recognize differences in ability to pay; it should provide incentives to new undertakings and the expansion of existing businesses; it should support the objective of increasing opportunities for all our citizens to obtain a better standard of living; and it should rigidly exclude unfairness or favoritism.

Over the years we have made important progress in building a good tax system. However, much remains to be done. There is need further to improve the distribution of the tax load to make it conform better with taxpaying ability. There is need to reduce taxes which burden consumption and handicap particular businesses. Moreover, we should eliminate tax loopholes which enable some few to escape their share of the cost of government at the expense of the rest of the American people.

Many of the important and desirable tax revisions which should be made must be postponed until the budget situation improves. Nevertheless, a number of those steps can and should be taken now.

First, I recommend that excise taxes be reduced to the extent, and only to the extent, that the resulting loss in revenue is replaced by revenue obtained from closing loopholes in the present tax laws.

The excise taxes are still at substantially their wartime levels. Some are depressing certain lines of business. Some burden consumption and fall with particular weight on low-income groups. Still others add to the cost of living by increasing business costs.

Since we are limited in the amount of reduction we can now afford, we should choose for reduction those taxes which have the most undesirable effects. I believe that reductions are most urgently needed in the excise taxes on transportation of property, transportation of persons, long-distance telephone and telegraph communications, and the entire group of retail excises, including such items as toilet preparations, luggage, and handbags.

If these revisions are made, we will have reduced the most serious inequities of our present excise taxes. We should go further just as quickly as budgetary conditions permit. At present, however, we should reduce excises only to the extent that the loss in revenue can be recouped by eliminating the tax loopholes which now permit some groups to escape their fair share of taxation.

The continued escape of privileged groups from taxation violates the fundamental democratic principle of fair treatment for all, and undermines public confidence in the tax system. While few of these loopholes by themselves involve major revenue losses, collectively they result in the loss of many hundreds of millions of dollars every year.

I wish to call the attention of the Congress to the more important of these loopholes. While some of them are of long-standing, their injustice has been aggravated as the taxes assessed against the rest of the population have been increased. A tax concession to a favored few is always unfair, but it becomes a gross injustice against the rest of the population when tax rates are high. The case for the elimination of these inequities would be strong even if there were no need for replacement revenue. It is compelling when excise relief depends on it.

I know of no loophole in the tax laws so inequitable as the excessive depletion exemptions now enjoyed by oil and mining interests.

Under these exemptions, large percentages of the income from oil and mining properties escape taxation, year after year. Owners of mines and oil wells are permitted, after deducting all costs of doing business, to exclude from taxation on account of depletion as much as half of their net income. In the case of ordinary businesses, investment in physical assets is recovered tax-free through depreciation deductions. When the original investment has been recovered, a depreciation deduction is no longer allowed under the tax laws. In the case of oil and mining businesses, however, the depletion exemption goes on and on, year after year, even though the original investment in the property has already been recovered tax-free, not once but many times over.

Originally introduced as a moderate measure to stimulate essential production in the First World War, this special treatment has been extended during later years. At the present time these exemptions, together with another preferential provision which permits oil-well investment costs to be immediately deducted from income regardless of source, are allowing individuals to build up vast fortunes, with little more than token contributions to tax revenues.

For example, during the 5 years 1943–47, during which it was necessary to collect an income tax from people earning less than $20 a week, one oil operator was able, because of these loopholes, to develop properties yielding nearly $5,000,000 in a single year without payment of any income tax. In addition to escaping the payment of tax on his large income from oil operations, he was also able through the use of his oil-tax exemptions to escape payment of tax on most of his income from other sources. For the 5 years his income taxes totaled less than $100,000, although his income from nonoil sources alone averaged almost $1,000,000 each year.

This is a shocking example of how present tax loopholes permit a few to gain enormous wealth without paying their fair share of taxes.

I am well aware that these tax privileges are sometimes defended on the grounds that they encourage the production of strategic minerals. It is true that we wish to encourage such production. But the tax bounties distributed under present law bear only a haphazard relationship to our real need for proper incentives to encourage the exploration, development, and conservation of our mineral resources. A forward-looking resources program does not require that we give hundreds of millions of dollars annually in tax exemptions to a favored few at the expense of the many.

Some tax loopholes have also been developed through the abuse of the tax exemption accorded educational and charitable organizations. It has properly been the policy of the Federal Government since the beginning of the income tax to encourage the development of these organizations. That policy should not be changed. But the few glaring abuses of the tax-exemption privilege should be stopped.

Responsible educational leaders share in the concern about the fact that an exemption intended to protect educational activities has been misused in a few instances to gain competitive advantage over private enterprise through the conduct of business and industrial operations entirely unrelated to educational activities.

There are also instances where the exemption accorded charitable trust funds has been used as a cloak for speculative business ventures, and the funds intended for charitable purposes, buttressed by tax exemption, have been used to acquire or retain control over a wide variety of industrial enterprises.

These and other unintended advantages can and should be removed without jeopardizing the basic purposes of those organizations which should rightly be aided by tax exemption.

A problem exists also with respect to life insurance companies. The tax laws have always accorded favorable treatment to the income received by individuals from life insurance policies and have made special provision for the taxation of life insurance companies. As a result of a quirk in the present law, however, life insurance companies have unintentionally been relieved of income taxes since 1946. This anomalous situation has meant that neither the companies nor their policyholders have paid taxes on more than 1.5 billion dollars of investment income per year, derived from productive assets worth about 60 billion dollars.

I understand that the Committee on Ways and Means of the House of Representatives has already undertaken to correct this situation for the past years. I urge that steps also be taken to develop a permanent system for the taxation of life insurance companies which will remove the inequities of undertaxation in this field without impairing the ability of individuals to acquire life insurance protection.

In addition to the tax loopholes I have described, there are a number of others which also represent inequities, and should be closed. Most of these permit individuals, by one device or another, to take unfair advantage of the difference between the tax rates on ordinary income and the lower tax rates on capital gains. As one example, under present law producers of motion pictures, and their star players, have attempted to avoid taxes by creating temporary corporations which are dissolved after making one film. By this device, their income from making the film, which ought to be taxed at the individual income tax rates, would be taxed only at the capital gains rate. Thus, they might escape as much as two-thirds of the tax they should pay.

All these loopholes have been under joint study by the Treasury Department and the staff of the Congressional Joint Committee on Internal Revenue Taxation. A practical program which would go far toward closing these loopholes can be enacted during the present session of the Congress. This would be a substantial step toward increasing the fairness of our tax system, and should add several hundred million dollars to its yield—sufficient revenue to permit substantial excise tax reduction where it is most urgently needed.

I wish to make it very clear that I could not approve excise tax reductions unless they were accompanied by provision for replacement of the revenue lost, because I am convinced that sound fiscal policy will not permit a weakening of our tax system at this time. Under present conditions we cannot afford to reduce excise taxes first, in the hope that action will be taken later to make up for the loss in revenue.

Second, I recommend that the Congress enact legislation to provide $1,000,000,000 in additional revenue, by revising and improving the estate and gift tax and the corporation tax laws. I believe that, under present economic conditions, this amount of additional revenue represents a proper balance between the objective of balancing the budget as soon as possible and the objective of coordinating tax adjustments with the requirements of continued prosperity.

A substantial part of the additional revenue should be obtained from revision of the estate and gift tax laws.

The Revenue Act of 1948 reduced the yield of the estate and gift taxes by one-third, or nearly $300,000,000. Even before that act, estate and gift tax yields were out of line with other revenues, and that act made the situation worse.

In originally enacting the estate tax in 1916, the Congress pointed out that "our revenue system should be more evenly and equitably balanced" and that a "larger portion of our necessary revenues" should be collected from the "inheritances of those deriving most protection from the Government." Our estate and gift tax laws at present fall far short of this objective. They now produce less than 2 percent of internal revenues, compared with 7 percent 10 years ago. To the extent that these taxes remain too low, the remainder of our tax structure must bear a disproportionate load.

The low yield from the estate and gift taxes is due to serious weaknesses in the present law.

These weaknesses include excessive exemptions, unduly low effective rates on most estates, and the fact that the law as written favors large estates over smaller ones, and leaves substantial amounts of wealth completely beyond the reach of the tax laws. Large fortunes may be transmitted from one generation to another free of estate or gift tax through the use of life estates. By this means, vast accumulations of wealth may completely escape tax over several generations.

Furthermore, the present law affords excessive opportunities for tax reduction by splitting between the gift and estate taxes the total amount of wealth transferred by an individual. This makes the tax liability depend not upon the amount of wealth which an individual leaves to his family but upon the manner in which he arranges the disposition of his wealth. If a man leaves his estate of $300,000 at death, one-half to his wife and one-half to his three children, an estate tax of $17,500 must be paid. If his equally well-to-do neighbor gives away $180,000 to his wife and three children over a 5-year period and leaves them the other $120,000 at death, no estate or gift tax whatever is paid. This difference in tax, whether it depends upon fortuitous circumstances or the caliber of legal counsel, is obviously unwarranted.

To strengthen the estate and gift tax laws, several steps are necessary. The laws concerning the taxation of transfers by gift and by bequest, by outright disposition and through life estates, need to be coordinated to provide uniform treatment and a base for more effective taxation. In addition, the present exemptions should be reduced and the rates should be revised. These changes will not only bring in more revenue, but they will also improve the fairness of the estate and gift tax laws and bring these taxes nearer to their proper long-term place in our tax system.

The rest of the additional revenue should be obtained from adjustments in the corporation income tax. At the same time, certain improvements should be made in this tax.

I recommend a moderate increase in the tax rate applicable to that part of a corporation's income which is in excess of $50,000. At the same time, I recommend that the tax rate on corporate income between $25,000 and $50,000, which is now taxed at the excessively high "notch" rate of 53 percent, be reduced to the same rate that applies above $50,000.

These changes in the tax rate structure would go far toward removing the handicaps which the present law places upon the expansion of small corporations. The removal of the excessive "notch" rate would reduce the taxes paid by medium-sized corporations whose continued growth is so essential to the dynamic expansion of our economy. The existing favorable tax rates for small corporations with incomes below $25,000 would be retained. The tax increase would be confined to less than one-tenth of all corporations.

Furthermore, I recommend that the loss carry-forward provision be extended from 2 to 5 years to provide more scope for offsetting losses of bad years against profits of subsequent years. This extension will give increased incentive to business investment affected by uncertain profit expectations. It will be particularly helpful to new businesses which, under the present provision permitting losses to be carried forward only 2 years, may be required to pay taxes over a period of several years during which they actually suffer a net loss.

At the same time that we make these changes in the tax laws to stimulate investment at home, we should make certain changes in the tax laws concerning income derived from foreign investments and personal services abroad. This would provide significant support to our efforts to extend financial and technical assistance to underdeveloped regions of the world.

Among the steps which should be taken at this time are to postpone the tax on corporate income earned abroad until it is brought home, to extend and generalize the present credit for taxes paid abroad, and to liberalize the foreign-residence requirement for exemption of income earned abroad. These changes, together with the safeguards for our investors which we are in the process of negotiating with foreign governments, will provide real stimulation for the expansion of United States investment abroad.

The tax program I am recommending is designed to strengthen our tax system so that it will yield revenues sufficient to balance expenditures as they are further reduced over the next several years, and to provide some surplus for debt reduction. Because of the time lag in collecting taxes after their enactment, these recommendations will not result in any substantial increase in receipts in the fiscal year 1951, but they will result in larger revenues in subsequent years and, at the same time, substantially improve the structure of our tax system for the long run.

A sharp increase in taxes under present economic conditions would be unwise. However, in line with the policy of gearing changes in revenue laws to the needs of our economy, I would not hesitate, if strong inflationary or deflationary forces should appear, to support the use of all measures necessary to meet the situation, including more pronounced adjustment of tax rates upward or downward, as the case might be.

We have come through the war and a difficult transition period with the financial strength of our Government maintained and an economy producing far above prewar levels. We should continuously seek to sustain and improve these indispensable foundations for progress. The tax program I am recommending is an important and necessary means to that end.

HARRY S. TRUMAN.

THE WHITE HOUSE, *January 23. 1950.*

Exhibit 20.—Statement of Secretary of the Treasury Snyder before the House Ways and Means Committee, February 3, 1950, on the President's tax program

I am pleased to have the opportunity of appearing before the members of this committee to discuss the President's tax program. As Secretary of the Treasury, I am charged with the responsibility for managing the Nation's finances in such a way as to maintain the soundness of the Government's fiscal position and, in so doing, to promote the financial health of the economy. A part of that responsibility, in my view, involves giving the members of this committee the most informative picture of which I am capable concerning the current state of the Nation's finances and the measures which, in my opinion, should be taken to assure continued soundness of Government fiscal operations in the years ahead.

I am going to endeavor to give you that picture today. At the outset, I should like to make one point clear beyond the possibility of doubt. As chief fiscal officer of the Nation, I do not look lightly on Federal deficits. During my period of office as Secretary of the Treasury, I have taken every opportunity to express to the members of this committee and other congressional committees—as well as to individual citizens and groups of citizens throughout the country—my conviction that in prosperous periods such as the present, the Government should be able to pay for current expenditures out of current income; and that our revenue, in addition, should be sufficient to yield a surplus which could be applied to the reduction of the Federal debt.

As the President stated in his tax message of January 23, 1950, "Our general objective should be a tax system which will yield sufficient revenue in times of high employment, production, and national income to meet the necessary expenditures of the Government and leave some surplus for debt reduction." As you know, we are now enjoying a period of high employment, high production, and high national income. The number of persons employed in 1949 held near the 60-million level; and average employment during the year was only 1 percent below 1948. Total production of all goods and services in 1949 was $259,000,000,000. This was only about 1½ percent below the all-time record reached in 1948. Personal income in 1949 was virtually unchanged from the high level reached in 1948; and the volume of retail sales, when adjusted for price changes, was actually greater in 1949 than in the preceding year.

The business statistics are unmistakable evidence of the basically strong economic situation which is being maintained throughout the country. During the past year, the country met and safely passed a period of inventory readjustment which completed the shift to normal competitive markets. Yet—as the figures which I have just cited demonstrate—this period of readjustment resulted in very little disturbance in the rate of activity and trade in the Nation as a whole. Moreover, the accumulated demand for certain important goods and services which was the result of shortages during the war and postwar years has not yet been fully satisfied. Housing is an instance in point. Since the beginning of the Second World War in 1939, 20,000,000 people have been added to our population. That is equal to all the people in the Pacific Coast States at the beginning of the war, plus those in the eight Mountain States and in practically all of Texas. Moreover, the notable shift of population during and since the war—particularly the heavy movement westward—has greatly enlarged needs for new housing, and for new schools, churches, hospitals, and other community facilities. These are generally recognized needs which we can all see as we look around us; but it is important to remember also that our great industrial development has been built on a continuing progression of new products which have given successful support to business activity.

Today, we have the advantage of the unprecedented technical developments of the war and postwar years, which are rapidly being applied in bringing out new types of consumer goods, improving older products, and reducing production costs. Many of them, like the multitude of new plastic products, may be of small importance individually, but very important as a group. In other instances, single products or developments, such as television, give indications of occupying a major position in our national economy before long.

We stand, in fact, at the beginning of an era in which technical achievements based on the new discoveries in electronics, in synthetic and plastic materials, in metallurgy, and in many other areas of scientific research, will play a substantial part in our industrial progress.

Under the exceptionally favorable economic conditions which prevail today and the prospects for continued economic progress in the future, a sound budgetary policy demands that Government receipts and expenditures be balanced. It was with this objective in mind that the Treasury opposed tax reduction legislation in 1947 and 1948.

The President recently has submitted tax recommendations to the Congress which, if enacted into legislation, will lay the groundwork for achieving a balanced budget without endangering the continuance of our programs for the maintenance of a strong domestic economy or the continuance of needed measures in this country and elsewhere for defense against aggression. In his tax message to the Congress on January 23, 1950, the President outlined a fiscal program designed to reduce the deficit and bring about budgetary balance as rapidly as possible. The policies embraced in this program were threefold, having to do with (1) reduced expenditures on the part of the Government, (2) measures aimed at encouraging and stimulating business expansion—which, of course, would result in enlarging our revenue base—and (3) changes in the tax laws which would serve the double purpose of bringing in some net additional revenue and improving the equity of our tax system.

I might add here, parenthetically, that our estimates of revenue receipts for the fiscal year 1951 are based on the assumption of a continued high rate of business activity. The President made this clear in the budget message when he said:

The estimates of receipts assume economic activity at approximately the same level as at the present time.

The decrease of $457,000,000 in estimated receipts for the fiscal year 1951, as compared with the current fiscal year, is largely accounted for by an expected decrease in collections from corporation income taxes. This decrease reflects the fact that lower corporate profits in the calendar year 1949, as compared with the calendar year 1948, will not have their full effect on tax receipts until the fiscal year 1951.

The three policies outlined in the fiscal program of the President—namely, reduced Government expenditures, stimulation to business, and an enlarged and improved revenue system—are, as you will note, intermeshed. The success of each one is bound up with the success of the other two. I should like to discuss, first, the expenditure side of the picture, and second, the fiscal measures designed to increase our revenue and to distribute the tax burden more equitably among the individual citizens and business concerns of the Nation. I shall approach both of these questions from the point of view of their relationship to the current Federal financial picture and to the health and soundness of the national economy.

REDUCED GOVERNMENT EXPENDITURES

There is, first, the important matter of Government expenditures. Contrary to a belief which we often hear expressed, the people in Government are profoundly interested in improving the efficiency of the Government, in increasing the service which it renders to the public, and in reducing the cost of these services to the public.

This is not an unsupported statement, and it is not based on wishful thinking. Since the end of the war outstanding achievements have been realized in improving the organization and operating methods of the executive branch of the Government. The Congress recognized the importance of these measures last year in authorizing a special fund for use in extending management improvement throughout the Government.

These programs, however—as the members of this committee are well aware—do not make the headlines. They do not contain single billion-dollar items; and they relate, for the most part, to technical changes in management and operating procedures which can only be appreciated to their full extent by the members of the departments and bureaus concerned. In the aggregate, however, they not only add up to important savings in terms of dollars; they reflect, to my mind, a trend which is probably unique today among the governments of the world and which provides one of the strongest assurances of the continued success of democracy. We in this country are not endeavoring to retain unneeded services, and we are not content with performing essential services on the basis of costly or outmoded methods of operation. Rather, we are engaged in an active campaign to improve efficiency, increase service, and lower costs. In the three and a half years since I took office as Secretary of the Treasury, I have seen the results of this campaign demonstrated in action; and I am convinced that it is one of the most important programs being carried on in the Government at the present time and one which is receiving far too little attention.

I am most familiar, of course, with the improvements in management and operation which have been instituted in the Treasury Department. At various times, I have reviewed these improvements before committees of the Congress. The most recent occasion was the statement which I made last month before House and Senate committees in connection with the Treasury's requests for appropriations for the fiscal year 1951. My time today does not permit a detailed account of the things which we have been doing in the Treasury. Within a few days, however, I shall submit to the Congress—as a part of the Annual Report of the Secretary of the Treasury on the State of the Finances—a summary of important policies and programs which the Treasury has pursued during the past 3½ years, including the programs for management improvement and greater efficiency of operations.

You may be interested at this time, however, in an example of the concrete results which have been achieved in the Treasury Department in connection with one of the most important of our management improvement programs—that of the Bureau of Internal Revenue. In this Bureau alone, our recent appropriation request shows that improved procedures adopted during the past year or two have made it possible for us to decrease the number of employees on nonenforcement work by 657, representing an annual saving of 1,400,000 man-hours equivalent to a dollar saving of $2,800,000. These savings have made it possible to concentrate an increasing part of the Bureau's energies and resources on the work which is at the heart of its activities and of our revenue system—enforcement of Federal tax legislation. I need hardly emphasize to the members of this committee the importance of enforcement work in protecting and maintaining the great voluntary system of self-assessment and collection which is the fundamental source of our financial strength as a democratic government.

The example which I have just cited is particularly pertinent to the matters which are under consideration by the members of this committee. But, throughout the Government, similar improvements have been taking place; and, while I cannot take more of your time to discuss them, I should like to add that a share of the credit for these improvements should go to members of congressional committees such as your committee who have given their time and effort to making certain that the people of this country get value received for every tax dollar.

The improvements in methods of operation and management which have taken place in the Government and which are planned for the near future are reflected in the budget estimates for the fiscal year 1951 submitted to the Congress by the President last month. But there is no way that I know of to spotlight in these estimates the savings which they represent, as compared with the costs of comparable services rendered the public in former years. I believe, however, that most fair-minded citizens who study the budget estimates for 1951 will agree with the President that they represent the most vigorous application of a policy of holding the numerous activities of Government agencies in all fields to essential levels. As the President has explained, many requests for additional funds for highly meritorious purposes had to be denied in order to reverse the trend toward higher governmental expenditures.

Under present conditions, however, reductions in costs as a result of improved efficiency in carrying on the ordinary activities of the Government can have only a limited effect on the Federal budget. Proponents of sharp reductions in Federal expenditures generally base their recommendations on the thesis that the present high level of Federal expenditures is not consistent with a return to normal peacetime Government operations. But, although we are not now engaged in a war, we cannot consider the present period a normal peacetime period. In each of the postwar years, by far the largest proportion of Government expenditures has been required to pay for the costs of past wars, to keep the Nation's defenses strong, and to further the cause of world peace. In the budget for the fiscal year 1951, such expenditures account for 71 percent of the total budget.

It seems to me that there is a general unawareness of the details of the expenditures projected in the Federal budget. Accordingly, I should like at this time to take a few minutes to go over some of the more important budget figures to show why it would be difficult to reduce the expenditures of the Federal Government below the estimates which President Truman sent to the Congress. In this connection, I will present some charts which I believe will make the discussion somewhat clearer.

As all of you know, of course, the President's budget message estimates that receipts in the fiscal year 1951 will total 37.3 billion dollars under existing tax legislation, and that expenditures will amount to 42.4 billion dollars which gives the projected budget deficit for the year of 5.1 billion dollars. These figures are shown on chart 1*; which also shows the budget picture for each of the fiscal years beginning with 1945. The budget deficit in 1945, the last full fiscal year of the war, was 53.9 billion dollars. Expenditures were reduced sharply in the following fiscal year, with the result that the budget deficit was reduced to slightly more than $20,000,000,000 during that year. In the next two fiscal years, the Federal Government operated with a budget surplus. In 1947, it amounted to about 800 million dollars; and in 1948, it reached the unprecedentedly large sum of 8.4 billion dollars, primarily because of the continued sharp decline in expenditures in that fiscal year. Due to our increased domestic and international obligations, however, expenditures started upward again in the fiscal year 1949; but, in the meantime, Congress had enacted a tax reduction bill in April 1948, which cost us about $5,000,000,000 of revenue annually. As a result, the Federal Government had a budget deficit of 1.8 billion dollars in the fiscal year 1949 and has operated with a deficit since then.

The estimated expenditures of 42.4 billion dollars in the fiscal year 1951 represent a decrease of $858,000,000 from the fiscal year 1950, but an increase of 8.6 billion dollars over the postwar low of the fiscal year 1948. It is important, therefore, for us to examine the projected

*Omitted in this exhibit.

expenditures, so that we may note just why this is so. Chart 2* shows the break-down of expenditures for the fiscal year 1951 by program.

As I have already mentioned, the bulk of Federal expenditures is required to pay the costs of past wars and to promote world peace. These costs can be summed up in four categories—national defense expenditures, veterans' expenditures, interest on the public debt, and expenditures for international programs.

National defense expenditures continue to be the largest item in the Federal budget—nearly one-third of the total. In the fiscal year 1951, they will amount to an estimated 13.5 billion dollars. At the present time, nearly the whole world is in a state of cold war. Under these circumstances, the United States is making a vital contribution toward the goal of world peace by keeping its defenses strong and by maintaining a position of relative military readiness. With that goal so vitally important, it would be very easy to permit expenditures for national defense to get out of hand. It is, therefore, particularly commendable that vigorous actions have been taken to keep these expenditures within reasonable limits—and at levels which are within the capacity of the economy to sustain.

Defense expenditures comprise a wide variety of programs. These expenditures are analyzed by type of program, and by agency, in chart 3.*

Over one-third of the estimated expenditures for 1951 is for military pay and support, although the figure is slightly less than for the current fiscal year. The other principal items of national defense expenditures—so far as cost is concerned—are operation and maintenance of equipment and facilities, and major procurement activities.

There are two lesser items—so far as cost is concerned—whose significance, it seems to me, must be apparent to everyone. These are the proposed expenditures for the stock piling of strategic and critical materials, amounting to $650,000,000, and research and development amounting to $606,000,000. I might mention that the research and development programs classified under national defense do not include the atomic energy development program which, in itself, requires expenditures of $817,000,000.

The remainder of national defense expenditures is for organized reserves, administration, and other related minor items.

The second largest of the war and peace programs is that for veterans' services and benefits. Expenditures for the various veterans' programs are estimated at 6.1 billion dollars for the fiscal year 1951—one-seventh of all budget expenditures for the year. When we add these expenditures to those for national defense, we have already accounted for 46 percent of the budget.

The size of the requirements for veterans' services and benefits reflects the fivefold increase since 1939 in the number of veterans, and the new readjustment benefits provided for World War II veterans, as well as increases in services and benefits to veterans generally. Most of the expenditures for veterans' services and benefits depend upon how many veterans or their dependents apply and qualify for aid. There are some 300 laws under which payments may be made.

Expenditures for veterans' programs are shown in chart 4.* They are expected to be $825,000,000 lower in the fiscal year 1951 than in

*Omitted in this exhibit.

the current fiscal year. This decline in trend should continue in the next few years as the temporary readjustment benefits under the GI bill taper off or expire under existing legislation.

The next item in the war and peace group is one which cannot be cut at all. I refer to the interest on the public debt. The amount involved represents the contractual obligation of the Government to pay interest at stipulated rates on public debt securities—predominantly issued to finance the last war. This is something, of course, which is of direct concern to me, as Secretary of the Treasury. It is a large item—5.6 billion dollars—and comprises 13 percent of the budget. You might note that 59 percent of the total budget is now accounted for. The Treasury Department has been criticized as being too concerned with keeping the cost of servicing the debt low, without regard for other considerations of debt management. I have tried to make it clear that keeping the cost of the debt low is only one of many considerations involved in debt management decisions. The overriding consideration is to promote sound economic conditions in the country. The importance of maintaining confidence in the credit of the United States Government—the core of our economic system—I feel cannot be overemphasized.

The last program which we classify in the war and peace category is the program for international affairs and finance. Estimated expenditures in the fiscal year 1951 will amount to 4.7 billion dollars, which is 21 percent below the estimate for 1950. These expenditures are shown in chart 5*. By far the largest portion of these expenditures is for the European Recovery Program.

These four war and peace programs comprise, as I have said, 71 percent of the budget. There remains only 29 percent of the budget—12.5 billion dollars—to finance the rest of the Government's operations. Not all of these expenditures by any means, however, are what we might call the running expenses of the Government.

Expenditures in this group finance the Government's programs in many broad areas such as housing, education, social welfare, aids to agriculture, research, transportation, and natural resources. They include specifically such expenditures as those of the Atomic Energy Commission and the postal deficit. They include expenditures for flood control, for soil conservation, for reclamation, and for a score of other activities which the Government must perform in order to conserve our natural resources. More importantly, these expenditures finance functions which the Government must perform in order to conserve our human resources. These include expenditures for education, for private and public housing, for social security—for all the Government programs which contribute to the vitality of the American people.

In my appearance before your committee today, I have necessarily had to restrict myself to a brief summary of the budget expenditures proposed by the President. A detailed analysis of these items, however, will bear out the President's statement that the budget was carefully prepared with a view toward holding expenditures to the lowest possible levels consistent with maintaining a strong domestic economy and fostering national security and world peace.

*Omitted in this exhibit.

PROPOSED CHANGES IN THE TAX LAWS

The analysis of budget expenditures makes it clear that our best hope of reducing the deficit and working toward a balanced budget at this time is the adoption of measures which will increase Federal revenues. President Truman in his special tax message to Congress recommended a program which would result in increased tax revenues. I turn now to a detailed discussion of these recommendations.

The President has made clear the necessity for integrating taxation with our broad national economic objectives. Tax revision can contribute to the maintenance of national prosperity, continued economic opportunity, and world peace.

The immense task of increasing tax revenues during the war overshadowed the equity considerations which in normal times could not be disregarded. In meeting the unavoidable obligations imposed by our postwar problems we have been compelled to postpone necessary adjustments in the tax system. Most of the tax revision which must ultimately be made will involve a sacrifice of revenue that is now urgently needed to meet our greatly enlarged responsibilities. Some revisions, however, should no longer be postponed. They have become essential to strengthening the economy and removing the most serious inequities from the tax system.

The tax program submitted by the President represents a careful balance between revenues and expenditures in the light of present and prospective economic conditions. It stresses those things which should come first.

As the committee is aware, the Treasury has been giving continuous study to the problems of postwar tax revision. Various aspects of the tax system have been considered in terms of the requirements of an expanding economy. As a part of this work, a number of technical studies have been prepared to assist your committee. Work has been conducted on a cooperative basis with the staff of the Joint Committee on Internal Revenue Taxation, and similar conclusions have been reached on many problems of tax revision.

My views on the objectives of tax revision were outlined before this committee nearly 3 years ago. At that time I set forth these goals: The Federal tax system must produce adequate revenue, treat taxpayers equitably, minimize interference with incentives to work and invest, contribute to the maintenance of stable high-level production and employment, promote improved living standards, and facilitate tax administration and compliance.

At that time substantial future revenue leeway was anticipated for constructive tax revision, and I presented in some detail the major problems requiring attention. The large tax reduction which followed a year later dissipated the revenue surplus and, with it, opportunity to make desirable and necessary tax improvements.

The recommendations of the President to the Congress are designed to place tax revision in proper perspective. If the right course is pursued, most of the fundamental tax problems I listed for attention 3 years ago can be dealt with.

It is important that a beginning be made now. It is equally important that we exercise forbearance and undertake no more than can be afforded.

To this end, the President has made two broad recommendations. The first is that excise taxes be reduced to the extent that the resulting loss in revenue is replaced by closing loopholes in the present tax laws.

This means that excise tax reduction must be limited to about $600,000,000.

The second recommendation of the President is that additional revenue of $1,000,000,000 be provided by revising and improving the estate and gift taxes and the corporation income tax.

I turn now to a detailed discussion of these recommendations.

EXCISE TAX REDUCTION

Since only a limited amount of revenue may be lost at this time, we should select for reduction those excise taxes which are most harmful. The most urgently needed reductions, as the President indicated, are in the excise taxes on transportation of property, on transportation of persons, on long-distance telephone and telegraph communications, and in the retail excises.

I should like to state briefly why these taxes have been considered to have the most compelling claim for attention.

In our studies of excise tax problems we have had the benefit of discussions with numerous taxpayers and their representatives, business and labor organizations, and civic and governmental groups. We have carefully considered the facts and viewpoints presented in determining which taxes are most burdensome to the industries affected, which create most serious competitive problems, which fall with undue weight on low-income groups, and which impose barriers to investment and consumption.

The committee has had the benefit of our technical studies on these taxes, and I shall be glad to supplement them with additional information at the desire of the committee. Summary tables showing the changes in excise tax rates since 1939 and the estimated revenues for the fiscal year 1951 are attached to my statement (exhibit 1*).

The taxes on transportation of property, on transportation of persons, and on long-distance telephone and telegraph communications have some defects in common. They all fall on regulated public services, which are used widely and predominantly by business. The tax on transportation of property is almost entirely a cost of doing business. Excise taxes on business costs tend to be pyramided through successive mark-ups by those handling goods in the various stages of production and distribution. The cost of living of all consumers is increased out of proportion to the tax imposed. In addition, the taxes thus added to the prices of goods and services generally are the most burdensome on lower-income groups.

The Members of the Congress through their own experience with the 15 percent tax on passenger fares can readily appreciate the discrimination which businessmen face in paying for the transportation of their salesmen, shipping their goods, and maintaining telegraph or telephone contact with their markets.

The benefits from reduction of these taxes would be widely distributed among business and consumers. The reductions would be

*Omitted in this exhibit.

promptly reflected in the costs of those using the services. The increased use of transportation and communication facilities would involve little additional cost where excess capacity now exists and, therefore, would improve the position of the businesses affected.

The retail excises were raised to their present 20 percent rate during the war when the sales of the taxed articles were increasing under the stimulus of excess consumer purchasing power. Under the competitive conditions prevailing today, this high rate of tax is working hardship on many businesses and their employees. Small businesses, often of a family type, are penalized. A reduction in these taxes would stimulate employment and production.

Although only a limited revenue loss can be afforded at this time, the President's program permits excise tax reduction which will relieve the most serious inequities and should produce the most significant benefits. Specifically, the program permits the elimination of the freight tax, reduction of the 15 percent tax on transportation of persons to 10 percent, reduction of the 25 percent tax on long-distance telephone and telegraph communications to 15 percent, and reduction of all the 20 percent retail excises to 10 percent. The net cost of these revisions, after allowing for the extension of the tax on radios to television, which is required in the interest of tax equity, would amount to over $600,000,000. The details of this program are presented in the following table.

Tax	Present rate	Reduced rate	Estimated revenue loss on an annual basis
	Percent	*Percent*	*Millions*
Transportation of property	3	0	$310
Transportation of persons	15	10	75
Long-distance telephone and telegraph	25	15	120
Retail excises:			
Furs	20	10	25
Luggage	20	10	35
Jewelry	20	10	80
Toilet preparations [1]	20	10	50
Total			695
Increase from including televisions in present manufacturers' excise tax on radios	0	10	40
Total revenue loss			655

[1] Estimated revenue loss allows for the exemption of baby oils, powders, and lotions.

In suggesting these reductions I do not mean to imply that there are no other competing demands for excise tax reduction or that some of these taxes, particularly those on communications and transportation of persons, should not be further reduced when conditions permit. However, in view of our budgetary situation we must defer a while longer revisions in such areas as the manufacturers' excise taxes.

CLOSING OF LOOPHOLES

The President has called attention to the more important loopholes which should be closed to provide replacement revenue for excise tax reductions.

I should like to emphasize the importance of this action by indicating its bearing on our work in administering the tax laws. One of my foremost objectives since I became Secretary of the Treasury has been constantly to improve our relations with taxpayers.

We have taken great pains to inform taxpayers of their rights as well as their duties in complying with the law.

We are using the most advanced management methods to facilitate the filing of returns and the swift disbursement of refunds.

Continuous efforts are being made to achieve adequate detection and correction of underpayment and overpayment of taxes.

We all know that the workability of our tax system and especially of the income tax depends on the high regard our people have for the fairness of our tax laws and their administration. We will strengthen taxpayer confidence by closing loopholes which bestow unjustified benefits.

By arrangement with your committee, our staff has been working with the staff of the Joint Committee on Internal Revenue Taxation since last summer on developing legislative suggestions for eliminating loopholes. The recommendations in this area represent the product of this joint effort. Other loopholes are still under study and will be brought to the attention of your committee at some future time.

I should like to refer first to the special allowances for depletion.

SPECIAL DEPLETION ALLOWANCES

Depletion in ordinary accounting usage is intended to permit taxpayers to recover the cost of mineral properties over the producing life of the properties. Depletion is the counterpart of depreciation which is intended to permit recovery of the cost of other assets over the period of their useful life. When the original investment has been recovered, no further depreciation is allowed for tax purposes. However, in the case of depletion, special provisions which allow recovery of more than the cost of mineral properties have been in the law since 1918.

Under present law, special allowances are granted on the basis of specified percentages of gross income for different types of minerals. The percentage of gross income allowed is 27½ percent for oil and gas, 23 percent for sulfur, 15 percent for metals and a large number of nonmetallic minerals, and 5 percent for coal.

Percentage depletion continues for the life of the property and generally results in the tax-free recovery of many times the cost. It is granted to those purchasing properties as well as to those operating properties they have developed. The allowances have become more valuable as tax rates have been increased.

Furthermore, the benefits from percentage depletion are increased by provisions which permit development costs to be deducted as an expense in the year incurred instead of being treated as a capital cost to be recovered later through depletion deductions. This is equivalent to a double deduction for the same costs, once when they are incurred and again under percentage depletion. In the oil industry during 1946 and 1947, for every $3,000,000 allowed as percentage depletion, another $2,000,000 was deducted as development costs.

The combination of percentage depletion and the expensing of development costs provides a mechanism for pyramiding extensive holdings in oil assets with payment of little or no income tax.

As the President has indicated, millions of dollars are made annually from operating oil properties on which little or no income tax is paid. The President mentioned one outstanding example. You will find others in the attached material (exhibit 2*). In the examples cited, annual incomes, on the average, of over $1,000,000 were obtained on which an average tax of only 22½ percent was paid. This is the rate now paid by persons with incomes of less than $25,000.

These illustrations suggest how much additional revenue the Government would gain by limiting some of these special allowances.

You will find from an examination of the materials I am submitting to assist the committee in considering revision of these provisions that:

First, the estimated revenue loss is between 400 and 500 million dollars annually. This is as much as the yield of all the retail excises.

Second, the allowance is especially excessive in the case of oil and gas and exempts a higher proportion of the earning of this industry which may expense more of its development costs than the other mineral industries.

Third, the provision has been found to be of little benefit to small prospectors on whose behalf it is so frequently supported.

Fourth, these deductions enable high-income individuals to reduce to negligible proportions taxes on income from sources totally unrelated to these industries.

There are a number of ways in which the necessary revision of present allowances can be accomplished. In general, these involve either the limitation of percentage depletion or the termination of the option to expense development costs. The benefits of expensing development costs are confined to the finding of new properties. Percentage depletion on the other hand may be obtained on established as well as new properties, and regardless of whether the recipient contributed to the development of the property. The reduction of percentage depletion would tend to reduce windfalls while protecting incentives for exploration.

A reasonable way to reduce the excessive benefits would be to limit the percentage of gross income which might be deducted as depletion. A reduction in the present net income limitation would leave the more excessive allowances untouched while reducing the benefits on the small, less profitable properties.

Specifically it is proposed that percentage depletion for oil, gas, and sulfur be reduced to 15 percent of gross income and that percentage depletion for nonmetallic minerals be reduced to 5 percent. The existing 15 percent rate for depletion allowed to the metals would be left unchanged.

It is further proposed that oil and gas operators who elect to expense intangible drilling and development costs be required to reduce income from the property by the amount of such expensed costs in computing their depletion allowance. This requirement will reduce the extent of the double deduction now enjoyed by oil and gas enterprises with respect to certain of their capital costs.

Together these proposals would remove the more obvious inequities of the present system without interfering significantly with production incentives.

*Omitted in this exhibit.

BUSINESS OPERATIONS OF CHARITABLE AND EDUCATIONAL ORGANIZATIONS

I suggest the consideration of legislation to eliminate the abuse of tax exemption by charitable and educational organizations. These exemptions reflect a long-standing Federal Government policy to encourage the activities of such organizations.

The law has been interpreted by some courts to attach the exemption to the destination of the income rather than its source. Some colleges and other institutions are engaging in a wide variety of business undertakings, including the production of such items as automobile parts, chinaware, and food products, and the operation of theaters, oil wells, and cotton gins.

Advantage is also being taken of the exemption by the purchase of rental properties with borrowed funds. In this type of operation the nonprofit organization enjoys advantages over privately owned business which is measured by the amount of the tax privately owned enterprise is required to pay. This advantage permits these institutions to apply a larger portion of rental receipts to repayment of borrowed funds than is possible for a privately owned business paying income tax. The exemption should be limited to income received from ordinary investments which involves no abuse.

The correction of present abuses, which shift additional burdens to the rest of the population, becomes essential for reasons of equity. This calls for a solution which will eliminate the abuse but will not interfere with the basic activities of these organizations.

To meet this problem, it is recommended that the income derived by these institutions from the operation of businesses which are clearly unrelated to their primary functions be taxed at regular corporation income tax rates.

Another closely related abuse of tax exemption involves the establishment of so-called charitable foundations or trusts which serve as a cloak for controlling businesses. The present law permits the transfer of business investments to tax-exempt trusts and foundations for these purposes without payment of estate or gift taxes. The income subsequently received from the business by the trust or foundation is exempt from income tax.

The abuse to which this type of device lends itself is the retention and reinvestment of a major share of the trust income in a manner which will benefit the grantor.

One method to eliminate this abuse would be to require that such trusts or foundations pay out substantially all net income within a specified period after the close of every taxable year. A further requirement should be a prohibition against dealings between the trust and its creator or businesses under his control and against the use of the trust for the personal advantage of the grantor.

LIFE INSURANCE COMPANIES

The President has urged legislation to terminate the undertaxation of life insurance companies without impairing the ability of individuals to acquire life insurance protection.

The action you have recently taken in the House of Representatives will correct the provision which unintentionally relieved this industry of tax for 1947, 1948, and 1949. The spirit in which this was accomplished is highly gratifying. However, as you know, legislation is also required to provide an equitable basis for the taxation of life insurance companies in the future.

As the committee is aware, the staffs of the Treasury and Joint Committee have devoted a great deal of attention to this matter. I believe that the thorough consideration already given this problem has developed the information you will require in devising a satisfactory solution.

In considering this matter I have been continually impressed with the magnitude of the stream of life insurance income amounting to more than 1.5 billion dollars a year from investment income alone. The $60,000,000,000 assets of this industry constitute an important fraction of our total wealth. I do not believe that favored taxation is in the best interest of this industry in the long run. Nor do I believe that it would be supported by the policyholders, who are a majority of the population.

Since 1921 life insurance companies have been taxed on only one source of income, namely, income from investments. It is difficult to develop an equitable method for computing a deduction for obligations to policyholders when this income alone is taken into consideration. I consider the industry-wide average which has been used since 1942 a most inequitable basis for permanent taxation. The present system which is in effect a flat tax on gross income disregards the wide variations in profitability of operations between different companies, and is at variance with the accepted principles of taxing each corporation on its own net income.

Since insurance company operations generally are based on profits from writing life insurance as well as investment income, a more inclusive tax base would recognize underwriting profits as well, in other words, total income. This method would permit more comprehensive treatment of the differences in forms of income and the reserve policies of the individual companies. Several approaches to the taxation of life insurance income are discussed in material attached to this statement (exhibit 3*).

OTHER TAX LOOPHOLES

Additional revenues should be raised by closing a number of less important loopholes which taken together constitute a substantial barrier to effective and equitable taxation.

A number of tax loopholes together with proposed remedies are described in a memorandum attached to this statement (exhibit 4*). This list was developed jointly by the staffs of the Treasury Department and the Joint Committee on Internal Revenue Taxation.

A number of these loopholes arise out of defects in the capital gains tax structure, which provides a maximum effective rate of 25 percent on gains from capital assets held for more than 6 months. The President, in his recent tax message to the Congress, gave an example of one of these loopholes, the "collapsible" corporation, through which individuals, engaged in the business of producing certain types

*Omitted in this exhibit.

of property, have attempted to convert ordinary business and earned income into long-term capital gains.

Another important loophole provides a "one-way street" for taxpayers selling property which they have used in their trade or business. At the present time, such taxpayers are allowed capital gains treatment when the sales result in a net gain, while net losses from such transactions are allowed in full as offsets against ordinary income.

In addition, there is the loophole through which investors in securities and commodities, for some years now, and without any appreciable risk, have been able to convert short-term gains into the more favorably treated long-term gains, and to create largely fictitious short-term losses, by means of short sales.

The tax laws also contain some loopholes and tax havens through which taxpayers are able to avoid tax completely. Domestic corporations, for example, are frequently able to avoid income tax on income from operations abroad through the formation and subsequent liquidation of foreign subsidiaries.

Another loophole has in the past enabled many corporations desiring to sell property to avoid income tax upon such transaction by first distributing the property in kind to a parent company.

Also, the exemption provided in section 251 of the Internal Revenue Code virtually relieves all Government employees working in possessions of the United States from income tax upon their salaries, and enables many other American citizens to obtain exemption for all of their foreign income from businesses and other sources.

It is of course not possible to estimate with any degree of accuracy the revenue consequences of an extensive loophole-closing program of the type proposed by the President. This program will have direct revenue effects by closing loopholes which now permit leakages throughout the tax system. In addition, it will indirectly increase revenues, since it will remove competitive disadvantages which now retard taxable private enterprise. We believe that in the long run the closing of these loopholes, including the proposals on percentage depletion and life insurance taxation, has a revenue potential of upwards of $500,000,000 a year assuming present economic levels. The immediate revenue gain will be appreciably less. The $500,000,000 is exclusive of the approximately $90,000,000 which will be produced by the committee's stopgap life insurance legislation.

ADDITIONAL REVENUE

The President has recommended that $1,000,000,000 in additional revenue be obtained by revising and improving the estate and gift taxes and the corporation income tax.

This additional revenue is essential to the objective of balancing the budget as rapidly as requirements of national economic policy permit.

As the members of this Committee well know, I consider the protection of the financial position of our Government the major responsibility of my office. In the fiscal years 1947 and 1948 there was a substantial surplus for debt reduction. The deficit which subsequently developed has given me serious concern and I have earnestly considered the ways in which a favorable budget position might be restored.

As I pointed out earlier, the President has stressed the fact that present expenditures are necessarily at a high rate because of obligations undertaken at an earlier date, and that he expects reductions in expenditures in subsequent years as the cost of some of the extraordinary postwar programs tapers off.

I believe that we would be ill-advised at this time to raise the general level of taxation sufficiently to cover the cost of all of the extraordinary expenditures embraced in the postwar adjustment programs.

The tax revisions recommended by the President provide a basis for achieving the revenue goals necessary to maintain our Government on a sound basis. The amount of net revenue immediately involved in the President's program is not a full measure of what we can expect from his recommendations. In the long run the removal of inequities will make for a more vital economy, and this in turn will reflect itself in higher tax yields.

REVISION OF ESTATE AND GIFT TAXES

The President has recommended that a substantial part of the additional revenue be obtained by revising and strengthening the estate and gift taxes in a manner which would bring these taxes nearer to their proper long-term place in our tax system.

As the President said:

> To the extent that these taxes remain too low, the remainder of our tax structure must bear a disproportionate load.

The disparity in present tax burdens becomes striking when the trends of the estate and gift taxes and the individual income tax are compared. This comparison is shown in charts* appended to this statement. They show that the estate and gift taxes have not kept pace with the income tax.

The total yield from the estate and gift taxes has barely doubled since 1939 while total internal revenue is 8 times as large and the individual income tax is 18 times as great. This is shown in chart 6*. Because of the relatively greater expansion in other tax revenues, the estate and gift taxes produced only 2 percent of internal revenue in 1949 compared with 7 percent ten years earlier.

Chart 7* compares the current exemptions under the estate tax and individual income tax with those in effect 10 years ago. You will note that individual income tax exemptions have been reduced substantially during this period. By contrast, the estate tax exemption, especially for married persons, has increased.

The estate tax reaches only a little more than 1 percent of adult decedents, virtually the same proportion as 10 years ago. On the other hand the individual income tax is paid by more than 40 percent of all persons over 14 years of age, 10 times the proportion taxed in 1939. This comparison appears in chart 8*.

The effective rates of tax on incomes at all levels have increased substantially. Those on estates, on the other hand, have actually been reduced for married persons. This is illustrated by chart 9*.

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*Omitted in this exhibit.

For example, the tax on an income of $10,000 has risen from 4 percent to 16 percent. Tax on an estate of $250,000 has fallen from 11 percent to 4 percent.

The weakness of the present estate and gift taxes results from: (1) the overly favorable treatment of property placed in trust for several generations, (2) the opportunity to escape the higher estate tax rates by making gifts subject to lower tax rates, (3) the large exemptions, and (4) the ineffectiveness of the present rate schedule. The last two weaknesses were greatly magnified by the estate and gift splitting provisions introduced by the 1948 act.

1. Life estates: If property is left outright to a child, it may become taxable in the estate of the child. This may be avoided by placing the property in trust for the child's life since the termination of the child's interest in the trust is not considered a taxable event under the present law. A study accompanying this statement reveals that individuals with large estates are placing a substantial part of their property in trust for more than one generation (exhibit 5*). An examination of several hundred large estate tax returns showed that about 45 percent of the property available for distribution was placed in trust. The trusts were frequently created to endure, not only for the lives of the children, but also for the lives of more remote descendants.

This widespread practice seriously depletes the base of the estate and gift taxes and penalizes those less motivated by tax considerations or lacking the opportunity or counsel to take advantage of it. Substantial additional revenue could be obtained by revising the present treatment. The Treasury staff is prepared to present a proposal dealing with this problem at the convenience of the committee.

2. Dual transfer tax system: The imposition of separate, unrelated taxes upon property disposed of during life and at death defeats the objective of estate taxation. The property given away during life is removed from the highest bracket of the estate, it is taxed at only three-fourths the rate of the tax on an estate of equal amount, and the gift tax unlike the estate tax is not included in the tax base. An individual with $10,000,000 can, by giving away $2,000,000 of this amount during life instead of at death, reduce his total taxes by about $1,000,000. As is indicated in the attached study on property transfers (exhibit 5*), the discrimination against transfers made at death favors the larger estates and prevents equal treatment of transfers of the same amount distributed in different ways.

The discrepancies in present treatment would be removed by integrating the separate gift and estate taxes into a single transfer tax. The same exemptions and tax rates would then apply to all property whether transferred during life or at death. Under an integrated estate-gift tax structure, it would be possible to provide incentives for property distributions during life, in the event such encouragement is deemed to be desirable.

A report based on a comprehensive study by an advisory committee of the Treasury, consisting of prominent tax practitioners, which I transmitted to your committee 3 years ago deals with this entire prob-

*Omitted in this exhibit.

lem. The Department has since given further study to this matter and is prepared to present proposals to the committee.

3. Exemptions and exclusions: The present estate tax exemption is $60,000 and the gift tax exemption is $30,000. In addition, annual exclusions of $3,000 for each of an unlimited number of donees are accorded under the gift tax. By taking advantage of the 1948 amendments a man with a wife and three children, who has $300,000 of property, may give them $24,000 a year, plus an additional lump sum of $60,000, without paying any gift tax. Upon his death, he has another $60,000 exemption. If he leaves at least half of his estate to his widow, then the $120,000 remaining at his death is totally exempt, half as a result of the marital deduction and the other half as a result of the exemption. Thus, during a 5-year period the family would have received the entire $300,000 free of any tax.

The integrated transfer tax would require only a single exemption of $45,000, all of which would be available to the estates of persons making no gifts; $15,000 of the $45,000 exemption would be available for transfers during life.

The excessiveness of the $3,000 gift tax exclusion for each recipient of gifts could be overcome by limiting tax-free gifts made by any one individual each year to $3,000. An additional allowance of perhaps $500 for each donee might be adopted to avoid the need to account for small gifts.

4. Rates: There are two principal weaknesses in the present rate schedule. First, the estate tax begins at the low rate of 3 percent and the gift tax at 2¼ percent. Second, the higher rates in the present schedule are reached only in the case of unusually large estates. It would be necessary for a married person splitting his property under the 1948 amendments to have an estate in excess of $20,000,000 before any part would be taxable at the top bracket rate.

A rate schedule which would overcome these objections and raise substantial revenue is attached. The schedule would start at 10 percent, and reach the present top rate of 77 percent at $3,000,000 instead of $10,000,000.

Comparison of alternative estate tax rate schedule with present law

Taxable net estate (in thousands)	Present law	Alternative	Taxable net estate (in thousands)	Present law	Alternative
	Percent	*Percent*		*Percent*	*Percent*
0 to $10	3-7	10	$850 to $1,000	37	57
$10 to $20	11	13	$1,000 to $1,200	39	60
$20 to $30	14	16	$1,200 to $1,400	39-42	63
$30 to $40	18	19	$1,400 to $1,700	42-45	66
$40 to $60	22-25	22	$1,700 to $2,000	45	69
$60 to $100	28	26	$2,000 to $2,500	49	72
$100 to $150	30	30	$2,500 to $3,000	53	75
$150 to $200	30	33	$3,000 to $3,500	56	77
$200 to $250	30	36	$3,500 to $4,000	59	77
$250 to $300	32	39	$4,000 to $5,000	63	77
$300 to $400	32	42	$5,000 to $6,000	67	77
$400 to $500	32	45	$6,000 to $7,000	70	77
$500 to $600	35	48	$7,000 to $8,000	73	77
$600 to $700	35	51	$8,000 to $10,000	76	77
$700 to $850	35-37	54	$10,000 and over	77	77

Comparison of amounts and effective rates of Federal estate taxes under 1942 and 1948 laws and under proposed revision

Net estate before specific exemption	Single person		Married person[2]		
	1942 and 1948 laws	Proposed revision[1]	1942 law	1948 law	Proposed revision[1]
	Amount of tax				
$50,000		$500			
$100,000	$4,800	9,100	$4,800		$500
$150,000	17,500	21,700	17,500	$1,050	3,900
$200,000	31,500	36,050	31,500	4,800	9,100
$250,000	45,300	51,500	45,300	10,700	15,200
$300,000	59,100	68,450	59,100	17,500	21,700
$400,000	87,700	105,900	87,700	31,500	36,050
$500,000	116,500	146,350	116,500	45,300	51,500
$750,000	191,800	257,900	191,800	80,500	96,200
$1,000,000	270,300	383,250	270,300	116,500	146,350
$2,000,000	626,600	962,450	626,600	270,300	383,250
$5,000,000	2,038,800	2,941,850	2,038,800	830,000	1,281,900
$7,500,000	3,454,200	4,553,250	3,454,200	1,400,900	2,116,550
$10,000,000	4,975,000	6,115,850	4,975,000	2,038,800	2,941,850
	Effective rate (percent)				
$50,000		1.0			
$100,000	4.8	9.1	4.8		0.5
$150,000	11.7	14.5	11.7	0.7	2.6
$200,000	15.8	18.0	15.8	2.4	4.6
$250,000	18.1	20.6	18.1	4.3	6.1
$300,000	19.7	22.8	19.7	5.8	7.2
$400,000	21.9	26.5	21.9	7.9	9.0
$500,000	23.3	29.3	23.3	9.1	10.3
$750,000	25.6	34.4	25.6	10.7	12.8
$1,000,000	27.0	38.3	27.0	11.7	14.6
$2,000,000	31.3	48.1	31.3	13.5	19.2
$5,000,000	40.8	58.8	40.8	16.6	25.6
$7,500,000	46.1	60.7	46.1	18.7	28.2
$10,000,000	49.8	61.2	49.8	20.4	29.4

[1] Assuming taxpayers make no gifts during life and reserve full $45,000 exemption until death.
[2] Assuming full use of marital deduction.

These adjustments in rates and exemptions will do little more than restore the yield of the estate and gift taxes to their strength prior to the introduction of estate splitting between husband and wife by the 1948 Revenue Act. If this provision were eliminated, the President's revenue objective could be obtained by relatively minor changes in rates and exemptions.

In estate and gift tax revision, it would also be desirable to make certain minor improvements in these taxes. These include repeal of the deduction for support of dependents and the substitution of a tax credit for the present deduction for prior taxed property.

I have stated in some detail the present deficiencies in these taxes in order to emphasize the urgent need for revisions. Only by taking such action now can the full potentialities of these taxes be realized in future years.

The changes I have outlined would increase the yield of estates and gift taxes on an annual basis by about $400,000,000.

No other method of raising this additional revenue would have less serious effects on the economy. The amount of tax on the estate involving a business which might properly be considered small would not materially affect the normal development of such a business. In the infrequent instances in which liquidity is a problem, the extension of tax payments permitted by present law up to a maximum of 10 years protects estates from having to make forced sales of property at a serious financial loss.

REVISION OF THE CORPORATION INCOME TAX

The President has recommended revisions in the corporation income tax to improve the present rate structure and provide additional revenue.

During most of its history the corporation income tax law has accorded preferential tax treatment to small business. To preserve such treatment when the wartime rates were imposed, an excessively high rate of 53 percent was applied to corporations with incomes between $25,000 and $50,000. This so-called "notch" rate provided the transition from the low rates on small corporations to the generally applicable higher rates. The elimination of this high "notch" rate would remove an obstacle to the expansion of small business.

This objective could be attained by applying the general corporation tax rate above $25,000 and to allow all corporations the reduced rates below $25,000. This would substantially reduce the tax on corporations in the present "notch" area and also accord some reduction to corporations with incomes above $50,000.

The general corporation income tax rate should be increased to recover the revenue loss associated wih the suggested "notch" rate adjustment and also to contribute to the reduction of the budget deficit.

I suggest that the present 38 percent general corporate rate be raised to 42 percent. This would produce an estimated $675,000,000 additional revenue annually, after allowing for the revision in treatment of smaller corporations as suggested by the President.

Although the great majority of corporations are relatively small, the large bulk of corporation income is concentrated among the very large corporations. This is apparent from chart 10* which shows that one-eighth of all corporations receive 90 percent of total income.

Under the revised program only those corporations with net income above approximately $120,000 or less than 10 percent of all corporations would have increased tax liabilities. The taxes on corporations with incomes between $25,000 and approximately $120,000 would be reduced, the reduction reaching a maximum of almost 15 percent of the present tax at $50,000. They represent about 15 percent of all corporations. The relative changes in tax for corporations of different size are shown in chart 11* and in more detail in the following table:

Net income	Tax liability		Percent change
	Present law	Proposal	
$5,000	$1,050	$1,050	0
$10,000	2,200	2,200	0
$25,000	5,750	5,750	0
$30,000	8,400	7,850	−6.55
$50,000	19,000	16,250	−14.47
$60,000	22,800	20,450	−10.31
$75,000	28,500	26,750	−6.14
$100,000	38,000	37,250	−1.97
$118,750	45,125	45,125	0
$250,000	95,000	100,250	+5.53
$1,000,000	380,000	415,250	+9.28
$10,000,000	3,800,000	4,195,250	+10.40
$100,000,000	38,000,000	41,995,250	+10.51

*Omitted in this exhibit.

Corporate profits and dividends have increased substantially since the present rates were adopted in 1945. The proportion of profits retained, and thus not subjected to tax in the hands of stockholders, is considerably in excess of the normal prewar proportions. In view of the relatively strong position of large corporations at the present time, I believe that the small tax increase proposed will have no important adverse effects on the economy.

In addition to the revision of the corporate tax rates, I also recommend the extension of the period for offsetting losses against profits of subsequent years. The need for giving business greater leeway to recover losses has been widely recognized in discussions of postwar tax revision. Taxing profits without adequate recognition of losses creates inequities and restrains risk-taking. A dynamic economy requires a continued stream of new ventures, which often result in losses for a series of years before they become profitably established. A longer period for carrying over loss will be especially beneficial to small and new businesses.

I recommend a 5-year carry-over with a 1-year carry-back. This would provide a total period of 7 years in which losses might be offset against profits. This provision would involve no immediate loss in revenue.

The President also referred to tax revisions which would facilitate the extension of financial and technical assistance to underdeveloped regions of the world. These recommendations are designed to implement in part the Point IV Program, and I should like to review them briefly.

As you know, the earnings of a foreign subsidiary of a domestic corporation are not taxed until such earnings are transferred to the parent corporation in the United States as dividends. An American business which prefers to conduct its foreign operations as a branch of a United States corporation does not have this advantage. It must include in the taxable income each year the current earnings of its foreign branch. Foreign branch operations should be placed on an equal footing with foreign subsidiaries by allowing postponement of tax on their income until it is returned to the United States. This is not only a matter of equity, but would also encourage new investment abroad and the reinvestment of foreign earnings.

The credit for taxes imposed by other countries helps to eliminate international double taxation, but it needs to be adapted to our policy of encouraging private investment abroad. A United States corporation may now claim credit for the taxes paid by a foreign corporation with respect to the dividends received from the foreign corporation only when it owns a majority of the voting stock. One of the consequences of this requirement may be illustrated by the case of two domestic corporations which pool their resources to form a foreign subsidiary. If each owns 50 percent, neither one obtains a foreign tax credit. Where the ownership is divided unequally, only the one having majority control is allowed a credit. To facilitate joint ventures abroad and to meet the requirements or desires of foreign countries for local participation in these ventures, we should reduce the present ownership requirement for foreign tax credit.

Foreign investment would also be encouraged by the liberalization of the foreign tax credit in the cases where losses in one foreign country offset profits in another.

Service abroad by American experts is essential to the Point IV Program, both in the provision of technical assistance in the strict sense and in the functioning of private investment. We should remove discouragement to Americans participating in those activities by making the present exemption of their earnings applicable to the entire period they reside abroad once they have established a bona fide foreign residence.

The foreign tax credit has worked successfully in the income tax field, and it can be extended with equally satisfactory results to the estate tax. By so doing, we shall remove another of the barriers which sometimes keep able technicians and businessmen from undertaking assignments abroad, and I urge the committee to take such action. These changes in tax provisions are discussed more fully in an attached statement (exhibit 6*).

They should not be viewed as the only necessary incentives for the participation of private capital in foreign economic development. Their potential effects will be realized only if foreign countries take positive steps to create conditions under which private capital can operate satisfactorily. This can be accomplished to an important degree by the negotiation of investment and tax treaties, which the administration is endeavoring to secure.

[The charts and exhibits omitted in this exhibit are published in *Revenue Revision of 1950*—Hearings before the Committee on Ways and Means, House of Representatives, 81st Congress, 2d session, volume 1.]

Exhibit 21.—Statement of Secretary of the Treasury Snyder before the Senate Finance Committee, July 5, 1950, on H. R. 8920, a bill to reduce excise taxes, and for other purposes

I am pleased to have an opportunity to appear before the members of this committee as you begin consideration of the tax revision bill, H. R. 8920, which the House of Representatives passed on June 29.

I read with great interest, Mr. Chairman, your statement that the committee decided to proceed with tax legislation in the full knowledge that present plans may need to be altered by developments in Korea. I am glad that the committee has decided to prepare a bill for action with the understanding that it could be halted if conditions later indicate that it would be unwise to go through with the legislation. I am in accord with this view of the committee and will present my testimony on the basis of this understanding.

In strengthening our resources for possible eventualities, improvement in the Government's fiscal position is a basic requisite of national preparedness.

At the outset I should like to make it clear that the position which I have taken on other occasions with respect to our revenue system has not changed. It is my conviction that our general objective must be a tax system which yields sufficient revenue during prosperous times to meet the necessary expenditures of the Government and to leave some surplus for debt reduction. This was the goal expressed

*Omitted in this exhibit.

by the President in his tax message to the Congress last January. It is the position I have taken on many occasions in appearances before committees of the Congress. It is the only position consistent with my responsibility to the American people.

In the 5 months since I appeared before the Committee on Ways and Means of the House of Representatives in support of the President's tax program, it has become increasingly apparent that 1950 will be one of the most productive business years in our history, in terms of the actual output of goods and services. During recent months there has been growing recognition that the strong upturn in business this year is something more than a temporary inventory replenishment, as some had characterized it earlier. It is more than a mere rebound from the lower production levels of 1949. There is no longer reason to question that the business improvements this spring and summer represent an important forward movement in our national economy.

The strength of this movement, in fact, has been so widely recognized in recent weeks that I shall not take your time on this occasion to go into the details of the business situation. I should like to stress, however, that personal and business incomes—the most important elements in our revenue potential—have continued during 1950 at a very high level. Excluding the special insurance dividend to veterans, personal incomes this year are well above the corresponding period a year ago, and not far from the record figures of 1948.

The earnings of business concerns, likewise, have continued to be exceptionally favorable. Corporate profits before taxes have been advancing steadily throughout the past 12 months, and are estimated for the first half of 1950 at an annual rate of a little under $33,000,000,000—almost $5,000,000,000 higher than a year ago, and not far from the record annual total of approximately $35,000,000,000 in 1948. You may be interested to note, in addition, that the present level of corporation profits, on an annual basis, is more than three times as high as the prewar record level of $10,000,000,000 in 1929.

Under these conditions of exceptional prosperity for both individuals and business concerns, we cannot justify less than a maximum effort to meet current expenditures and to further the program for reducing our outstanding debt. This principle is the foundation of our financial strength. With relations between nations in a troubled state, we cannot afford a short-range approach to the vital matter of the financial soundness of the United States Government.

The Federal deficit for the fiscal year 1950 amounted to 3.1 billion dollars and is estimated in the President's budget message of January at 5.1 billion dollars for the fiscal year 1951. If we do not take active measures to reduce deficits during periods of high business activity, we cannot hope to find our economic defenses at full strength to meet emergencies—either in the domestic field, or on the international front.

The financial strength of our Government, as you know, depends in part on its income. It depends on income derived from a revenue system which is fair and equitable as between taxpayers, adequate to meet governmental requirements, and of sufficient size during prosperous times to make some repayment on debts incurred in the past. Because of the size and importance of the Federal debt and of

Federal financial operations, it is important also to make certain that our Federal revenue system does not bamper business and trade, but as far as possible acts to stimulate it.

The revenue proposals embodied in the bill before you make progress toward these goals, which were outlined in the President's tax message. But the House bill does not go the whole way. The bill in its present form has the merit of making improvements in the equity of our tax system. It provides stimulation to business in certain areas in the form of lowered excise taxes on various products and services still taxed at wartime rates. It also provides lower taxes for smaller corporations, together with various measures which will be of direct assistance to business operations—for example, more liberal provisions permitting the business losses of one year to be deducted from the taxable income of other years. The proposals which you are considering do not provide, however, for increased revenue, although the need for keeping the finances of the Federal Government in a sound condition is even greater now than it was at the beginning of the year when the President made his tax recommendations.

I urge the members of this committee, therefore, to review fully the proposals for improving our revenue system outlined in the President's program, which I submitted in detail to the Committee on Ways and Means of the House of Representatives on February 3, 1950.

I turn now to the discussion of the House bill, first, in the light of the President's program and, second, with respect to its detailed provisions.

The President's Program

The President's program has a threefold purpose: (1) to improve the fairness of the tax system, (2) to bring in some additional revenue, and (3) to strengthen the economy.

In submitting this program to the Congress, the President recognized that in certain limited areas tax reduction was desirable. He proposed a conservative excise reduction program which balanced the most urgent needs for relief against the constraints imposed by an unbalanced budget during prosperity.

The excise taxes are still at substantially their wartime levels and their revision to better conform with present-day competitive business conditions is overdue. Judicious reductions in these taxes can make an important contribution to an improved revenue system. Not only will the tax system be made more equitable for consumers but the changes will aid employment and sales in the industries affected. Over the long run we should aim to reduce the role of excises in the tax system.

In view of our budgetary situation, however, the President recommended the closing of an accumulation of tax loopholes as a source of replacement revenue for the excise tax reductions.

In addition, the President recommended that a moderate amount of new revenue be obtained partly from the corporation income tax and partly from the estate and gift taxes, which now are not making a proportionate contribution to the Government's revenues.

Recent events have underscored the importance of the objectives of the President's program. Improvement in the equity and effectiveness of the tax structure is especially necessary at a time when taxes must remain high. Taxpayers bearing disproportionate and discriminatory burdens must be relieved. Favored groups must not be provided with unwarranted opportunity to escape taxes intended to apply generally.

The Committee on Ways and Means devoted more than 4 months to an intensive study of the President's program and gave most careful consideration to the separate proposals. It also explored other potential revisions in the tax system and developed a revenue bill which goes a long way toward meeting the objectives set by the President. When important tax revisions are undertaken, it is to be expected that the shape of complex legislation covering a wide variety of problems will not accord precisely with any single conception of the desired objectives. Compromise is characteristic of the democratic legislative process.

The House bill provides for excise tax reduction on a substantial list of commodities and services of mass consumption and relieves a number of industries that are in a relatively unfavorable position.

By closing serious loopholes in the present law, the bill would improve both the equity and administration of our tax system and also produce substantial revenue offsets to the excise tax reductions.

The revision of the corporation income tax contained in the bill would recoup most of the remaining revenue lost from excise tax reduction at the same time that it reduces taxes and eliminates the inequitable "notch" provision for the benefit of smaller corporations.

The principal deficiency of the House bill is its failure to add as much strength to the revenue system as the President recommended. It does not reduce the present excessive depletion allowances granted oil and mineral producers under the income tax but rather extends these allowances to new areas. Moreover, it fails to revise and strengthen the structure of the estate and gift taxes.

In addition, the bill contains some provisions which would create new inequities. I will call your attention to these in my discussion of the detailed provisions of the bill, to which I now turn.

Detailed Provisions of the Bill

EXCISE TAX REDUCTION

The President indicated that reductions are most urgently needed in the excises on transportation of property, transportation of persons, long-distance telephone and telegraph communications, and the four retail excises.

The plan for implementing the President's recommendations which I outlined to the Committee on Ways and Means would involve a net revenue loss of $655,000,000. The excise tax reductions made in the House bill amount to $1,010,000,000 and cover some groups not encompassed by the President's proposals.

The reductions in the retail excises on jewelry, fur, luggage, and toilet preparations from 20 percent to 10 percent would amount to $240,000,000, including the elimination of the tax on handbags and a number of miscellaneous items, such as baby oils, powders, and lotions. These reductions have a high priority because in recent years the 20 percent rate has depressed sales and employment in the taxed industries.

The transportation tax reductions amount to about $230,000,000. The bill would reduce the tax on transportation of persons from 15 percent to 10 percent and the tax on the transportation of property from 3 percent to 1½ percent. The President had recommended that the 3 percent tax be entirely eliminated, because it increases the cost of production and hence the prices of practically every commodity sold in this country. The transportation taxes discriminate against those geographical areas farthest removed from markets or sources of supply. A reduction of these taxes will benefit businessmen and consumers generally.

The reductions in the communications taxes provided in the bill would aggregate about $125,000,000. This is approximately the amount of the reductions proposed to the Ways and Means Committee. However, the House bill spreads the reduction over both local and long-distance telephone use whereas the President recommended that it be confined to long-distance communications because these taxes enter into business costs and create competitive inequities.

The tax on telephone-toll messages would be decreased from 25 percent to 20 percent, and the tax on domestic telegraph messages cut from 25 percent to 10 percent, while the tax on local residential use would be reduced from 15 percent to 10 percent.

It will be noted that while the House bill includes all of the items in the President's program it also includes a number of others. These consist principally of a reduction in the admissions tax which would lose a little over $200,000,000 and cuts in a number of manufacturers' excises which in total would lose another $200,000,000. Moreover, some of the changes contained in the House bill raise the question of whether the rates adopted in all cases result in the proper alinement of related taxes. The Treasury staff will be prepared to present to the committee at your convenience materials bearing on this question and related matters.

REPLACEMENT REVENUE FOR EXCISE REDUCTIONS

The excise reductions would be approximately offset by replacement revenues obtained from closing tax loopholes and other administrative improvements together with the increase in the corporation income tax.

The internal improvements in the tax structure achieved in the House bill cover a large number of changes. These embrace essential reforms referred to in the President's tax message and other changes as well, which on the whole are desirable.

Business operations of charitable and educational organizations

Our tax laws have long recognized the principle that organizations operated for worthy public purposes should be encouraged by tax exemption. I am thoroughly in sympathy with this policy and fear that it is in danger of being discredited because a minority has abused it. The President called this general problem to the attention of the Congress, and the Treasury Department presented to the Committee on Ways and Means recommendations for handling it.

The House bill incorporated the remedies developed cooperatively by the Department and the staff of the Joint Committee on Internal Revenue Taxation. These provisions preserve the tax-free status of the legitimate activities of educational and charitable organizations and, at the same time, correct the abuses which properly have received so much general condemnation.

Business operations of charitable and educational institutions clearly unrelated to their exempt functions generally would be subjected to the regular corporation income tax. This would apply to organizations now engaging in such unrelated business activities as the manufacture of food products, leather goods, vegetable oils, and the distribution of petroleum products. The bill would not tax their income from related activities, such as the operation of bookstores, dining halls, dormitories, or experimental farms, customarily carried on by educational and charitable organizations. Income from investments, such as interest, dividends, most rents, and royalties, would also continue to be exempt.

The bill would prevent these organizations from trading on their tax exemption where they acquire with borrowed funds properties subsequently leased to business concerns. The members of this committee are doubtless familiar with such arrangements. The transaction is profitable to exempt organizations since, in effect, it enables them to capitalize their tax exemption. It is also profitable to the lessee corporation because it enables it to share indirectly the nonprofit organization's tax exemption. The House bill corrects this discrimination against other investors, while safeguarding the existing exemption of educational and charitable organizations on investment income derived entirely from their own funds.

The House bill also contains provisions for preventing private exploitation of charitable trusts and foundations for tax avoidance purposes. The institutions affected are privately controlled and do not obtain financial support from the general public. Some of them were established with a view to securing unintended tax benefits for the founders and members of their families by enabling them to retain control over business activities. The provisions of the bill can be expected to reduce the use of nominally charitable and educational organizations for the purpose of bestowing tax exemption on private interests.

Increased extension of the tax-exemption privilege by nonprofit organizations and charitable trusts and foundations threatens to make substantial inroads on the revenue. While the present revenue loss is not large, it will increase unless preventive measures are promptly adopted. The prospective annual loss, in the absence of effective remedies, would be in the neighborhood of $100,000,000.

Life insurance companies

As you know, the President requested the Congress to correct the present inadequate taxation of life insurance companies on a permanent basis which would afford equitable treatment and at the same time safeguard the interests of policyholders. He endorsed steps that had been taken by the Ways and Means Committee to correct the situation for a number of recent years.

It should be our minimum goal to assess for those years in which no tax was paid the amount called for by the House bill. The industry has the required resources and has been prepared to pay the amount in question. In 1948, for example, the increase in surplus was about 10 times the tax liability which would be imposed under the House bill for that year. For the smaller companies the ratio is even more favorable. There is evidence that at least some of the insurance companies have set up special tax reserves to cover the tax liabilities under this legislation which has been under discussion since 1947.

The investment income of life insurance companies now exceeds 1.7 billion dollars annually. Their investment assets, now aggregating more than $60,000,000,000, comprise an important part of the total national wealth. Continued inadequate taxation of the life insurance industry would be detrimental to our economy and to the long-run interest of the industry itself.

In view of the shortness of time for considering methods of permanent revision of the life insurance tax provisions this year, I recognize the need for extending the House-proposed stopgap formula to 1950. Such extension is included in the House bill. This would yield $55,000,000. However, I believe that the Congress should make clear that this is intended only as a temporary solution. I urge active consideration of permanent revision. The Department is prepared to cooperate with the congressional committees in developing a solution to this problem.

Miscellaneous loopholes

The bill also contains technical provisions restricting the opportunities for tax avoidance. The most important of these in terms of the revenue to be gained is the correction of the present advantage permitted in the case of sales of business property. When such sales result in profit, the profit is taxed at the reduced rates allowed long-term capital gains; when the sales are unprofitable, the loss is allowed in full as an offset against ordinary income. This inconsistency and the resulting prejudice to the revenue can be eliminated either by treating both gains and losses as ordinary income and loss or by treating them both as capital transactions. The Ways and Means Committee adopted the latter solution but failed to act upon a related recommendation as to the tax treatment of sales of livestock.

Present court decisions have held livestock regularly culled from a dairy or breeding herd to be depreciable property used in trade or business and, thus, any gain resulting from their sale to be capital gain. In light of the regularity with which such livestock is sold, and since cattlemen or dairymen are permitted to deduct the cost of raising the livestock currently from ordinary income, it seems appropriate to treat the profits therefrom as ordinary income. The Treasury Department is continuing its litigation of this important question. However, I believe that legislation specifically classifying these profits as ordinary income is desirable, regardless of which solution your committee adopts as to business property generally.

Other devices, such as the collapsible corporation and short sales of security or commodity futures, allow taxpayers unintended access to the more favorable rates of tax levied on long-term gains by permitting conversion of short-term gains or ordinary income into long-term gains. These devices have been curtailed by the bill.

There are a number of other loophole-closing provisions in the House bill dealing with specific situations resulting from court interpretations, unforeseen business practices, or the development of tax avoidance techniques.

In most cases the loophole-closing provisions of H. R. 8920 will cope effectively with the tax avoidance against which they are directed and will raise about $125,000,000. Additional loophole-closing provisions will be recommended at the appropriate time. The closing of technical gaps in the law is necessarily a continuing process, required to preserve the fundamental equities of taxation and especially important when tax rates have to be kept high. We cannot expect to preserve the confidence of taxpayers in our revenue system without continued vigilance and aggressive action to overcome technical defects in the law as they develop.

Withholding on dividends

The House adopted a provision which would extend income tax withholding to dividends at a flat 10 percent rate. While this provision was not specifically recommended by the President, it is a reform which the Department has carefully studied for some time with a view to determining the advantages it would afford.

The available evidence indicates that there is considerable underreporting of dividends on individual income tax returns. A large part of this unreported dividend income is received irregularly, in small amounts, and probably is not reported by stockholders through inadvertence or careless bookkeeping. Noncompliance cannot be as readily uncovered by the Bureau of Internal Revenue under the present information return system as through a withholding system. Withholding provides an economical method of securing substantially improved compliance in this area, as it has in the case of wages and salaries.

Under the system proposed by the House bill, the corporation would withhold 10 percent from each dividend check. Stockholders would receive from the corporation either at the end of the year or after each dividend payment a statement, in any form convenient to the paying corporation, showing the amount of the dividends and the tax withheld. The stockholder would report his total dividends, including amounts withheld, on his tax returns and would claim credit against his total tax liability for the amount withheld on dividends. In those instances where the total tax withheld and other prepayments are larger than the total tax liability, the excess would be refunded.

The dividend withholding system adopted by the House differs in one important respect from the system now employed for wages and salaries. For the convenience of the corporation, the bill provides that information on the amount of dividends and tax withheld may be made available to stockholders either on a separate statement, on a check voucher, or as part of the information on the check itself. Although stockholders would be required to itemize on their returns the dividends they receive from each corporation and the amount of tax withheld, they may not be able to attach documentary proof of their claim for taxes withheld.

This method will be less effective than the one used for tax withholding on wages and salaries. Names and addresses on income tax returns will not necessarily be identical with those of record on the corporations' books. Since the matching of information forms filed by corporations with the lists attached to individual income tax returns would be costly and imperfect, I believe it would be desirable to provide for a stockholder's receipt—either once a year or with each individual payment—similar in form to the wage withholding receipt. Most taxpayers are already familiar with the operation of the withholding system as it applies to wages and the extension of this system would cause no confusion for the average dividend recipient. The existence of such receipts would permit the Government to make prompt refunds with more assurance that they were due.

It is estimated that the adoption of the withholding provision of the bill would raise $160,000,000 in a full year.

CORPORATION INCOME TAX

H. R. 8920 incorporates the first major change in the structure of corporation income tax rates since 1938, when the present limited form of graduation was adopted as a basis for providing reduced rates to small corporations. This method results in the present high "notch rate" of 53 percent required to bridge the gap between the lower rates applicable to incomes under $25,000 and the general rate on corporations with income of $50,000 or more. The present rate schedule is shown in table I.

TABLE I.—*Details of present corporate income tax rate structure*

Net income	Normal tax	Surtax	Combined normal tax and surtax	Cumulative tax to top of bracket	
				Amount	Percent
	Percent	*Percent*	*Percent*		
0 to $5,000	15	6	21	$1,050	21
$5,000 to $20,000	17	6	23	4,500	22.5
$20,000 to $25,000	19	6	25	5,750	23
$25,000 to $50,000	31	22	53	19,000	[1] 38
$50,000 and over	24	14	[2] 38		

[1] The bracket rates on the first $50,000 average 38 percent, as follows:

	Percent
(a) Effective rate on first $25,000	23
(b) Effective rate on next $25,000 (the "notch")	53
(c) Total	76
(d) Dividing by 2, gives an average rate of	38

[2] Instead of applying the bracket rates, corporations with incomes above $50,000 are taxed at the rate of 38 percent on their entire income.

The President urged the elimination of this method in order to reduce this discriminatory rate and encourage the expansion of smaller corporations.

The House bill replaces the present complicated and repressive provision with a simple rate schedule. The proposed normal tax rate of 21 percent would be applicable to the profits of all corporations. In addition, a surtax rate of 20 percent would be levied on profits in excess of an exemption of $25,000, making a combined normal tax and surtax of 41 percent on the amount of profits above $25,000.

The changes in rates under the House bill would reduce the taxes of all corporations with net incomes between $5,000 and about $167,000 and would increase the taxes of corporations with net incomes of more than this amount. Over 170,000, or almost half of the taxable corporations, would have their taxes reduced. This should provide substantial encouragement to an important segment of our business population. Less than 19,000 large corporations, constituting only 5 percent of all taxable corporations, would be subject to higher taxes. The tax liabilities for corporations of different size under the proposed rates and present law are compared in table II and in chart 1*. The maximum tax reduction would occur at the top of the present "notch" area on net incomes of $50,000 and would amount to $3,500. The maximum tax increase would amount to three percentage points for the largest corporations.

TABLE II.—*Comparison of corporation income tax liabilities under present law and under House bill, H. R. 8920*

Net income	Tax liabilities		Effective rates		
	Present law	House bill	Present law	House bill	Increase (+) or decrease (−)
			Percent	*Percent*	*Percent*
$5,000	$1,050	$1,050	21.00	21.00	0
$10,000	2,200	2,100	22.00	21.00	−1.00
$25,000	5,750	5,250	23.00	21.00	−2.00
$30,000	8,400	7,300	28.00	24.33	−3.67
$50,000	19,000	15,500	38.00	31.00	−7.00
$60,000	22,800	19,600	38.00	32.67	−5.33
$75,000	28,500	25,750	38.00	34.33	−3.67
$100,000	38,000	36,000	38.00	36.00	−2.00
$166,667	63,333	63,333	38.00	38.00	0
$250,000	95,000	97,500	38.00	39.00	+1.00
$1,000,000	380,000	405,000	38.00	40.50	+2.50
$10,000,000	3,800,000	4,095,000	38.00	40.95	+2.95
$100,000,000	38,000,000	40,995,000	38.00	41.00	+3.00

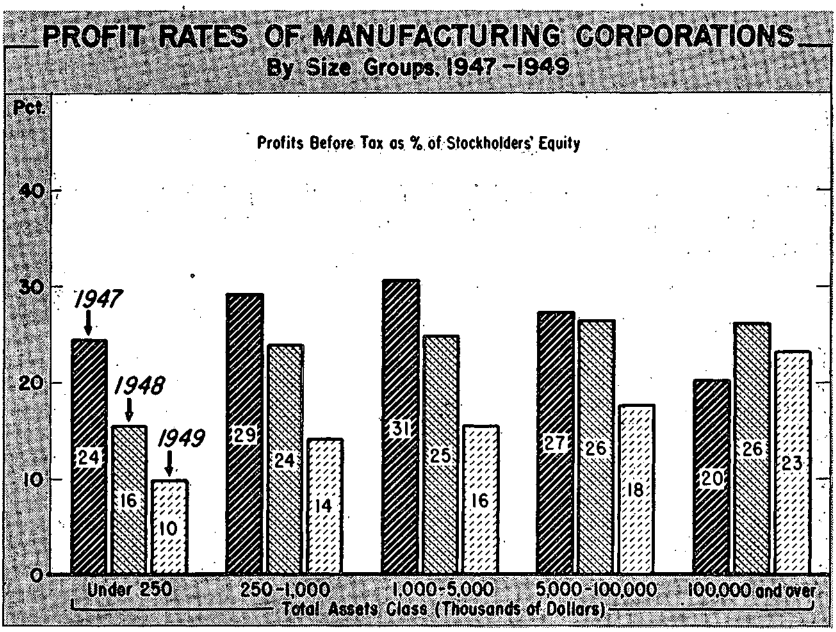
The revised rate schedule, including the increased rate on larger corporations, would raise an estimated $410,000,000 additional revenue. This is after allowance for the reduction in taxes amounting to about $135,000,000, which would go largely to corporations with incomes of less than $100,000.

As I indicated earlier in my statement, corporate profits are not far from 1948 record levels. This high level of profits has permitted corporations to pay dividends at a record rate and still retain about $10,000,000,000 of earnings, or four times the amount of profits retained in 1929.

The bulk of corporation income is concentrated in the very large corporations. As shown in chart 2*, 5 percent of all corporations receive 81 percent of total corporation income. Recent profit trends for corporations of different size reveal an unmistakable improvement in the relative position of the largest corporations. These trends are shown in chart A.

*Omitted in this exhibit.

CHART A



The strength of corporate business is also shown by the trend in its working capital position. At the end of 1949, the net working capital of all nonfinancial corporations amounted to nearly three times the 1939 figure. During this period liquid assets increased from less than one-half to three-fourths of their current liabilities. At the end of 1949, corporations held more than $40,000,000,000 in cash and United States Government securities.

The President's recommendation for revision of the treatment of business losses is also carried out in the bill. Present law permits taxpayers to offset their losses in any given year against profits in the two prior years and to carry forward any remaining loss to be offset against income in the two succeeding years. The proposed revision would increase the carry-forward from 2 to 5 years and would reduce the carry-backs to 1 year. This would provide a total period of 7 years in which losses might be offset against profits as compared with the present 5-year period and thus reduce the tax advantage now enjoyed by stable as compared with unstable businesses.

More liberal loss offsets would be of particular benefit to new and small business and would promote their expansion. New concerns often experience losses or irregular earnings in their early history, since the development of a new business generally involves large initial costs which cannot be recovered immediately. Small business in general encounters great difficulties in withstanding the financial strain of hard times. Large firms on the other hand have a greater opportunity to average their own incomes because they are more likely to have diversified products and markets. Losses sustained from one activity or locality can often be offset in the same year against income from other sources.

The relief provided for small business by the revisions in the corporate rate structure and in the loss offsets accords with our objective to foster the development of this segment of the economy.

SUMMARY OF REVENUE INCREASES

The revenue-raising provisions of the bill would yield $890,000,000 in a full year of operation and about $525,000,000 in the fiscal year 1951, as follows:

	Full year	Fiscal year 1951
Corporation tax increase	$410,000,000	$160,000,000
Life insurance companies	55,000,000	125,000,000
Charitable and educational institutions	100,000,000	----------
Miscellaneous loopholes	125,000,000	109,000,000
Withholding on dividends	160,000,000	127,000,000
Reduction in interest rate on tax refunds	40,000,000	5,000,000
Total	890,000,000	526,000,000

This total falls short of matching the excise reductions by $120,000,000 on a full-year basis. You will note that the total includes $40,000,000 resulting from the reduction in the interest rate on tax refunds. In my view this cannot be construed as an improvement in the tax structure or an administrative reform, and is an inequitable method of meeting our revenue requirements.

The figures I have given indicate the revenue that would be raised before allowing for certain provisions in the bill involving the loss of approximately $50,000,000. I shall return to these undesirable provisions later in my statement.

Exclusive of increased fiscal year collections which would result from the system of speeding up corporation income tax payments adopted by the House, the bill as it stands involves an estimated revenue loss of about $170,000,000.

SPEED-UP OF CORPORATION TAX COLLECTIONS

The provision of the bill changing the system for installment payment of corporation income tax liabilities would substantially increase collections over a 5-year period beginning with the fiscal year 1951. This change does not alter the tax liabilities of corporations but merely the timing of the tax payments.

The objective of the provision is to reduce the lag in corporate tax payments. At present, two-thirds of all taxable corporations, accounting for 97 percent of total corporation income tax liability, pay their taxes in quarterly installments during the year following the close of the taxable year. On the average, the corporation income tax is now collected 7 months after the close of the taxable year. When this provision becomes fully effective 5 years hence, this lag will be reduced to an average of 4 months.

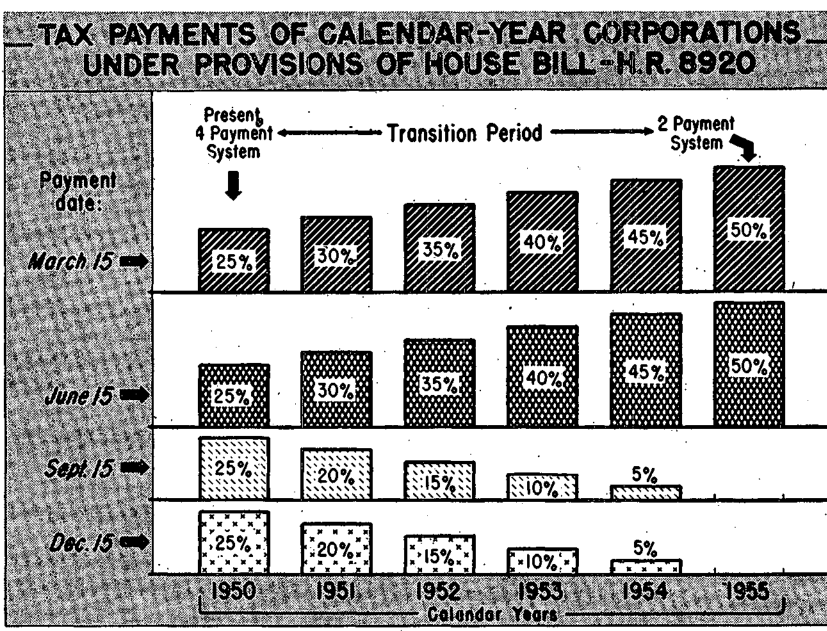
Operation of the plan is shown in table III and chart B. It would gradually replace the present four-quarter payment privilege by a system providing for payment of the full tax liability in the first two quarters following the end of the taxable year. However, this would be accomplished over a 5-year period during which each year the tax paid in the third and fourth quarters would be reduced and the tax paid in the first and second quarters correspondingly increased. When the two-installment system is fully effective, one-half the corporation income tax will be collected 6 months earlier than at present.

TABLE III.—*Corporation tax payments under present law and under House bill, H. R. 8920*

[Assuming a constant liability of $100 in calendar years 1949–54]

Date of payment	Present law	House bill	Date of payment	Present law	House bill
1950—Mar. 15	$25	$25	1953—Mar. 15	$25	$40
June 15	25	25	June 15	25	40
Sept. 15	25	25	Sept. 15	25	10
Dec. 15	25	25	Dec. 15	25	10
1951—Mar. 15	25	30	1954—Mar. 15	25	45
June 15	25	30	June 15	25	45
Sept. 15	25	20	Sept. 15	25	5
Dec. 15	25	20	Dec. 15	25	5
1952—Mar. 15	25	35	1955—Mar. 15	25	50
June 15	25	35	June 15	25	50
Sept. 15	25	15	Sept. 15	25	----------
Dec. 15	25	15	Dec. 15	25	----------

CHART B



The gradual transition to the more current system provided for in the bill is desirable to prevent impairment of the working capital position of corporations that have not set aside funds to meet their accrued tax liabilities. Larger corporations generally fund their tax liability currently by buying tax anticipation notes or marketable securities as profits are earned. Accelerated tax payment will not affect the operations of these corporations except to deprive them of part of the small interest income from their tax funds. The 5-year transition should be sufficient to permit smaller corporations to adjust their payments without hardship. Moreover, the Commissioner of Internal Revenue can make extensions of time if it should become necessary.

At the present level of corporate profits and under the rates of the House bill, this speed-up in collection will increase fiscal year 1951 tax receipts by nearly $800,000,000 and receipts in each of the four succeeding fiscal years by a somewhat larger amount.

This provision, in my opinion, is a desirable tax reform. It will bring corporations closer to the current payment basis which applies to business income of individuals, and will make corporation income tax revenue more promptly responsive to changes in tax rates or economic conditions. However, I should like to emphasize that the speed-up in corporate tax payments is not a revenue-raising measure and therefore cannot be regarded as an offset to the revenue lost from excise tax reductions.

REVISIONS IN THE BILL

Some provisions of the bill conflict with sound taxation, and I urge you to consider their modification or deletion. These include the further expansion of already excessive percentage depletion allowances and revisions affecting the estate tax.

Percentage depletion

The most objectionable provision of the House bill is the extension of percentage depletion to some 20 types of nonmetallic minerals not covered by present law and the increase in the rate of percentage depletion for coal from 5 to 10 percent of gross income.

This action represents a continuation of the movement for expanding depletion allowances which gathered momentum under the guise of wartime necessity. In 1942, when percentage depletion was first granted to ball and sagger clay, producers of other clays complained of discrimination and inequitable taxation. So in later years percentage depletion was extended to bentonite and china clay. The House bill now proposes further extension to refractory clays, fuller's earth, fire clays, and brick and tile clays. Such extension would give rise to further claims of discrimination by producers of miscellaneous clays and in turn by producers of synthetic and reworked materials competitive with clay.

The basis for these allowances is so vague that it can be readily applied to practically every situation. Each industry, for example, can argue that it is essential to national defense. The last war showed conclusively that practically every industry is essential to an economy devoted to war. After one mineral has been given favorable treatment, no end is in sight to the list of minerals that can plead for inclusion on the ground of competitive inequity. The special concessions now in the law create serious competitive discriminations because of unreasonable disparities in the percentage depletion rates. There is even greater discrimination between the groups favored with concessions and other industries and classes of taxpayers not so favored. In consequence, persistent pressure may be expected to obtain equality by raising the lower rates to the higher level and by extending benefits to other industry areas. The bill as passed by the House of Representatives goes so far as to concede special tax relief to those who strip hillsides of gravel. This could be justified because similar treatment is to be given to those who scoop sand off the seashore.

Because each group feels that special tax exemption can be equally justified in its case as a means of fostering the growth of that particular industry, the result is the development of a system of concessions which is not only incongruous in a sound and equitable tax system but which is also ill-suited for a sound national policy of mineral development and conservation.

Taxpayers in the favored industries, and particularly a few large corporations, benefit at the expense of the rest of the business community. The advantage is defended on the grounds of special risks in the oil industry which, incidentally, is regarded as a favored investment by conservative investment trusts. A businessman desiring to invest in a new product might incur greater risk but is limited in determining his taxes to the recovery of his actual investment costs over the life of the property. The allowance for tax purposes of deductions many times the investment that may be made in oil properties means that many other types of businesses are now paying more taxes than they should in order to enable the Government to recoup the tax leakage from percentage depletion.

Improvement of the equity and strength of the tax system requires that we definitely reject the undesirable extensions made in this bill and move toward elimination of these special privileges. The high level of revenue requirements which necessitates even the retention of some onerous excise taxes makes this improvement the more urgent. Consequently, I wish to urge upon your committee the changes which were proposed to the Ways and Means Committee which would carry out the recommendation of the President that the more excessive special depletion allowances permitted under present law be reduced.

This would reduce the revenue loss from these provisions by over $200,000,000. The staff is prepared to present to the committee the results of the Department's study of this subject, covering the amount of the benefits and their effect on the economy.

Estate and gift taxes

Another conspicuous weakness of the House bill is the omission of the long overdue estate and gift tax revisions. The need for strengthening these taxes in the revenue system is widely recognized. Such a program has been repeatedly urged by the administration, most recently by the President in 1948 and 1949 and again this year. The revisions proposed in these taxes would make an important contribution to additional revenue.

The present weakness of the estate tax and the failure of this levy to keep pace with the income tax are clearly illustrated in charts C to F. The estate and gift taxes are now weak because (1) the imposition of separate, unrelated taxes upon property disposed of during life and at death permits undue escape from taxation, (2) property left in trust is accorded extensive advantages over property left outright, and (3) changes made in 1948 result in excessive exemptions and unreasonably low effective rates for married persons. The program which was outlined to the Ways and Means Committee would correct most of these defects and would restore the revenue from these taxes to a level somewhat above that reached prior to the 1948 act.

The House bill makes no provision for a general overhauling of the estate and gift tax structure. Moreover, it contains two provisions which are undesirable.

One of these would weaken the estate tax law by excluding certain gifts made in contemplation of death from the estate tax base. As I pointed out to the Ways and Means Committee, the best over-all solution of the contemplation of death problem would be to integrate the estate and gift taxes into a single transfer tax. Pending a review by your committee of the proposal for an integrated tax, I urge that the House amendment to the contemplation of death provision not be adopted.

Another objectionable provision in the bill would exempt from income tax, in cases where a closely held corporation is the principal asset in the estate, the dividends paid by the corporation to the estate up to the amount of liability for death taxes. While this is intended to meet a special problem, the solution proposed would invite extensive tax avoidance. It would be preferable to deal with this problem on a more limited basis or defer it until the broader question of estate tax revision is considered.

CHART C

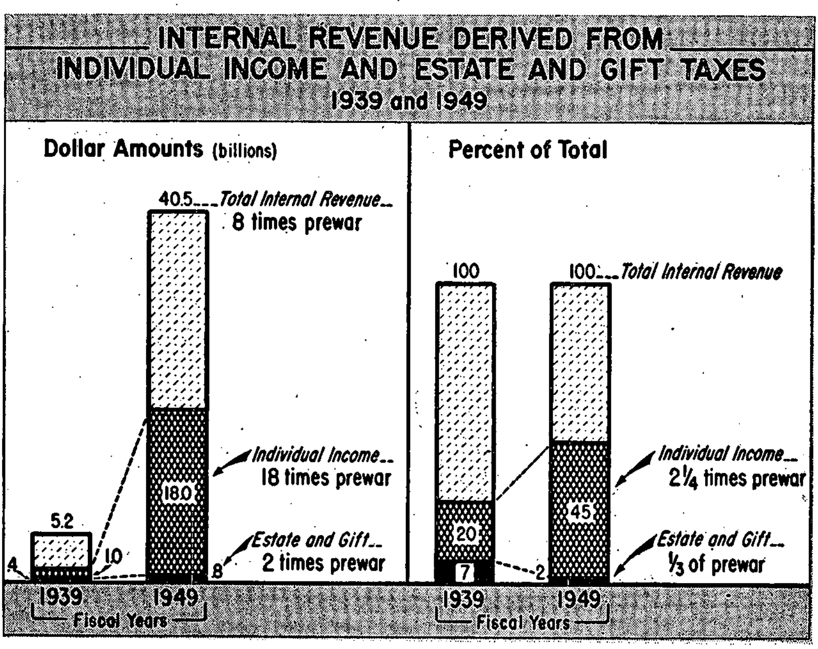


CHART D

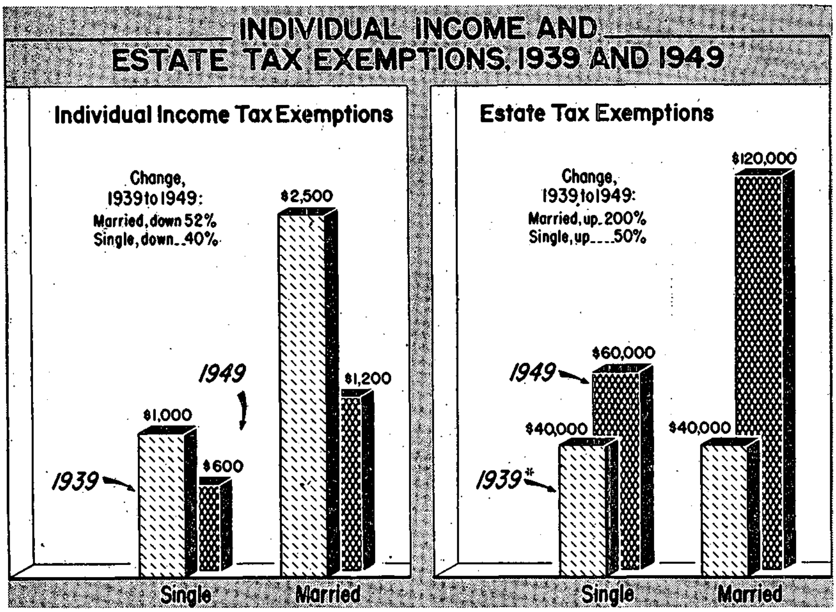


CHART E

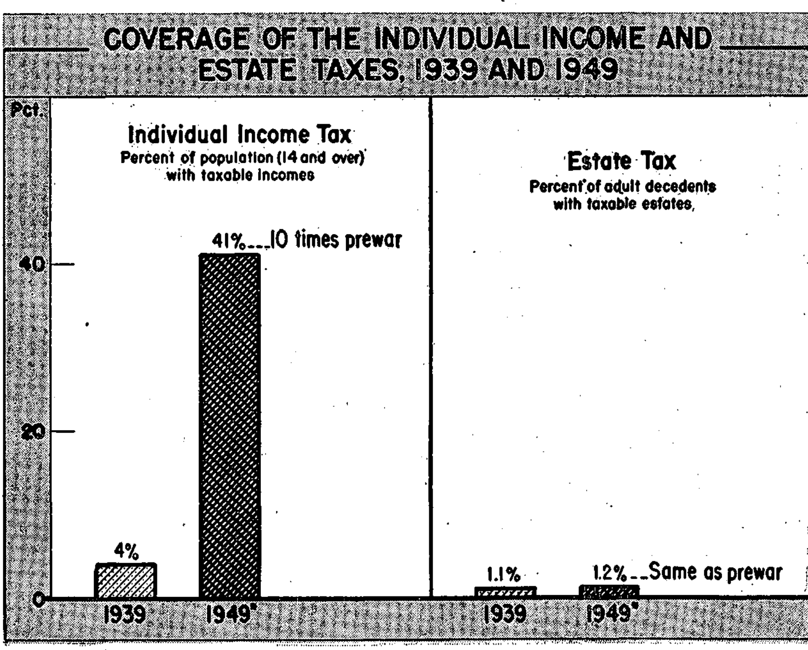
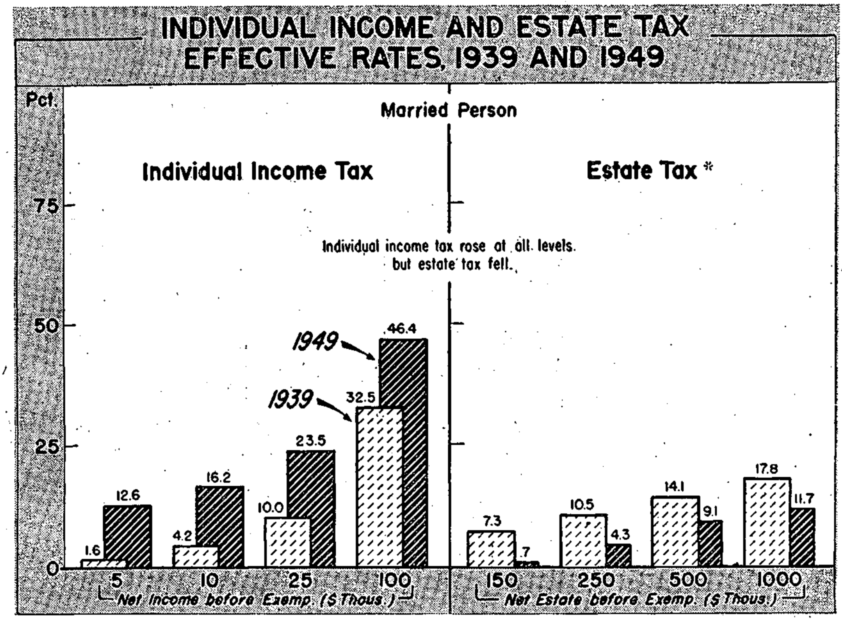


CHART F



Point IV tax proposals

The House bill contains no legislation carrying out those parts of the President's tax recommendations which derived their impetus from the Point IV Program. These recommendations relate to the tax treatment of income derived abroad and are designed to remove tax deterrents to the movement of private investment and technicians to foreign countries.

One of these recommendations would treat the income of foreign branches established by domestic corporations as the tax laws now treat similar income obtained through foreign subsidiaries. The tax would be postponed until the foreign earnings are brought home. Such a provision would eliminate tax differentials as a factor in determining the organizational form of a foreign business operation and would afford greater flexibility to those contemplating investments abroad. It would also permit reinvestment of foreign earnings abroad without current tax consequences.

A corporation receiving dividends from a foreign subsidiary is now permitted a credit for the income taxes paid abroad by the subsidiary. This provision helps to eliminate international double taxation. However, it applies only to a domestic firm which owns a majority of the voting stock of the foreign corporation. Consequently, when two or more U. S. firms undertake to share the risk of a foreign enterprise, only one of them, at most, can be safeguarded against double taxation. One of the Department's proposals in this field would lower the majority control requirements so that ownership of any substantial interest in a foreign corporation would qualify a U. S. firm for the foreign tax credit. This would encourage joint ventures abroad, and would facilitate the participation of local capital in such enterprises.

There is need also for liberalizing the foreign tax credit provisions as they apply to firms that derive income in one foreign country but incur an offsetting loss in another and for extending it to the estate tax.

The scope of the exemption now accorded individuals on income earned abroad requires adjustment. The present exemption begins to apply only with the first full taxable year of bona fide foreign residence. There is no sound reason why the earnings of the first 11 months, say, of an individual's foreign residence should be taxed when it is clear that it is part of long-term employment abroad. Accordingly, the Department has proposed that, once an individual qualifies for exemption as a foreign resident for a taxable year, the exemption should apply retroactively to his earnings throughout the entire period of his stay abroad.

In presenting my comments on the House bill I have undertaken also to provide your committee with the background of the program which the President asked the Congress to consider.

The House bill makes an important contribution toward meeting the objectives of the President's program presented in January. However, it does not go far enough and should be improved. I earnestly urge you to consider the changes which would bring the bill more in accord with our present requirements.

I want to say once more that I am sure that the future course of world events is very much in your minds, as it is in mine. Increased disturbance to world peace would involve increased demands upon us which would require additional fiscal measures.

The effect of recent international developments on our expenditures will become clearer as events unfold. Therefore, if during the course of your consideration of this legislation it appears that we are confronted with a substantial increase in defense expenditures and strains on the economy, I shall not hesitate to so advise you. As the President indicated in his tax message, we must be ready to gear changes in the revenue laws to the needs of our economy.

These are times when our political and economic institutions are challenged and we should not hesitate to protect and perfect them. A healthy economy, a sound fiscal and tax policy, fair and adequate taxation are all parts of our pattern for national strength and world leadership.

Exhibit 22.—Letter of the President, July 25, 1950, to the Chairman of the Senate Finance Committee recommending prompt enactment of an interim revenue measure

My Dear Mr. Chairman: The increased military appropriation requests transmitted to the Congress on July 24, 1950, together with other requests I shall transmit at a later date, will entail sharply increased Federal expenditures. We embark on these enlarged expenditures at a time when the Federal budget is already out of balance. This makes it imperative that we increase tax revenues promptly lest a growing deficit create new inflationary forces detrimental to our defense effort.

We must make every effort to finance the greatest possible amount of needed expenditures by taxation, and we must design taxation methods which prevent profiteering and distribute the tax burden fairly among the different groups of our people.

I appreciate that the development of a comprehensive revenue program adequate for our present needs will require careful congressional consideration. Our wartime experience will need to be reviewed and alternative approaches explored. Under the most auspicious circumstances, such a comprehensive tax program could not be completed for some time.

In the present situation, however, speed is of the essence and delay would be costly.

I recommend that, as an interim revenue measure, action should be taken immediately to revise and enact the tax bill now pending before your Committee, so as to increase tax collections substantially for the taxable year 1950. Specifically, I suggest that the revenue-raising provisions of the pending bill be retained and supplemented by increases in the corporate and individual income tax rates. This could be done without interfering in any way with the development of a more comprehensive revenue program as soon as practicable.

Three adjustments would be required in the pending bill:

First, to eliminate the excise tax reductions and other revenue-losing provisions, but retain the loophole-closing, dividend withholding, and life insurance company provisions.

Second, to adjust the revised corporate rate structure contained in the pending bill by increasing the normal corporate rate from 21 to 25 percent. Taking into account the 20 percent surtax contained in the present bill, and the $25,000 exemption from surtax, this would result in a 25 percent tax on the first $25,000 of a corporation's income, and a 45 percent tax on the balance.

Third, to increase individual income tax rates to the "tentative" levels adopted in 1945, by removing the reductions from those levels made in 1945 and 1948. This would leave unchanged the income-splitting provisions of present law, and the present personal exemptions of $600 per person. These rate schedules are familiar to the Congress, since they were involved in the consideration of the tax reductions adopted in 1945 and 1948.

The increased corporate income tax rates should be made applicable beginning with 1950 corporation incomes, as the pending bill would do. With respect to individual income taxes, the increased rates should be applicable beginning with one-quarter of each taxpayer's 1950 income. This would require an increase in the withholding rate from the present 15 percent to 18 percent, beginning with the last quarter of 1950.

These adjustments in the pending tax bill would increase the Government's revenue, on a full-year basis, by about $5 billion at present income levels. Clearly, this will not meet our long-run revenue requirements. As an interim step, however, it will have a timely effect on tax revenues and our financial preparedness. It will serve to restrain inflationary forces generated by increased defense expenditures. Without this action, we would face very substantial deficits before any additional taxes could begin to be collected.

In addition to increasing revenues, enactment of the revenue legislation I am recommending would improve the soundness of our tax system. The loophole-closing provisions of the pending bill will strengthen the tax structure and make it more equitable. This is particularly desirable in view of the higher tax rates in prospect, which would surely increase the incentive to exploit present tax loopholes. Moreover, the corporate income tax structure will be substantially improved by eliminating the present "notch" rate, which bears heavily on smaller corporations. This will moderate the effect of increased rates on business incentives.

I believe that prompt interim legislation along these lines will provide tangible evidence of our determination to conduct our national finances in a sound manner, consistent with the national effort we are required to make. It will also be a major step toward preventing inflation during the time necessary to develop a carefully balanced tax program suited to our longer-range requirements. I expect to transmit further recommendations to the Congress concerning a more comprehensive tax program when we have additional information on the extent of our needs.

I am grateful for your cooperation in working out arrangements for the prompt consideration of these interim proposals. I earnestly hope that they will be favorably acted upon by the Congress at an early date.

I am sending a copy of this letter to the Chairman of the Ways and Means Committee of the House of Representatives, who, as you know, participated in working out the procedure for prompt action recommended in this letter.

Very sincerely yours,

HARRY S. TRUMAN.

Exhibit 23.—Statement of Secretary of the Treasury Snyder before the Senate Finance Committee, August 2, 1950, on the President's recommendation for the enactment of interim tax legislation

I am glad to have this opportunity to discuss with you the President's recommendation for the prompt enactment of interim tax legislation.

In the four weeks since I appeared before your Committee in connection with your consideration of H. R. 8920 the events in Korea and the messages of the President have demonstrated to every citizen in the Nation that both our expenditures and our revenues will have to be very much greater in the period ahead than we had formerly anticipated. Since July 11, when I recommended to your Chairman that action on the tax bill be suspended, the President has transmitted a series of messages to the Congress outlining our defense requirements for the immediate future and the measures which are urgently needed in relation to them. In these messages, the President has asked for over $15 billion of additional appropriations to be available now for purposes of defense. Concurrently, he has recommended interim revenue legislation which will immediately increase Federal tax receipts by $5 billion on an annual basis.

As the President has emphasized, the additional revenue asked for at this time is only a first step in the necessary adjustment of our revenue system to bring it more closely in line with current and prospective outlays needed for defense against unprovoked and unlawful attack upon the rights and territories of peaceful people. This must be followed as soon as possible by a more comprehensive program to increase very substantially the productiveness of our revenue system and to adjust the added tax burden on a basis which will be fair and equitable to all of our citizens.

With respect to the President's program, I should like to make it clear that the revenue measures which are urged for immediate enactment represent the minimum requirements of financial preparedness at this time. As you know, the finances of the Government were not balanced at the beginning of the Korean crisis. Our deficit for the fiscal year 1950 amounted to over $3 billion and a deficit of approximately $5 billion was in prospect for the fiscal year 1951. In times like the present it is not only desirable, it is vital to the entire defense effort that the finances of the Government be placed in the strongest possible position for meeting the demands which will be made on them for defense against unscrupulous destroyers of peace. This program is an essential first step—though it is a first step only—toward utilizing our revenue system to strengthen the economic defenses of the Nation.

Besides improving the fiscal position of the Government, the increase in our revenues at this time will serve another important purpose. As the President has pointed out, it will aid in restraining inflationary forces generated by increased defense expenditures. Every person in the Nation is aware of the primary importance of these objectives. Now is the time to take action toward maintaining an environment which will discourage, rather than encourage, the growth of inflationary pressures. Larger tax payments from current incomes—both business and personal—are an essential feature of an effective anti-inflationary program. I share the confidence of the President that every citizen stands ready to make this necessary contribution to our national security.

As I emphasized in my appearance before your Committee on July 5, both corporations and individuals are in an exceptionally favorable financial position at the present time. Personal incomes this year, excluding the insurance dividends to veterans, have already risen to a level close to the peak reached in the last part of 1948. Corporate profits are also running near the 1948 record totals. Industrial production in June surpassed the previous peacetime high of November 1948 and civilian employment passed 61 million in June, a record high for the month. The whole economy, in fact, appears to be surging forward at an accelerated pace and the need for increased output for military purposes will intensify this trend.

Under these circumstances and in view of the increasing evidence during recent weeks that inflationary pressures are already having a strong impact on the price structure, we cannot fail to make an earnest effort to pay for a larger proportion of current governmental expenditures out of current incomes. In order to do this it is essential that legislation increasing taxes be passed promptly. A major tax program would consume a substantial period of time and could not result in an immediate increase in tax payments. Present inflationary developments could not be curbed by the enactment of taxes after the crucial transition period has passed, regardless of how high they might later be raised.

The development of a tax program fully adequate to meet the demands of a continued mobilization effort will require consideration of many basic problems. Our present effort should preserve freedom of action with respect to these problems. The Congress will later wish to re-examine our wartime experience with a view to devising the most appropriate methods for dealing with the complex problems of excessive profits, measures to stimulate defense production, and the interrelationships between taxation and direct economic controls. These problems raise some of the most difficult issues in the field of taxation. It will be necessary to have a fuller understanding of the future course of our mobilization plans in order to resolve them in a manner which will make the maximum contribution to the effectiveness of economic programs.

The interim tax measure recommended by the President and developed in cooperation with the congressional leadership is based upon a careful evaluation of all of these elements in the present situation. The President has recommended that H. R. 8920 serve as a basis for the desired legislation, with the following adjustments:

First, that the excise tax reductions and other revenue-losing sections in the bill now pending before your Committee be eliminated, but that the provisions for closing loopholes, for instituting a withholding tax on dividends, and for adjusting the taxation of life insurance companies be retained,

Second, that the corporation income tax rates in the pending bill be raised by an additional four percentage points, effective for 1950 incomes, and

Third, that the pending bill be amended to include increases in individual income taxes by removing one-quarter of the reductions from "tentative" tax for 1950 incomes, and by eliminating such reductions entirely beginning in 1951.

As the President has stated, these measures together would raise approximately $5 billion of revenue on a full-year basis. It is fortunate that when the need for additional revenue became apparent your Committee and the Committee on Ways and Means of the House of Representatives had already laid the groundwork for the program now recommended by the President. The careful consideration which the pending tax bill has already received has prepared the way for the measures which must now be taken to adjust our revenue system to the new requirements of national defense. The changes in the pending bill to incorporate these revisions could be made with a minimum of drafting problems for the Committee to consider.

The details of the three major proposals of the President with respect to revenue measures which are recommended for immediate enactment follow.

1. THE ELIMINATION OF REVENUE-LOSING PROVISIONS AND CLOSING OF LOOPHOLES

The need for revenue at this time requires the retention of all present revenue sources. This means that the excise taxes now in existence should be continued. In urging the Committee to eliminate the excise reductions provided in the bill, I should not like to leave the impression that these taxes in their present form are a desirable and necessary permanent feature of our revenue system. When the Congress undertakes a comprehensive tax program to meet increased defense needs, consideration can be given to the proper composition of excise taxes.

For the purpose of immediate legislation, however, two extensions of existing excises should be considered in the interest of competitive equality. One is the extension of the present tax on household refrigerators to deep-freeze units, a provision already incorporated in the pending bill. The second is the extension of the 10 percent radio tax to television sets, as I previously recommended. Television now is a strong competitor with alternative forms of entertainment, such as the radio, motion pictures, and professional sporting events, all of which are subject to Federal excise tax.

In my statement to your Committee on July 5, I called attention to certain other revenue-losing provisions of the bill which are highly objectionable on equity grounds. Present circumstances strengthen the case for removing these provisions from the bill.

As the President pointed out, the loophole-closing, dividend withholding, and life insurance provisions of the bill should be retained. The retention of the loophole-closing provisions of the bill is particularly desirable in view of the higher tax rates which are certain to increase the exploitation of tax loopholes. We should not encourage the opportunities for tax avoidance that have been brought to the attention of your Committee. Necessary technical changes in these provisions to meet the problems that have been raised will be presented by the Treasury staff.

The provisions of the bill for the taxation of the life insurance industry become increasingly more important as other segments of the economy are required to pay higher taxes.

Withholding on dividends will be particularly helpful since it will assure more effective tax compliance at a time when the rising level of taxation necessitates more intensive enforcement efforts.

The significance of these measures extends beyond their immediate revenue effect. If imperfections are permitted to survive in our tax laws, increasingly larger amounts of revenue will be lost. Inequities under present circumstances would tend to reduce taxpayer morale.

The full-year revenue effect of the loophole provisions of the pending bill, and the excise adjustments, is estimated at more than $500 million.

2. CORPORATION INCOME TAX

The second element in the President's interim revenue program is an increase in the corporation income tax of 4 percentage points above the rates contained in the pending tax bill. The corporate normal tax included in the House bill would be increased from 21 percent to 25 percent which, with the 20 percent surtax provided in the bill, would result in a combined top rate of 45 percent (table I). It is proposed that these increased rates apply to the 1950 incomes of corporations as the present bill provides.

TABLE I.—*Corporate income tax rates under present law and the House bill (H. R. 8920) compared with the proposed rates*

Net income	Present law			House bill			Proposed rates		
	Normal tax	Surtax	Combined rates	Normal tax	Surtax	Combined rates	Normal tax	Surtax	Combined rates
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
0 to $5,000	15	6	21						
$5,000 to $20,000	17	6	23	21		21	25		25
$20,000 to $25,000	19	6	25						
$25,000 to $50,000	31	22	53	21	20	41	25	20	45
$50,000 and over	24	14	[1] 38						

[1] Instead of applying the bracket rates, corporations with incomes above $50,000 are taxed at the rate of 38 percent on their entire income.

The recommended increase in corporation tax rates would add, on an annual basis at calendar year 1950 income levels, about $1 billion of revenue to the amount provided under the pending bill, representing a total increase in corporate tax yield over present law of $1.5 billion.

The tax increases as compared with present law would vary at different income levels as a result of the desirable substantive changes made in the corporate rate structure by the House bill. The bill eliminates the "notch" provision which, as the Committee knows, has existed since 1938 for the purpose of making the transition from the reduced rates provided for small corporations to the flat rate applicable to the total income of all other corporations. The 53 percent "notch" rate in the present law has long been recognized to be an obstacle in the path of small, growing corporations. If this method of transition were left unchanged, the corporate rate increase in the bill with the additional increase recommended by the President would require raising the "notch" rate to a highly inequitable level. The elimination of the "notch" under the bill provides in effect a flat corporate income tax rate with a $25,000 exemption from surtax, which continues to accord incentive tax treatment to small corporations.

The combined effect of the higher rates and the elimination of the "notch" is a relatively small increase in tax for small corporations, incidental reductions for corporations in and immediately above the "notch" area, and a general increase of 7 percentage points for larger corporations. As shown in chart A and table II, the effective rates of corporation income tax liabilities under the President's recommendation would be 4 percentage points higher at all levels than under the pending bill.

CHART A

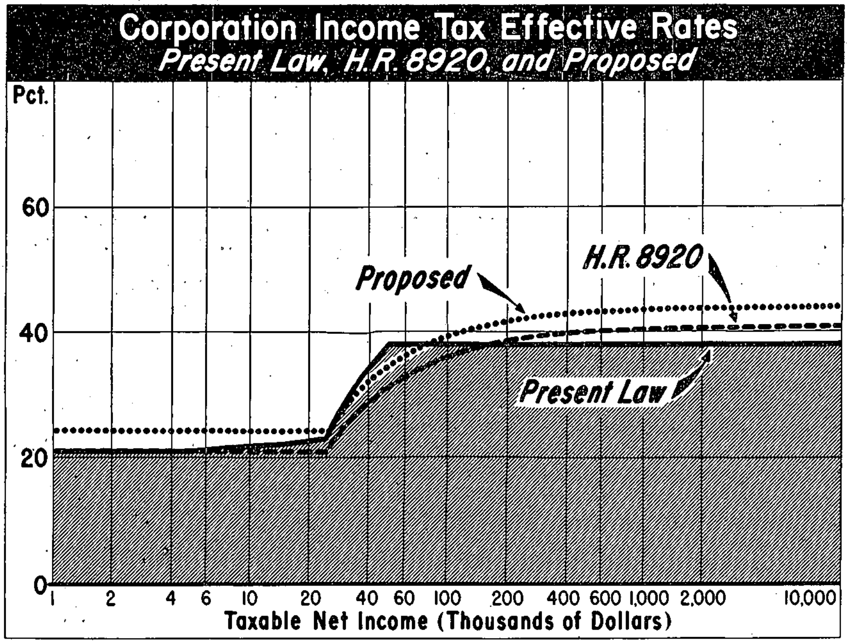


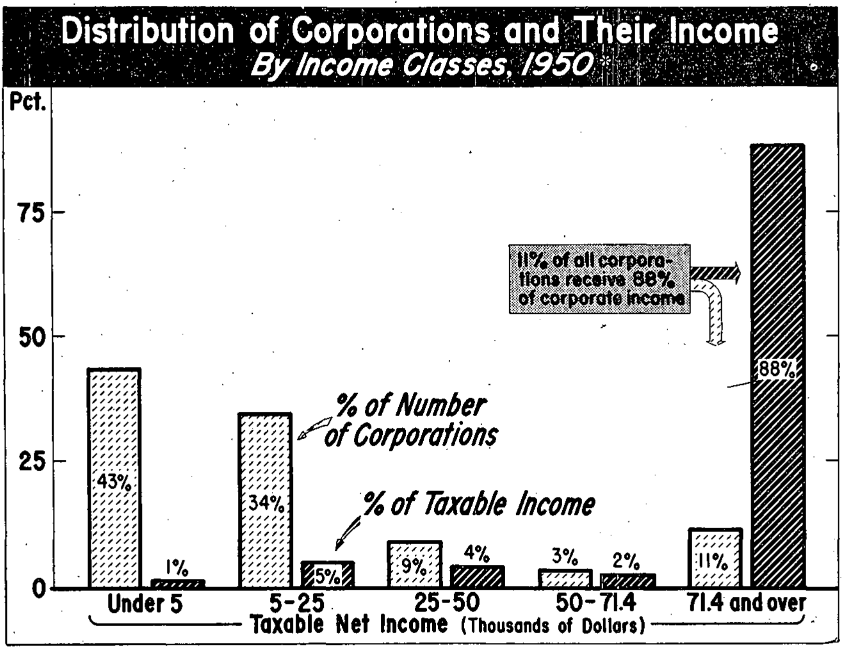
TABLE II.—*Comparison of corporation income tax liabilities under present law, the House bill (H. R. 8920), and proposed rates*

Net income	Tax liabilities			Effective rates			Increase (+) or decrease (−) in effective rates as compared with present law	
	Present law	House bill	Proposed rates	Present law	House bill	Proposed rates	House bill	Proposed rates
				Percent	*Percent*	*Percent*	*Percent*	*Percent*
$5,000	$1,050	$1,050	$1,250	21.00	21.00	25.00	0	+4.00
$10,000	2,200	2,100	2,500	22.00	21.00	25.00	−1.00	+3.00
$25,000	5,750	5,250	6,250	23.00	21.00	25.00	−2.00	+2.00
$30,000	8,400	7,300	8,500	28.00	24.33	28.33	−3.67	+.33
$50,000	19,000	15,500	17,500	38.00	31.00	35.00	−7.00	−3.00
$60,000	22,800	19,600	22,000	38.00	32.67	36.67	−5.33	−1.33
$71,429	27,143	24,286	27,143	38.00	34.00	38.00	−4.00	0
$75,000	28,500	25,750	28,750	38.00	34.33	38.33	−3.67	+.33
$100,000	38,000	36,000	40,000	38.00	36.00	40.00	−2.00	+2.00
$125,000	47,500	46,250	51,250	38.00	37.00	41.00	−1.00	+3.00
$166,667	63,333	63,333	70,000	38.00	38.00	42.00	0	+4.00
$250,000	95,000	97,500	107,500	38.00	39.00	43.00	+1.00	+5.00
$1,000,000	380,000	405,000	445,000	38.00	40.50	44.50	+2.50	+6.50
$10,000,000	3,800,000	4,095,000	4,495,000	38.00	40.95	44.95	+2.95	+6.95
$100,000,000	38,000,000	40,995,000	44,995,000	38.00	41.00	45.00	+3.00	+7.00

The major increases would be paid by 41,000 large corporations. These corporations, as shown in chart B, account for 88 percent of taxable corporate net income, although they represent 11 percent of all taxable corporations. As shown in chart C, those with net incomes above $71,400 would pay, on the average, 16 percent more tax than under present law. Smaller increases would be paid by the 296,000 corporations with incomes under $31,250. The maximum increase for this group of smaller corporations would be $500, payable by corporations with net incomes between $20,000 and $25,000. The increase for a corporation with $5,000 net income would be $200.

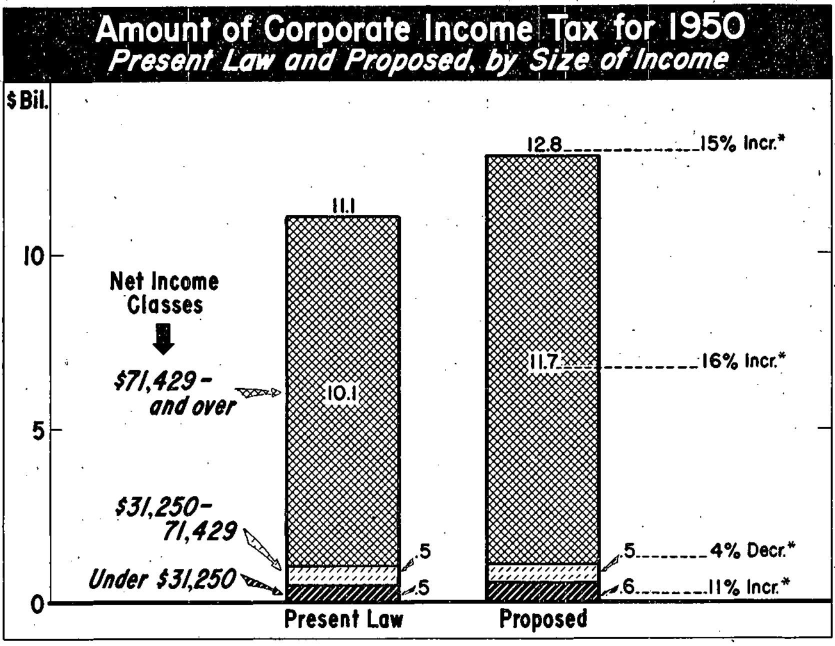
Because of elimination of the "notch," about 33,000 corporations with incomes between $31,250 and $71,400 would have a net reduction in tax. The maximum reduction would amount to $1,500 and would occur at the top of the present "notch" area on net incomes of $50,000.

CHART B



*Estimated

CHART C



*Computed from unrounded figures.

It will be recalled that the President recommended in January 1950 an increase in the corporate rate to 42 percent. The Ways and Means Committee began hearings on February 3, 1950, and the pending bill, as passed by the House of Representatives, adopted a corporate rate of 41 percent. Therefore, businessmen have had reason to anticipate an increase in the tax on corporate profits effective as of January 1, 1950.

When the House bill was passed, corporate profits were estimated at an annual rate of $31 billion and the indications were that the full-year rate would be somewhat higher. Profits at this level would have permitted corporations, after the increased taxes under the House bill, to pay record dividends and to retain larger profits than last year. Moreover, current prospects for corporate profits in 1950 are steadily improving.

In connection with the application of the proposed corporation tax increases to 1950 incomes, the Committee will be interested in the record of past changes in the corporation income tax (table III). Beginning with the corporation tax in 1909, the Congress has generally made corporate rate changes applicable to the income of the calendar year in which the legislation was enacted, even in those years in which legislative consideration of the corporate tax increase was not completed until the closing months of the year. In two instances (the Revenue Act of 1918, enacted February 24, 1919, and the Revenue Act of 1926, enacted February 26, 1926) the tax increases were made effective as of January 1 of the preceding year.

TABLE III.—*Date of enactment and effective date of changes in corporation income taxes under Federal tax laws, 1909 to date*

Federal tax law	Type of change	Date of enactment	Effective date of change
Act of—			
Aug. 5, 1909	Initial tax	Aug. 5, 1909	Jan. 1, 1909
Oct. 3, 1913	Eliminated specific credit	Oct. 3, 1913	Mar. 1, 1913
Revenue Act of—			
1916	Increased rate	Sept. 8, 1916	Jan. 1, 1916
1917	do	Oct. 3, 1917	Jan. 1, 1917
1918	Increased rate for 1918; reduced rate for 1919.	Feb. 24, 1919	Jan. 1, 1918 Jan. 1, 1919
1921	Increased rate	Nov. 23, 1921	Jan. 1, 1922
1926	Increased rate for 1925; further increase for 1926.	Feb. 26, 1926	Jan. 1, 1925 Jan. 1, 1926
1928	Reduced rate	May 29, 1928	Jan. 1, 1928
Joint Resolution No. 133—			
1929	do	Dec. 16, 1929	[1] Jan. 1, 1929
Revenue Act of—			
1932	Increased rate	June 6, 1932	Jan. 1, 1932
1936	Increased normal tax rate and adopted surtax on undistributed profits.	June 22, 1936	Jan. 1, 1936
1938	Increased rates	May 28, 1938	Jan. 1, 1938
1940	do	June 25, 1940	Jan. 1, 1940
1940 (2d)	do	Oct. 8, 1940	Jan. 1, 1940
1941	do	Sept. 20, 1941	Jan. 1, 1941
1942	do	Oct. 21, 1942	Jan. 1, 1942
1945	Reduced rates	Nov. 8, 1945	Jan. 1, 1946

[1] Applicable to taxable year 1929 only.

The present schedule for payment of accrued corporation taxes makes it essential that the proposed increases apply to 1950 incomes. Taxes on 1951 incomes will not be payable until 1952 and will be fully collected only by December 15, 1952—almost 2½ years hence.

Further changes in the corporate tax area can be made with respect to 1951 incomes after full consideration of the various alternatives and in the light of subsequent developments in the economic situation and expenditure requirements.

3. INDIVIDUAL INCOME TAX

The third element in the President's interim revenue program is an increase in the rates of the individual income tax. The President recommended that this be accomplished by removing the present percentage reductions from "tentative" tax provided for 1948 and 1949, but that only one-fourth of these reductions be removed in computing tax liabilities for the current year 1950. The increase in tax on 1950 incomes would be coordinated with an increase in withholding, effective October 1 of this year.

You will recall that in 1945 this Committee developed an income tax schedule which was 3 percentage points lower in all brackets than the wartime rate schedule enacted in 1944. In addition, your Committee provided for a flat 5 percent reduction from these rates in determining the final liability.

When income taxes were again reduced in 1948, the general 5 percent reduction was replaced by a series of reductions amounting to 17 percent on the first $400 of tentative tax; 12 percent between $400 and $100,000; and 9.75 percent for tax in excess of $100,000. The net effect of this complex schedule is to produce rates rising from 16.6 percent in the first bracket to 82.1275 percent in the highest (table IV).

TABLE IV.—*Individual income tax rate schedules*

PROPOSED RATES FOR 1950 AND 1951 COMPARED WITH THE REVENUE ACTS OF 1944, 1945, AND 1948

Surtax net income	1944 act (highest wartime rates)	1945 act [1]	1948 act [1] (present law)	Proposed rates 1950 [1]	Proposed rates 1951
	Percent	*Percent*	*Percent*	*Percent*	*Percent*
0 to $2,000	23	19.00	16.60	17.40	20
$2,000 to $4,000	25	20.90	19.36	20.02	22
$4,000 to $6,000	29	24.70	22.88	23.66	26
$6,000 to $8,000	33	28.50	26.40	27.30	30
$8,000 to $10,000	37	32.30	29.92	30.94	34
$10,000 to $12,000	41	36.10	33.44	34.58	38
$12,000 to $14,000	46	40.85	37.84	39.13	43
$14,000 to $16,000	50	44.65	41.36	42.77	47
$16,000 to $18,000	53	47.50	44.00	45.50	50
$18,000 to $20,000	56	50.35	46.64	48.23	53
$20,000 to $22,000	59	53.20	49.28	50.96	56
$22,000 to $26,000	62	56.05	51.92	53.69	59
$26,000 to $32,000	65	58.90	54.56	56.42	62
$32,000 to $38,000	68	61.75	57.20	59.15	65
$38,000 to $44,000	72	65.55	60.72	62.79	69
$44,000 to $50,000	75	68.40	63.36	65.52	72
$50,000 to $60,000	78	71.25	66.00	68.25	75
$60,000 to $70,000	81	74.10	68.64	70.98	78
$70,000 to $80,000	84	76.95	71.28	73.71	81
$80,000 to $90,000	87	79.80	73.92	76.44	84
$90,000 to $100,000	90	82.65	76.56	79.17	87
$100,000 to $136,719.10	92	84.55	78.32	80.99	89
$136,719.10 to $150,000			80.3225	82.77	
$150,000 to $200,000	93	85.50	81.2250	83.70	90
$200,000 and over [2]	94	86.45	82.1275	84.63	91

NOTE.—The rates under the proposed change for 1950 have been computed by rounding the one-fourth reduction from tentative tax. Reductions from tentative tax of exactly one-fourth would result in the following changes: The 17 percent reduction would be reduced to 12.75, 12 percent to 9, and 9.75 percent to 7.3125. These reductions were rounded to 13 percent, 9 percent, and 7 percent, respectively, in computing the 1950 bracket rates in table IV and the effective rates in table V. The maximum difference in tax due to rounding would be relatively small.

[1] After reductions from tentative tax.
[2] Subject to the following maximum rate limitations: Revenue Act of 1944, 90 percent; Revenue Act of 1945, 85.5 percent; Revenue Act of 1948, 77 percent; proposed rates for 1950, 80 percent; proposed rates for 1951, 90 percent.

Under the President's proposal, the percentage reductions would be eliminated for 1951 and the "tentative" rates would become the actual rates. In terms of effective rates, the increases over present law would be 3.4 percentage points at the top of the lowest tax bracket and about 9 percentage points in the highest bracket (table V).

TABLE V.—*Comparison of individual income tax liability under present law and under proposed rates for 1950 and 1951*

SINGLE PERSON—NO DEPENDENTS

Net income before exemption	Amount of tax			Effective rates			Increase under proposed rates				1950 increase as a percentage of—		1951 increase as a percentage of—	
	Present law	Proposed rates		Present law	Proposed rates		1950		1951		Tax under present law	Net income after tax under present law	Tax under present law	Net income after tax under present law
		1950	1951		1950	1951	Amount	Effective rate	Amount	Effective rate				
				Percent	Percent	Percent		Percent		Percent	Percent	Percent	Percent	Percent
$600														
$800	$33	$35	$40	4.2	4.4	5.0	$2	0.2	$7	0.9	4.8	0.2	20.5	0.9
$1,000	66	70	80	6.6	7.0	8.0	3	.3	14	1.4	4.8	.3	20.5	1.5
$1,500	149	157	180	10.0	10.4	12.0	7	.5	31	2.0	4.8	.5	20.5	2.3
$2,000	232	244	280	11.6	12.2	14.0	11	.6	48	2.4	4.8	.6	20.5	2.7
$3,000	409	428	488	13.6	14.3	16.3	19	.6	79	2.6	4.6	.7	19.2	3.0
$5,000	811	843	944	16.2	16.9	18.9	32	.6	133	2.7	4.0	.8	16.4	3.2
$8,000	1,546	1,604	1,780	19.3	20.0	22.3	57	.7	234	2.9	3.7	.9	15.1	3.6
$10,000	2,124	2,201	2,436	21.2	22.0	24.4	77	.8	312	3.1	3.6	1.0	14.7	4.0
$15,000	3,894	4,032	4,448	26.0	26.9	29.7	137	.9	554	3.7	3.5	1.2	14.2	5.0
$20,000	6,089	6,301	6,942	30.4	31.5	34.7	212	1.1	853	4.3	3.5	1.5	14.0	6.1
$25,000	8,600	8,898	9,796	34.4	35.6	39.2	298	1.2	1,196	4.8	3.5	1.8	13.9	7.3
$50,000	23,201	23,997	26,388	46.4	48.0	52.8	796	1.6	3,187	6.4	3.4	3.0	13.7	11.9
$100,000	58,762	60,770	66,798	58.8	60.8	66.8	2,008	2.0	8,036	8.0	3.4	4.9	13.7	19.5
$500,000	[1] 385,000	397,209	429,274	[1] 77.0	79.4	85.9	12,209	2.4	44,274	8.9	3.2	10.6	11.5	38.5
$1,000,000	[1] 770,000	[2] 800,000	884,274	[1] 77.0	[2] 80.0	88.4	30,000	3.0	114,274	11.4	3.9	13.0	14.8	49.7

Footnotes at end of table.

TABLE V.—*Comparison of individual income tax liability under present law and under proposed rates for 1950 and 1951*—Continued

MARRIED PERSON—NO DEPENDENTS

Net income before exemption	Amount of tax			Effective rates			Increase under proposed rates				1950 increase as a percentage of—		1951 increase as a percentage of—	
	Present law	Proposed rates		Present law	Proposed rates		1950		1951		Tax under present law	Net income after tax under present law	Tax under present law	Net income after tax under present law
		1950	1951		1950	1951	Amount	Effective rate	Amount	Effective rate				
				Percent	*Percent*	*Percent*		*Percent*		*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
$1,200														
$1,500	$50	$52	$60	3.3	3.5	4.0	$2	0.2	$10	0.7	4.8	0.2	20.5	0.7
$2,000	133	139	160	6.6	7.0	8.0	6	.3	27	1.4	4.8	.3	20.5	1.5
$3,000	299	313	360	10.0	10.4	12.0	14	.5	61	2.0	4.8	.5	20.5	2.3
$5,000	631	661	760	12.6	13.2	15.2	30	.6	129	2.6	4.8	.7	20.5	3.0
$8,000	1,206	1,257	1,416	15.1	15.7	17.7	50	.6	210	2.6	4.2	.7	17.4	3.1
$10,000	1,621	1,686	1,888	16.2	16.9	18.9	65	.6	267	2.7	4.0	.8	16.4	3.2
$15,000	2,829	2,935	3,260	18.9	19.6	21.7	106	.7	431	2.9	3.7	.9	15.2	3.5
$20,000	4,247	4,402	4,872	21.2	22.0	24.4	154	.8	625	3.1	3.6	1.0	14.7	4.0
$25,000	5,877	6,087	6,724	23.5	24.3	26.9	210	.8	847	3.4	3.6	1.1	14.4	4.4
$50,000	17,201	17,797	19,592	34.4	35.6	39.2	596	1.2	2,391	4.8	3.5	1.8	13.9	7.3
$100,000	46,403	47,994	52,776	46.4	48.0	52.8	1,591	1.6	6,373	6.4	3.4	3.0	13.7	11.9
$500,000	359,662	371,268	403,548	71.9	74.3	80.7	11,606	2.3	43,886	8.8	3.2	8.3	12.2	31.3
$1,000,000	[1] 770,000	794,418	858,548	[1] 77.0	79.4	85.9	24,418	2.4	88,548	8.9	3.2	10.6	11.5	38.5

MARRIED PERSON—TWO DEPENDENTS

Net income before exemption	Present law	Proposed 1950	Proposed 1951	Effective rate present law	Effective rate 1950	Effective rate 1951	1950 Amount	1950 Effective rate	1951 Amount	1951 Effective rate	1950 increase: Tax under present law	1950 increase: Net income after tax	1951 increase: Tax under present law	1951 increase: Net income after tax
$2,400														
$3,000	$100	$104	$120	3.3	3.5	4.0	$5	0.2	$20	0.7	4.8	0.2	20.5	0.7
$5,000	432	452	520	8.6	9.0	10.4	21	.4	88	1.8	4.8	.5	20.5	1.9
$8,000	974	1,016	1,152	12.2	12.7	14.4	43	.5	178	2.2	4.4	.6	18.3	2.5
$10,000	1,361	1,417	1,592	13.6	14.2	15.9	56	.6	231	2.3	4.1	.6	17.0	2.7
$15,000	2,512	2,607	2,900	16.7	17.4	19.3	95	.6	388	2.6	3.8	.8	15.4	3.1
$20,000	3,888	4,030	4,464	19.4	20.2	22.3	142	.7	576	2.9	3.6	.9	14.8	3.6
$25,000	5,476	5,672	6,268	21.9	22.7	25.1	196	.8	792	3.2	3.6	1.0	14.5	4.1
$50,000	16,578	17,152	18,884	33.2	34.3	37.8	575	1.1	2,306	4.6	3.5	1.7	13.9	6.9
$100,000	45,643	47,208	51,912	45.6	47.2	51.9	1,565	1.6	6,269	6.3	3.4	2.9	13.7	11.5
$500,000	358,677	370,252	402,456	71.7	74.1	80.5	11,576	2.3	43,779	8.8	3.2	8.2	12.2	31.0
$1,000,000	769,314	793,402	857,456	76.9	79.3	85.7	24,088	2.4	88,142	8.8	3.1	10.4	11.5	38.2

NOTE.—See note to table IV.

[1] Taking into account maximum effective rate limitation of 77 percent.
[2] Taking into account maximum effective rate limitation of 80 percent.

The proposed tax liabilities applicable to 1951 incomes are shown in charts D and E, compared with those in effect since 1944 when the highest wartime rates were enacted. Under the President's recommendation, the split-income provisions and the increase in exemptions enacted in 1948 would be retained. Thus married persons filing joint returns will continue to benefit from having twice as much income taxable at the lower rates as they did prior to the 1948 act.

Chart D shows the tax liabilities for single persons with different incomes. For a single person with a net income of $5,000, the tax would be increased from 16.2 percent under present law to 18.9 percent under the proposal. This compares with the tax under the 1944 act of 22.1 percent. At the $25,000 level, the present effective rate of 34.4 percent would be raised to 39.2 percent under the proposal, which compares with 42.4 percent under the 1944 act.

Chart E shows that for married persons the proposed rates would be substantially below those in effect at the end of the war. On a net income of $5,000, a married person with two dependents now pays a tax of about 8.6 percent. Under the President's proposal, this would be increased to 10.4 percent for 1951 or about two-thirds of the tax under the 1944 act. At $25,000, where income-splitting gives about the largest relative advantage, the effective rate would be increased from 21.9 percent to 25.1 percent. The proposed tax would then be 13.7 percentage points lower than the highest wartime tax of 38.8 percent at this level.

Under the President's recommendations, less than 5 percent of taxpayers, mostly single persons, would actually pay higher taxes than they did under the 1945 act.

The proposal would increase tax liabilities of individuals by about $700 million on 1950 incomes and by $2.9 billion on 1951 incomes. About 55 percent of this additional revenue would come from taxpayers with net incomes under $5,000. As shown in chart F and table VI, this group now accounts for 91 percent of all taxpayers and for 69 percent of net income of taxable individuals before exemptions. The remaining 45 percent of the revenue would come from those with incomes above $5,000, who represent 9 percent of all taxpayers and receive 31 percent of the net income of taxable individuals.

CHART D

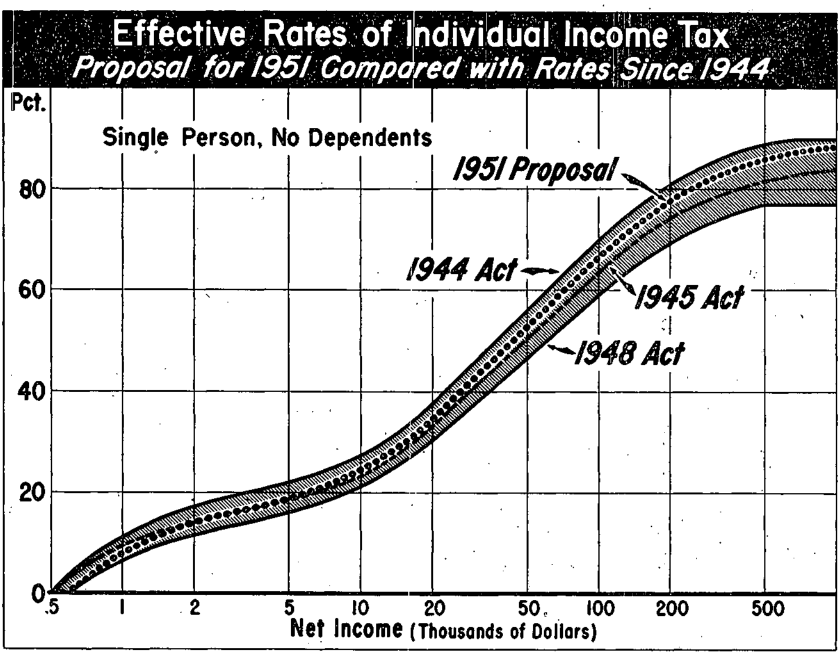


CHART E

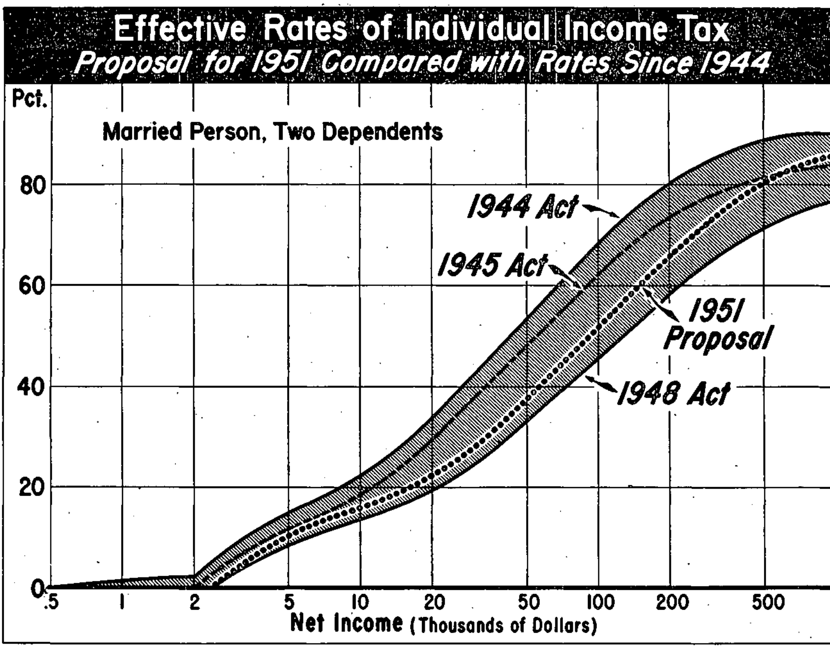
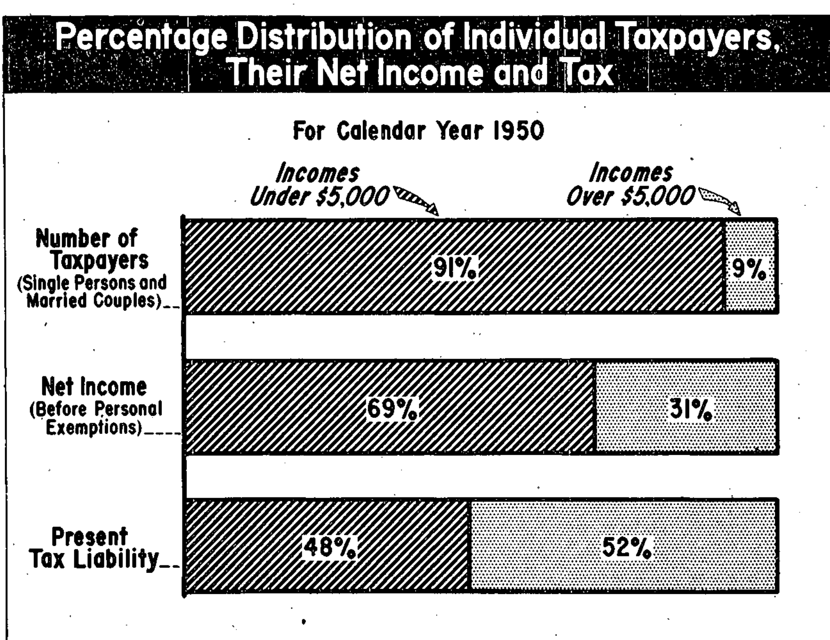


CHART F



Note: Estimated.

907795—51——17

TABLE VI.—*Estimated number of taxable returns, net income before exemptions, and total tax under present law and under the proposed rates, distributed by net income classes at calendar year 1950 income levels*

[Number of returns in thousands; money amounts in millions]

Net income classes	Number of taxable returns	Net income before exemptions	Total tax [1]		
			Under present law	Under proposed rates	Increase
Under $1,000	3, 201. 1	$2, 534. 7	$105. 4	$127. 0	$21. 6
$1,000 to $2,000	10, 781. 6	17, 172. 6	1, 265. 7	1, 524. 9	259. 2
$2,000 to $3,000	12, 374. 7	30, 713. 9	2, 483. 7	2, 990. 2	506. 5
$3,000 to $4,000	8, 517. 1	29, 293. 0	2, 417. 5	2, 901. 0	483. 5
$4,000 to $5,000	4, 046. 9	17, 983. 1	1, 676. 2	2, 013. 5	337. 3
Under $5,000	38, 921. 5	97, 697. 3	7, 948. 6	9, 556. 6	1, 608. 0
$5,000 to $10,000	2, 916. 1	19, 046. 7	2, 334. 7	2, 768. 8	434. 1
$10,000 to $25,000	884. 8	12, 950. 7	2, 387. 0	2, 750. 5	363. 5
$25,000 to $50,000	194. 4	6, 605. 5	1, 887. 9	2, 152. 3	264. 4
$50,000 to $100,000	37. 4	2, 546. 0	1, 052. 6	1, 187. 5	134. 9
$100,000 to $250,000	10. 0	1, 428. 7	755. 6	848. 3	92. 7
$250,000 to $500,000	. 7	248. 0	155. 4	171. 5	16. 1
$500,000 to $1,000,000	. 2	148. 4	101. 8	111. 6	9. 8
$1,000,000 and over	. 1	148. 0	103. 8	112. 6	8. 8
$5,000 and over	4, 043. 7	43, 122. 0	8, 778. 7	10, 103. 2	1, 324. 5
Total	42, 965. 2	140, 819. 3	16, 727. 3	19, 659. 8	2, 932. 5

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

[1] Includes surtax, normal tax, and alternative tax.

TABLE VII.—*Cumulative number of taxpayers, their surtax net income, and combined surtax and normal tax, distributed by surtax net income classes at calendar year 1950 levels of income*

[Number of taxpayers in thousands; money amounts in millions]

Surtax net income class	Cumulative number of taxpayers [1]			Surtax net income			Combined surtax and normal tax (present law)		
	Total	Married persons	Single persons, estates, and trusts	Total	Married persons	Single persons, estates, and trusts	Total	Married persons	Single persons, estates, and trusts
Under $2,000	67, 152. 9	48, 375. 4	18, 777. 5	$60, 582	$40, 596	$19, 986	$10, 057	$6, 739	$3, 318
$2,000 to $4,000	8, 576. 3	5, 266. 6	3, 309. 7	8, 395	6, 111	2, 283	1, 625	1, 183	442
$4,000 to $6,000	2, 483. 9	2, 027. 8	456. 1	3, 664	3, 031	633	838	694	145
$6,000 to $8,000	1, 379. 9	1, 164. 9	215. 0	2, 234	1, 867	367	590	493	97
$8,000 to $10,000	904. 3	764. 1	140. 2	1, 503	1, 254	250	450	375	75
$10,000 to $12,000	627. 8	526. 0	101. 8	1, 094	909	185	366	304	62
$12,000 to $14,000	474. 3	395. 3	79. 0	833	687	146	315	260	55
$14,000 to $16,000	363. 8	300. 3	63. 5	658	539	119	272	223	49
$16,000 to $18,000	269. 8	216. 2	53. 5	517	416	101	227	183	44
$18,000 to $20,000	193. 3	148. 2	45. 1	378	292	85	176	136	40
$20,000 to $22,000	180. 9	142. 2	38. 7	295	222	73	146	110	36
$22,000 to $26,000	137. 4	103. 9	33. 6	418	299	119	217	155	62
$26,000 to $32,000	87. 4	61. 8	25. 6	443	310	132	241	169	72
$32,000 to $38,000	60. 7	43. 0	17. 7	304	208	96	174	119	55
$38,000 to $44,000	38. 5	25. 5	13. 0	211	138	73	128	84	44
$44,000 to $50,000	31. 1	20. 4	10. 7	154	97	57	97	61	36
$50,000 to $60,000	22. 5	14. 1	8. 5	184	113	70	121	75	46
$60,000 to $70,000	15. 0	9. 1	6. 0	125	76	49	86	52	34
$70,000 to $80,000	8. 6	4. 4	4. 2	80	44	36	57	31	26
$80,000 to $90,000	6. 8	3. 7	3. 2	54	25	29	40	18	21
$90,000 to $100,000	5. 1	2. 4	2. 6	40	19	21	30	14	16
$100,000 to $150,000	3. 4	1. 5	1. 9	101	39	63	80	30	49
$150,000 to $200,000	1. 2	. 4	. 8	48	18	30	39	14	25
Over $200,000	. 7	. 2	. 4	150	56	95	124	46	78
Total				82, 461	57, 364	25, 097	16, 495	11, 569	4, 926

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

[1] Married couples are counted as two taxpayers whether or not both spouses have income.

As a result of the large concentration of income below the $5,000 level, a substantial part of income tax revenue must of necessity be obtained from this group. Moreover, a relatively small increase in the rate in the lowest brackets contributes more revenue than a larger increase at the higher income levels. For example, a 1 percentage point increase in the first bracket rate is equivalent in revenue to a 3 percentage point increase for all other brackets together (table VII).

The method of increasing individual income taxes proposed by the President has been selected with regard for simplicity in the face of the need for prompt action. It will provide substantial revenue on an equitable basis. The rate schedule is contained in the present law. The Congress is familiar with the schedule and with the development of the reductions from tentative tax provided in the 1945 and 1948 acts. The President's recommendation provides simply for eliminating one-quarter of these reductions for 1950 incomes and the entire reductions for 1951.

The proposed revision in individual income taxes will involve no complex additional computations. In contrast, a flat percentage increase in tax liabilities combined with the existing three separate tentative reductions would make the present computations even more complex. The introduction of a new rate schedule would require consideration of issues which can best be deferred until a more comprehensive program is considered.

The adoption of the President's proposal will permit the adjustment of the withholding rate applicable to wages and salaries in excess of personal exemptions from 15 percent to 18 percent beginning with October 1 of this year. The new withholding rate, after allowing for the standard deduction, would roughly account for the full increase in tax proposed for the calendar year 1950 for those subject to withholding.

Prompt enactment of legislation is necessary for the Bureau of Internal Revenue to institute withholding at the higher rate. New instructions and withholding tables will have to be printed and distributed to over 3 million employers in time to be used by October 1. Taxpayers who pay tax in four quarterly installments will also have to be provided with new forms to adjust their final quarterly payments.

4. SUMMARY OF REVENUE FROM PRESIDENT'S PROGRAM

The following summary indicates the revenues to be obtained under the President's recommendations on a full-year basis and for the fiscal year 1951. The combined effect of the three-point program is to increase liabilities over present law by nearly $5 billion on an annual basis. About $2.9 billion of this increase would be from the increase in individual income taxes, $1.5 billion from the increase in corporation rates, and over $500 million from the loophole-closing provisions and excise tax adjustments.

TABLE VIII.—*Summary of the estimated revenue effect of the proposed interim tax legislation*

[In millions of dollars]

	Estimated increase in revenue over present law	
	Full-year effect [1]	Fiscal year 1951 [2]
Increase corporation income tax rates	1,455.0	572.1
Remove tentative tax reductions under the individual income tax	[3] 2,932.5	1,725.0
Life insurance companies	63.1	129.2
Charitable and educational institutions and charitable estates and trusts	[4] 100.0	-----------
Miscellaneous loophole-closing provisions	150.9	124.5
Withholding on dividends	175.0	110.0
Tax television sets and deep-freeze units	48.6	31.7
Total	4,925.1	2,692.5

[1] Estimates affecting income taxes are based on levels of income estimated for the calendar year 1950 and take into account interrelated effects of changes in corporation and individual income tax liabilities. Estimates affecting estate and gift taxes and excise taxes are based on levels of income for the fiscal year 1951.

[2] Provisions of the revenue bill of 1950 (as passed by the House of Representatives June 29, 1950) are assumed to have an effective date as provided by the bill. It is also assumed that the increase in tax on television sets and deep-freeze units will be effective September 1, 1950, and that the increase in corporation income tax rates will be effective with taxable years ending on or after December 31, 1950. The higher individual income tax withholding rate is assumed to take effect October 1, 1950.

[3] The individual income tax provisions affecting calendar year 1950 are estimated to yield $703 million.

[4] Does not represent, for the most part, an increase over present revenues. The estimate represents the long-run revenue loss estimated to occur if provisions are not adopted.

The fact that this is an interim program should be emphasized. The relationship between the proposed increases in liabilities can be reconsidered when a more comprehensive program is developed with appropriate attention to other sources of revenue. The enactment of H. R. 8920 revised as recommended will adjust our revenue structure in the direction necessary to discharge the responsibilities we have undertaken to meet. In doing this, an immediate substantial contribution will be made to current revenue needs, and the possibilities of inflationary spending from 1950 incomes will be reduced.

I should like to leave one concluding thought with you. The three-point tax program placed before you by the President to meet our immediate requirements was developed in the conviction that our people are prepared for the sacrifices and responsibilities which the defense of our Nation and of our institutions demands. I feel sure that they want to begin now to prepare for meeting the expenditures that lie ahead. I know that you will consider the President's program in this spirit.

Exhibit 24.—Miscellaneous revenue legislation enacted during the fiscal year 1950

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Public Law 240, August 17, 1949, by adding a new section 3182, exempted certain volatile fruit flavor concentrates from the tax on liquors imposed under subchapter E of Chapter 26 of the Internal Revenue Code.

Public Law 241, August 17, 1949, by amending section 2 of the act of December 5, 1942, extended to July 1, 1951, the existing privilege of free importation of bona fide gifts from members of the armed forces of the United States on duty abroad.

Public Law 261, August 23, 1949, amended sections 3150, 3152, 3157, 3158, and 3159 of the Internal Revenue Code to permit the use of stamp or metering machines as an alternative means of paying the tax on fermented malt liquor, to authorize the bottling of malt liquors on brewery premises and to provide for tax payment on its removal.

Public Law 271, August 27, 1949, (1) accorded privileges of free importation to members of the armed forces of other nations or their families, provided such nations grant reciprocal treatment; (2) amended Public Law 828 (80th Congress, 2nd session), to extend to December 31, 1950, the time for claiming refunds with respect to war losses; (3) amended sections 22 (b) (9) and (10) of the Internal Revenue Code to extend to December 31, 1950, the time during which amounts attributable to discharge of indebtedness may be excluded from gross income; (4) added to Chapter 38 of the Internal Revenue Code section 3809, which prescribes criminal penalties for false returns where made under penalties of perjury, and repealed Internal Revenue Code sections 51 (d), 145 (c), and 1630 relating to the same subject matter; (5) repealed Internal Revenue Code section 148 (f) relating to reports and public listing of compensation of corporate officers and employees in excess of $75,000; (6) repealed Internal Revenue Code section 1626 (c) and amended section 1631 to prescribe the penalty for the failure of an employer to file a return or pay over-withheld tax; (7) amended Internal Revenue Code section 3310 to grant to the Commissioner authority to prescribe regulations with regard to returns and payment of certain excise taxes and to authorize the use of Government depositaries for receiving any internal revenue tax; section 8 of the Second Liberty Bond Act (31 U. S. C., sec. 771) was also amended to allow the Treasury to leave the proceeds of any internal revenue tax on deposit in commercial banks; (8) amended Internal Revenue Code Chapter 35 to add thereto section 3647, authorizing the Commissioner to delegate the power of assessment to field officers; (9) amended Internal Revenue Code section 3770 (a) (4) to permit the Commissioner to credit overpayment of one class of tax against another class of tax due, added a new paragraph (5) to authorize him to delegate to collectors authority to make refunds not in excess of $10,000 and amended Internal Revenue Code section 3772 by adding subsection (e) to allow a credit for overpayment of any tax against a tax liability to be treated as a payment of such satisfied tax liability in a suit for a refund; (10) repealed Internal Revenue Code section 3776 requiring reports to Congress of refunds in excess of $500, and amended Internal Revenue Code section 3777 to require reports by the Commissioner of estate, gift, and income tax refunds and credits to the Joint Committee on Internal Revenue Taxation only if they are in excess of $200,000; (11) amended Internal Revenue Code section 3944 (b) to eliminate the $7,500 limitation on the salaries of collectors; and (12) amended Internal Revenue Code section 3792 to eliminate approval by the Secretary of each informer's award.

Public Law 351, October 12, 1949, relating to pay and allowances for members of the armed forces, provided in section 402 (h) a rule for computing that part of disability retirement pay which would not be tax-exempt for the purposes of section 22 (b) (5) of the Internal Revenue Code.

Public Law 378, October 25, 1949, (1) amended Internal Revenue Code section 60 (a), to provide that farmers may file income tax returns for a taxable year on or before January 31 of the succeeding taxable year in lieu of declarations of estimated tax due on or before January 15 of such succeeding taxable year; (2) amended Internal Revenue Code section 131 (c) to provide that in a redetermination of United States tax because of a refund of tax paid to a foreign country, such redetermination shall take into account only the net amount of the refund received by the taxpayer and to impose no interest on any deficiency resulting from such redetermination except to the extent interest thereon has been paid by the foreign country for such period; (3) amended Internal Revenue Code section

23 (q) to provide an election for corporations on an accrual basis to include in their charitable contributions for any taxable year after 1942 amounts contributed and paid within 2½ months following the close of the taxable year in which such gifts were authorized; (4) amended Internal Revenue Code section 1802 (b) to exempt from stamp taxes transfers of stock between a corporation and its registered nominee; (5) added subsection (d) to Internal Revenue Code section 165 to provide that contributions by employers to certain employee annuity trusts established prior to 1942 shall be included in the taxable income of the employee only in the year in which the annuity payments are received by the employee; (6) amended Internal Revenue Code section 1000 and other relevant provisions of law to exempt from gift and estate taxes the relinquishment on or before December 31, 1950, of powers over certain reciprocal trusts created prior to January 1, 1940; (7) amended Internal Revenue Code section 811 (c) to provide that a transfer of property made prior to March 4, 1931, shall not be subjected to estate tax by reason of the retention of a life estate or power over income if the transferor either dies before 1950 or divests himself of the life estate or power before 1951; (8) added to section 811 (c) of the Internal Revenue Code paragraph (2), providing that a transfer of property made before October 8, 1949, shall not be subjected to estate tax by reason of the retention of a remote reversionary interest, and paragraph (3), providing that a transfer of property made after October 7, 1949, which is intended to take effect in possession or enjoyment at or after the transferor's death shall be subjected to estate tax whether or not he retained any interest; (9) amended paragraph 1798 of the Tariff Act of 1930 by raising to $200 the exemption from import duty for articles brought in by returning tourists; (10) added to the Internal Revenue Code a new section 939, to provide an exemption from the additional estate tax for the estates of members of the armed forces dying between December 7, 1941, and January 1, 1947, as a result of war services.

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Public Law 442, February 7, 1950, amended section 5 of the Federal Firearms Act (52 Stat. 1252) to make subject to seizure and forfeiture, and to the provisions of the Internal Revenue Code relating thereto, firearms or ammunition involved in any violation of the act.

Public Law 448, February 21, 1950, (1) amended Internal Revenue Code section 2800 (a) (1) to provide for the use of additional means, including stamp machines, for the payment of tax on domestically produced distilled spirits and for criminal penalties with respect thereto; (2) amended Internal Revenue Code section 2877 (a) to broaden the requirements for storekeeper-gaugers' records; (3) amended Internal Revenue Code section 2901 to revise the provisions relating to loss allowances; (4) amended Internal Revenue Code section 2903 (a) to eliminate the provisions for bottling distilled spirits in bond after tax payment: (5) made various technical amendments to Internal Revenue Code sections 2802, 2844 (a), 2861 (a), 2882 (a), 2884 (a), 2886 (a), 2887, and 2915 (a); (6) repealed Internal Revenue Code sections 2906 and 3302; (7) amended Internal Revenue Code section 3112 (b) to extend so far as applicable the provisions of section 2800 (a) (1) (A) and (B) to alcohol produced in the United States or imported for industrial purposes under section 3125; (8) amended Internal Revenue Code section 2883 to provide legislation of a permanent nature to supersede existing provisions of that section which included a number of temporary war emergency provisions.

Public Law 459, March 16, 1950, repealed, effective July 1, 1950, Internal Revenue Code sections 2301 (relating to the tax on oleomargarine) and 3200–3202, inclusive (relating to the occupational tax on manufacturers, wholesalers, and retailers of oleomargarine).

Public Law 566, June 17, 1950, amended section 3 of the act of June 18, 1934 (48 Stat. 998), relating to the establishment of foreign trade zones, to provide liberalizing provisions in determining taxes to be imposed on importation of foreign products, and to permit transfers of domestic articles to the zone to be considered exportation for drawback and refund purposes.

Public Law 578, June 27, 1950, amended sections 403 (d) (3) and 452 (c) of the Revenue Act of 1942 to extend through June 30, 1951, the period within which the release, or the possession at death without exercise, of a power of appointment created on or before October 21, 1942, will not be subject to estate or gift tax.

Exhibit 25.—Individual income tax liabilities and effective rates under the Revenue Acts of 1913–50

TABLE I.—*Individual income tax liabilities—Single person with no dependents*

Revenue act	Income year	Selected amount of net income										
		$525	$600	$800	$900	$1,000	$2,000	$3,000	$5,000	$6,000	$8,000	$10,000
1913	3/1/13–12/31/15	------	------	------	------	------	------	------	$20	$30	$50	$70
1916	1916	------	------	------	------	------	------	------	40	60	100	140
1917	1917	------	------	------	------	------	$20	$40	120	170	275	395
1918	1918	------	------	------	------	------	60	120	240	370	650	950
	1919–20	------	------	------	------	------	40	80	160	250	450	670
1921	1921	------	------	------	------	------	40	80	160	250	450	670
	1922	------	------	------	------	------	40	80	160	240	420	600
	1923	------	------	------	------	------	30	60	120	180	315	450
1924	1924	------	------	------	------	------	15	30	60	90	150	225
1926	1925–27	------	------	------	------	------	6	17	40	56	101	154
1928	1928, 1930–31	------	------	------	------	------	6	17	40	56	101	154
	1929	------	------	------	------	------	2	6	13	22	52	90
1932	1932–33	------	------	------	------	------	40	80	160	240	420	600
1934	1934–35	------	------	------	------	------	32	68	140	216	378	560
1936, 1938	1936–39	------	------	------	------	------	32	68	140	216	378	560
1940	1940 [1]	------	------	------	(*)	$4	44	84	172	255	449	686
1941	1941	------	------	$3	$11	21	117	221	483	649	1,031	1,493
1942	1942 [2]	------	$15	52	71	89	273	472	920	1,174	1,742	2,390
	1943 [2,3]	------	17	62	85	107	333	574	1,105	1,401	2,052	2,783
1944 [4]	1944–45	$6	23	69	92	115	345	585	1,105	1,395	2,035	2,755
1945	1946–47	5	19	57	76	95	285	485	922	1,169	1,720	2,347
1948	1948–49	------	------	33	50	66	232	409	811	1,040	1,546	2,124
1950	1950	------	------	35	52	70	244	428	843	1,080	1,604	2,201
	1951	------	------	40	60	80	280	488	944	1,204	1,780	2,436

Revenue act	Income year	Selected amount of net income								
		$15,000	$20,000	$25,000	$50,000	$75,000	$100,000	$500,000	$1,000,000	$5,000,000
1913	3/1/13–12/31/15	$120	$170	$270	$770	$1,520	$2,520	$25,020	$60,020	$340,020
1916	1916	240	340	490	1,340	2,490	3,940	42,940	102,940	687,940
1917	1917	770	1,220	1,820	5,220	9,970	16,220	192,720	475,220	3,140,220
1918	1918	1,790	2,750	3,840	11,150	21,590	35,150	323,150	703,150	3,783,150
	1919–20	1,310	2,070	2,960	9,270	18,710	31,270	303,270	663,270	3,583,270
1921	1921	1,310	2,070	2,960	9,270	18,710	31,270	303,270	663,270	3,583,270
	1922	1,140	1,800	2,640	8,720	17,910	30,220	260,720	550,720	2,870,720
	1923	855	1,350	1,980	6,540	13,433	22,665	195,540	413,040	2,153,040
1924	1924	585	1,045	1,635	6,165	13,215	22,645	199,645	429,645	2,269,645
1926	1925–27	386	694	1,234	4,954	10,184	16,134	116,134	241,134	1,241,134
1928	1928, 1930–31	386	694	1,099	4,664	9,894	15,844	115,844	240,844	1,240,844
	1929	285	555	922	4,250	9,230	14,930	110,930	230,930	1,190,930
1932	1932–33	1,140	1,800	2,640	8,720	17,910	30,220	263,720	571,220	3,091,220
1934	1934–35	1,104	1,834	2,804	9,334	18,884	31,404	264,844	572,324	3,092,314
1936, 1938	1936–39	1,104	1,834	2,804	9,334	19,484	33,354	305,224	680,184	3,790,164
1940	1940 [1]	1,476	2,666	4,253	14,709	28,481	44,268	330,933	718,404	3,917,390
1941	1941	2,994	4,929	7,224	20,882	36,487	53,214	345,654	733,139	3,923,124
1942	1942 [2]	4,366	6,816	9,626	25,811	44,366	64,641	414,616	854,616	4,374,616
	1943 [2,3]	4,968	7,626	10,644	28,058	48,001	69,665	441,863	[5] 899,500	[5] 4,499,500
1944 [4]	1944–45	4,930	7,580	10,590	27,945	48,000	69,870	444,350	[5] 900,000	[5] 4,500,000
1945	1946–47	4,270	6,645	9,362	25,137	43,477	63,541	407,897	840,147	[5] 4,275,000
1948	1948–49	3,894	6,089	8,600	23,201	40,182	58,762	[5] 385,000	[5] 770,000	[5] 3,850,000
1950	1950	4,032	6,301	8,898	23,997	41,556	60,770	396,221	[5] 800,000	[5] 4,000,000
	1951	4,448	6,942	9,796	26,388	45,684	66,798	429,274	[5] 870,000	[5] 4,350,000

Footnotes at end of table VI.

TABLE II.—*Individual income tax liabilities—Married person with no dependents*

Revenue act	Income year	Selected amount of net income									
		$600	$800	$1,000	$2,000	$2,500	$3,000	$5,000	$6,000	$8,000	$10,000
1913	3/1/13-12/31/15	--------	--------	--------	--------	--------	--------	$10	$20	$40	$60
1916	1916	--------	--------	--------	--------	--------	--------	20	40	80	120
1917	1917	--------	--------	--------	--------	$10	$20	80	130	235	355
1918	1918	--------	--------	--------	--------	30	60	180	250	530	830
	1919-20	--------	--------	--------	--------	20	40	120	170	370	590
1921	1921	--------	--------	--------	--------	--------	20	100	170	370	590
	1922	--------	--------	--------	--------	--------	20	100	160	340	520
	1923	--------	--------	--------	--------	--------	15	75	120	255	390
1924	1924	--------	--------	--------	--------	--------	8	38	53	105	165
1926	1925-27	--------	--------	--------	--------	--------	--------	17	28	56	101
1928	1928, 1930-31	--------	--------	--------	--------	--------	--------	17	28	56	101
	1929	--------	--------	--------	--------	--------	--------	6	10	22	52
1932	1932-33	--------	--------	--------	--------	--------	20	100	140	300	480
1934	1934-35	--------	--------	--------	--------	--------	8	80	116	248	415
1936, 1938	1936-39	--------	--------	--------	--------	--------	8	80	116	248	415
1940	1940 [1]	--------	--------	--------	--------	11	31	110	150	317	528
1941	1941	--------	--------	--------	$42	90	138	375	521	873	1,305
1942	1942 [2]	--------	--------	--------	140	232	324	746	992	1,532	2,152
	1943 [2,3]	$1	$8	$15	188	297	405	894	1,173	1,780	2,467
1944 [4]	1944-45	3	9	15	245	360	475	975	1,265	1,885	2,585
1945	1946-47	--------	--------	--------	190	285	380	798	1,045	1,577	2,185
1948	1948-49	--------	--------	--------	133	216	299	631	819	1,206	1,621
1950	1950	--------	--------	--------	139	226	313	661	856	1,257	1,686
	1951	--------	--------	--------	160	260	360	760	976	1,416	1,888

Revenue act	Income year	Selected amount of net income								
		$15,000	$20,000	$25,000	$50,000	$75,000	$100,000	$500,000	$1,000,000	$5,000,000
1913	3/1/13-12/31/15	$110	$160	$260	$760	$1,510	$2,510	$25,010	$60,010	$340,010
1916	1916	220	320	470	1,320	2,470	3,920	42,920	102,920	687,920
1917	1917	730	1,180	1,780	5,180	9,930	16,180	192,680	475,180	3,140,180
1918	1918	1,670	2,630	3,720	11,030	21,470	35,030	323,030	703,030	3,783,030
	1919-20	1,230	1,990	2,880	9,190	18,630	31,190	303,190	663,190	3,583,190
1921	1921	1,230	1,990	2,880	9,190	18,630	31,190	303,190	663,190	3,583,190
	1922	1,060	1,720	2,560	8,640	17,830	30,140	260,640	550,640	2,870,640
	1923	795	1,290	1,920	6,480	13,373	22,605	195,480	412,980	2,152,980
1924	1924	515	975	1,565	6,095	13,145	22,575	199,575	429,575	2,269,575
1926	1925-27	311	619	1,159	4,879	10,109	16,059	116,059	241,059	1,241,059
1928	1928, 1930-31	311	619	1,024	4,589	9,819	15,769	115,769	240,769	1,240,769
	1929	225	495	862	4,190	9,170	14,870	110,870	230,870	1,190,870
1932	1932-33	1,020	1,680	2,520	8,600	17,790	30,100	263,600	571,100	3,091,100
1934	1934-35	924	1,589	2,489	8,869	18,239	30,594	263,944	571,394	3,091,369
1936, 1938	1936-39	924	1,589	2,489	8,869	18,779	32,469	304,144	679,044	3,788,994
1940	1940 [1]	1,258	2,336	3,843	14,128	27,768	43,476	330,156	717,584	3,916,548
1941	1941	2,739	4,614	6,864	20,439	35,999	52,704	345,084	732,554	3,922,524
1942	1942 [2]	4,052	6,452	9,220	25,328	43,820	64,060	414,000	854,000	4,374,000
	1943 [2,3]	4,533	7,100	10,035	27,075	46,955	68,584	440,747	[5] 899,000	[5] 4,499,000
1944 [4]	1944-45	4,695	7,315	10,295	27,585	47,595	69,435	443,895	[5] 900,000	[5] 4,500,000
1945	1946-47	4,047	6,394	9,082	24,795	43,092	63,128	407,465	839,715	[5] 4,275,000
1948	1948-49	2,829	4,247	5,877	17,201	31,015	46,403	359,662	[5] 770,000	[5] 3,850,000
1950	1950	2,935	4,402	6,087	17,797	32,082	47,994	370,657	792,442	[5] 4,000,000
	1951	3,260	4,872	6,724	19,592	35,290	52,776	403,548	858,548	[5] 4,350,000

Footnotes at end of table VI.

TABLE III.—*Individual income tax liabilities—Married person with two dependents*

Revenue act	Income year	Selected amount of net income: $600	$800	$1,000	$2,000	$2,500	$3,000	$5,000	$6,000	$8,000	$10,000
1913	3/1/13–12/31/15							$10	$20	$40	$60
1916	1916							20	40	80	120
1917	1917					$2	$12	64	114	219	339
1918	1918					6	36	156	226	482	782
	1919–20					4	24	104	154	338	558
1921	1921							68	138	306	526
	1922							68	128	276	456
	1923							51	96	207	342
1924	1924							26	41	81	141
1926	1925–27							8	19	42	83
1928	1928, 1930–31							8	19	42	83
	1929							3	6	14	40
1932	1932–33							68	108	236	416
1934	1934–35							48	84	184	343
1936, 1938	1936–39							48	84	184	343
1940	1940 [1]							75	114	246	440
1941	1941					12	58	271	397	717	1,117
1942	1942 [2]				$13	99	191	592	810	1,322	1,914
	1943 [2] [3]	$1	$7	$14	58	159	267	730	979	1,553	2,208
1944 [4]	1944–45	3	9	15	45	160	275	755	1,005	1,585	2,245
1945	1946–47					95	190	589	798	1,292	1,862
1948	1948–49					17	100	432	598	974	1,361
1950	1950					17	104	452	626	1,016	1,417
	1951					20	120	520	720	1,152	1,592

Revenue act	Income year	Selected amount of net income: $15,000	$20,000	$25,000	$50,000	$75,000	$100,000	$500,000	$1,000,000	$5,000,000
1913	3/1/13–12/31/15	$110	$160	$260	$760	$1,510	$2,510	$25,010	$60,010	$340,010
1916	1916	220	320	470	1,320	2,470	3,920	42,920	102,920	687,920
1917	1917	714	1,164	1,764	5,164	9,914	16,164	192,664	475,164	3,140,164
1918	1918	1,622	2,582	3,672	10,982	21,422	34,982	322,982	702,982	3,782,982
	1919–20	1,198	1,958	2,848	9,158	18,598	31,158	303,158	663,158	3,583,158
1921	1921	1,166	1,886	2,816	9,126	18,566	31,126	303,126	663,126	3,583,126
	1922	996	1,656	2,496	8,576	17,766	30,076	260,576	550,576	2,870,576
	1923	747	1,242	1,872	6,432	13,325	22,557	195,432	412,932	2,152,932
1924	1924	475	935	1,525	6,055	13,105	22,535	199,535	429,535	2,269,535
1926	1925–27	281	589	1,129	4,849	10,079	16,029	116,029	241,029	1,241,029
1928	1928, 1930–31	281	589	994	4,559	9,789	15,739	115,739	240,739	1,240,739
	1929	201	471	838	4,166	9,146	14,846	110,846	230,846	1,190,846
1932	1932–33	956	1,616	2,456	8,536	17,726	30,036	263,536	571,036	3,091,036
1934	1934–35	831	1,469	2,327	8,621	17,895	30,162	263,464	570,898	3,090,865
1936, 1938	1936–39	831	1,469	2,327	8,621	18,403	31,997	303,568	678,436	3,788,370
1940	1940 [1]	1,118	2,143	3,571	13,741	27,293	42,948	329,637	717,036	3,915,986
1941	1941	2,475	4,287	6,480	19,967	35,479	52,160	344,476	731,930	3,921,884
1942	1942 [2]	3,758	6,088	8,814	24,845	43,274	63,479	413,384	853,384	4,373,384
	1943 [2] [3]	4,207	6,693	9,574	26,392	46,209	67,803	439,931	[5] 898,800	[5] 4,498,800
1944 [4]	1944–45	4,265	6,785	9,705	26,865	46,785	68,565	442,985	[5] 900,000	[5] 4,500,000
1945	1946–47	3,639	5,890	8,522	24,111	42,323	62,301	406,600	838,850	[5] 4,275,000
1948	1948–49	2,512	3,888	5,476	16,578	30,329	45,643	358,677	769,314	[5] 3,850,000
1950	1950	2,607	4,030	5,672	17,152	31,372	47,208	369,645	791,430	[5] 4,000,000
	1951	2,900	4,464	6,268	18,884	34,510	51,912	402,456	857,456	[5] 4,350,000

Footnotes at end of table VI.

TABLE IV.—*Effective rates of individual income tax—Single person with no dependents*

[In percent]

Revenue act	Income year	Selected amount of net income										
		$525	$600	$800	$900	$1,000	$2,000	$3,000	$5,000	$6,000	$8,000	$10,000
1913	3/1/13-12/31/15	------	------	------	------	------	------	------	0.4	0.5	0.6	0.7
1916	1916	------	------	------	------	------	------	------	.8	1.0	1.3	1.4
1917	1917	------	------	------	------	------	1.0	1.3	2.4	2.8	3.4	4.0
1918	1918	------	------	------	------	------	3.0	4.0	4.8	6.2	8.1	9.5
	1919-20	------	------	------	------	------	2.0	2.7	3.2	4.2	5.6	6.7
1921	1921	------	------	------	------	------	2.0	2.7	3.2	4.2	5.6	6.7
	1922	------	------	------	------	------	2.0	2.7	3.2	4.0	5.3	6.0
	1923	------	------	------	------	------	1.5	2.0	2.4	3.0	3.9	4.5
1924	1924	------	------	------	------	------	.8	1.0	1.2	1.5	1.9	2.3
1926	1925-27	------	------	------	------	------	.3	.6	.8	.9	1.3	1.5
1928	1928, 1930-31	------	------	------	------	------	.3	.6	.8	.9	1.3	1.5
	1929	------	------	------	------	------	.1	.2	.3	.4	.7	.9
1932	1932-33	------	------	------	------	------	2.0	2.7	3.2	4.0	5.3	6.0
1934	1934-35	------	------	------	------	------	1.6	2.3	2.8	3.6	4.7	5.6
1936, 1938	1936-39	------	------	------	------	------	1.6	2.3	2.8	3.6	4.7	5.6
1940	1940 [1]	------	------	------	0.04	0.4	2.2	2.8	3.4	4.3	5.6	6.9
1941	1941	------	------	0.4	1.2	2.1	5.9	7.4	9.7	10.8	12.9	14.9
1942	1942 [2]	------	2.5	6.5	7.9	8.9	13.7	15.7	18.4	19.6	21.8	23.9
	1943 [2,3]	------	2.8	7.8	9.4	10.7	16.7	19.1	22.1	23.4	25.7	27.8
1944 [4]	1944-45	1.1	3.8	8.6	10.2	11.5	17.3	19.5	22.1	23.3	25.4	27.6
1945	1946-47	.9	3.2	7.1	8.4	9.5	14.3	16.2	18.4	19.5	21.5	23.5
1948	1948-49	------	------	4.2	5.5	6.6	11.6	13.6	16.2	17.3	19.3	21.2
1950	1950	------	------	4.4	5.8	7.0	12.2	14.3	16.9	18.0	20.0	22.0
	1951	------	------	5.0	6.7	8.0	14.0	16.3	18.9	20.1	22.3	24.4

Revenue act	Income year	Selected amount of net income								
		$15,000	$20,000	$25,000	$50,000	$75,000	$100,000	$500,000	$1,000,000	$5,000,000
1913	3/1/13-12/31/15	0.8	0.9	1.1	1.5	2.0	2.5	5.0	6.0	6.8
1916	1916	1.6	1.7	2.0	2.7	3.3	3.9	8.6	10.0	13.8
1917	1917	5.1	6.1	7.3	10.4	13.3	16.2	38.5	47.5	62.8
1918	1918	11.9	13.8	15.4	22.3	28.8	35.2	64.6	70.3	75.7
	1919-20	8.7	10.4	11.8	18.5	24.9	31.3	60.7	66.3	71.7
1921	1921	8.7	10.4	11.8	18.5	24.9	31.3	60.7	66.3	71.7
	1922	7.6	9.0	10.6	17.4	23.9	30.2	52.1	55.1	57.4
	1923	5.7	6.8	7.9	13.1	17.9	22.7	39.1	41.3	43.1
1924	1924	3.9	5.2	6.5	12.3	17.6	22.7	39.9	43.0	45.4
1926	1925-27	2.6	3.5	4.9	9.9	13.6	16.1	23.2	24.1	24.8
1928	1928, 1930-31	2.6	3.5	4.4	9.3	13.2	15.8	23.2	24.1	24.8
	1929	1.9	2.8	3.7	8.5	12.3	14.9	22.2	23.1	23.8
1932	1932-33	7.6	9.0	10.6	17.4	23.9	30.2	52.7	57.1	61.8
1934	1934-35	7.4	9.2	11.2	18.7	25.2	31.4	53.0	57.2	61.9
1936, 1938	1936-39	7.4	9.2	11.2	18.7	26.0	33.4	61.0	68.0	75.8
1940	1940 [1]	9.8	13.3	17.0	29.4	38.0	44.3	66.2	71.8	78.3
1941	1941	20.0	24.6	28.9	41.8	48.6	53.2	69.1	73.3	78.5
1942	1942 [2]	29.1	34.1	38.5	51.6	59.2	64.6	82.9	85.5	87.5
	1943 [2,3]	33.1	38.1	42.6	56.1	64.0	69.7	88.4	[5] 90.0	[5] 90.0
1944 [4]	1944-45	32.9	37.9	42.4	55.9	64.0	69.9	88.9	[5] 90.0	[5] 90.0
1945	1946-47	28.5	33.2	37.5	50.3	58.0	63.5	81.6	84.0	[5] 85.5
1948	1948-49	26.0	30.4	34.4	46.4	53.6	58.8	[5] 77.0	[5] 77.0	[5] 77.0
1950	1950	26.9	31.5	35.6	48.0	55.4	60.8	79.2	[5] 80.0	[5] 80.0
	1951	29.7	34.7	39.2	52.8	60.9	66.8	85.9	[5] 87.0	[5] 87.0

Footnotes at end of table VI.

TABLE V.—*Effective rates of individual income tax—Married person with no dependents*

[In percent]

Revenue act	Income year	Selected amount of net income									
		$600	$800	$1,000	$2,000	$2,500	$3,000	$5,000	$6,000	$8,000	$10,000
1913	3/1/13–12/31/15	------	------	------	------	------	------	0.2	0.3	0.5	0.6
1916	1916	------	------	------	------	------	------	.4	.7	1.0	1.2
1917	1917	------	------	------	------	0.4	0.7	1.6	2.2	2.9	3.6
1918	1918	------	------	------	------	1.2	2.0	3.6	4.2	6.6	8.3
	1919–20	------	------	------	------	.8	1.3	2.4	2.8	4.6	5.9
1921	1921	------	------	------	------	------	.7	2.0	2.8	4.6	5.9
	1922	------	------	------	------	------	.7	2.0	2.7	4.3	5.2
	1923	------	------	------	------	------	.5	1.5	2.0	3.2	3.9
1924	1924	------	------	------	------	------	.3	.8	.9	1.3	1.7
1926	1925–27	------	------	------	------	------	------	.3	.5	.7	1.0
1928	1928, 1930–31	------	------	------	------	------	------	.3	.5	.7	1.0
	1929	------	------	------	------	------	------	.1	.2	.3	.5
1932	1932–33	------	------	------	------	------	.7	2.0	2.3	3.8	4.8
1934	1934–35	------	------	------	------	------	.3	1.6	1.9	3.1	4.2
1936, 1938	1936–39	------	------	------	------	------	.3	1.6	1.9	3.1	4.2
1940	1940 [1]	------	------	------	------	.4	1.0	2.2	2.5	4.0	5.3
1941	1941	------	------	------	2.1	3.6	4.6	7.5	8.7	10.9	13.1
1942	1942 [2]	------	------	------	7.0	9.3	10.8	14.9	16.5	19.2	21.5
	1943 [2, 3]	0.2	1.0	1.5	9.4	11.9	13.5	17.9	19.6	22.3	24.7
1944 [4]	1944–45	.5	1.1	1.5	12.3	14.4	15.8	19.5	21.1	23.6	25.9
1945	1946–47	------	------	------	9.5	11.4	12.7	16.0	17.4	19.7	21.9
1948	1948–49	------	------	------	6.6	8.6	10.0	12.6	13.6	15.1	16.2
1950	1950	------	------	------	7.0	9.0	10.4	13.2	14.3	15.7	16.9
	1951	------	------	------	8.0	10.4	12.0	15.2	16.3	17.7	18.9

Revenue act	Income year	Selected amount of net income								
		$15,000	$20,000	$25,000	$50,000	$75,000	$100,000	$500,000	$1,000,000	$5,000,000
1913	3/1/13–12/31/15	0.7	0.8	1.0	1.5	2.0	2.5	5.0	6.0	6.8
1916	1916	1.5	1.6	1.9	2.6	3.3	3.9	8.6	10.3	13.8
1917	1917	4.9	5.9	7.1	10.4	13.2	16.2	38.5	47.5	62.8
1918	1918	11.1	13.2	14.9	22.1	28.6	35.0	64.6	70.3	75.7
	1919–20	8.2	10.0	11.5	18.4	24.8	31.2	60.6	66.3	71.7
1921	1921	8.2	10.0	11.5	18.4	24.8	31.2	60.6	66.3	71.7
	1922	7.1	8.6	10.2	17.3	23.8	30.1	52.1	55.1	57.4
	1923	5.3	6.5	7.7	13.0	17.8	22.6	39.1	41.3	43.1
1924	1924	3.4	4.9	6.3	12.2	17.5	22.6	39.9	43.0	45.4
1926	1925–27	2.1	3.1	4.6	9.8	13.5	16.1	23.2	24.1	24.8
1928	1928, 1930–31	2.1	3.1	4.1	9.2	13.1	15.8	23.2	24.1	24.8
	1929	1.5	2.5	3.5	8.4	12.2	14.9	22.2	23.1	23.8
1932	1932–33	6.8	8.4	10.1	17.2	23.7	30.1	52.7	57.1	61.8
1934	1934–35	6.2	7.9	10.0	17.7	24.3	30.6	52.8	57.1	61.8
1936, 1938	1936–39	6.2	7.9	10.0	17.7	25.0	32.5	60.8	67.9	75.8
1940	1940 [1]	8.4	11.7	15.4	28.3	37.0	43.5	66.0	71.8	78.3
1941	1941	18.3	23.1	27.5	40.9	48.0	52.7	69.0	73.3	78.5
1942	1942 [2]	27.0	32.3	36.9	50.7	58.4	64.1	82.8	85.4	87.5
	1943 [2, 3]	30.2	35.5	40.1	54.2	62.6	68.6	88.1	[5] 89.9	[5] 90.0
1944 [4]	1944–45	31.3	36.6	41.2	55.2	63.5	69.4	88.8	[5] 90.0	[5] 90.0
1945	1946–47	27.0	32.0	36.3	49.6	57.5	63.1	81.5	84.0	[5] 85.5
1948	1948–49	18.9	21.2	23.5	34.4	41.4	46.4	71.9	[5] 77.0	[5] 77.0
1950	1950	19.6	22.0	24.3	35.6	42.8	48.0	74.1	79.2	[5] 80.0
	1951	21.7	24.4	26.9	39.2	47.1	52.8	80.7	85.9	[5] 87.0

Footnotes at end of table VI

TABLE VI.—*Effective rates of individual income tax—Married person with two dependents*

[In percent]

Revenue act	Income year	Selected amount of net income: $600	$800	$1,000	$2,000	$2,500	$3,000	$5,000	$6,000	$8,000	$10,000
1913	3/1/13-12/31/15	------	------	------	------	------	------	0.2	0.3	0.5	0.6
1916	1916	------	------	------	------	------	------	.4	.7	1.0	1.2
1917	1917	------	------	------	------	0.1	0.4	1.3	1.9	2.7	3.4
1918	1918	------	------	------	------	.2	1.2	3.1	3.8	6.0	7.8
	1919-1920	------	------	------	------	.2	.8	2.1	2.6	4.2	5.6
1921	1921	------	------	------	------	------	------	1.4	2.3	3.8	5.3
	1922	------	------	------	------	------	------	1.4	2.1	3.5	4.6
	1923	------	------	------	------	------	------	1.0	1.6	2.6	3.4
1924	1924	------	------	------	------	------	------	.5	.7	1.0	1.4
1926	1925-27	------	------	------	------	------	------	.2	.3	.5	.8
1928	1928, 1930-31	------	------	------	------	------	------	.2	.3	.5	.8
	1929	------	------	------	------	------	------	.1	.1	.2	.4
1932	1932-33	------	------	------	------	------	------	1.4	1.8	3.0	4.2
1934	1934-35	------	------	------	------	------	------	1.0	1.4	2.3	3.4
1936, 1938	1936-39	------	------	------	------	------	------	1.0	1.4	2.3	3.4
1940	1940 [1]	------	------	------	------	------	------	1.5	1.9	3.1	4.4
1941	1941	------	------	------	------	.5	1.9	5.4	6.6	9.0	11.2
1942	1942 [2]	------	------	------	0.7	4.0	6.4	11.8	13.5	16.5	19.1
	1943 [2, 3]	0.2	0.9	1.4	2.9	6.4	8.9	14.6	16.3	19.4	22.1
1944 [4]	1944-45	.5	1.1	1.5	2.3	6.4	9.2	15.1	16.8	19.8	22.5
1945	1946-47	------	------	------	------	3.8	6.3	11.8	13.3	16.2	18.6
1948	1948-49	------	------	------	------	.7	3.3	8.6	10.0	12.2	13.6
1950	1950	------	------	------	------	.7	3.5	9.0	10.4	12.7	14.2
	1951	------	------	------	------	.8	4.0	10.4	12.0	14.4	15.9

Revenue act	Income year	Selected amount of net income: $15,000	$20,000	$25,000	$50,000	$75,000	$100,000	$500,000	$1,000,000	$5,000,000
1913	3/1/13-12/31/15	0.7	0.8	1.0	1.5	2.0	2.5	5.0	6.0	6.8
1916	1916	1.5	1.6	1.9	2.6	3.3	3.9	8.6	10.3	13.8
1917	1917	4.8	5.8	7.1	10.3	13.2	16.2	38.5	47.5	62.8
1918	1918	10.8	12.9	14.7	22.0	28.6	35.0	64.6	70.3	75.7
	1919-20	8.0	9.8	11.4	18.3	24.8	31.2	60.6	66.3	71.7
1921	1921	7.8	9.6	11.3	18.3	24.8	31.1	60.6	66.3	71.7
	1922	6.6	8.3	10.0	17.2	23.7	30.1	52.1	55.1	57.4
	1923	5.0	6.2	7.5	12.9	17.8	22.6	39.1	41.3	43.1
1924	1924	3.2	4.7	6.1	12.1	17.5	22.5	39.9	43.0	45.4
1926	1925-27	1.9	2.9	4.5	9.7	13.4	16.0	23.1	24.1	24.8
1928	1928, 1930-31	1.9	2.9	4.0	9.1	13.1	15.7	23.1	24.1	24.8
	1929	1.3	2.4	3.4	8.3	12.2	14.8	22.2	23.1	23.8
1932	1932-33	6.4	8.1	9.8	17.1	23.6	30.0	52.7	57.1	61.8
1934	1934-35	5.5	7.3	9.3	17.2	23.9	30.2	52.7	57.1	61.8
1936, 1938	1936-39	5.5	7.3	9.3	17.2	24.5	32.0	60.7	67.8	75.8
1940	1940 [1]	7.5	10.7	14.3	27.5	36.4	42.9	65.9	71.7	78.3
1941	1941	16.5	21.4	25.9	39.9	47.3	52.2	68.9	73.2	78.4
1942	1942 [2]	25.1	30.4	35.3	49.7	57.7	63.5	82.7	85.3	87.5
	1943 [2, 3]	28.0	33.5	38.3	52.8	61.6	67.8	88.0	[5] 89.9	[5] 90.0
1944 [4]	1944-45	28.4	33.9	38.8	53.7	62.4	68.6	88.6	[5] 90.0	[5] 90.0
1945	1946-47	24.3	29.5	34.1	48.2	56.4	62.3	81.3	83.9	[5] 85.5
1948	1948-49	16.7	19.4	21.9	33.2	40.4	45.6	71.7	76.9	[5] 77.0
1950	1950	17.4	20.2	22.7	34.3	41.8	47.2	73.9	79.1	[5] 80.0
	1951	19.3	22.3	25.1	37.8	46.0	51.9	80.5	85.7	[5] 87.0

NOTE.—Maximum earned net income assumed. In the case of married persons it is also assumed that only one spouse has income.

*Less than 50 cents.
[1] Includes defense tax.
[2] Tax liabilities for the years 1942 and 1943 are unadjusted for transition to current payment basis.
[3] Includes net Victory tax. Computed by assuming that deductions are 10 percent of Victory tax net income; i. e., that Victory tax net income is ten-ninths of selected net income.
[4] Individual Income Tax Act of 1944.
[5] Taking into account the following maximum effective rate limitations: For 1943-45, 90 percent; 1946-47, 85.5 percent; 1948-49, 77 percent; 1950, 80 percent; 1951, 87 percent.

Exhibit 26.—Federal taxes of the United States, 1940 through 1950

RATES, EXEMPTIONS, AND CREDITS

Title of tax	Taxes in effect Dec. 31, 1940	Revenue Act of—						
		1941	1942	1943	1944[1]	1945	1948	1950
INCOME TAX								
On individuals:[2 3]								
Personal exemptions:								
Married or head of family.[4]	$2,000	$1,500	$1,200	No change[5]	$1,000[6]	$1,000[7]	$1,200[8]	No change.
Single	800	750	500	No change[5]	500[6]	500[7]	600	No change.
Credit for dependents	400	No change	350	No change[5]	500[6 9]	500[7]	600	No change.
Additional exemptions:[10]								
For persons 65 years of age or over.							600	No change.
For the blind[11]							600	No change.
Normal tax rate—Applies to net income in excess of certain credits.	4%[12]	4%	6%	No change[5]	3%	Tentative rate—3%.	No change	3%.[13]
Surtax:								
Minimum rate	4%[12]	6%	13%	No change[5]	20%	Tentative rate—17%.	No change	17%.[13]
Maximum rate	75%[12]	77%	82%	No change[5]	91%[14]	Tentative rate—88%.[14]	No change[14]	88%.[13 14]
Minimum rate applies to portion of surtax net income.	$4,000–$6,000	0–$2,000	No change	No change[5]	0–$2,000	No change	No change	No change.
Maximum rate applies to portion of surtax net income.	Over $5,000,000	No change	Over $200,000	No change[5]	Over $200,000	No change	No change	No change.
Reductions from combined tentative normal tax and surtax:								
First $400						5%	17%	([13]).
Next $99,600						5%	12%	([13]).
Over $100,000						5%	9.75%	([13]).
Victory tax			5% of Victory tax net income in excess of $624, less certain credits.[15]	3% of Victory tax net income in excess of $624.[5]	Repealed.			
Dividends	Subject to normal tax	No change	No change	No change	No change	No change	No change	No change.
Earned-income credit[16]	10% of amount of earned net income, but not in excess of 10% of amount of net income to be credited against net income for normal tax.	No change	No change	Repealed.				

Footnotes on pp. 271 to 275.

Exhibit 26.—Federal taxes of the United States, 1940 through 1950—Continued

Title of tax	Taxes in effect Dec. 31, 1940	Revenue Act of— 1941	1942	1943	1945	1950
INCOME TAX—Con.						
On corporations: [17]						
Normal tax	Normal tax net income, in total amount: [18] $25,000 or less: First $5,000—14.85%. Next $15,000—16.5%. Next $5,000—18.7%. Over $25,000 and not over $31,964.30: [19] First $25,000—14.85%. Next $6,964.30—38.3%. Over $31,964.30 and not over $38,565.89: [19] First $5,000—15.4%. Next $15,000—16.9%. Next $5,000—18.9%. Next $13,565.89—36.9%. Over $38,565.89—24% of entire normal tax net income.	Normal tax net income, in total amount: $25,000 or less: First $5,000—15%. Next $15,000—17%. Next $5,000—19%. Over $25,000 and not over $38,461.54: [19] First $25,000—$4,250. Next $13,461.54—37%. Over $38,461.54—24% of entire normal tax net income.	Normal tax net income, in total amount: $25,000 or less: No change. Over $25,000 and not over $50,000: [19] First $25,000—$4,250. Next $25,000—31%. Over $50,000—24% of entire normal tax net income.	No change	No change	25% of entire normal tax net income for taxable years beginning after June 30, 1950; 23%, for calendar year 1950. [20]
Dividend exemption (dividend received credit).	85% [21]	No change	85% [22]	No change	No change	85% (59% in the case of dividends received on certain preferred stock of public utilities). [23]
Base for normal tax	"Normal tax net income" consists of "net income" (after deduction of the declared-value excess profits tax), minus the credit for interest received on certain obligations of the United States, less	"Normal tax net income" consists of "net income" (after deduction of the declared-value excess profits tax and the excess profits tax), minus the credit for interest received on certain obli-	"Normal tax net income" consists of "net income" (after deduction of the declared-value excess profits tax), minus the credit for interest received on certain obligations of the United States, less	No change	"Normal tax net income" consists of "net income," minus the credit for interest received on certain obligations of the United States, less the "dividends received credit."	"Normal tax net income" consists of "net income," minus the credit for interest received on certain obligations of the United States, the credit for dividends received from domestic corpora-

	the "dividends received credit." No deduction allowed for excess profits tax.	gations of the United States, less the "dividends received credit."	income subject to excess profits tax (adjusted excess profits net income), less the "dividends received credit."			tions, the credit for dividends paid by a public utility on certain preferred stock, and the credit provided for Western Hemisphere trade corporations.[24]
Surtax	None	First $25,000—6% Over $25,000—7%	Surtax net income, in total amount: Not over $50,000: First $25,000—10% Next $25,000—22% Over $50,000—16% of entire surtax net income.	No change	Surtax net income, in total amount: Not over $50,000: First $25,000—6% Next $25,000—22% Over $50,000—14% of entire surtax net income.	20% of surtax net income in excess of $25,000 for taxable years beginning after June 30, 1950; 19%, for calendar year 1950.
Base for surtax		Same as for normal tax, except that no credit is allowed for interest received on certain obligations of the United States.	No change	No change	No change	"Surtax net income" consists of "net income" minus the credit for dividends received from domestic corporations, the credit for dividends paid by a public utility on certain preferred stock, and the credit provided for Western Hemisphere trade corporations.[24]
Loss carry-overs and carry-backs.	Net operating losses sustained in a taxable year beginning on or after Jan. 1, 1939, may be carried forward against net income of the following 2 taxable years.	No change	Net operating losses may be (1) carried back against net income of the 2 preceding taxable years (but not to any taxable year beginning before Jan. 1, 1941), and (2) to the extent not absorbed by this carry-back, they may be carried forward against net income of the following 2 taxable years.	No change	No change	Net operating losses sustained in a taxable year beginning after Dec. 31, 1949, may be (1) carried back against net income of the preceding taxable year, and (2) to the extent not absorbed by this carry-back, they may be carried forward against net income of the following 5 taxable years.

Footnotes on pp. 271 to 275.

Exhibit 26.—Federal taxes of the United States, 1940 through 1950—Continued

Title of tax	Taxes in effect Dec. 31, 1940	Revenue Act of—				
		1941	1942	1943	1945	1950
EXCESS PROFITS TAX ON CORPORATIONS [25]						
Specific exemption	$5,000 per return	No change	No change	$10,000 per return	Repealed Jan. 1, 1946.[26]	
Credit (average income credit or invested capital credit, whichever is the higher).	Average income base: 95% of average base period (1936–39) net income plus 8% of net capital addition or less 6% of net capital reduction.[28]	No change	No change [27]	No change	Repealed Jan. 1, 1946.[26]	
	Invested capital base: 8% of invested capital.	Invested capital base: First $5,000,000 of invested capital—8%. Over $5,000,000—7%.	Invested capital base: First $5,000,000 of invested capital—8%. Next $5,000,000—7%. Next $190,000,000—6%. Over $200,000,000—5%.	Invested capital base: First $5,000,000 of invested capital—8%. Next $5,000,000—6%. Over $10,000,000—5%.	Repealed Jan. 1, 1946.[26]	
Treatment of income tax for purposes of determining excess profits tax base.	Normal tax deductible	No deduction of normal tax or surtax.	No change	No change	Repealed Jan. 1, 1946.[26]	
Carry-overs and carry-backs of unused excess profits credits.	The unused portion of the excess profits credit of any taxable year may be carried forward against excess profits net income of the following 2 taxable years.	No change	The unused portion of the excess profits credit may be (1) carried back against excess profits net income of the 2 preceding taxable years (but not to any taxable year beginning before Jan. 1, 1941), and (2) to the extent not absorbed by this carry-back, they may be carried forward against excess profits net income of the following 2 taxable years.	No change	The 2-year carry-back of unused excess profits credit was continued for 1 year after the date of repeal of the excess profits tax.	

Excess profits tax rates (in terms of adjusted excess profits net income).	First $20,000—25% Next $30,000—30% Next $50,000—35% Next $150,000—40% Next $250,000—45% Over $500,000—50%	First $20,000—35% Next $30,000—40% Next $50,000—45% Next $150,000—50% Next $250,000—55% Over $500,000—60%	90% flat rate	95% flat rate	Repealed Jan. 1, 1946.[26]
Postwar refund of excess profits tax.			10% of excess profits tax paid.	No change	Repealed Jan. 1, 1946.[26]
Tax credit for debt repayment.			40% of the amount of debt retired in taxable year, but not more than the amount of postwar credit otherwise allowable (from which this credit is deducted) and not more than 40% of the excess of (1) the amount of debt outstanding on Sept. 1, 1942, or (2) the smallest amount of debt outstanding at the end of a taxable year beginning after Sept. 1, 1942, whichever is the lesser, over the amount of debt as of the close of the taxable year.	No change other than retroactive technical amendment reflected in preceding column.	Repealed Jan. 1, 1946.[26]
Limitation upon excess profits tax.			The sum of normal tax, surtax, and (gross) excess profits tax may not exceed 80% of surtax net income (before deduction of income subject to excess profits tax). The excess profits tax will be reduced to the extent necessary to conform with this limitation.	No change	Repealed Jan. 1, 1946.[26]

Footnotes on pp. 271 to 275.

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Exhibit 26.—Federal taxes of the United States, 1940 through 1950—Continued

Title of tax	Taxes in effect Dec. 31, 1940	Revenue Act of—				
		1941	1942	1943	1945	1950
RECAPTURE OF EXCESS PROFITS						
Recapture of excess profits on certain Government contracts.[29]	All profits exceeding 8% of contract price for vessels and aircraft for Army or Navy [30] (suspended by title IV of the Second Revenue Act of 1940).	No change	No change	No change	Suspension terminated by repeal of excess profits tax, effective as to taxable years beginning after Dec. 31, 1945.[31]	No change.
CONSOLIDATED RETURNS						
Consolidated returns	Allowed only for railroads, etc., wholly owned foreign railroad operating subsidiaries organized to comply with the laws of Canada or Mexico, and Pan-American trade corporations for income tax. Permitted for substantially all corporations with respect to excess profits tax. No additional tax.	No change	Allowed for income and excess profits tax (both or none) for substantially all corporations. Additional 2% surtax imposed for privilege.	No change	No change	No change.
CAPITAL STOCK TAX						
Per $1,000 of adjusted declared value.	$1.10 [18]	$1.25	No change	No change	Repealed July 1, 1945.	
DECLARED-VALUE EXCESS PROFITS TAX						
On net income in excess of 10% and not in excess of 15% of adjusted declared value.	6.6% [18]	6.6%	No change	No change	Repealed July 1, 1946.	

On net income in excess of 15% of adjusted declared value.	13.2% [18]	13.2%	No change	No change	Repealed July 1, 1946.	
SURTAX ON CORPORATIONS IMPROPERLY ACCUMULATING SURPLUS						
First $100,000 of undistributed sec. 102 income.	27½% [18]	27½%	No change	No change	No change	No change.
Over $100,000 of undistributed sec. 102 income.	38½% [18]	38½%	No change	No change	No change	No change.
SURTAX ON PERSONAL HOLDING COMPANIES						
First $2,000 of undistributed Subchapter A net income.	71½% [18]	71½%	75%	No change	No change	No change.
Over $2,000 of undistributed Subchapter A net income.	82½% [18]	82½%	85%	No change	No change	No change.

Footnotes on pp. 271 to 275.

Exhibit 26.—Federal taxes of the United States, 1940 through 1950—Continued

Title of tax	Taxes in effect Dec. 31, 1940	Revenue Act of—					
		1941	1942	1943	1945	1948	1950
ESTATE TAX [32] [33]							
Specific exemption [34]	$40,000	No change	$60,000 [35]	No change	No change	No change	No change.
Rate of tax: [36]							
Minimum rate	2% [37]	3%	No change	No change	No change	No change	No change.
Maximum rate	70% [37]	77%	No change	No change	No change	No change	No change.
Minimum rate applies to portion of net estate not exceeding.	$10,000	$5,000	No change	No change	No change	No change	No change.
Maximum rate applies to portion of net estate.	Over $50,000,000	Over $10,000,000	No change	No change	No change	No change	No change.
Credit for State death taxes paid—credit not to exceed.	80% of Federal tax under Revenue Act of 1926.	No change	No change	No change	No change	No change	No change.
GIFT TAX [32]							
Specific exemption [38]	$40,000	No change	$30,000	No change	No change	No change	No change.
Annual exclusion	$4,000 [39]	No change	$3,000 [40]	No change	No change	No change	No change.
Rate of tax:							
Minimum rate	1½% [41]	2¼%	No change	No change	No change	No change	No change.
Maximum rate	52½% [41]	57¾%	No change	No change	No change	No change	No change.
Minimum rate applies to portion of net gifts not exceeding.	$10,000	$5,000	No change	No change	No change	No change	No change.
Maximum rate applies to portion of net gifts.	Over $50,000,000	Over $10,000,000	No change	No change	No change	No change	No change.

Title of tax	Taxes in effect Dec. 31, 1940	Revenue Act of—			Excise Tax Act of 1947
		1941	1942	1943	
TOBACCO TAXES [42]					
Cigarettes:					
Weighing not more than 3 lbs. per M	$3.25 per M [43]	No change [44]	$3.50 per M	No change [45]	No change.
Weighing more than 3 lbs. per M, and not more than 6½ inches in length.	$7.80 per M [43]	No change [44]	$8.40 per M	No change [45]	No change.
Weighing more than 3 lbs. per M, and more than 6½ inches in length.[46]	$3.25 per M [43]	No change [44]	$3.50 per M	No change [45]	No change.
Cigarette papers:					
Package of 26–50 sheets	½¢	No change	No change	No change	No change.
Per additional 50 sheets or fraction thereof.	½¢	No change	No change	No change	No change.
Cigarette tubes, per 50 or fraction thereof	1¢	No change	No change	No change	No change.
Cigars:					
Weighing not more than 3 lbs. per M	75¢ per M	No change	No change	No change [45]	No change.
Weighing more than 3 lbs. per M, retailing at: [47]					
Not more than 2½¢ each	$2 per M	No change	$2.50 per M	No change [45]	No change.
More than 2½¢ and not more than 4¢.	$2 per M	No change	$3 per M	No change [45]	No change.
More than 4¢ and not more than 5¢	$2 per M	No change	$4 per M	No change [45]	No change.
More than 5¢ and not more than 6¢	$3 per M	No change	$4 per M	No change [45]	No change.
More than 6¢ and not more than 8¢	$3 per M	No change	$7 per M	No change [45]	No change.
More than 8¢ and not more than 15¢.	$5 per M	No change	$10 per M	No change [45]	No change.
More than 15¢ and not more than 20¢.	$10.50 per M	No change	$15 per M	No change [45]	No change.
More than 20¢ each	$13.50 per M	No change	$20 per M	No change [45]	No change.
Leaf tobacco, penalty tax on leaf tobacco sold, removed, or shipped by dealers in leaf tobacco in violation of law.	18¢ per lb	No change	No change	No change	No change.
Tobacco and snuff	18¢ per lb	No change	No change	No change [45]	No change.
Floor stocks tax on cigarettes			25¢ per M small; 60¢ per M large.		
Floor stocks tax on cigars			Rates equal to tax rate increases.		

Footnotes on pp. 271 to 275.

Exhibit 26.—Federal taxes of the United States, 1940 through 1950—Continued

Title of tax	Taxes in effect Dec. 31, 1940	Revenue Act of—			Excise Tax Act of 1947
		1941	1942	1943	
LIQUOR TAXES [48]					
Distilled spirits, except brandy [49]	$3 per proof gal. or wine gal. if below proof.[43]	$4 per proof gal. or wine gal. if below proof.	$6 per proof gal. or wine gal. if below proof.	$9 per proof gal. or wine gal. if below proof.[50 51]	No change.[52]
Brandy [49]	$2.75 per proof gal. or wine gal. if below proof.[43]	$4 per proof gal. or wine gal. if below proof.	$6 per proof gal. or wine gal. if below proof.	$9 per proof gal. or wine gal. if below proof.[50 51]	No change.[52]
Nonbeverage distilled spirits, not denatured (after payment of drawback).	$3 per proof gal.[43]	$4 per proof gal.	$2.25 per proof gal.[53]	$3 per proof gal.[50 51]	No change.[52]
Fermented malt liquors containing ½ of 1% or more of alcohol by volume.	$6 per bbl.[43]	No change [44]	$7 per bbl	$8 per bbl.[50 51]	No change.[52 54]
Still wine containing following percentages of absolute alcohol by volume:					
Not more than 14%	6¢ per wine gal.[43]	8¢ per wine gal	10¢ per wine gal	15¢ per wine gal.[50 51]	No change.[52]
More than 14 but not more than 21%	18¢ per wine gal.[43]	30¢ per wine gal	40¢ per wine gal	60¢ per wine gal.[50 51]	No change.[52]
More than 21 but not more than 24%	30¢ per wine gal.[43]	65¢ per wine gal	$1 per wine gal	$2 per wine gal.[50 51]	No change.[52]
More than 24%	$3 per proof gal. or wine gal. if below proof, if containing distilled spirits other than brandy; or $2.75 per proof gal. or wine gal. if below proof if brandy only is contained therein.[43]	$4 per proof gal. or wine gal. if below proof.	$6 per proof gal. or wine gal. if below proof.	$9 per proof gal. or wine gal. if below proof.[50 51]	No change.[52]
Artificially carbonated wine	1½¢ per half pint [43]	3½¢ per half pint	5¢ per half pint	10¢ per half pint [50 51]	No change.[52]
Liqueurs, cordials, or similar compounds	1½¢ per half pint [43]	3½¢ per half pint	5¢ per half pint	10¢ per half pint [50 51]	No change.[52]
Champagne or sparkling wine	3¢ per half pint [43]	7¢ per half pint	10¢ per half pint	15¢ per half pint [50 51]	No change.[52]
Rectification tax, distilled spirits and wines	30¢ per proof gal. in addition to tax on distilled spirits or wines.	No change	No change	No change	No change.
Bay rum or any article containing alcohol imported from Puerto Rico for consumption.	$3 per proof gal. or wine gal. if below proof.[43]	$4 per proof gal. or wine gal. if below proof.	$6 per proof gal. or wine gal. if below proof.	$9 per proof gal. or wine gal. if below proof.[50 51]	No change.[52]
Perfume, imported, containing distilled spirits.	$3 per wine gal.[43]	$4 per wine gal	$6 per wine gal	$9 per wine gal.[50 51]	No change.[52]
Special (occupational) taxes:					
Distilled spirits or wine:					
Wholesale dealers	$110 per year [43]	No change [44]	No change	No change	No change.
Retail dealers [55]	$27.50 per year [43]	No change [44]	No change	No change	No change.
Fermented malt liquors:					
Brewers according to production, per brewery.	$55–$110 per year [43]	No change [44]	No change	No change	No change.

Wholesalers	$55 per year [43]	No change [44]	No change	No change	No change.
Retailers [55]	$22 per year [43]	No change [44]	No change	No change	No change.
Rectifiers, according to production	$110–$220 per year [43]	No change [44]	No change	No change	No change.
Manufacturers of stills	$55 per year [43]	No change [44]	No change	No change	No change.
Stills or worms manufactured for distilling spirits.	$22 per still or worm [43]	No change [44]	No change	No change	No change.
Stamp taxes on distilled spirits:					
Container stamps, distilled spirits in containers upon which all internal revenue taxes have been paid.	Per container of less than ½ pint, ¼¢; ½ pint or more, 1¢.	No change	No change	No change	No change.
Export stamps, distilled spirits intended for export.	10¢ per package	No change	No change	No change	No change.
Floor stocks taxes:					
Distilled spirits, except brandy [49]		$1 per proof gal	$2 per proof gal	$3 per proof gal.	
Brandy [49]		$1.25 per proof gal	$2 per proof gal	$3 per proof gal.	
Fermented malt liquors			$1 per bbl	$1 per bbl.	
Still wine containing the following percentages of absolute alcohol by volume:					
Not more than 14%		2¢ per wine gal	2¢ per wine gal	5¢ per wine gal.	
More than 14 but not more than 21%.		12¢ per wine gal	10¢ per wine gal	20¢ per wine gal.	
More than 21 but not more than 24%.		35¢ per wine gal	35¢ per wine gal	$1 per wine gal.	
Artificially carbonated wine		2¢ per half pint	1½¢ per half pint	5¢ per half pint.	
Liqueurs, cordials, or similar compounds.		2¢ per half pint	1½¢ per half pint	5¢ per half pint.	
Champagne or sparkling wine		4¢ per half pint	3¢ per half pint	5¢ per half pint.	
STAMP TAXES					
Documentary:					
Conveyances (deed, instrument, or writing conveying realty).	Value: $100.01–$500, 55¢; each additional $500 or fraction, 55¢.[43]	No change [44] [56]	No change	No change	No change.
Foreign insurance policies: Insurance policies other than life and indemnity, fidelity or surety bonds, etc.	4¢ per dollar or fraction of premium.[43]	No change [44]	No change	No change	No change.
Life, sickness, and accident policies, annuity contracts.			1¢ per dollar or fraction of premium.	No change	No change.
Reinsurance policies			1¢ per dollar or fraction of premium.	No change	No change.
Issues of bonds, debentures, certificates of indebtedness, etc.	11¢ per $100 face value or fraction thereof.[43]	No change [44] [56]	No change	No change	No change.
Issues of capital stock	11¢ per $100 par or face value or if without par or face value; (a) if actual value is less than $100, 3¢ on each $20 or fraction; (b) if actual value is over $100, 11¢ on each $100 or fraction.[43]	No change [44] [56]	No change	No change	No change.

Footnotes on pp. 271 to 275.

Exhibit 26.—Federal taxes of the United States, 1940 through 1950—Continued

Title of tax	Taxes in effect Dec. 31, 1940	Revenue Act of— 1941	1942	1943	Excise Tax Act of 1947
STAMP TAXES—Continued					
Documentary—Continued					
Transfers of bonds	5¢ per $100 face value [43]	No change [44] [56]	No change	No change	No change.
Transfers of capital stock	5¢ per $100 par or face value or fraction; or if without par or face value 5¢ per share. However, if selling price is $20 or over, whether with or without par or face value rate is 6¢. [43]	No change [44] [56]	No change	No change	No change.
Other:					
Passage tickets over $10 sold for passage by vessel to a foreign port. [57]	Costing: $10.01–$30, $1.10; $30.01–$60, $3.30; over $60, $5.50. [43]	No change [44]	No change	No change	Repealed Apr. 1, 1947.
Playing cards	11¢ per package of not more than 54. [43]	13¢ per package of not more than 54.	No change	No change [58]	No change.
Silver bullion sales or transfers	50% of amount by which selling price exceeds cost plus allowed expenses.	No change	No change	No change	No change.
MISCELLANEOUS TAXES					
Admissions:					
Admissions, general	1¢ for every 10¢ or fraction thereof if 21¢ or more. [59]	1¢ for each 10¢ or fraction thereof. [60]	No change [61]	1¢ for each 5¢ or major fraction thereof. [50]	No change. [52] [62]
Admissions sold by proprietor in excess of established price.	50% of excess	No change	No change	No change	No change.
Leases of boxes or seats	11% of amount for which similar accommodations are sold. [43]	No change [44]	No change	20% of amount for which similar accommodations are sold. [50]	No change. [52]
Roof gardens, cabarets, etc.	2¢ per each 10¢ or fraction thereof of amount taxable. [43] [63]	5% of amounts paid for admission, refreshment, service, and merchandise.	No change	30% of amounts paid for admission, refreshment, service, and merchandise. [50] [64]	No change. [52]
Ticket broker sales at prices in excess of regular or established price.	11% of excess [43]	No change [44]	No change	20% of excess [50]	No change. [52]
Adulterated and process butter:					
Adulterated butter:					
Adulterated butter	10¢ per pound	No change	No change	No change	No change.

Manufacturers	$600 per year	No change	No change	No change	No change.
Retailers	$48 per year	No change	No change	No change	No change.
Wholesalers	$480 per year	No change	No change	No change	No change.
Process butter:					
Process butter	¼¢ per pound	No change	No change	No change	No change.
Manufacturers	$50 per year	No change	No change	No change	No change.
Alaskan railroads	1% of gross annual income	No change	No change	No change	No change.
Automobiles, etc.:					
Automobile bodies	3½% of manufacturer's sale price.[43]	7% of manufacturer's sale price.[65]	No change	No change [66]	No change.
Automobile chassis	3½% of manufacturer's sale price.[43]	7% of manufacturer's sale price.[65]	No change	No change [66]	No change.
Automobile truck bodies	2½% of manufacturer's sale price.[43]	5% of manufacturer's sale price.[65] [67]	No change	No change [66]	No change.
Automobile truck chassis	2½% of manufacturer's sale price.[43]	5% of manufacturer's sale price.[65] [67]	No change	No change [66]	No change.
Automobiles, use of [69]		$5 per year	No change	No change [68]	
Motorcycles	3½% of manufacturer's sale price.[43]	7% of manufacturer's sale price.[65]	No change	No change [66]	No change.
Parts and accessories	2½% of manufacturer's sale price.[43]	5% of manufacturer's sale price.[65]	No change	No change	No change.
Tires and tubes:					
Inner tubes	4½¢ per lb.[43]	9¢ per lb.[65]	No change	No change [66]	No change.
Rubber tires	2½¢ per lb.[43]	5¢ per lb.[65]	No change	No change [66]	No change.
Floor stocks tax on tires		2½¢ per lb			
Floor stocks tax on tubes		4½¢ per lb			
Tractors [70]	2½% of manufacturer's sale price.[43]	5% of manufacturer's sale price.[65]	No change	No change [66]	No change.
Bank circulation, etc., taxes:					
Circulation of Federal Reserve Bank notes.	½ of 1%	No change	No change	No change	No change.
Circulation of national bank notes:					
Notes secured by 2% bonds	½ of 1%	No change	No change	No change	No change.
Other notes	1%	No change	No change	No change	No change.
Circulation other than of national banks:[71]					
On average circulation outstanding:					
Entire circulation	1/12 of 1% each month	No change	No change	No change	No change.
Circulation exceeding 90% of capital.	1/6 of 1% each month (additional tax).	No change	No change	No change	No change.
Circulation paid out	10%	No change	No change	No change	No change.
Earnings of Federal intermediate credit banks.	25% of net earnings remaining after provision for expenses, losses, and reserve requirements for the fiscal year.	No change	No change	No change	No change.

Footnotes on pp. 271 to 275.

Exhibit 26.—Federal taxes of the United States, 1940 through 1950—Continued

Title of tax	Taxes in effect Dec. 31, 1940	Revenue Act of— 1941	1942	1943	Excise Tax Act of 1947
MISCELLANEOUS TAXES—Continued					
Boats, use of [69]—over-all length:					
16 feet but not over 28 feet		$5 per year	No change	No change. [68]	
Over 28 feet but not over 50 feet		$10 per year	No change	No change. [68]	
Over 50 feet but not over 100 feet		$40 per year	No change	No change. [68]	
Over 100 feet but not over 150 feet		$100 per year	No change	No change. [68]	
Over 150 feet but not over 200 feet		$150 per year	No change	No change. [68]	
Over 200 feet		$200 per year	No change	No change. [68]	
Business and store machines		10% of manufacturer's sale price.	No change [72]	No change [66]	No change.
Bowling alleys, billiard and pool tables		$10 per year per unit	No change	$20 per year per unit [50 73]	No change.[52]
Canal Zone taxes	Ad valorem taxes (not to exceed 1% of value of property), excise and franchise taxes (not to exceed 2% of gross earnings).	No change	No change	No change	No change.
Coin-operated machines:					
Amusement devices [74]		$10 per year per machine	No change [75]	No change	No change.
Gambling devices		$50 per year per machine	$100 per year per machine	No change	No change.[76]
Cotton futures, contracts of sale of cotton for future delivery, which do not conform with regulations of Secretary of Agriculture.	2¢ per lb	No change	No change	No change	No change.
Dues and initiation fees	11% of amount paid [43 77]	No change [44 78]	No change	20% of amount paid [50]	No change.[52]
Electrical energy for domestic or commercial consumption.	3⅓% of sale price [43]	No change [44 56]	No change	No change [66]	No change.
Electric, gas, and oil appliances		10% of manufacturer's sale price.	No change	No change [66 79]	No change.
Electric light bulbs and tubes		5% of manufacturer's sale price.	No change	20% of manufacturer's sale price.[50 51 66]	No change.[52]
Electric signs		10% of manufacturer's sale price.	Repealed Nov. 1, 1942.		
Filled cheese:					
Domestic	1¢ per pound	No change	No change	No change	No change.
Imported	8¢ per pound in addition to import duties.	No change	No change	No change	No change.
Manufacturers, per factory	$400 per year	No change	No change	No change	No change.
Retail dealers	$12 per year	No change	No change	No change	No change.
Wholesale dealers	$250 per year	No change	No change	No change	No change.
Firearms, shells, cartridges [80]	11% of manufacturer's sale price.[43]	No change [44]	No change	No change [66]	No change.

Firearms (machine guns and short-barrelled firearms):[81]					
Dealers	$200 per year	No change	No change	No change	No change.
Importers or manufacturers	$500 per year	No change	No change	No change	No change.
Pawnbrokers	$300 per year	No change	No change	No change	No change.
Transfer of firearms	$200 per firearm	No change	No change	No change [82]	No change.
Fur articles (of which fur is component of chief value).		10% of retail sale price	No change	20% of retail sale price.[50 66 83]	No change.[52 84 85 86]
Gasoline and other motor fuels	1½¢ per gal [43]	No change [44 56]	No change	No change [66]	No change.
Immigration head tax	$8 per person, 16 years or over.	No change	No change	No change [87]	No change.
Imports of:					
Coal, coke, etc.[88]	10¢ per 100 pounds	No change [56]	No change	No change	No change.
Copper and copper concentrates:					
Articles containing 4% or more of copper by weight.	3% ad valorem or ¾¢ per pound, whichever is lower.	No change [56]	No change	No change	No change.[89]
Articles in which copper is component material of chief value.	3¢ per pound	No change [56]	No change	No change	No change.[89]
Copper-bearing ores and concentrates and articles specified in Tariff Act of 1930.	4¢ per pound of copper therein.	No change [56]	No change	No change	No change.[89]
Crude petroleum, fuel oil, gas oil, and liquid derivatives (except gasoline and lubricating oils).	½¢ per gal	No change.[56]	No change	No change	No change.
Gasoline and other motor fuel	2½¢ per gal	No change [56]	No change	No change	No change.
Hempseed	1.24¢ per lb	No change	No change	No change	No change.
Lubricating oils	4¢ per gal	No change [56]	No change	No change	No change.
Lumber [90]	$3 per M feet [91]	No change [56]	No change	No change	No change.
Oils:[92]					
Sunflower, rapeseed, sesame, kapok, hempseed and perilla oils, etc.,[93]	4½¢ per lb	No change	No change	No change	No change.
Whale oil (except sperm oil), fish oil (except cod oil, cod liver oil, and halibut liver oil), marine animal oil or any combination of the foregoing, etc.[94]	3¢ per lb	No change	No change	No change	No change.
Paraffin and other petroleum wax products.	1¢ per lb	No change [56]	No change	No change	No change.
Perilla seed	1.38¢ per lb	No change	No change	No change	No change.
Rapeseed, kapok seed	2¢ per lb	No change	No change	No change	No change.
Sesame seed	1.18¢ per lb	No change	No change	No change	No change.
Jewelry		10% of retail sale price [95]	No change [96]	20% of retail sale price.[50 66 97]	No change.[52 85 86]
Leases of safe deposit boxes	11% of amount collected.[43]	20% of amount collected	No change	No change	No change.
Lubricating oils, domestic	4½¢ per gal.[43]	No change [44 56]	6¢ per gal	No change [66]	No change.
Luggage		10% of manufacturer's sale price.	No change	20% of retail sale price.[50 66 98]	No change.[52 86]

Footnotes on pp. 271 to 275.

Exhibit 26.—Federal taxes of the United States, 1940 through 1950—Continued

Title of tax	Taxes in effect Dec. 31, 1940	Revenue Act of— 1941	1942	1943	Excise Tax Act of 1947
MISCELLANEOUS TAXES—Continued					
Matches:					
Matches, in general		2¢ per M	No change	No change [66]	No change.
White phosphorous	2¢ per 100	No change	No change	No change	No change.
Wood, fancy	5½¢ per M [43]	No change [44]	No change	No change [66]	No change.
Floor stocks tax on matches (except fancy wooden matches) held and intended for sale together with other articles.[99]		2¢ per M.			
Mixed flour [100]	4¢ per bbl	No change	Repealed Nov. 1, 1942.		
Mixed flour, manufacturers, packers, or repackers.	$12 per year	No change	Repealed Nov. 1, 1942.		
Musical instruments		10% of manufacturer's sale price.	No change	No change [66]	No change.[101]
Narcotics:					
Marihuana:					
Importers, manufacturers, and compounders.	$24 per year	No change	No change	No change	No change.
Persons engaged in laboratory research.	$1 per year	No change	No change	No change	No change.
Persons, other than practitioners, who deal in, dispense, or give away.	$3 per year	No change	No change	No change	No change.
Practitioners	$1 per year	No change	No change	No change	No change.
Producers	$1 per year	No change	No change	No change	No change.
Transfers of:					
To any person, who has paid the special tax as indicated above.	$1 per oz. or fraction thereof on each transfer.	No change	No change	No change	No change.
To any person who has not paid the special tax as indicated above.	$100 per oz. or fraction thereof on each transfer.	No change	No change	No change	No. change.
Opium:					
Importers, manufacturers, and compounders.	$24 per year	No change	No change	No change	No change.
Opium, coca leaves, etc	1¢ per ounce	No change	No change	No change	No change.
Opium manufactured for smoking purposes.	$300 per lb	No change	No change	No change	No change.

Persons engaged in laboratory research.	$1 per year	No change	No change	No change	No change.
Persons not otherwise taxed, dispensing preparations of limited narcotic content.	$1 per year	No change	No change	No change	No change.
Practitioners	$1 per year	No change	No change	No change	No change.
Retail dealers	$3 per year	No change	No change	No change	No change.
Wholesale dealers	$12 per year	No change	No change	No change	No change.
Oils, first domestic processing:					
Coconut [102]	3¢ per lb.[103]	No change [104]	No change [105]	No change [102] [105]	No change.[105]
Palm [106]	3¢ per lb.	No change	No change [107]	No change	No change.
Palm kernel	3¢ per lb.	No change	No change	No change	No change.
Oleomargarine:					
Colored	10¢ per lb.	No change	No change	No change	No change.[108]
Uncolored	¼¢ per lb.	No change	No change	No change	No change.[108]
Imported	15¢ per lb. in addition to import duties.	No change	No change	No change	No change.
Manufacturers	$600 per year	No change	No change	No change	No change.[108]
Retailers of colored oleomargarine	$48 per year	No change	No change	No change	No change.[108]
Retailers of uncolored oleomargarine	$6 per year	No change	No change	No change	No change.[108]
Wholesalers of colored oleomargarine	$480 per year	No change	No change	No change	No change.[108]
Wholesalers of uncolored oleomargarine.	$200 per year	No change	No change	No change	No change.[108]
Optical equipment		10% of manufacturer's sale price.	Repealed Nov. 1, 1942.		
Phonographs and phonograph records		10% of manufacturer's sale price.	No change	No change [66]	No change.
Photographic apparatus		10% of manufacturer's sale price.	25% of manufacturer's sale price.[109]	No change [66]	No change.
Photographic film and plates, unexposed		10% of manufacturer's sale price.	15% of manufacturer's sale price.	No change [66]	No change.
Pistols and revolvers	11% of manufacturer's sale price.[43]	No change [44]	No change	No change [66]	No change.
Radios and radio accessories	5½% of manufacturer's sale price.[43]	10% of manufacturer's sale price.[56] [110]	No change	No change [66]	No change.[111]
Refrigerating equipment:					
Refrigerators, mechanical household type.	5½% of manufacturer's sale price.[43]	10% of manufacturer's sale price.[56]	No change	No change [66]	No change.[112]
Commercial refrigerating equipment		10% of manufacturer's sale price.	Repealed Nov. 1, 1942.		
Air conditioning units, self-contained		10% of manufacturer's sale price.	No change	No change [66]	No change.
Rubber articles, where rubber is chief component by weight.[113]		10% of manufacturer's sale price.	Repealed Nov. 1, 1942.		
Sporting goods		10% of manufacturer's sale price.	No change	No change [66]	No change.

Footnotes on pp. 271 to 275.

Exhibit 26.—Federal taxes of the United States, 1940 through 1950—Continued

Title of tax	Taxes in effect Dec. 31, 1940	Revenue Act of—			Excise Tax Act of 1947
		1941	1942	1943	
MISCELLANEOUS TAXES—Continued					
Telephone, telegraph, radio messages, etc.:[114]					
Cable and radio messages:					
Domestic	10¢ per message	10% of amount charged [56]	15% of amount charged	25% of amount charged [50 66]	No change.[52]
International	10¢ per message	10% of amount charged [56]	No change	No change [66]	No change.
Leased wires	5% of amount charged	10% of amount charged [56]	15% of amount charged	25% of amount charged [50 66]	No change.[52]
Local telephone service		6% of amount charged	10% of amount charged	15% of amount charged [50 66]	No change.[52]
Telegraph messages:					
Domestic	5% of amount charged	10% of amount charged [56]	15% of amount charged	25% of amount charged [50 66]	No change.[52]
International	5% of amount charged	10% of amount charged [56]	No change	No change [66]	No change.
Telephone toll service	10¢ if charge is 50¢–99¢; 15¢ if charge is $1–$1.99; 20¢ if charge is $2 or more.	5¢ for each 50¢ or fraction thereof if charge is more than 24¢.[56]	20% if charge is more than 24¢.	25% if charge is more than 24¢.[50 66]	No change.[52]
Wire and equipment service	5% of amount charged	No change [56]	No change	8% of amount charged [50 66]	No change.[52]
Toilet preparations	11% of manufacturer's sale price.	10% of retail sale price	No change [115]	20% of retail sale price [50 66]	No change.[52 86]
Tonnage tax, entry of vessel from foreign port.[116]	2¢ to $2 as provided by law.	No change	No change	No change	No change.
Transfers to avoid income tax [117]	27½% of the excess of (1) the value of the stock or securities transferred over; (2) its adjusted basis in the hands of the transferor as determined under sec. 113 of the Revenue Act of 1932.[43]	No change [44]	No change	No change	No change.
Transportation:					
Oil by pipe line [118]	4½% of amount paid for transportation.[43]	No change [44 56]	No change [119]	No change	No change.
Persons by rail, motor vehicle, water, or air.		5% of amount paid [120]	10% of amount paid [121]	15% of amount paid [50 66]	No change.[52 122 123]
Property by rail, motor vehicle, water, or air.			3% of amount paid (coal 4¢ per short ton).[124]	No change [66]	No change.
Seating or sleeping accommodations		5% of amount paid	10% of amount paid	15% of amount paid [50 66]	No change.[52 123]
Washing machines of commercial type used in laundries.		10% of manufacturer's sale price.	Repealed Nov. 1, 1942.		

Bituminous coal:					
Excise tax on sale of bituminous coal produced within the United States.	1¢ per ton of 2,000 lbs.	No change	No change	(125)	
Additional excise tax on sale of bituminous coal produced within the United States.	Applicable to producers not members of Bituminous Coal Code: (a) 19½% of sale price at mine, if sold at mine, (b) 19½% of fair market value at time of sale, if not sold at mine or through an arm's length transaction.[126]	No change	No change	(125)	
Sugar:					
Sugar taxes:					
Excise tax on manufacture of sugar in the United States:					
Testing 92 sugar degrees and for each additional sugar degree.	0.465¢ per lb., 0.00875¢ per lb., additional, and fractions of a degree in proportion.	No change	No change	No change [127]	No change.[128]
Testing less than 92 sugar degrees.	0.5144¢ per lb. of total sugars therein.	No change	No change	No change [127]	No change.[128]
Import compensating tax:					
All manufactured sugar testing 92 sugar degrees and for each additional sugar degree.	0.465¢ per lb., 0.00875¢ per lb. additional, and fractions of a degree in proportion.	No change	No change	No change [127]	No change.[128]
All manufactured sugar testing less than 92 sugar degrees.	0.5144¢ per lb. of total sugars therein.	No change	No change	No change [127]	No change.[128]
All articles composed in chief value of manufactured sugar.	0.5144¢ per lb. of total sugars therein.	No change	No change	No change [127]	No change.[128]

Footnotes on pp. 271 to 275.

Exhibit 26.—Federal taxes of the United States 1940 through 1950—Continued

Title of tax	Taxes in effect Dec. 31, 1940	Revenue Act of—						
		1942	1943	1944	1945	1946	1947–1948	1950
SOCIAL SECURITY ACT OF 1935, AS AMENDED								
Taxes with respect to employment by others than carriers:								
Income tax on employees based on wages received.[129, 130]	Calendar years: 1939–42, 1%; 1943–45, 2%; 1946–48, 2½%; 1949 and thereafter, 3%.	Calendar years: 1939–43, 1%; 1944–45, 2%; 1946–48, 2½%; 1949 and thereafter, 3%.	Calendar years: 1939–44, 1%; 1945, 2%; 1946–48, 2½%; 1949 and thereafter, 3%.[131]	Calendar years: 1939–45, 1%; 1946–48, 2½%; 1949 and thereafter, 3%.[132]	Calendar years: 1939–46, 1%; 1947–48, 2½%; 1949 and thereafter, 3%.	Calendar years: 1939–47, 1%; 1948, 2½%; 1949 and thereafter, 3%.[133]	Calendar years: 1939–49, 1%; 1950–51, 1½%; thereafter, 2%.[134]	Calendar years: 1950–53, 1½%; 1954–59, 2%; 1960–64, 2½%; 1965–69, 3%; thereafter, 3¼%.[135]
Excise tax on employers based on wages paid.[129, 130]	Calendar years: 1939–42, 1%; 1943–45, 2%; 1946–48, 2½%; 1949 and thereafter, 3%.	Calendar years: 1939–43, 1%; 1944–45, 2%; 1946–48, 2½%; 1949 and thereafter, 3%.	Calendar years: 1939–44, 1%; 1945, 2%; 1946–48, 2½%; 1949 and thereafter, 3%.[131]	Calendar years: 1939–45, 1%; 1946–48, 2½%; 1949 and thereafter, 3%.[132]	Calendar years: 1939–46, 1%; 1947–48, 2½%; 1949 and thereafter, 3%.	Calendar years: 1939–47, 1%; 1948, 2½%; 1949 and thereafter, 3%.[133]	Calendar years: 1939–49, 1%; 1950–51, 1½%; thereafter, 2%.[134]	Calendar years: 1950–53, 1½%; 1954–59, 2%; 1960–64, 2½%; 1965–69, 3%; thereafter, 3¼%.[135]
Tax on employers of 8 or more based on wages paid.[129, 136]	3%	No change	No change	No change	No change	No change	No change	No change.
Tax on self-employment income.[137]								Taxable years: 1951–53, 2¼%; 1954–59, 3%; 1960–64, 3¾%; 1965–69, 4½%; thereafter, 4⅞%.[135]
CARRIERS TAXING ACT, 1937								
Taxes with respect to employment by carriers:								
Income tax on employees based on compensation received.[138]	Calendar years: 1937–39, 2¾%; 1940–42, 3%; 1943–45, 3¼%; 1946–48, 3½%; 1949 and thereafter, 3¾%.	No change	No change	No change	No change	Calendar years: 1947–48, 5¾%; 1949–51, 6%; thereafter, 6¼%.[139]	No change	No change.

Income tax on representatives of employees based on compensation received.[138]	Calendar years: 1937–39, 5½%; 1940–42, 6%; 1943–45, 6½%; 1946–48, 7%; 1949 and thereafter, 7½%.	No change	No change	No change	No change	Calendar years: 1947–48, 11½%; 1949–51, 12%; thereafter, 12½%.[139]	No change	No change.
Excise tax on employers based on compensation paid.[138]	Calendar years: 1937–39, 2¾%; 1940–42, 3%; 1943–45, 3¼%; 1946–48, 3½%; 1949 and thereafter, 3¼%.	No change	No change	No change	No change	Calendar years: 1947–48, 5¾%; 1949–51, 6%; thereafter, 6¼%.[139]	No change	No change.
RAILROAD UNEMPLOYMENT INSURANCE ACT, 1938								
Excise tax on employers (carriers) based on compensation paid.[138]	3%	No change	No change	No change	No change	No change	Effective Jan. 1, 1948: 0.5%–3.0%, depending on the size of the railroad unemployment insurance account.[140]	No change.

NOTE.—This exhibit does not include (1) customs duties, (2) miscellaneous fines and fees, (3) the tax with respect to certain hydraulic mining (act of Mar. 1, 1893, as amended by the act of June 19, 1934), and (4) various taxes levied in the District of Columbia for expenses of the District of Columbia.

For Federal taxes in the period 1913–39, see 1940 annual report, pp. 466–534, and for 1939–44, see 1944 annual report, pp. 458–486.

[1] Individual Income Tax Act of 1944.

[2] In addition to the Revenue Act of 1943, the Congress enacted the Current Tax Payment Act of 1943, which revised the system of individual income tax payment but made no change in the rates, exemptions, and credits. The act provided for current collection of tax liability by collection at source, and by filing of declarations of estimated tax and the current payment of such tax by taxpayers not made substantially current in their payments through withholding. To provide for transition to current payments, the act in general canceled 75% of either the 1942 or 1943 tax, whichever was the lesser.

[3] For rates and exemptions with respect to nonresident alien individuals, see Supplement A, p. 276. For tax treatment of capital gains and losses, see Supplement B, p. 277.

[4] Subsequent to the act of Oct. 22, 1914, and prior to the Individual Income Tax Act of 1944, the personal exemption allowed to married persons was also allowed to heads of families.

[5] The changes in individual income tax exemptions and rates made by the Revenue Act of 1943, intended to be applicable to the taxable year 1944, were superseded by the provisions of the Individual Income Tax Act of 1944 before they became effective.

[6] Surtax exemptions. For surtax, each taxpayer was allowed an exemption of $500, plus $500 for his spouse and $500 for each dependent. The normal tax exemption was $500. However, if husband and wife combined their income in a joint return, the normal tax exemption was $500 plus the amount of the smaller of the two incomes, but not more than $1,000 for both.

[7] For 1946 and subsequent years, the exemptions are allowed for both normal tax and surtax.

[8] Beginning with the taxable year 1948 married couples filing joint returns were allowed to divide their combined incomes equally in computing their income taxes.

[9] The Individual Income Tax Act of 1944 eliminated the former requirement that a "dependent" must be under 18 years old or incapable of self-support. Under the 1944 act the taxpayer may claim as a dependent any close relative whose income is less than $500 and who received more than half of his support from the taxpayer, provided the relative is a resident of the United States, Canada, or Mexico.

[10] Allowed to taxpayers and their spouses, but not allowed for dependents.

[11] The additional exemption of $600 for the blind replaced the special $500 deduction for the blind provided by the Revenue Act of 1943, applicable to taxable years 1944–47.

FOOTNOTES FOR EXHIBIT 26—Continued

[12] For taxable years beginning after Dec. 31, 1939, and before Jan. 1, 1941, the sum of the normal tax and surtax computed under the above rates was increased by a defense tax of 10% of the amount of the tax, limited, however, to 10% of the excess of the net income over the sum of the normal tax and surtax.

[13] The percentage reductions from tentative tax were eliminated for calendar year 1951 and other taxable years beginning after Sept. 30, 1950. For calendar year 1950 the percentage reductions from tentative tax were reduced to the following: 13% on the first $400 of tentative tax; 9% on the next $99,600; and 7.3% on the amount in excess of $100,000.

[14] The combined normal tax and surtax (before deduction of credits for foreign taxes, taxes withheld at source, and taxes withheld on wages) is subject to the following maximum effective rate limitations: Revenue Act of 1944, 90%; Revenue Act of 1945, 85.5%; Revenue Act of 1948, 77%; Revenue Act of 1950, for calendar year 1950, 80%, for calendar year 1951 and other taxable years beginning after Sept. 30, 1950, 87%.

[15] Applicable to taxable year 1943 only. The exemption of $624 applied to every individual regardless of marital status. However, in the case of a husband and wife filing a joint return, if the Victory tax net income of one spouse was less than $624, the total exemption was limited to $624 plus the Victory tax net income of such spouse. The following credits were allowed against the tax: 25% of the tax if single or 40% if married, plus in either case 2% for each dependent. The amount of the credits were limited, however, to $500 if single, $1,000 if married, plus $100 for each dependent. The credits as provided by the Revenue Act of 1942 were to be postwar credits, allowable currently only under specified conditions, but they were converted into automatic current credits by Public Law 178, 78th Congress, approved Oct. 28, 1943. The amount of Victory tax (before tax credits) was limited to the excess of 90% of net income over the regular income tax liability.

[16] The amount of net income accounted as earned for purposes of the earned-income credit was all net income up to $3,000, whether earned or not, and up to $14,000 if earned. In the case of a taxpayer engaged in a trade or business in which both personal services and capital were material income-producing factors, a maximum of 20% of his share of the net profits of such trade or business was includible within the earned-income category.

[17] For tax treatment of capital gains and losses, see Supplement B, p. 277. For taxes on special classes of corporations, see Supplement C, p. 279.

[18] Including defense tax.

[19] Notch provision.

[20] For taxable years beginning before July 1, 1950, and ending after June 30, 1950 (except calendar year 1950 returns), the tax is computed under prior law rates on income allocated to the period prior to July 1, 1950, and under the rates applicable to taxable years beginning after June 30, 1950, on income allocated to the period after June 30, 1950. Provision is also made for an earlier schedule of installment payments of the corporation income tax which will ultimately achieve payment of the full tax liability in the first two quarters following the end of the taxable year. A 5-year transition period, beginning with taxable years ending on or after Dec. 31, 1950, is provided, during which the tax payable in the third and fourth quarters is gradually reduced and the tax payable in the first and second quarters is correspondingly increased.

[21] But not in excess of 85% of adjusted net income.

[22] But not in excess of 85% of adjusted net income after deduction of income subject to excess profits tax.

[23] The total credit allowed for dividends received is limited to an amount equal to 85% of net income, minus the credit for interest received on certain obligations of the United States, computed without regard to the net operating loss deduction. In the case of dividends received in property other than money, the credit is limited to an amount not greater than 85% of the adjusted basis of the property in the hands of the distributing corporation. For the calendar year 1950, the credit in the case of dividends received on certain preferred stock of public utilities is 57%.

[24] The credit for dividends paid by a public utility on certain preferred stock, in the case of a taxable year beginning after June 30, 1950, is an amount equal to 31% of such dividends, but not in excess of 31% of the net income, minus the credit for interest received on certain obligations of the United States and the credit for dividends received. For the calendar year 1950, the applicable credit is 33% of such amounts. The credit for Western Hemisphere trade corporations is shown in Supplement C.

[25] See "Recapture of excess profits on certain Government contracts," below.

[26] The Tax Adjustment Act of 1945, approved July 31, 1945, increased the specific exemption from $10,000 to $25,000, effective Jan. 1, 1946, allowed the 10% excess profits postwar refund credit to be taken currently with respect to tax liabilities of 1944 and subsequent years, and advanced the maturity date of outstanding refund bonds to Feb. 1, 1946. Owing to the repeal of the excess profits tax by the Revenue Act of 1945, the increased specific exemption of $25,000 was not applicable. For taxable years beginning in 1945 and ending in 1946, the excess profits tax was retained for the 1945 portion of the year.

[27] The deficit rule was repealed and it was provided that the base period net income in the lowest year of the base period shall not be less than 75% of the average base period net income of the other three base period years.

[28] The Second Revenue Act of 1940 established the rule that the largest deficit of any base period year shall be disregarded in computing average base period net income. Excess Profits Tax Amendments of 1941, applicable to taxable years beginning after Dec. 31, 1939, permitted taxpayers with higher average income in the second half of the base period than in the first half to use the so-called "growth formula."

[29] This tax was imposed by sec. 3 of the act of Mar. 27, 1934 (Vinson Act) (48 Stat. 503, 505), as amended by the act of June 25, 1936 (49 Stat. 1926), the act of April 3, 1939 (53 Stat. 555, 560), and the act of June 28, 1940 (Public Law 671, 76th Congress).

[30] Any profits in excess of 8.7% of the cost of performing such contracts except prime contracts made on a cost-plus-a-fixed-fee basis completed within the income taxable year shall be considered profits in excess of 8% of the contract price. In a contract entered into on a cost-plus-a-fixed-fee basis, the fee shall not exceed 7% of the estimated cost of the contract (exclusive of the fee as determined by the Secretary of the Navy or the Secretary of War, as the case may be).

[31] Sec. 622 (b) of the National Military Establishment Appropriation Act, 1950 (63 Stat. 987, 1021), approved Oct. 29, 1949, provides that "the profit limitation provisions of the act of Mar. 27, 1934 (48 Stat. 503, 505), as amended and supplemented, shall not apply to any contract or subcontract which is subject to the Renegotiation Act of 1948."

[32] In community-property States prior to 1942, at the death of a spouse, only one-half of the community property was subject to estate tax irrespective of whether such property was accumulated by that spouse. In the case of gifts of community property, one-half of the gift was taxable to the husband and the other half was taxable to the wife. In noncommunity-property States, the entire amount of property accumulated by the spouse was taxable under the estate and gift tax. The Revenue Act of 1942 provided that, even in the case of community property, transfers were fully taxable to the decedent or donor to the extent that the property was attributable to his personal services. The Revenue Act of 1948 repealed the 1942 provision with the result that transfers of community property are now generally taxable under the pre-1942 law. In addition, the 1948 act provides that transfers of noncommunity property may be split for purposes of the estate and gift taxes.

[33] Estates of decedents dying after June 6, 1932, are subject to two estate taxes—the basic tax under the provisions of the Revenue Act of 1926 plus an additional tax under the Revenue Act of 1932 or 1932 as amended. The rates and exemptions shown in this table are for determining the additional estate tax. The total tax is the amount determined under the basic rate plus the difference between the basic and the additional tax.

[34] This exemption and the exemption of $100,000 under the basic tax are allowed only to resident decedents and citizens. The Revenue Act of 1942 provided for an exemption of $2,000 in the case of estates of nonresidents not citizens under the additional tax.

[35] The $60,000 exemption replaces the former $40,000 exemption and $40,000 life insurance exclusion. Under the 1942 act, the exclusion for life insurance was eliminated.

[36] Rates shown are those for determining the additional tax; the minimum and maximum rates for determining the basic tax are 1% and 20%, respectively.

[37] In the case of a decedent dying after the enactment of the Revenue Act of 1940 (June 25, 1940) and prior to the effective date of the Revenue Act of 1941 (Sept. 21, 1941), there was added to the net tax (after deductions of the credits for gift taxes and State death taxes) computed at the above rates, 10% of the amount of such net tax, as a defense tax.

[38] Allowed but once and may be taken all in 1 year or over a period of years at the option of the donor.

[39] Except gifts of future interests and gifts in trust.

[40] Except gifts of future interests. Applicable to gifts made after the end of the calendar year 1942.

[41] A defense tax of 10% of the gift tax computed at the above rates was applicable to gifts made in the calendar year 1940 (determined by proration), and to gifts made in the calendar year 1941.

[42] With the exception of the penalty tax on leaf tobacco, and the taxes on dealers and manufacturers, the tobacco taxes apply to products manufactured or imported into the United States and sold or removed for consumption or sale.

[43] Defense tax for 5 years, effective July 1, 1940, through June 30, 1945, in lieu of tax under prior law.

[44] Defense tax rate made permanent.

[45] Exports to Territories of the United States for use of members of the armed forces exempted until the termination of hostilities (Dec. 31, 1946) by Public Law 14, 78th Congress, approved Mar. 23, 1943.

[46] Counting each 2¾ inches (or fraction thereof) of the length of each as one cigarette.

[47] The retail price classes were changed by the Revenue Act of 1942.

[48] With the exception of the taxes on rectification of distilled spirits and wines, and fermented malt liquors prior to Aug. 1, 1948, the liquor excise taxes apply to products imported into the United States as well as to domestic products.

[49] Brandy taxed at same rate as other distilled spirits by the Revenue Act of 1941 and subsequent revenue acts.

[50] War tax rate in lieu of tax under prior law, applicable until the first day of the first month which begins 6 months or more after the termination of hostilities.

[51] The Revenue Act of 1945 provided refunds in connection with reductions in taxes on alcoholic beverages and electric light bulbs which under the Revenue Act of 1943 were to have taken place 6 months after the termination of hostilities.

[52] Increases in excise tax rates imposed under the 1943 Revenue Act made permanent.

[53] Nonbeverage distilled spirits taxed when withdrawn at same rate as distilled spirits. Drawback of part of tax permitted beginning Nov. 1, 1942, if spirits used for certain purposes and manufacturer pays an annual tax of $25 for withdrawals of not more than 25 proof gallons, $50 for withdrawals of not more than 50 proof gallons, $100 for withdrawals of more than 50 proof gallons.

[54] Effective Aug. 1, 1948, tax extended to imported fermented liquors by Public Law 857, 80th Congress, approved June 30, 1948.

[55] Retailers of wines or malt liquors, to members, guests, or patrons at fairs, dances, picnics, etc., shall pay a tax for each calendar month in which such sales are made in lieu of the regular tax, provided that the person or organization retailing the wine or malt liquor is not otherwise engaged in business as a dealer in wine or malt liquors. Under the Revenue Act of 1940, the rate was increased to $2.20 per month.

[56] Tax made permanent by eliminating expiration date of July 1, 1945.

[57] Except for passage to Canada, Mexico, Cuba, or Puerto Rico.

[58] Effective Jan. 1, 1942, and until the termination of hostilities (Dec. 31, 1946) exports to a possession of the United States, or to a Territory of the United States if for use of members of the armed forces, exempt.

[59] Persons admitted free or at reduced rates (except employees, municipal officers on official business, and children under 12 years of age) subject to tax based on the admission charge made to other persons for similar accommodations. The tax on tickets to any spoken play sold at the ticket office of theaters at reduced rates is based upon the price for which sold.

[60] Admissions to affairs for the benefit of religious, educational, and charitable organizations and all other nonprofit organizations made taxable. Members of the armed forces of the United States or Civilian Conservation Corps when in uniform subject to tax based on actual admission charge if admitted at reduced rate (see footnote 59). No tax payable on admission charges for children under 12 years of age if the amount paid is less than 10c. Provision for exemption of admissions of $3 or less, to have been effective July 1, 1945, repealed.

[61] Admission charges to activities operated on military areas by the Departments of the Army and Navy, exempt effective Oct. 1, 1941, by Public Law 676, 77th Congress, approved July 23, 1942. The same law also provided that members of the armed forces of the United Nations when in uniform should be subject to tax on the basis of the actual admission charge if admitted at reduced rate (see footnotes 59 and 60).

[62] Effective after Dec. 31, 1947, Public Law 384, 80th Congress, approved Aug. 8, 1947, required that free or reduced rates of admission of members of the armed forces of the United States, the United Nations, or the Civilian Conservation Corps be taxed on the basis of the regular charges for comparable admissions. Effective Aug. 1, 1948, Public Law 706, 80th Congress, approved June 19, 1948, exempted from tax free admissions of a hospitalized member of the armed forces of the United States or of a person hospitalized as a veteran by the Federal Government in a Federal, State, municipal, or private hospital or institution.

[63] Amount taxable is the amount of admission charge, which is deemed to be 20% of the total paid for refreshments, services and merchandise. Where amount paid for admission is 50¢ or less no tax shall be paid.

[64] Effective July 1, 1944, rate was lowered to 20% by Public Law 333, 78th Congress, approved June 9, 1944.

[65] Tax on automobiles and trucks, parts and accessories, tires and inner tubes made permanent by eliminating expiration date of July 31, 1945.

[66] Exemption of sales to the Federal Government repealed as of June 1, 1944, with respect to the manufacturers' (Chapter 29, Internal Revenue Code) and retailers' excises (Chapter 19, Internal Revenue Code), and the excises on pistols and revolvers, firearms, shells and cartridges, electrical energy, communications services, and transportation of persons and property. In the case of sales of pistols and revolvers, firearms, shells and cartridges, and radios, phonographs, phonograph records and musical instruments, the exemption is repealed, effective July 1, 1947, six months after the termination of hostilities. The Secretary of the Treasury may authorize exemption of sale to the Federal Government from any of the above-mentioned taxes if he determines that the imposition will cause substantial burden or expense which can be avoided by granting tax exemption and that the full benefit of such exemption will accrue to the United States. The discretionary power of the Secretary shall not be applicable to any contract entered into on or after July 1, 1947, six months or more after the termination of hostilities. The Revenue Act of 1945 repealed the time limitation on the discretionary powers of the Secretary.

[67] Automobile busses taxed at same rate as trucks. Previously taxed at the higher rate applicable to passenger automobiles.

[68] Repealed, effective after June 30, 1946, by the Revenue Act of 1945.

FOOTNOTES FOR EXHIBIT 26—Continued

[69] If in any year the first use of the motor vehicle or boat is after July 31, the tax is reckoned proportionately from the first day of the month in which such use occurs to and including the 30th day of June following.

[70] Tax applies only to tractors of the kind used chiefly for highway transportation in combination with a trailer or semi-trailer.

[71] Outstanding circulation exempt from taxation (1) whenever such circulation of any bank, association, corporation, company or person is reduced to not over 5% of the chartered or declared capital existing at the time the same was issued; (2) whenever any bank which has ceased to issue notes for circulation deposits in the Treasury of the United States in lawful money the amount of its outstanding circulation to be redeemed at par and (3) whenever any bank is insolvent or bankrupt.

[72] Cash registers of the type used in over-the-counter retail sales exempt.

[73] Billiard tables or pool tables in a hospital, if no charge is made for use of such table, exempt from tax beginning July 1, 1944.

[74] Includes "pin ball" and similar amusement devices.

[75] Includes any coin-operated amusement or music machine and vending machines operated by a 1¢ coin with provision for merchandise prizes of not more than 5¢ retail value.

[76] Effective Nov. 1, 1950, rate increased to $150 per machine by the Revenue Act of 1950.

[77] In the case of (1) dues, if the dues of active resident annual members exceed $25 per year, (2) initiation fees, if such fees exceed $10 per year, or if the dues of active resident annual members exceed $25 per year, not including initiation fees.

[78] In the case of (1) dues, if the dues of active resident annual members exceed $10 per year, (2) initiation fees, if such fees exceed $10, or if the dues of active resident annual members exceed $10 per year, not including initiation fees.

[79] Household type electric vacuum cleaners exempt.

[80] Excludes pistols and revolvers and certain firearms on which a tax has been paid under sec. 2720 of the Internal Revenue Code (see footnote 81).

[81] Firearms are defined to include shotguns and rifles with barrels of less than 18 inches in length, other guns capable of being concealed (except pistols and revolvers), machine guns, and mufflers and silencers. The law provides that: In the case of manufacturers and dealers in guns with two attached barrels from which only a single discharge can be made from either barrel without manual reloading, the tax shall be $25 per year for manufacturers and $1 per year for dealers; and the transfer tax on such guns, the barrels of which are 12 inches or more in length, shall be at the rate of $1.

[82] Effective July 1, 1945, nonautomatic single barreled guns, 12 inches or more in length, designed to be held in one hand when fired were placed in the $1 transfer tax class by Public Law 177, 79th Congress, approved Aug. 11, 1945.

[83] Fur articles made from pelts furnished by a customer, when the article is for use of and not for resale by such a customer, taxable upon the fair retail market value as determined by the Commissioner.

[84] Articles made of fur on the hide or pelt taxable only if the value of the fur is more than three times the value of the next most valuable component material.

[85] Retail auction sales of jewelry and furs on behalf of persons not engaged in the business of selling like articles, made taxable as retail sales under Revenue Act of 1950, except that the first $100 of sales exempted where the auction sale takes place at the home of the person whose articles are being sold.

[86] Articles sold at retail by any agency or instrumentality of the United States made taxable under Revenue Act of 1950, unless specifically exempted by statute.

[87] Natural born residents of North, South, and Central America, and adjacent islands were exempted from tax from Apr. 29, 1943, to Dec. 31, 1947, by Public Law 45, 78th Congress, approved Apr. 29, 1943, Public Law 229, 78th Congress, approved Feb. 14, 1944, and Public Law 40, 80th Congress, approved Apr. 28, 1947.

[88] Applies only on imports if imports from a country during the preceding calendar year exceeded exports to it.

[89] Suspended, except for copper sulphate and other specified types of copper, from Apr. 30, 1947, to June 30, 1950, by Public Law 42, 80th Congress, approved Apr. 29, 1947, and Public Law 33, 81st Congress, approved Mar. 31, 1949. Public Law 869, 81st Congress, approved Sept. 30, 1950, extended the suspension with regard to scrap until June 30, 1951.

[90] Flooring of maple, birch, and beech, and Northern white pine, Norway pine, and Western white spruce is exempt.

[91] The rate was reduced by various trade agreements.

[92] Tax does not apply to any article, merchandise, or combination if any coconut oil or derivative thereof produced in Guam or American Samoa is contained therein.

[93] Tax does not apply to rapeseed oil imported for use in the manufacture of rubber substitutes or lubricating oil.

[94] No whale oil (except sperm oil), fish oil, or marine animal oil of any kind may enter tax-free unless such oil was produced on vessels of the United States or in the United States or its possessions, from whale, fish, or marine animals or parts thereof taken and captured by vessels of the United States.

[95] Tax does not apply to any article used for religious purposes, to surgical instruments, or to frames or mountings for spectacles or eyeglasses, or to a fountain pen if the only parts of the pen which consist of precious metals are essential parts not used for ornamental purposes.

[96] Additional exemptions: Watches designed especially for use by the blind, smokers' pipes if the only parts which consist of precious metals are essential parts not used for ornamental purposes, and buttons, insignia, cap devices, chinstraps, and other devices prescribed for use in connection with the uniforms of the armed forces of the United States.

[97] Silver-plated flatware exempt. Watches retailing for not more than $65 and alarm clocks retailing for not more than $5 taxed at 10%, effective Sept. 1, 1945, mechanical pencils having precious metals as essential parts exempted from tax by Public Law 180, 79th Congress, approved Aug. 11, 1945.

[98] Tax extended to cover purses, handbags, wallets, billfolds, and similar articles.

[99] Tax does not apply to retail stocks held at the place where intended to be sold, nor to matches held for sale by the manufacturer or importer thereof.

[100] A barrel contains more than 98 pounds but not more than 196 pounds. The tax on smaller amounts of mixed flour is as follows: 2¢ per half barrel containing more than 49 pounds but not more than 98 pounds; 1¢ per quarter barrel containing more than 24½ pounds but not more than 49 pounds; ½¢ per one-eighth barrel containing 24½ pounds or less.

[101] Effective July 4, 1948, musical instruments sold for the use of religious or nonprofit educational institutions exclusively for religious or educational purposes exempted from tax by Public Law 899, 80th Congress, approved July 3, 1948.

[102] Effective July 4, 1946, Public Law 371, 79th Congress, approved Apr. 30, 1946, repealed the provision requiring that tax collected on processing of coconut oil from the Philippines be paid into the Philippine treasury.

[103] Additional tax of 2¢ per pound if coconut oil is not from the Philippines or other possession of the United States.

[104] Taxes collected with respect to coconut oil wholly of the production of Guam or American Samoa or produced from materials wholly of the growth or production of Guam or American Samoa, held as separate funds and paid to the treasury of Guam or American Samoa, respectively.

[105] Additional tax of 2¢ per pound suspended for the period Sept. 17, 1942, to Aug. 26, 1949, by Public Law 711, 77th Congress, approved Sept. 16, 1942; Public Law 390, 78th Congress, approved June 30, 1944; and Presidential proclamation of June 27, 1946. Suspension terminated, effective Aug. 27, 1949, by Presidential proclamation of July 27, 1949. (See footnote 103.)

[106] Tax does not apply to palm oil used in the manufacture of tin plate, terne plate, or any subsequent use of palm oil residue resulting from the manufacture of tin plate or terne plate.

[107] Palm oil used in the manufacture of iron or steel products exempt.

[108] Repealed effective July 1, 1950, by Public Law 459, 81st Congress, approved Mar. 16, 1950.

[109] Cameras weighing more than 4 pounds exclusive of lens and accessories exempt.

[110] Basis of tax changed from value of specified component parts of radios to value of complete radio.

[111] Effective Nov. 1, 1950, tax extended to television sets by Revenue Act of 1950.

[112] Effective Nov. 1, 1950, tax extended to household units for the quick freezing or frozen storage of foods by Revenue Act of 1950.

[113] Tax not applicable to footwear, articles designed especially for hospital or surgical use, or articles taxable under other provisions of Chapter 29 of the Internal Revenue Code.

[114] No tax is imposed upon any payment received from any person for services utilized in collection of news for public press or radio broadcasting, or in the dissemination of news through the public press or by means of radio broadcasting if the charge for such services is billed to such person.

[115] Sales to beauty and barber shops of preparations for resale not considered a sale at retail.

[116] Certain vessels are specifically exempt from the tax. (See 46 U. S. C., secs. 122–126, 130.)

[117] The tax is imposed upon the transfer of stock or securities by a citizen or resident of the United States, or by a domestic corporation, partnership, or trust to a foreign corporation as paid-in surplus or as a contribution to capital, or to a foreign partnership or trust.

[118] If no charge is made, or charge is less than "fair charge," the tax is on the fair charge for transportation.

[119] Transportation of oil through lines of pipe within a refinery, bulk plant, terminal, or a gasoline plant, if not a continuation of taxable transportation, is not included within the term transportation.

[120] No tax is imposed on amounts paid for: transportation for which the charge does not exceed 35¢, commutation or season ticket for single trips of less than 30 miles, commutation tickets for one month or less. Payments for round-trip tickets at tariffs of not more than 1¼¢ per mile by members of the armed forces of the United States in uniform and traveling at their own expense when on official leave are exempt.

[121] Exemption for special rate furlough tickets extended to members of the armed forces of any of the United Nations. (See footnote 120.)

[122] The Excise Tax Act of 1947 exempted from tax transportation, any part of which is outside the northern portion of the Western Hemisphere, except with respect to any part of such transportation which is from any port or station within the United States, Canada or Mexico to any other port or station within the United States, Canada or Mexico. For purposes of this exemption, Public Law 35, 81st Congress, approved Mar. 31, 1949, provided that effective Apr. 1, 1949, a port or station within Newfoundland shall not be considered as being within Canada. The exemption from tax on transportation granted to uniformed members of the armed forces of the United States or the United Nations was terminated effective Dec. 31, 1947, by Public Law 384, 80th Congress, approved Aug. 8, 1947.

[123] Effective Nov. 1, 1950, the Revenue Act of 1950 requires the collection of tax where payment is made without the United States for travel which begins or ends in the United States, or for the transportation of property from one point in the United States to another.

[124] The tax on transportation of property does not apply to the transportation of coal with respect to which there has been a previous taxable transportation.

[125] Expired Aug. 23, 1943.

[126] The Commissioner of Internal Revenue shall determine the fair market value thereof. Such fair market value shall equal the current market price at the mine of coal of a comparable kind, quality, and size produced for market in the locality where the coal so disposed of is produced.

[127] Effective date extended from June 30, 1945, to June 30, 1947, by Public Law 345, 78th Congress, approved June 20, 1944, and from June 30, 1947, to June 30, 1948, by Public Law 558, 79th Congress, approved July 27, 1946.

[128] Effective date extended from June 30, 1948, to June 30, 1953, by Public Law 388, 80th Congress, approved Aug. 8, 1947.

[129] For the period through 1950, "wages" do not include remuneration to an individual in excess of $3,000 in a calendar year; thereafter remuneration in excess of $3,600 in a calendar year is excluded.

[130] The tax is imposed by the Federal Insurance Contributions Act (embodied in Social Security Act Amendments of 1939) which superseded title VIII of the Social Security Act of 1935.

[131] Changes were enacted in Public Law 211, 78th Congress, Dec. 22, 1943, and in Revenue Act of 1943.

[132] Changes were enacted in Public Law 495, 78th Congress, Dec. 16, 1944.

[133] Changes were enacted in Public Law 719, 79th Congress, Aug. 10, 1946 (Social Security Act Amendments of 1946).

[134] Changes were enacted in Public Law 379, 80th Congress, Aug. 6, 1947 (Social Security Act Amendments of 1947).

[135] Changes were enacted in Public Law 734, 81st Congress, Aug. 28, 1950 (Social Security Act Amendments of 1950).

[136] The tax is imposed by the Federal Unemployment Tax Act (embodied in Social Security Act Amendments of 1939) which superseded title IX of the Social Security Act of 1935. A credit up to 90% of the tax is allowed for contributions paid into an unemployment fund under a State law.

[137] Tax does not apply to net earnings from self-employment when such earnings for the taxable year are less than $400, nor does it apply to that part of self-employment income which exceeds (a) $3,600 minus (b) the amount of wages subject to social security tax.

[138] "Compensation" does not include remuneration to an individual in excess of $300 in a calendar month. Prior to 1947, the income tax on employees and employee representatives was based on compensation earned, and the excise tax on employers (under the Railroad Unemployment Insurance Act) was based on compensation payable.

[139] Changes were enacted in Public Law 572, 79th Congress, July 31, 1946.

[140] If the balance to the credit of the account on Sept. 30 of any year is less than $250 million, the tax rate for the following year is 3%; if the balance is between $250 and $300 million, the rate is 2½%; if the balance is between $300 and $350 million, the rate is 2%; if the balance is between $350 and $400 million, the rate is 1½%; if the balance is between $400 and $450 million, the rate is 1%; if the balance is $450 million or over, the rate is ½%. Public Law 744, 80th Congress, June 23, 1948.

Exhibit 26.—Federal taxes of the United States, 1940 through 1950—Continued

SUPPLEMENT A.—PERSONAL EXEMPTIONS, TAX BASE, AND RATES APPLICABLE TO NONRESIDENT ALIEN INDIVIDUALS

Federal tax law	Income year	Personal exemption[1]	Tax base	Withholding rate (percent)
Internal Revenue Code as amended by Revenue Act of:				
1940	1940	$800	Fixed or determinable annual or periodical gains, profits, and income from sources within the United States.	[2] 16½
1941	1941	750	do	27½
1942, 1943, Individual Income Tax Act of 1944 and Revenue Act of 1945	1942–47	500	do	[3] 30
1948 and 1950	1948–	600	do	[4] 30

NOTE.—Nonresident aliens engaged in trade or business within the United States are taxed at the same rates as residents of the United States. Nonresident aliens not engaged in trade or business within the United States, who derive not more than $21,600 in 1939, $24,000 in 1940, $23,000 in 1941, and $15,400 in 1942 and subsequent years from fixed and determinable annual or periodical gains, profits, and income from sources within the United States are subject to the rates shown in the table, withheld at source on the gross amount of such income without personal exemption or credit for dependents. By treaty agreement with a contiguous country (Canada or Mexico) for 1939 through 1940, and with any country in North, Central, or South America, the West Indies, or Newfoundland for 1941 and subsequent years, these rates may be reduced to not less than 5%. Under treaty agreements the rates applicable to residents of Canada are 5% for 1940, and 15% for 1941 and subsequent years. Salary or other compensation for personal services of a resident of Canada or Mexico who enters and leaves the United States at frequent intervals is not subject to the withholding rates shown in the table, but for 1943 such income was subject to Victory tax withholding and thereafter to withholding at rates applicable to residents of the United States. Nonresident aliens with no United States business (other than those affected by a treaty) who report more than the above specified amounts of gross income are liable to normal tax and surtax on such income after deductions applicable thereto and the personal exemption shown in the table. The total tax, however, shall in no case be less than the withholding rate shown in the table. In addition, such nonresident aliens were subject to the 10% defense tax applicable to the taxable year 1940, and the Victory tax applicable to the taxable year 1943. For tax treatment of capital gains of nonresident aliens not engaged in trade or business in the United States, see Supplement B, page 278 (footnote 1).

[1] Whether nonresident alien is single, married or head of a family, except that for 1942 and subsequent years residents of Canada or Mexico are allowed the same exemption as a citizen of the United States. Credit for dependents allowed only to residents of Canada or Mexico.

[2] Includes 10% defense tax.

[3] As provided by the Revenue Act of 1943, on or after Mar. 6, 1944, the rate of withholding on the compensation for services performed by a nonresident alien individual, or by a citizen of a possession of the United States not otherwise a citizen of the United States, brought into the United States under authority of the War Manpower Commission for temporary employment essential to the war effort shall be at the reduced rate of 10% on the gross amount of compensation derived from labor or personal services by such an individual.

[4] For taxable years beginning after Dec. 31, 1950, citizens of Puerto Rico deriving income from sources within the United States will be taxable on such income to the same extent and in the same manner as United States citizens, and the 30 per cent withholding tax will be inapplicable to them.

SUPPLEMENT B.—TAX TREATMENT OF GAINS AND LOSSES FROM SALE OR EXCHANGE OF CAPITAL ASSETS

PART I. UNDER INDIVIDUAL INCOME TAX [1]

Federal tax law	Income year	Provisions with respect to—			
		Assets by period held	Percent of gain or loss taken into account in computing net income	Tax on net gain taken into account	Loss offsets, limitations, and carry-overs
Revenue Act of 1938 and Internal Revenue Code.	1938 through 1941	Short-term: Not more than 18 months.	100	Net short-term gain fully taxable at normal and surtax rates. In 1940 defense tax also applied.	Short-term loss allowed only to the extent of short-term gain. Loss disallowed in one year (to an amount not in excess of net income) carried forward and applied against net short-term gain of the succeeding year.
		Long-term: More than 18 months but not more than 24 months.	66⅔	Net long-term gain either included with other income subject to normal and surtax rates or segregated and taxed at 30%, whichever method results in the lesser tax. In 1940 defense tax also applied.	Long-term loss allowed against long-term gain. Net long-term loss either deducted from other income (including net short-term gain) or 30% of net loss credited against tax on other income, whichever method results in the greater tax. No long-term loss carry-over.
		More than 24 months	50		
Internal Revenue Code as amended by Revenue Act of 1942.	1942—	Short-term: Not more than 6 months.	100	Net short-term gain (reduced by net long-term loss taken into account) fully taxable at normal and surtax rates.	Short-term loss combined with long-term loss taken into account allowed to the extent of (1) short-term gain, (2) long-term gain taken into account, and (3) other income up to $1,000. Balance of combined short- and long-term net loss carried forward for 5 years as short-term loss. The amount of the net capital loss carry-over may not be included in computing a new capital loss of a taxable year which can be carried forward to the next 5 succeeding taxable years.
		Long-term:[2] More than 6 months.	50	Net long-term gain (reduced by net short-term loss) either included with other income subject to normal and surtax rates or segregated and taxed at 50%, whichever method results in the lesser tax.	

Footnotes on p. 278.

Exhibit 26.—Federal taxes o the United States, 1940 through 1950—Continued

SUPPLEMENT B.—TAX TREATMENT OF GAINS AND LOSSES FROM SALE OR EXCHANGE OF CAPITAL ASSETS—Continued

PART II. UNDER CORPORATION INCOME AND EXCESS PROFITS TAXES [3]

Federal tax law	Income year	Provisions with respect to—			
		Assets by period held	Percent of gain or loss taken into account in computing net income	Tax on net gain taken into account	Loss offsets, limitations, and carry-overs
Internal Revenue Code as amended by Revenue Acts of:					
1939 and 1940	1940 and 1941	Short-term: Not more than 18 months.	100	Net short-term gain included with other income and fully subject to both income and excess profits tax.	Short-term loss allowed only to the extent of short-term gain, under both income and excess profits tax. Loss disallowed in one year (to an amount not in excess of net income) carried forward and applied against net short-term gain of the succeeding year.
		Long-term: More than 18 months.	100	Net long-term gain included with other income subject to income tax only.[4]	Long-term loss allowed against long-term gain and all other income (including net short-term gain) under income tax. Not allowed under excess profits tax. No long-term loss carry-over.
1942	1942—	Short-term: Not more than 6 months.	100	Net short-term gain (reduced by net long-term loss) subject to income tax. Net short-term gain (without such reduction) subject to excess profits tax.[3]	For income tax, short-term loss combined with long-term loss allowed only to the extent of short-term gain. Net capital loss may be carried over as a short-term capital loss for 5 years. The amount of the net capital loss carry-over may not be included in computing a new capital loss of a taxable year which can be carried forward to the next 5 succeeding taxable years. For excess profits tax,[3] short-term loss allowed only to the extent of short-term gain and long-term loss not allowed.
		Long-term:[2] More than 6 months.	100	Net long-term gain (reduced by net short-term loss) taxable at maximum rate of 25% under income tax. Net long-term gain not subject to excess profits tax.[3]	

[1] For taxable years beginning after Dec. 31, 1949, capital gains of nonresident aliens, not engaged in trade or business in the United States but temporarily present here, are subject to tax. In the case of those present in the United States for less than 90 days, the tax applies only to gains realized from transactions effected during their presence. In the case of those present in the United States for 90 days or more, the tax applies to all their gains from transactions in this country during the taxable year whether or not they were present when the gain was realized.

[2] For treatment of property used in trade or business and certain involuntary conversions, see secs. 117 (j) and 117 (k) of Internal Revenue Code, as amended by Revenue Acts of 1942 and 1943.

[3] The excess profits tax is not applicable to taxable years beginning after Dec. 31, 1945.

[4] Net gain from sale or exchange of depreciable property held more than 18 months, as well as net long-term capital gain, was excluded in 1940 and 1941 from excess profits tax net income by a special provision which was discontinued with the enactment in 1942 of sec. 117 (j) which had in general the same effect on long-term holdings. Under the Revenue Act of 1942 (sec. 208) involuntary conversions of such property were also excluded retroactively from excess profits net income for 1940 and 1941.

SUPPLEMENT C.—FEDERAL TAX RATES ON SPECIAL CLASSES OF CORPORATIONS UNDER THE REVENUE ACTS OF 1940 THROUGH 1950

	Revenue Act of—					
	1940 (second)	1941	1942	1943	1945	1950
Regulated investment companies:[1]						
On Supplement Q net income.	24% [2]	24%	No change	No change	No change	25% for taxable years beginning after June 30, 1950; 23% for taxable years beginning after Dec. 31, 1949, and before July 1, 1950
On Supplement Q surtax net income.		First $25,000, 6%; balance, 7%.	16%	No change	14%	20% of surtax net income in excess of $25,000 for taxable years beginning after June 30, 1950; 19% for taxable years beginning after Dec. 31, 1949, and before July 1, 1950.
On undistributed capital gains (excess of net long-term capital gain over the sum of net short-term capital loss and capital gains dividends paid).			25%	No change	No change	No change.
Status under the excess profits tax.	Exempt	No change	No change	No change	No change.	
Western Hemisphere trade corporations:						
Normal tax	Same as other corporations.	No change	No change	No change	No change	Same as other corporations except that for taxable years beginning after June 30, 1950, a credit of 31% of normal tax net income, computed without regard to this credit, is allowed in computing normal tax and surtax net income. For calendar year 1950 the credit is 33%.[5]
Surtax		Same as other corporations.	Exempt	No change	No change	
Excess profits tax	Exempt [3]	No change	No change	No change	Repealed.[7]	
Resident foreign corporations:[4]						
Normal tax	24% [2]	24%	No change	No change	No change	Same as other corporations.[6]
Surtax		Same as other corporations.	No change	No change	No change	No change.
Excess profits tax	Same as other corporations.	No change	No change	No change	Repealed.[7]	

Footnotes on p. 280.

Exhibit 26.—Federal taxes of the United States, 1940 through 1950—Continued

SUPPLEMENT C.—FEDERAL TAX RATES ON SPECIAL CLASSES OF CORPORATIONS UNDER THE REVENUE ACTS OF 1940 THROUGH 1950—Con.

	Revenue Action					
	1940 (second)	1941	1942	1943	1945	1950
Nonresident foreign corporations:[4]						
Normal tax	16½% [2]	27½%	30%	No change	No change	No change.
Surtax		Exempt	No change	No change	No change	No change.
Excess profits tax	Exempt	No change	No change	No change	Repealed.[7]	

[1] The provisions of Supplement Q prior to the enactment of the Revenue Act of 1942 were applicable to mutual investment companies.

[2] Including defense tax.

[3] Under the general provisions of sec. 727 (g), Internal Revenue Code.

[4] Taxation of foreign corporations may be subject to treaty provisions.

[5] For taxable years beginning before July 1, 1950, and ending after June 30, 1950 (except calendar year 1950 returns), the exemption from surtax is continued and the normal tax is computed under prior law rates on income allocated to the period prior to July 1, 1950, and under the rate applicable to taxable years beginning after June 30, 1950, for income allocated to the period after June 30, 1950. For taxable years beginning after June 30, 1950, the net effective rates after the credit are 17.25% under the normal tax and 13.80% under the surtax applicable to surtax net income in excess of $25,000. For calendar year 1950 effective rates after the credit are 15.41% on normal tax net income and 12.73% on surtax net income in excess of $25,000.

[6] Effective for taxable years beginning after June 30, 1950 and for calendar year 1950.

[7] Not applicable to taxable years beginning after Dec. 31, 1945.

INTERNATIONAL FINANCIAL AND MONETARY DEVELOPMENTS

Exhibit 27.—Report of activities of the National Advisory Council on International Monetary and Financial Problems, April 1 to September 30, 1949

[House Document No. 450, 81st Congress, 2d session]

LETTER OF TRANSMITTAL

To the Congress of the United States:

Attached hereto is a report of the National Advisory Council on International Monetary and Financial Problems covering its operations from April 1, 1949, to September 30, 1949, and describing, in accordance with section 4 (b) (5) of the Bretton Woods Agreements Act, the participation of the United States in the International Monetary Fund and the International Bank for Reconstruction and Development for the above period.

Previous reports of the National Advisory Council were transmitted to the Congress on March 1, 1946, March 8, 1946, January 13, 1947, June 26, 1947, January 19, 1948, May 17, 1948, August 3, 1948, March 14, 1949, and July 5, 1949, respectively. In addition to the First Special Report on the Operations and Policies of the International Monetary Fund and the International Bank for Reconstruction and Development, submitted on May 17, 1948, previous reports on the participation of the United States in the International Monetary Fund and the International Bank were included in the reports of January 13, 1947, June 26, 1947, January 19, 1948, August 3, 1948, March 14, 1949, and July 5, 1949, respectively.

HARRY S. TRUMAN.

THE WHITE HOUSE, *January 20, 1950.*

REPORT OF ACTIVITIES OF THE NATIONAL ADVISORY COUNCIL ON INTERNATIONAL MONETARY AND FINANCIAL PROBLEMS, APRIL 1, 1949, TO SEPTEMBER 30, 1949

I. ORGANIZATION OF THE COUNCIL

STATUTORY BASIS

The National Advisory Council on International Monetary and Financial Problems was established by the Congress in the Bretton Woods Agreements Act (59 Stat. 512, 22 U. S. C. 286b), approved July 31, 1945. The statute directed the Council to coordinate the policies and operations of the representatives of the United States on the International Monetary Fund and the International Bank for Reconstruction and Development, the Export-Import Bank of Washington, and all other agencies of the Government "to the extent that they make or participate in the making of foreign loans or engage in foreign financial, exchange, or monetary transactions." The Council was also directed to advise and consult with the President and the United States representatives on the Fund and the Bank on major problems arising in the administration of the Fund and the Bank; and to recommend to the President general policy directives for the guidance of the representatives of the United States on the Fund and Bank. The Bretton Woods Agreements Act was amended by section 106 of the Foreign Assistance Act of 1948 (62 Stat. Ch. 169, 22 U. S. C. 286b (a)), approved April 3, 1948, to include the Administrator for Economic Cooperation as a member of the Council for the duration of this office. The Council was also given certain additional duties with regard to the economic assistance program.

In June 1949, the Bretton Woods Agreements Act and the National Bank Act were amended (Public Law 142, Ch. 276, 81st Cong., 1st sess.), to permit wider dealing in and underwriting of International Bank securities and to exempt such securities from the Securities Acts. The legislation also authorized the Securities and Exchange Commission, acting in consultation with the Council, to suspend the exemption of International Bank securities from the Securities Acts.

The relevant portions of the Bretton Woods Agreements Act, the Foreign Assistance Act of 1948*, and amendments to the National Bank Act and the Bretton Woods Agreements Act are presented in appendix A.

REPORTS

Since its first meeting on August 21, 1945, the Council has submitted nine formal reports.[1] The present report covers the activities of the Council from April 1 to September 30, 1949.

MEMBERSHIP

The members of the Council, according to law, during the period under review, were the following:

The Secretary of the Treasury, John W. Snyder, Chairman.
The Secretary of State, Dean Acheson.
The Secretary of Commerce, Charles Sawyer.
The Chairman of the Board of Governors of the Federal Reserve System, Thomas B. McCabe.
The Chairman of the Board of Directors of the Export-Import Bank, Herbert E. Gaston.
The Administrator for Economic Cooperation, Paul G. Hoffman.

By agreement, the following served as alternates:

William McChesney Martin, Jr., Assistant Secretary of the Treasury.
Willard L. Thorp, Assistant Secretary of State for Economic Affairs.
Thomas C. Blaisdell, Jr., Assistant Secretary of Commerce.
M. S. Szymczak, Member of the Board of Governors of the Federal Reserve System.

*Omitted in this exhibit; see note at end of exhibit.

[1] These reports were transmitted by the President to the Congress on March 1, 1946 (H. Doc. No. 489, 79th Cong., 2d sess., subsequently included as appendix B to H. Doc. No. 497, 79th Cong., 2d sess.); March 8, 1946 (H. Doc. No. 497, 79th Cong., 2d sess.); January 13, 1947 (H. Doc. No. 53, 80th Cong., 1st sess.); June 26, 1947 (H. Doc. No. 365, 80th Cong., 1st sess.); January 19, 1948 (H. Doc. No. 501, 80th Cong., 2d sess.); May 17, 1948 (H. Doc. No. 656, 80th Cong., 2d sess.); August 3, 1948 (H. Doc. No. 737, 80th Cong., 2d sess.); March 14, 1949 (H. Doc. No. 120, 81st Cong., 1st sess.); and July 5, 1949 (H. Doc. No. 250, 81st Cong., 1st sess.).

Hawthorne Arey, Vice Chairman of the Board of Directors of the Export-Import Bank.

Wayne C. Taylor, Assistant to the Administrator, Economic Cooperation Administration.

C. Dillon Glendinning is the Secretary of the Council.

The United States Executive Directors of the International Monetary Fund, Frank A. Southard, Jr., and of the International Bank for Reconstruction and Development, Eugene R. Black, or their alternates, Henry J. Tasca and John S. Hooker, respectively, regularly attended the meetings of the Council. On May 18, 1949, Mr. Black was elected President of the International Bank, and assumed his new duties on July 1, 1949.

II. United States Postwar Foreign Assistance [2]

As in previous reports of the Council, this chapter outlines the magnitude and scope of assistance extended by the United States to nations throughout the world. In its consideration of the foreign financial policies of this country, the Council has taken into account, in addition to the objectives of the programs, the interrelationship of the various factors affecting the extent and direction of foreign aid.

THE MAGNITUDE AND GEOGRAPHICAL DISTRIBUTION OF POSTWAR FOREIGN AID

In the four-year period, July 1945 through June 1949, the United States exported approximately 67 billion dollars in goods and services to foreign countries and imported 35 billion dollars worth. During this period, United States Government foreign assistance utilized amounted to 23 billion dollars, or over one-third of the value of all imports of foreign countries from the United States. Foreign countries liquidated gold and dollar assets of about 6.6 billion dollars,[3] and additional dollars were made available from disbursements by the International Monetary Fund and the International Bank, United States private financing, and other capital movements.

During the postwar period, through June 30, 1949, a somewhat larger share of United States Government foreign aid was rendered in the form of grants, including (for statistical purposes) assistance for which terms of repayment are subject to future determination, as compared with loans and other credits which call for the repayment of principal and interest to the United States. As of June 30, 1949, the outstanding indebtedness of foreign countries to the United States Government, excluding that arising from World War I debts, amounted to 9.8 billion dollars. During the postwar period, repayments on principal were in excess of 1 billion dollars. Annual foreign debt service to the United States Government, including interest and amortization of principal, will increase between 1949 and 1952, reaching a peak of about one-half billion dollars in the latter year.

[2] A detailed break-down of the statistical information referred to in this section appears in appendixes B and C. [Omitted in this exhibit; see note at end of exhibit.]

[3] The net difference between the 6.6 billion dollars mentioned above and the 5.0-billion-dollar reduction in foreign gold and dollar balances shown in table III is largely accounted for by sales of gold to the United States out of current foreign gold production.

CHART A

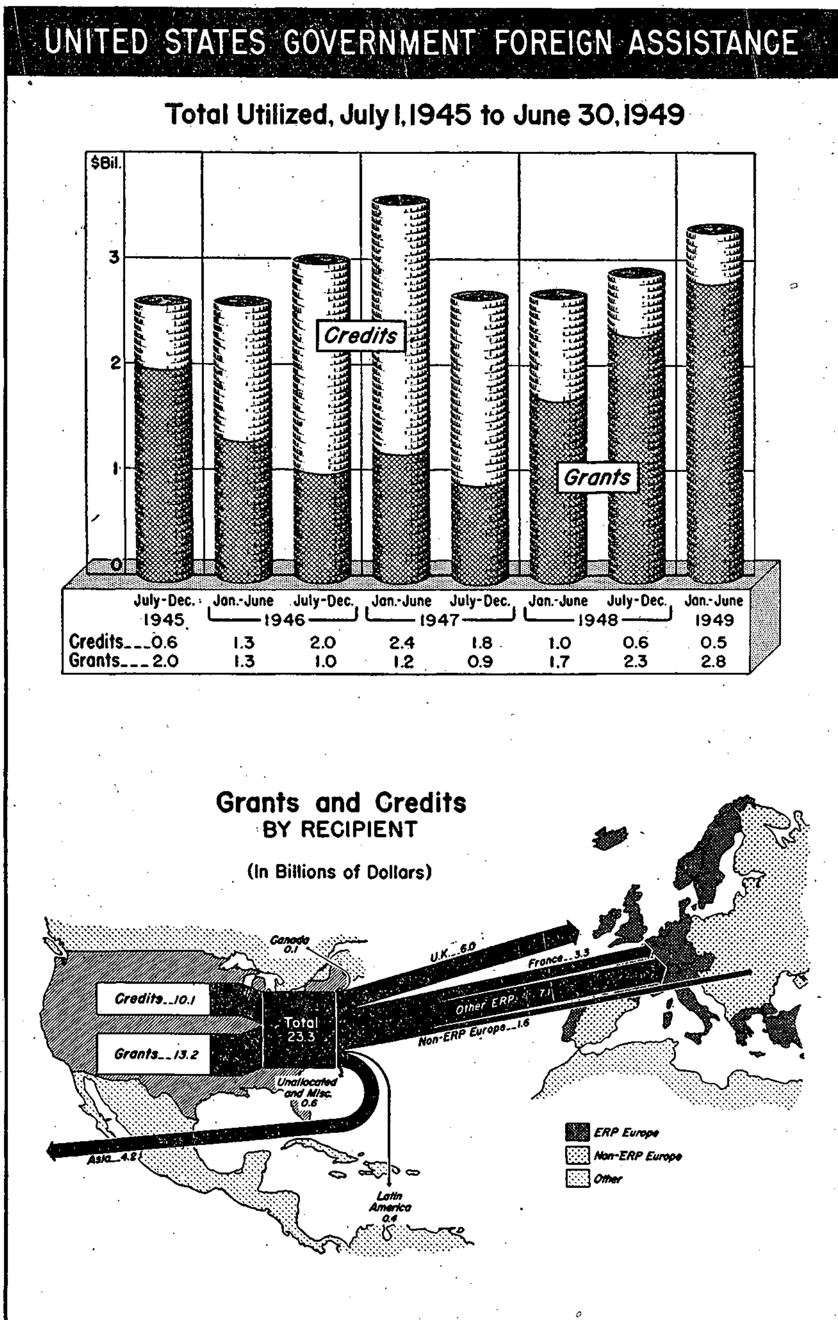

UNITED STATES GOVERNMENT FOREIGN ASSISTANCE
Total Utilized, July 1, 1945 to June 30, 1949
$Bil.
3
2
1
0
Credits
Grants
July-Dec. 1945
Jan.-June 1946
July-Dec. 1946
Jan.-June 1947
July-Dec. 1947
Jan.-June 1948
July-Dec. 1948
Jan.-June 1949
Credits---0.6 1.3 2.0 2.4 1.8 1.0 0.6 0.5
Grants---2.0 1.3 1.0 1.2 0.9 1.7 2.3 2.8
Grants and Credits
BY RECIPIENT
(In Billions of Dollars)
Canada 0.1
Credits--10.1
Grants--13.2
Total 23.3
U.K.--6.0
France--3.3
Other ERP 7.1
Non-ERP Europe--1.6
Unallocated and Misc. 0.6
Asia--4.2
Latin America 0.4
ERP Europe
Non-ERP Europe
Other

TABLE I.—*U. S. Government foreign grants and credits, utilized July 1, 1945, to June 30, 1949, and unutilized as of June 30, 1949, by major geographic area*

[In millions of dollars]

Area	Utilized			Unutilized		
	Total	Grants	Credits	Total	Grants	Credits
Total, All Areas	**$23, 310**	**$13, 230**	**$10, 080**	**$3, 855**	**$2, 163**	**$1, 692**
ERP Participants	16, 434	8, 089	8, 345	2, 014	1, 766	248
Other Europe	1, 577	1, 115	462	13		13
Asia	4, 156	3, 406	750	513	371	142
Latin America	359	31	329	138	2	137
Miscellaneous	784	589	195	103	25	78
Uncommitted lending authority				1, 074		1, 074

NOTE.—(a) Components will not necessarily add to totals because of rounding. (b) U. S. Government payments to the International Bank and the International Monetary Fund are not included in this tabulation. (c) A detailed break-down of all data appearing in this table, as well as a definition of terms, may be found in appendix C. [Omitted in this exhibit, see note at end of exhibit.]

Source: Clearing Office for Foreign Transactions, Office of Business Economics, Department of Commerce.

Of the 23.3 billion dollars of United States Government assistance utilized by countries throughout the world in the postwar period, approximately 16.4 billion dollars, or 70 percent, went to nations presently participating in the European Recovery Program. Although aid received by the European Recovery Program participants, as a group, was almost equally divided between grants and credits, the allocation to individual countries varied considerably. Grant assistance has been the more widely dispersed, with 70 percent of the total utilized going to four countries—the United Kingdom, Western Germany, France, and Italy—as contrasted with 80 percent of total credit assistance going to two countries, the United Kingdom and France.

Asiatic nations (primarily Japan and China) were the recipients of over 4 billion dollars in postwar United States Government aid, almost five-sixths in the form of grants. On the other hand, postwar assistance to Latin America—which amounted to over $350,000,000—was largely in the form of loans and credits.

Of the 3.9 billion dollars available for foreign aid but unutilized on June 30, 1949, approximately one-half consisted of ECA funds allocated and obligated by country but not disbursed as of that date.

AGENCIES AND PROGRAMS OF FOREIGN AID

The first year after the end of the war witnessed a larger proportion of aid in the form of grants than in loans, due primarily to relief assistance extended through UNRRA and post-VJ-day lend-lease grants. For the fiscal year 1947, large drawings from the 3.75 billion dollar line of credit extended to the United Kingdom swung the balance toward a preponderance of credit assistance. In the fiscal year 1948, grants increased and credits declined, resulting in an equal division of aid between grants and credits. Since mid-1948, after the advent of the European Recovery Program, the major part of United States foreign assistance has been in the form of grants. During this four-year period, the average rate of aid rendered has amounted to 5.8 billion dollars per year.

CHART B

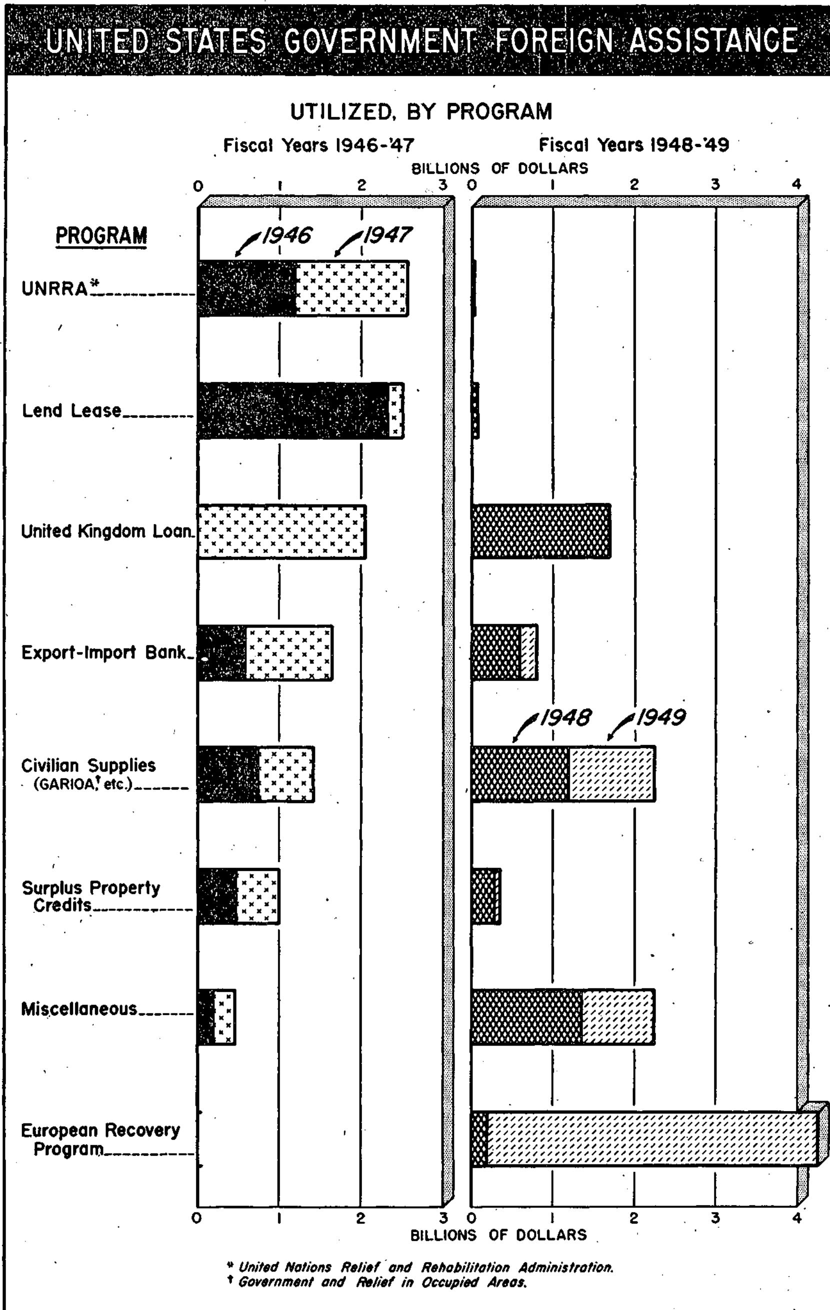

UNITED STATES GOVERNMENT FOREIGN ASSISTANCE
UTILIZED, BY PROGRAM
Fiscal Years 1946-'47
Fiscal Years 1948-'49
BILLIONS OF DOLLARS
0
1
2
3
4
PROGRAM
1946
1947
1948
1949
UNRRA*
Lend Lease
United Kingdom Loan
Export-Import Bank
Civilian Supplies (GARIOA,† etc.)
Surplus Property Credits
Miscellaneous
European Recovery Program
* United Nations Relief and Rehabilitation Administration.
† Government and Relief in Occupied Areas.

TABLE II.—*U. S. Government foreign assistance utilized, total of grants and credits, by program, fiscal years 1946 through 1949*

[In millions of dollars]

Programs	Postwar Total	Fiscal years			
		1946	1947	1948	1949
All Programs	$23,310	$5,462	$6,184	$5,387	$6,277
European Recovery	4,266			204	4,062
United Kingdom loan	3,750		2,050	1,700	
Civilian supplies (GARIOA, etc)	3,660	744	667	1,181	1,068
UNRRA	2,577	1,184	1,377	16	
Lend-lease	2,552	2,312	191	46	4
Export-Import Bank	2,455	558	1,085	598	214
Surplus-property credits	1,341	474	530	290	47
Miscellaneous	2,708	191	284	1,352	882

NOTE.—(a) Components will not necessarily add to totals because of rounding. (b) U. S. Government payments to the International Bank and the International Monetary Fund are not included in this tabulation. (c) A more detailed analysis of foreign assistance programs of the United States Government in the postwar period will be found in table 11 of appendix C. [Omitted in this exhibit; see note at end of exhibit.]

Source: Clearing Office for Foreign Transactions, Office of Business Economics, Department of Commerce.

The chief agencies through which foreign financial and economic assistance was extended by the United States immediately after the war were the Export-Import Bank, the lend-lease organization, and UNRRA (see table II and chart B). In addition, surplus property was available for sale in various foreign countries, a large part of which could be used for peacetime as well as military purposes. The Congress had, furthermore, provided funds to be administered by the Department of the Army for government and relief in occupied areas, principally Germany and Japan.

By the end of the fiscal year 1947, practically all of the aid rendered through post-VJ-day lend-lease and through UNRRA had been utilized. In addition, all of the loan to Britain had been utilized by the end of the fiscal year 1948. Finally, the bulk of surplus property located overseas had also been sold by mid-1948.

Completion of several early postwar programs left the United States, at the end of 1947, with three major avenues of foreign assistance: (1) the Export-Import Bank, whose lending authority had been increased in 1945 from $700,000,000 to 3.5 billion dollars; (2) the initiation of the Interim Aid Program, which anticipated the long-range European Recovery Program; and (3) government and relief in occupied areas (GARIOA), as a responsibility of the Department of the Army.

The European Recovery Program got under way in the spring of 1948. Introduction of this program resulted in a realignment of the agencies designated to carry out programs of foreign assistance. The Congress also integrated into the Foreign Assistance Act of 1948 provision for assistance covering other major aid programs.

In the two fiscal years of 1948 and 1949, the total amount of foreign assistance utilized amounted to 11,664 million dollars, almost identical with the 11,646 million dollars extended during the first two postwar years. A principal source of United States assistance in this second

2-year period has been the European Recovery Program, which accounted for about 65 percent of all aid during the fiscal year 1949.

The Mutual Defense Assistance Program, for which the Congress authorized 1.3 billion dollars in October 1949, was developed with attention to the primary need for economic recovery in Europe. This program embodied parts of several earlier programs for which the Congress provided funds.

In addition to military assistance, proposed legislation bearing upon foreign aid considered during 1949 was that resulting from promulgation of the Point IV Program. As indicated in chapter III of this report, no authorization was made by the Congress for that program during 1949.

FOREIGN GOLD AND DOLLAR RESERVES

The gold and short-term dollar reserves which foreign nations had on hand at the end of the war were available for two main purposes: for currency reserves, and as working balances for international transactions. As shown in table III, these reserves declined by over 5 billion dollars during the postwar period from June 30, 1945, to June 30, 1949. The decline would have been greater were it not for the fact that during this period foreign gold production, exclusive of the U. S. S. R., amounted to about $700,000,000 per year.

TABLE III.—*Estimated foreign gold and official and private short-term dollar balances, as of June 30, 1945, 1948, and 1949* [1]

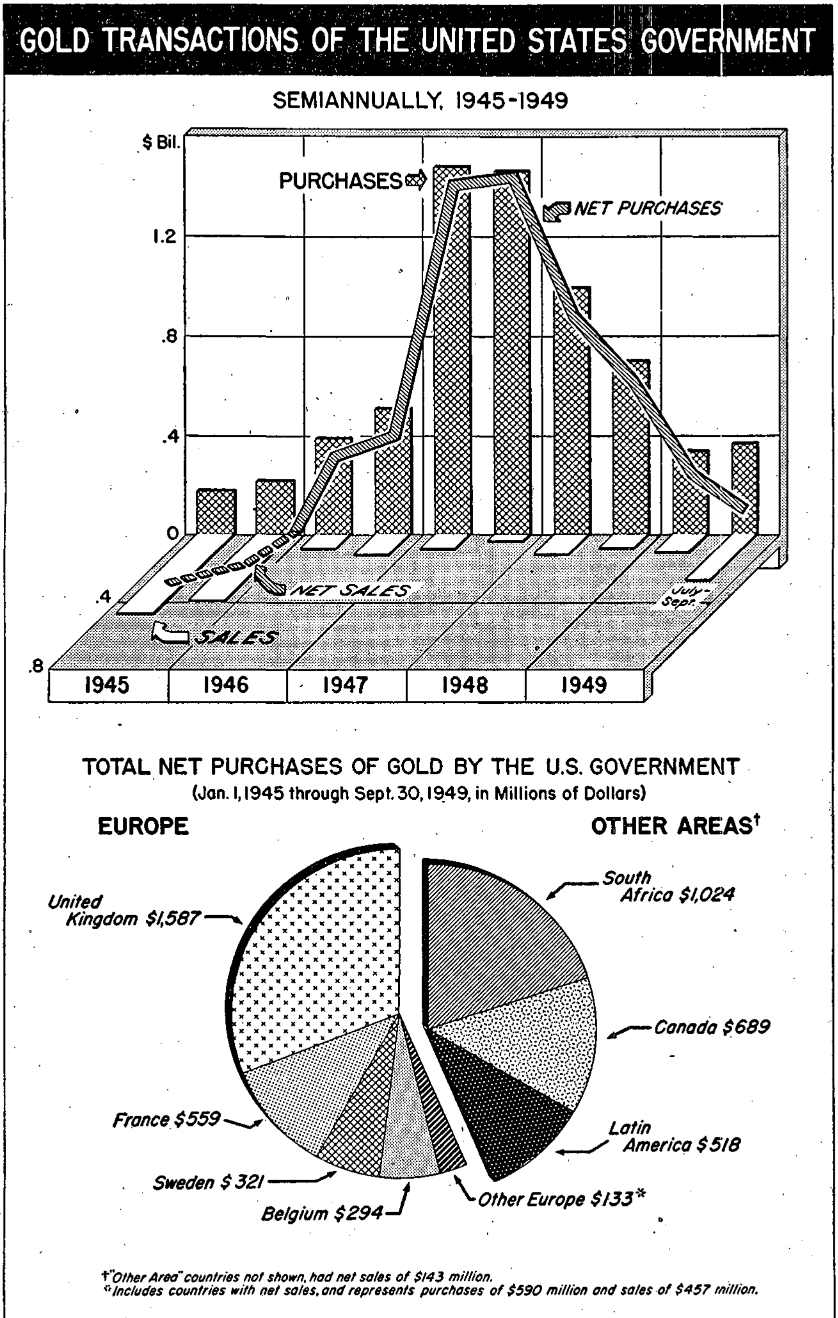
[In millions of dollars]

Geographic area	June 30— 1949	June 30— 1948	June 30— 1945
Total, All Areas	**$14,647**	**$14,631**	**$19,684**
ERP countries and dependencies	7,496	7,322	10,473
Other Europe [2]	737	988	1,029
Asia and Oceania	2,121	2,004	1,980
Latin America	2,801	2,876	3,625
All other	1,492	1,441	2,577

[1] Exclusive of international organizations and the gold holdings of the U. S. S. R.
[2] Includes gold held by Tripartite Commission for the Restitution of Monetary Gold.

Prior to the start of the Recovery Program, ERP countries had lost, in the aggregate, slightly over 3 billion dollars, or 30 percent of their monetary reserves. The decline continued for the first few months after the Recovery Program started in April, but from June 30, 1948, to June 30, 1949, there was a small increase from 7.3 billion dollars to 7.5 billion dollars in the gold and dollar reserves of the participating countries. Among the major countries, Italy and Belgium were able to increase their reserves, while those of the United Kingdom showed a considerable decline.

Chart C


GOLD TRANSACTIONS OF THE UNITED STATES GOVERNMENT
SEMIANNUALLY, 1945-1949
$ Bil.
1.2
.8
.4
0
.4
.8
PURCHASES
NET PURCHASES
NET SALES
SALES
July-Sept.
1945
1946
1947
1948
1949
TOTAL NET PURCHASES OF GOLD BY THE U.S. GOVERNMENT
(Jan. 1, 1945 through Sept. 30, 1949, in Millions of Dollars)
EUROPE
OTHER AREAS†
United Kingdom $1,587
France $559
Sweden $321
Belgium $294
Other Europe $133*
South Africa $1,024
Canada $689
Latin America $518
†"Other Area" countries not shown, had net sales of $143 million.
*Includes countries with net sales, and represents purchases of $590 million and sales of $457 million.

Outside of Europe, net declines over the postwar period have more than offset isolated increases. The Latin American countries lost over $800,000,000 in reserves, or more than one-fifth of the amount they had on hand at the end of the war. Other nations which have experienced heavy gold and dollar losses include Canada and the Union of South Africa, despite the fact that both of these countries are leading gold producers.

With respect to gold movements alone, chart C shows that in the early postwar period, there was a heavy net flow of gold from foreign countries to the United States, reaching a peak of 2.9 billion dollars in 1947. The inception and continuation of the European Recovery Program enabled the participating countries as a whole to avoid further large liquidation of remaining reserves during 1949, though the United Kingdom experienced a critical drain during part of the year.

CHANGING PATTERNS OF UNITED STATES FOREIGN TRADE

The repercussions of war greatly shifted the prewar pattern of world trade. Germany and Japan witnessed reductions in their external trade to the point where exports became negligible and imports consisted chiefly of aid from the United States. Other countries, both belligerent and nonbelligerent, affected in varying degrees by the war, also experienced wide changes in their trade. Postwar exports of the United States, expressed both in quantitative units and in terms of value, have been considerably greater than imports. The United States, which had supplied 14 percent of world exports in 1938, had become the source of supply of 33 percent of all exported goods in 1947, 23 percent in 1948, and approximately 20 percent in the first nine months of 1949.

As indicated in table IV, there has been a considerable shift in the geographical pattern of United States foreign trade. The share of Asia and Oceania in both the imports and exports of the United States has declined, and the prewar export surplus of this area with the United States has shifted to an import surplus. United States postwar imports from both Latin America and Canada substantially increased, whereas the dollar value of imports from Europe has only slightly increased above the prewar level. The dollar value of exports to Latin America and Canada showed a fivefold increase in the postwar period as compared with prewar, while exports to Europe, including those financed through the European Recovery Program, showed less than a fourfold increase.

During the first 9 months of 1949, the dollar value of United States imports showed a moderate increase over the 1946–48 level, while exports registered a slight decline. Compared with the year 1948, however, both imports and exports decreased to a small extent. In the first 9 months of 1949, countries participating in the European Recovery Program imported approximately $5 of goods and services from the United States for every $1 of exports to this country. This represented some improvement, as compared with the period 1946–48, in the trade deficit of these countries with the United States.

TABLE IV.—*Foreign trade of the United States, by geographic area, prewar and postwar*

VALUE

[In millions of dollars]

United States trade with	Postwar (1946–48 average)		Prewar (1936–38 average)	
	Imports	Exports	Imports	Exports
All Areas	$5,904	$12,564	$2,489	$2,967
Western Hemisphere	3,398	5,058	925	1,007
Canada	1,177	1,810	345	454
Latin America	2,080	3,040	542	485
Other Western Hemisphere	141	208	38	68
Europe	963	4,764	725	1,254
ERP countries	776	4,253	606	1,129
Other Europe	187	511	119	125
Asia and Oceania	1,102	1,854	757	557
Africa and Near East	442	890	81	149

PERCENTAGE DISTRIBUTION

United States trade with	Postwar (1946–48 average)		Prewar (1936–38 average)	
	Imports	Exports	Imports	Exports
All Areas	100.0%	100.0%	100.0%	100.0%
Western Hemisphere	57.4	40.0	37.2	33.9
Canada	19.7	14.5	13.9	15.3
Latin America	35.4	23.9	21.8	16.3
Other Western Hemisphere	2.3	1.6	1.5	2.3
Europe	16.4	38.3	29.1	42.3
ERP countries	13.1	33.8	24.3	38.1
Other Europe	3.3	4.5	4.8	4.2
Asia and Oceania	18.6	14.7	30.4	18.8
Africa and Near East	7.6	7.0	3.3	5.0

NOTE.—Components will not necessarily add to totals because of rounding.

Source: Department of Commerce.

OTHER ASPECTS OF FOREIGN ASSISTANCE

United States Government foreign aid during the postwar period amounted to 2.5 percent of the gross national product. Although the dollar value of such assistance in the fiscal years 1948 and 1949 was approximately equal to that in the two immediate postwar fiscal years 1946 and 1947, the gross national product of the United States showed almost a 20 percent increase. As a consequence, foreign aid declined from 2.7 percent of the Nation's gross national product in the first two fiscal postwar years to less than 2.3 percent in the fiscal years 1948 and 1949.

With the exception of the fiscal year 1946, which included extraordinary wartime expenditures, total expenditures of the United States

Government showed slight variation during the postwar period. Thus foreign aid as a percentage of total Federal expenditures remained relatively constant, ranging between 14.7 and 17.0 percent in the three most recent postwar years.

TABLE V.—*United States gross national product, Government postwar foreign aid, and fiscal operations*

[In billions of dollars]

Fiscal year	Gross national product	U. S. Government		Foreign aid as a percentage of	
		Total expenditures	Foreign aid	Gross national product	Total expenditures
Total Postwar	**$944.9**	**$172.3**	**$23.3**	**2.5%**	**13.5%**
1949	265.0	[1] 37.1	6.3	2.4	17.0
1948	248.5	[1] 36.8	5.4	2.2	14.7
1947	226.7	[2] 37.9	6.2	2.7	16.4
1946	204.7	[2] 60.5	5.5	2.7	9.1

[1] Figures for the fiscal year 1948 include a 3-billion-dollar transfer in June to Foreign Economic Cooperation trust fund; figures for fiscal year 1949 exclude expenditures from this fund.
[2] Data exclude payments to the International Bank and the International Monetary Fund.

Sources: Department of Commerce for data on gross national product and foreign aid. Treasury Department for total expenditures of the U. S. Government.

In addition to United States Government aid, a significant amount of United States private capital and gifts has gone abroad in the postwar period. The net amount of these funds totaled 4.9 billion dollars in the four years from July 1945 to June 1949. Private postwar investments were largely concentrated in petroleum development in a relatively few countries.

Total funds authorized and appropriated by the 81st Congress, 1st session, for foreign assistance, amounted to 6.6 billion dollars. European Recovery Program funds of 3.9 billion dollars account for three-fifths of this total. Under the Mutual Defense Assistance Program, $1,211,370,000 was authorized for the North Atlantic Treaty countries and for Greece and Turkey, as well as $102,640,000 for Middle Eastern and Asiatic countries. An additional amount of $45,000,000 for assistance to Greece and Turkey under the act of May 22, 1947 (61 Stat. 103), was appropriated under the Foreign Aid Appropriations Act of 1949 (Public Law 327, 81st Cong., 1st sess.).

Appropriations under GARIOA of $912,500,000 for the fiscal year 1950 compared with $1,300,000,000 appropriated for the fiscal year 1949. This decline reflects, in part, transfer of the administration of funds for certain countries—such as Korea—from the Department of the Army to the Economic Cooperation Administration and the Mutual Defense Assistance Program.

The Korean aid program was presented by the Administration as a three-year program with an appropriation request for $150,000,000 during the first year, fiscal 1950. Appropriations amounting to $60,000,000 were effective through February 15, 1950.

FOREIGN AID FUNDS FOR FISCAL 1950

The following table shows foreign aid funds made available by the Congress during 1949:

TABLE VI.—*Foreign aid appropriations and authorizations (81st Cong., 1st sess.)* [1]

Program and country	Amount
Total	**$6, 575, 168, 092**
European Recovery Program	3, 900, 680, 000
Period Apr. 3 to June 30, 1949	[2](1, 074, 000, 000)
Fiscal year, 1949–50	3, 628, 380, 000
ECA loan authorizations	150, 000, 000
ECA guaranties	[3] 122, 300, 000
Department of the Army:	
GARIOA (Government and Relief in Occupied Areas)	912, 500, 000
Mutual Defense Assistance Program	[4] 1, 314, 010, 000
North Atlantic Treaty countries	1, 000, 000, 000
Greece and Turkey	211, 370, 000
Iran, Korea, and Philippines	27, 640, 000
China	75, 000, 000
Assistance to:	
Greece and Turkey	45, 000, 000
Korea	[5] 60, 000, 000
China	[6] 4, 000, 000
Philippines	202, 092, 398
International Refugee Organization	70, 500, 029
Loan to the United Nations	[7] 53, 534, 065
Relief of Palestine refugees	[8] 8, 000, 000
Institute of Inter-American Affairs	[9] 4, 751, 600
Liquidation of lend-lease	100, 000

[1] Under specific appropriations and authorizations, funds were made available beyond the fiscal year, 1950, for such items as ECA guaranties, certain phases of the Mutual Defense Assistance Program, Philippine rehabilitation, and construction of the United Nations building.

[2] This amount is not included in the total since these funds technically were considered to have been available for allotments or other use prior to June 30, 1949.

[3] Public Law 47, 81st Cong., 1st sess., authorized ECA to borrow $150,000,000 from the Treasury for the purpose of extending guaranties, less any amount allocated for that purpose prior to April 3, 1949. $27,700,000 had been so allocated prior to April 3, 1949, but only approximately $3,600,000 of guaranties had actually been made. Therefore ECA was authorized to make up to approximately $146,400,000 in new guaranties after April 3, 1949. This amount is not limited for use within the fiscal year.

[4] For expenditures necessary to enable the President to carry out the Mutual Defense Assistance Act of 1949 (Public Law 329, 81st Cong., 1st sess.) for the period through June 30, 1950; $814,010,000. In addition, the President is authorized to enter into contracts for carrying out the provisions of title I (North Atlantic Treaty countries), of this act not in excess of $500,000,000 during the period ending June 30, 1950.

[5] From July 1 to October 15, 1949, $30,000,000 of assistance to Korea was provided at the same rate of expenditure as in the fiscal year 1949, pending the enactment of legislation by the Congress outlining the terms and conditions under which further assistance is to be rendered in 1950. From October 15, 1949, to February 15, 1950, $30,000,000 of assistance may be expended at the same rate and under the same terms and conditions as in the fiscal year 1949. Appropriations were made for the period through February 15, 1950, pending enactment of legislation authorizing aid to Korea.

[6] Out of the unexpended balances from the 1948 appropriations to China (Public Law 793, 80th Cong.), the Congress made available $4,000,000 under Public Law 327, 81st Cong., 1st sess., out of any unobligated balance of the amount made available under Public Law 47, 81st Cong., to be used for educational purposes for Chinese citizens.

[7] Authorized under Public Law 903, 80th Cong., 2d sess., approved August 11, 1948. Of the $65,000,000 authorized, $11,465,935 had been disbursed by June 30, 1949.

[8] Of a total appropriation of $16,000,000, $8,000,000 had been expended by June 30, 1949. The legislation provided for a sum of $16,000,000 to be available until June 30, 1950, of which $8,000,000 was to be used to repay without interest the RFC for advances made pursuant to section 1 of Public Law 25, 81st Cong., 1st sess.

[9] Public Law 283, 81st Cong., 1st sess., extends the life of the Institute of Inter-American Affairs to June 30, 1955, and authorizes total appropriations of $35,000,000.

III. Activities of the Council From April 1, 1949, to September 30, 1949 (Other Than Those Relating to the International Monetary Fund and the International Bank)

EUROPEAN RECOVERY PROGRAM

ECA appropriations and authorizations, 1949–50

The European Recovery Program was predicated from its inception on the assumption that progress in recovery would be accompanied by a reduction in the amount of aid extended. It was contemplated that the United States would provide dollar assistance to stimulate recovery and that the European countries would complement American aid with their own efforts of mutual assistance and self-help. In accordance with these principles, the Administration requested appropriations for the second year of the European Recovery Program which were approximately 20 percent below those which had been provided for the first year.

On April 19, 1949, the Congress authorized a total of $5,580,000,000 for European recovery (Public Law 47, Ch. 77, 81st Cong., 1st sess.), to provide funds for the April–June quarter of 1949, and for the fiscal year 1949–50. The appropriation bill for foreign aid, however, passed on October 6, 1949 (Public Law 327, Ch. 621, 81st Cong., 1st sess.), provided a smaller amount, as indicated in table VI of chapter II. Operations for a portion of the interim period were covered by the authorization in section 114 (g) of the ECA Act of 1948, as amended by Public Law 47, which made available 1.0 billion dollars through the Reconstruction Finance Corporation. In order to finance interim ECA expenditures after these funds had been exhausted, the Congress made temporary appropriations for the fiscal year 1950.[4] Appropriations for the European Recovery Program, as well as for other foreign aid purposes, have been summarized in table VI of chapter II of this report.

Nature of aid to participating countries

The Economic Cooperation Act of 1948 provided for consultation by the Administrator for Economic Cooperation with the National Advisory Council on the types of assistance to be extended and the terms applicable thereto. Under that act 1 billion dollars was specifically authorized to finance loans and guaranties. Of this amount $972,300,000 was allocated to participating countries in the form of loans, and the remainder was allocated for guaranties. Other assistance took the form of direct grants, and, to a lesser extent, conditional aid, i. e., funds made available to participating countries to the extent that they granted equivalent amounts in their own currencies (called drawing rights) to other participating countries.

In testifying on the second-year program, Secretary Snyder, as Chairman of the Council, recommended to the Congress that the Administrator be authorized, with the advice of the Council, to determine, as to the total amount of aid made available, whether aid should be on a loan basis and in what amount. It was pointed out that, to the extent that participating countries emerged from the

[4] Public Law 154, Ch. 290, 81st Cong., 1st sess.; Public Law 196, Ch. 378, 81st Cong., 1st sess.; Public Law 246, Ch. 473, 81st Cong., 1st sess.; Public Law 305, Ch. 576, 81st Cong., 1st sess.

Recovery Program with a burden of fixed charges on existing dollar indebtedness, their ability to attract private capital would be reduced, and that many of these countries had already contracted substantial dollar debts in connection with earlier reconstruction expenditures. If these countries had to obligate themselves for too large amounts of additional loans under the program, the longer-term objectives of that program would be endangered. It was recognized, however, that some of the countries would be in a better position to repay than others. A prudent use of the discretionary power requested by the Administrator and the Council would keep the field open for long-range investment projects to be financed by the private capital market, the Export-Import Bank, and the International Bank.

Accordingly, in the authorizing legislation, Congress did not set aside, as it had done in 1948, any specific amounts available only for loans, but an amount was set aside in the Appropriation Act for that purpose. Under Public Law 327, Eighty-first Congress, the Administrator was authorized to issue notes during the fiscal year 1950 for purchase by the Secretary of the Treasury in an amount not exceeding in the aggregate $150,000,000 for the purpose of extending assistance on credit terms to ERP countries. The form in which assistance provided from appropriated funds would be extended was left to the determination of the Administrator in consultation with the Council.

The following table summarizes ECA allotments by country and type of aid extended for the period April 1948 through September 1949:

TABLE VII.—*ECA allotments to participating countries, April 1948–September 1949, by type of aid*

[In millions of dollars]

Country	Total allotments, April 1948–Sept. 1949	July 1, 1949–Sept. 30, 1949, total allotments [1]—loans, grants, and conditional aid	April 1948–June 1949, by type of aid			
			Total	Loans	Grants	Conditional aid
All ERP Countries	7,085.7	1,132.7	5,953.0	972.3	4,209.3	771.4
United Kingdom	1,911.9	292.2	1,619.7	322.7	963.0	334.0
France	1,527.3	213.9	1,313.4	172.0	1,131.7	9.7
Italy	791.6	123.6	668.0	67.0	553.7	47.3
Germany:						
Bizone [2]	721.7	108.2	496.9		414.3	82.6
French Zone			116.6		101.8	14.8
Netherlands	653.1	82.0	571.1	146.7	413.1	11.3
Belgium-Luxembourg	360.7	99.3	261.4	50.9	3.0	207.5
Austria	332.9	52.9	280.0		276.9	3.1
Greece	241.4	49.7	191.7		191.7	
Denmark	153.8	27.6	126.2	31.0	90.1	5.1
Norway	129.7	28.6	101.1	35.0	49.6	16.5
Ireland	100.5	14.2	86.3	86.3		
Turkey	67.7	18.7	49.0	38.0		11.0
Sweden	60.7	15.3	45.4	20.4		25.0
Trieste	22.2	4.3	17.9		17.9	
Iceland	10.5	2.2	8.3	2.3	2.5	3.5

[1] This is the first allotment out of fiscal year 1949-50 appropriated funds.
[2] ECA allotments exclude GARIOA funds.

NOTE.—See appendix C, table 12, for data on intra-European aid and net aid received by or provided to participating countries. [Omitted in this exhibit; see note at end of exhibit.]

Source: Economic Cooperation Administration.

ECA guaranty program

The Foreign Assistance Act of 1948 (Public Law 472, 80th Cong., 2d sess.) had authorized ECA to extend assistance on credit terms and make guaranties out of public debt funds, not exceeding an aggregate of 1 billion dollars. The guaranties were to cover private United States investments in industries and distribution of informational media in the participating countries, made in connection with projects approved by the Administrator and the foreign government concerned. The total amount of guaranties made under this act was not to exceed $300,000,000.

During the first year of ECA operations, $27,700,000 was set aside for guaranties, although actual guaranties authorized amounted only to approximately $3,600,000. These guaranties assured United States companies investing abroad that they would be able to convert local currency receipts from their investments into dollars up to 100 percent of their original investment, if such conversion were not possible through normal channels.

Public Law 47, signed by the President on April 19, 1949, authorized ECA to make guaranties not exceeding $150,000,000, of which not to exceed $10,000,000 in any fiscal year may be made for enterprises producing and distributing informational media, funds therefor to be obtained by issuing notes to the Treasury to the amount of $150,000,000, less the $27,700,000 allocated to guaranties under the Foreign Assistance Act of 1948. Since $3,600,000 of guaranties were made prior to April 2, 1949, ECA was in effect authorized to make up to $146,400,000 in new guaranties.

The act was also amended to broaden the definition of "investment" to include "the furnishing of capital goods items and related services, for use in connection with projects approved by the Administrator, pursuant to a contract providing for payment in whole or in part after June 30, 1950. . . ."

Public Law 47, Eighty-first Congress, further amended the provisions of the 1948 Act (Public Law 472, 80th Cong., 2d sess.), relating to guaranties, to read in part that "The guaranty to any person shall not exceed the amount of dollars invested in the project by such person with the approval of the Administrator plus actual earnings or profits on said project to the extent provided by such guaranty." Under this authorization, and after consultation with the Council, ECA announced that the aggregate amount to be covered under guaranties would not exceed 175 percent of the principal sum actually invested. Investors would be limited as to the amount of receipts they could convert in the first five years. Beginning in the sixth year, however, investors would be permitted to convert up to an aggregate of 175 percent of the principal sum invested. Within these limits, conversion may be made at any time during the period of the guaranty, regardless of whether the foreign currency was received as principal, capital gains, or income. The 175 percent limitation does not apply to the guaranties issued to cover the furnishing of capital goods items and related services under section 111 (b) (3) (iv) of the Foreign Assistance Act of 1948, as amended, nor to guaranties as to informational media. Guaranties may be written so as to be effective until April 3, 1962.

As of September 30, 1949, total guaranties thus far issued by ECA amounted to approximately $4,700,000. Although the amount of interest in the guaranty provision, evidenced by the number of applications and inquiries received, has shown a steady increase during recent months, the number of guaranty contracts signed to date in relation to such applications and inquiries has not reached the volume anticipated. Experience has shown that this is partly due to the length of time which it takes investors to complete the necessary contractual and business arrangements preliminary actually to making an investment.

All guaranties issued and applications for guaranties filed with regard to industrial projects related to investments in the metropolitan areas of European countries—primarily in the United Kingdom, France, and Italy. Such guaranties issued and the majority of the applications on file cover investments for the purpose of the establishment of industrial enterprises in these countries or the expansion, modernization, or development of existing enterprises. The bulk of the guaranties issued for informational media relate to western Germany.

Intra-European trade and payments

During the 6 months under review, the first year's Intra-European Payments Agreement was revised and a new agreement was signed by the participating countries on September 7, 1949. The effective date of the new agreement was made retroactive to July 1, 1949. The new agreement continued most of the basic features of the previous one. Intra-European balances were estimated bilaterally for the fiscal year and drawing rights made available by the creditors in their own currencies to finance uncovered deficits. These drawing rights in turn would be matched by conditional dollar aid granted to the creditors as part of their total ECA dollar allotment.

Two significant new features were included in the agreement. The debtor countries were to be allowed to use freely in any of the participating countries [5] 25 percent of their total estimated drawing rights for the fiscal year 1950. To insure the necessary incentives under the plan, conditional dollar aid matching these so-called multilateral drawing rights would likewise be flexible and would be allotted to the country in which multilateral drawing rights were actually used.

The second significant modification was designed to take account of the special position of Belgium in intra-European payments. Since Belgium was expected to be a heavy creditor in European trade and her estimated surplus with European countries exceeded her Western Hemisphere deficit, the new agreement limited the total amount of multilateral drawing rights and conditional aid which could be transferred to Belgium. Furthermore, Belgium agreed to finance part of the difference between her estimated deficit with the Western Hemisphere and her surplus with the participating countries by extending long-term credits to her main debtors; namely, the United Kingdom, France, and the Netherlands.

The revaluation of European currencies which took place in September 1949 was expected to have a significant effect on the pattern

[5] Subject to the qualification with respect to Belgium indicated in the next paragraph.

and volume of intra-European trade. However, until a clearer picture of the impact of devaluation upon the payments pattern could be obtained, it was not possible to judge the direction or amount of change in drawing rights which might be desirable.

Local currency accounts

Assistance extended on a grant basis by the United States under the European Recovery Program has been accompanied by deposits of commensurate amounts of local currency in special accounts by participating countries. In accordance with the Economic Cooperation Act of 1948, these local currency funds, except for the 5 percent set aside for use by the United States, are, to the extent consistent with internal financial stability, available for the stimulation of productive activity and the exploration for and development of new sources of wealth, and for other purposes conducive to attaining the purposes of the act. The policies involved in the use of these funds have been formulated by the ECA in consultation with the Council. The status of counterpart funds under the Foreign Assistance Act of 1948 as of September 30, 1949, is shown in the following table:

TABLE VIII.—*Status of European local currency counterpart accounts under the Foreign Assistance Act of 1948, as of Sept. 30, 1949*

[Dollar equivalents of the local currency, in millions of dollars]

Countries receiving grants	Total currency deposited	For use by recipient country (95 percent)			For use by United States (5 percent) (*cumulative*)
		Approved for withdrawal	Withdrawals	Balances on deposit	
All Countries	3,892.8	2,639.2	2,447.0	1,251.3	194.5
France [1]	1,213.1	1,132.6	1,132.6	19.9	60.6
United Kingdom	847.9	742.3	739.6	65.9	42.4
Western Germany [1]	481.3	152.0	152.0	305.3	24.0
Italy	388.4	186.4	24.0	345.0	19.4
Austria	290.7	109.4	106.8	169.4	14.5
Netherlands	272.0	90.5	90.5	167.9	13.6
Greece	212.2	139.6	118.2	83.4	10.6
Denmark	85.3	(2)	(2)	81.0	4.3
Norway	84.8	73.5	73.5	7.1	4.2
Trieste	14.1	12.9	9.8	3.6	.7
Belgium	3.0			2.8	.2

[1] Data for France and western Germany revised from those published earlier in the ECA Local Currency Counterpart Funds Report for September 30, 1949.
[2] Less than $50,000 equivalent.

NOTE.—"Dollar equivalents" are computed at the actual rates which were used by the respective governments in agreement with the Administrator in making commensurate deposits of local currency. At September 30, 1949, these were all predevaluation rates.
Source: Economic Cooperation Administration.

Pursuant to section 115 (b) (6) of the Economic Cooperation Act of 1948, the Council, during the 6 months ending September 30, 1949, was consulted by the Economic Cooperation Administration on proposed programs of counterpart releases for Austria, France, Italy, the Netherlands, and the French Zone of Germany.[6]

[6] In October 1949 the Council also approved a broad program for the use of counterpart funds in the United States-United Kingdom Zone of occupation of western Germany.

FINANCIAL DEVELOPMENTS RELATING TO THE UNITED KINGDOM

Earlier reports of the Council have reviewed postwar developments as they affected the financial position of the United Kingdom. The changes which took place in the postwar foreign trade of Britain with the dollar area and in gold and dollar reserves are reflected in chart D.

Here it may be observed that while total dollar imports and exports increased in 1947 over 1946, the disparity in British trade remained. In 1948, British exports continued to increase while her imports decreased substantially, thus somewhat narrowing the gap. Nevertheless, the adverse trade situation with the dollar area continued into 1949. The difference between British exports and imports was financed largely by the use of gold and dollar reserves and by the extension of direct assistance from the United States in the form of loans and grants. Gold and dollar reserves, for example, were reduced from a high of 2.6 billion dollars on December 31, 1946, to 1.6 billion dollars on June 30, 1949. The financing of the dollar deficits of other parts of the sterling area contributed substantially to this reduction in reserves.

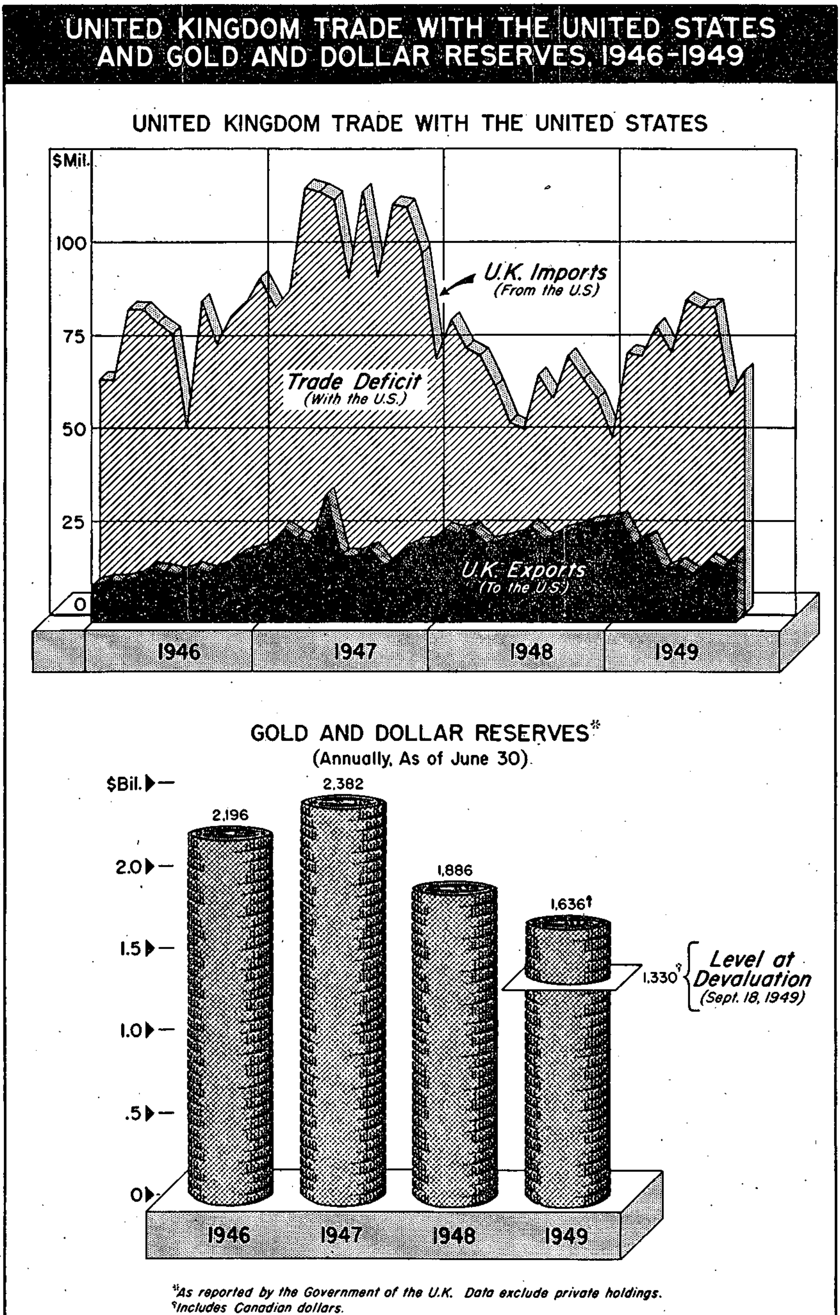
As a result of the deterioration in the British dollar position, the United Kingdom on July 14, 1949, announced a new austerity program which would reduce plans for spending in the United States and Canada by $400,000,000 during the current fiscal year. This decision to slash dollar imports by 25 percent was stated to be necessary to safeguard the sterling area's gold and dollar reserves. At the same time, Commonwealth Governments indicated that they would take steps to make similar cuts in their dollar imports.

During the course of a trip to Europe in the summer of 1949, the Chairman of the Council, at the request of the British Government, participated with the Canadian Minister of Finance in conversations with the British Chancellor of the Exchequer. At this meeting, the United States and Canadian representatives were advised of the general character of the import cuts which would have to be made by the United Kingdom and the sterling area countries. It was agreed at the meeting to hold further conversations early in September 1949.

The ensuing discussions with the United Kingdom and Canada were held in Washington under the chairmanship of Secretary Snyder. These talks reviewed the steps that both debtor and creditor nations should take to progress toward a self-balancing relationship between the dollar area and the sterling area. The results of the meeting were summarized in a joint communique which was released at the close of the meetings on September 12, 1949, and which is reproduced as appendix D to this report.

On September 18, 1949, after consultation with the International Monetary Fund, the British Government announced a decision to devalue the pound sterling from $4.03 to $2.80, or by 30.5 percent. Gold and dollar reserves, which had reached a low of 1,330 million dollars on the date of devaluation, increased to 1,415 million dollars by September 30, 1949. The devaluation of sterling was followed by adjustments in most of the other principal currencies of the world. The subject of changes in par values is discussed in detail in chapter IV.

CHART D



UNITED KINGDOM TRADE WITH THE UNITED STATES AND GOLD AND DOLLAR RESERVES, 1946-1949
UNITED KINGDOM TRADE WITH THE UNITED STATES
$Mil.
100
75
50
25
0
U.K. Imports
(From the U.S.)
Trade Deficit
(With the U.S.)
U.K. Exports
(To the U.S.)
1946
1947
1948
1949
GOLD AND DOLLAR RESERVES*
(Annually, As of June 30)
$Bil.
2.0
1.5
1.0
.5
0
2,196
2,382
1,886
1,636†
1,330†
Level at Devaluation
(Sept. 18, 1949)
1946
1947
1948
1949
*As reported by the Government of the U.K. Data exclude private holdings.
†Includes Canadian dollars.

POINT IV PROGRAM

Since first introduced in his inaugural address, January 20, 1949, the Council has given continuing attention to the financial aspects of the President's Point IV Program, which is designed to facilitate economic development, particularly in underdeveloped areas. In the original statement, the methods whereby this objective could be achieved were outlined in broad terms rather than in specific measures.

The Council gave particular attention to suggested methods of implementing the program, including proposals for guaranties of private investments, the content of investment treaties, and specific measures relative to tax deterrents to international investment.

In connection with the program, emphasis was placed upon the concept that private capital should contribute a major part of the funds required. The history of United States private investments abroad indicates there was a comparatively low level of financing during the 1930's following defaults on foreign government obligations which had resulted from the depression. During World War II, withdrawals of capital from such investments exceeded new capital put in and it was not until 1945 that new direct investments again became important. Since the end of the war, foreign investments have increased rapidly, reaching an annual level of about $800,000,000 in 1948, but these new investments have been concentrated in a very limited number of fields and in a few countries. In order to achieve an expansion in the amount and fields of investment, it was realized that new incentives were required.

A prerequisite for stimulating foreign investment is the creation of a more favorable climate for investment abroad, including a cooperative attitude on the part of the foreign countries concerned. One step toward the improvement of such a climate would be the negotiation of treaties of friendship, commerce, and economic development between foreign countries and the United States. The principal purpose of such treaties would be to provide an understanding between the governments on the basis of which potential investors would be assured of the security of their property and, in the case of expropriation, of prompt, adequate, and effective compensation. The investor also would be given reasonable opportunity to remit earnings and to withdraw his capital, and would enjoy security in the protection of his person, and nondiscriminatory treatment in the conduct of his business affairs.

In addition it was considered that the United States might encourage private investment abroad by providing guaranties against risks peculiar to foreign investment. The Council therefore recommended, as a coordinated part of the Point IV Program, that the Export-Import Bank seek authority from the Congress to offer guaranties, in consultation with the Council, to United States private capital newly invested in enterprises contributing to economic development in foreign countries. The Export-Import Bank was considered the best medium for carrying out the guaranty program since it had previous experience in the extension of development loans to foreign countries, both for productive purposes and to increase international trade. It was believed that the program should be experimental in nature since it was difficult to anticipate the types of risks which should be covered or the effectiveness of guaranties to stimulate investments.

The Council also recommended that the Secretary of the Treasury propose legislation to remove tax deterrents to private foreign investment. Such legislation would liberalize present limitations on the foreign tax credits allowed to American business so that increased tax relief would be accorded where foreign operations result in profits in some countries and losses in others. The present laws pertaining to taxation of corporations having foreign subsidiaries would be liberalized so that a majority stock ownership would no longer be required to be eligible for the tax credit for foreign taxes paid by the foreign subsidiaries. Furthermore, it was proposed that the law be liberalized so that an American citizen abroad may receive the exemption from the United States tax on his foreign-earned income retroactively to the time he first becomes a bona fide resident of a foreign country. It was recommended that estate taxes imposed by foreign governments be allowed as a credit against United States estate taxes similar to the credit under the income tax. Finally, it was proposed that, if practicable, taxes on the profits of foreign branches of domestic corporations should be postponed until the profits are remitted to the United States, similar to the present treatment of foreign subsidiaries.

In July 1949, the guaranty program was presented to the Congress as an experimental program which would give the Export-Import Bank broad and flexible authority to issue guaranties against risks peculiar to foreign investment. In testifying before the Senate Banking Committee, Secretary of the Treasury Snyder, as Chairman of the Council, pointed out that outside capital could help speed the development of underdeveloped areas but that sound and lasting development could be attained only if these areas used their own resources to the fullest extent. He stressed that foreign investment should be undertaken through private channels insofar as possible, particularly because investment by private enterprise is characteristically accompanied by technical assistance in the form of industrial know-how.

Secretary Snyder also pointed out that the obstacles to investment of private capital abroad spring from several sources, such as exchange restrictions, state control and ownership of industry in foreign countries, and political instability. The United States Government could contribute to the removal of these obstacles through the negotiation of treaties of the type previously discussed, and could supplement the assurances to investors through guaranties of private United States investments abroad.

The Banking and Currency Committees of both Houses of Congress reported favorably on the bills permitting the extension of foreign investment guaranties, but no further action was taken on them during the first session of the Eighty-first Congress.

In addition to the introduction of bills advocating foreign investment guaranties by the Export-Import Bank, a companion bill relating to the Point IV Program dealt with international technical cooperation. It was the objective of the proposed legislation to enable the United States to participate in programs, in cooperation with other interested governments, for the interchange of technical knowledge and skills which would contribute to the balanced and integrated development of the economic resources and productive capacities of economically underdeveloped areas. The House Committee on Foreign Affairs conducted hearings on this bill but postponed action until the second session of the Eighty-first Congress.

EXPORT-IMPORT BANK CREDITS

During the period under review, the Council continued to work closely with the Export-Import Bank to facilitate coordination of the Bank's operations with those of other agencies concerned with foreign financial and monetary matters. New credits authorized by the Bank during this period totaled $49,758,058.

Chile

During the 6-month period, the Council approved consideration by the Export-Import Bank of a credit to Chile not to exceed $25,000,000, with a maturity of not more than nine years, to assist in the financing of its import program for the remainder of 1949.[7]

The Bank also approved an increase of $1,350,000 in an existing line of credit of $5,350,000 which was extended by the Bank in favor of the Corporacion de Fomento de la Produccion, Chile, in February 1947. This increase was granted to finance expenditures in the United States for hydroelectric power facilities. The additional credit is guaranteed by the Republic of Chile.

Yugoslavia

Before the war, Yugoslavia was a leading producer of nonferrous metals such as bauxite, mercury, copper, lead, and zinc. Damage to the mines and their equipment occurred during the war. There was also a considerable amount of depreciation and obsolescence. In order to assist in rehabilitation, chiefly of the Yugoslav mining industry, application was made to the Export-Import Bank for credits for the purchase in the United States of essential materials and equipment.

The Council approved consideration by the Export-Import Bank of the extension to Yugoslavia of credits up to $20,000,000 for purchases in the United States of the necessary materials, equipment, and services. On September 9, 1949, the Bank announced an authorization to Yugoslavia of $20,000,000 in credits, which would be available until December 31, 1950.

Other credits

In August 1949, the Bank announced authorization of credits in the total amount of $17,900,000 (representing specific allocation of funds from an original commitment of $50,000,000 made in April 1947), for the rehabilitation and development of Mexican railroads. These funds are designed to further a general program of transportation development for which the Bank had previously lent $62,000,000, under this and other credits, of which $22,000,000 had been repaid.

The Bank authorized a credit of $4,000,000 to the Liberia Mining Co. to assist in financing the development of high-grade iron-ore deposits and the construction of a railroad and ore-handling and

[7] The authorization of a credit of $25,000,000 was announced by the Board of Directors of the Export-Import Bank on Oct. 7, 1949, with $15,000,000 to be made available immediately and additional advances of up to $10,000,000 to be made on demonstration that they are necessary to pay for 1949 imports agreed to be essential. Funds advanced under the credit will be repayable in semiannual installments beginning Apr. 30, 1952, and ending Oct. 31, 1959, and will bear interest at the rate of 3½ percent per annum.

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storage facilities. This loan represented about one-half of the projected financing costs of the project.

As previously reported by the Council, as of April 1, 1949, credits of $51,000,000 had been authorized out of the Bank's earmark of $100,000,000 in favor of the State of Israel. On September 8, 1949, the Bank announced an allocation from the $49,000,000 still available of $2,350,000 for United States goods and services to be used in connection with the improvement and expansion of the existing ports of Israel.

The Export-Import Bank also acted as administering agency for the supplementary loan agreements with participating ERP countries signed during the period under review. The terms and conditions of these loans, agreed upon by ECA after consultation with the Council, include an interest rate of 2½ percent per annum payable semiannually from 1952, and principal payments beginning in 1956. The loans mature in 1983.

As of September 30, 1949, the resources of the Export-Import Bank were distributed as follows:

[In millions of dollars]

Total Lending Authority	**$3,500.0**
Loans outstanding	2,160.7
Undisbursed commitments	383.2
Uncommitted lending authority	956.1

The following table shows the distribution of net credits authorized by country and object of financing. Data on actual utilization of Export-Import Bank credits by country, through June 30, 1949, may be found in table 8, appendix C.*

TABLE IX.—*Net credits authorized by the Export-Import Bank*[1] *July 1, 1945, to September 30, 1949*

[In millions of dollars]

Area and country	Total	Reconstruction	Development	Lend-lease requisitions	Cotton[2] purchases	Other
Total, All Areas	2,641.8	1,008.6	767.1	655.0	183.8	27.3
Total, Europe	2,030.4	971.9	280.9	655.0	105.0	17.6
France	1,200.0	650.0		550.0		
Netherlands	205.3	[3] 152.2	3.1	50.0		
Belgium	132.0	45.0	[3] 32.0	55.0		
Italy	131.8		101.9		25.0	[4] 4.9
Finland	100.2		73.2		17.0	[5] 10.0
Norway	50.2	50.0				0.2
Poland	40.0	40.0				
Turkey	35.5		35.5			
Czechoslovakia	22.0				20.0	[4] 2.0
Denmark	20.0	20.0				
Germany	4.6				[6] 4.6	
Greece	14.7	14.7				
Austria	13.5		13.0			.5
Sweden	2.2		2.2			
Yugoslavia	20.0		20.0			
Unallotted cotton credits	38.4				38.4	

See footnotes at end of table.

*Omitted in this exhibit; see note at end of exhibit.

TABLE IX.—*Net credits authorized by the Export-Import Bank,*[1] *July 1, 1945, to September 30, 1949*—Continued

[In millions of dollars]

Area and country	Total	Reconstruction	Development	Lend-lease requisitions	Cotton[2] purchases	Other
Total, Latin America	**224.1**		**224.1**			
Brazil	65.2		65.2			
Mexico	57.0		57.0			
Chile	64.7		64.7			
Colombia	20.1		20.1			
Haiti	4.0		4.0			
Ecuador	3.8		3.8			
Bolivia	3.3		3.3			
Venezuela	3.0		3.0			
Panama	2.0		2.0			
Argentina	.2		.2			
Uruguay	.1		.1			
Other Latin America	.7		.7			
Total, Asia and Africa	**232.6**	**36.7**	**117.1**		**78.8**	
Israel	100.0		100.0			
China	66.7	33.7			33.0	
Japan	45.8				[3][6] 45.8	
Saudi Arabia	10.0		10.0			
Egypt	7.1		7.1			
Ethiopia	3.0	3.0				
Canada	**145.0**		**145.0**			
Other	**9.7**					**9.7**

[1] Cancellations and expirations deducted. Numerous small exporter-importer loans extended by the Bank, July 1, 1945, through Sept. 30, 1949, are excluded. Also excluded are Mexican authorizations of $30,000,000 and a Peruvian authorization of $400,000 approved prior to June 30, 1945, recorded on Export-Import Bank books subsequent to June 30, 1945.
[2] Credits extended by Export-Import Bank under general approval of the Council. Hungarian credit of $7,000,000 canceled Apr. 2, 1947.
[3] Excludes participation by private banks.
[4] For financing tobacco purchases.
[5] For financing food purchases.
[6] Revolving credits.

OTHER FINANCIAL PROBLEMS

Financial terms of military assistance to Iran and the Philippines

When the financial aspects of the Mutual Defense Assistance Program were originally referred to the Council, the Council was of the view that such assistance should be provided on a grant basis to countries receiving ECA assistance and that separate determinations should be made for countries outside of the ECA program. Iran and the Philippines were not included in the original program under which the Atlantic Pact countries were to receive military aid. When it was later determined that these two countries would participate in the Mutual Defense Assistance Program, the Council expressed the opinion that military assistance to them should be provided on a grant basis.

Additional stabilization assistance to Mexico

On June 17, 1949, Secretary of the Treasury Snyder, after consultation with the Council, announced the signing of an agreement supplementing the United States-Mexican Stabilization Agreement entered into in May 1947. Mexico had previously utilized $37,000,000 of the $50,000,000 available under the existing Stabilization Agreement. The new agreement increased to $25,000,000 the balance available from the United States Stabilization Fund for the purchase of Mexican pesos to stabilize the United States dollar-Mexican peso rate of exchange. The agreement was signed following acceptance by the International Monetary Fund of a new par value of 8.65 Mexican pesos per dollar. (See ch. IV.) Secretary Snyder stated that any operations under the agreement with Mexico would be closely coordinated with the activities of the International Monetary Fund in order to contribute to the efforts of the Fund to stabilize the exchange rate structure of its members.

Withdrawal of Commodity Credit Corporation agreement with the Netherlands Indies Government

In June 1948, the Council reviewed the proposed extension of a $20,000,000 credit by the Commodity Credit Corporation to Indonesia for the purchase of incentive goods (textiles, food, household articles, etc.), to be used to stimulate the production and procurement of copra and palm oil for export. A year later the Secretary of Agriculture advised the Council that no funds had been advanced under the proposal and that the Board of Directors of the Commodity Credit Corporation had resolved to withdraw the offer to enter into the agreement. During the period, changes in the world fats and oils supply situation obviated the need for the proposed agreement.

United States-Brazil economic discussions

Following submission of the report of the Joint Brazil-United States Technical Commission, the Governments of each country considered plans to foster the economic development of Brazil. During the spring of 1949, President Dutra returned the visit made by President Truman to Brazil in August 1947. The two Presidents discussed at length the desirability of fostering economic development and social progress through the mutually beneficial interchange of technological data and trained specialists of all types, as well as through financial and economic cooperation. President Dutra mentioned the need of foreign private investment in Brazil. The two Presidents recognized the important role of private investment in economic development and social progress and accordingly instructed technical experts of their respective Governments to commence immediately the negotiation of an appropriate treaty that would stimulate the mutually beneficial flow of private investment. It was also fully agreed that a comprehensive joint study of the tax relations between the two countries would be helpful. The two Presidents recognized the possibility of financing through public lending agencies appropriate development projects not suited to private financing, of the types which have been accepted for financing by the International Bank for Reconstruction and Development and the Export-Import Bank.

IV. Activities of the Council From April 1, 1949, to September 30, 1949, Relating to the International Monetary Fund and the International Bank for Reconstruction and Development

The National Advisory Council, in accordance with statutory authority, continued to coordinate the activities of the United States representatives of the Fund and the Bank with those of other agencies of the Government, by consulting and advising with them on major problems arising in administration of the Fund and the Bank. The United States Executive Directors of these institutions, or their Alternates, have attended the Council's meetings regularly, and have participated continuously in the work of its Staff Committee.

FOURTH ANNUAL MEETINGS OF THE FUND AND THE BANK

The Boards of Governors of the Fund and the Bank held their fourth annual meetings in Washington, D. C., September 12 to 16, 1949. The Secretary of the Treasury, John W. Snyder, as United States Governor of both institutions, attended. Willard L. Thorp, William McChesney Martin, Jr., and Frank A. Southard, Jr., were appointed temporary United States Alternate Governors for the purpose of these meetings. The United States Alternate Executive Directors also participated in these meetings, as did representatives of the constituent agencies of the Council.

The principal matters considered by the Boards of Governors were as follows:

(1) The Boards of Governors discussed and accepted the annual reports, the financial statements and reports on audit, and the 1949 administrative budgets, and elected officers and a joint procedures committee for 1949–1950.

(2) The application of the Republic of Haiti for membership in the two institutions was approved, providing for a quota in the Fund of $2,000,000, with a like amount as a subscription to the Bank. Membership is open to Haiti until March 31, 1950, with the Executive Directors empowered to extend this period until September 30, 1950, if they deem such action warranted.

(3) The Boards of Governors also extended until March 31, 1950, the period in which the Republic of Liberia may accept membership, and empowered the Executive Directors further to extend the period, but not beyond October 1, 1950.

(4) At the Fund meetings, the Governors adopted a resolution referring to the Executive Directors for further study the proposal by South Africa concerning gold sales at premium prices. They also discussed questions of exchange and monetary policy, exchange restrictions, and monetary reserves.

(5) A report on relations with the International Trade Organization and the Contracting Parties to the General Agreement on Tariffs and Trade was submitted to the Board of Governors of the Fund for information.

(6) The Governors of the Bank reviewed the report of the Ad Hoc Committee (appointed at the third annual meeting to consider provisions relating to duties and remuneration of the Executive Directors), and referred the matter back to the Committee for further study.

(7) The Governors of the Bank approved the report of the Executive Directors postponing the election of a new Advisory Council.

(8) The Governors of the Bank also approved the report of the Executive Directors on the allocation of the Bank's net income for the fiscal year ending June 30, 1949.

At the closing session, the Governor of India was elected Chairman for the coming year, and the Governors of China, France, United Kingdom, and the United States were elected Vice Chairmen. It was decided to hold the fifth annual meetings in Paris in the month of September 1950.

MEMBERSHIP CHANGES IN THE FUND AND THE BANK

During the period under review, one new country, Thailand, was admitted to membership in the Fund and the Bank. At the third annual meetings in Washington in September 1948, the Boards of Governors accepted the request of Thailand for membership, providing for a quota in the Fund of $12,500,000, with a like amount as a subscription to the Bank. Thailand formally became a member of the two organizations on May 3, 1949.

Favorable action by the United States representatives with respect to this application was taken with the approval of the Council.

On September 30, 1949, 48 countries were members of the Fund and the Bank. The members, with their quotas and capital subscriptions as of September 30, 1949, are listed in appendix E.*

ORGANIZATIONAL CHANGES

On May 18, 1949, Mr. Eugene R. Black, then United States Executive Director, was elected President of the Bank, succeeding Mr. John J. McCloy, who resigned to accept the post of United States High Commissioner for Germany. Mr. Black assumed his new duties on July 1, 1949.

THE FUND

During the period under review, the Fund continued to provide a number of its member countries with technical assistance, as well as, in appropriate instances, necessary foreign currency to meet balance-of-payments deficits on current account. As will be noted in the following section dealing with "par values," the Fund participated actively in the extensive realignment of currencies that occurred in the latter half of September 1949.

Par values

On May 24, 1949, the Fund announced the establishment of an initial par value for the Yugoslav dinar at 50 dinars per United States dollar, the rate proposed by the Government of Yugoslavia. On June 17, 1949, the Fund also announced that it had concurred in the request of the Government of Mexico for the establishment of a new par value for the peso. The new par value of 8.65 pesos per United States dollar replaced the initial par value of 4.855 pesos per United States dollar, established on December 18, 1946, by agreement between Mexico and the Fund. Transactions at this initial parity

*Omitted in this exhibit; see note at end of exhibit.

had been suspended by the Bank of Mexico on July 22, 1948. The United States Executive Director, acting with the approval of the Council, concurred in the Fund action on the proposals of both Yugoslavia and Mexico.

Currency readjustments: September 1949

In December 1946, the International Monetary Fund and member governments agreed on the establishment of initial par values for their currencies based on existing exchange rates, even though, as the Executive Directors of the Fund recognized in their first Annual Report ". . . in some cases the initial par values that are established may later be found incompatible with the maintenance of a balanced international payments position at a high level of domestic economic activity." There were cogent reasons for this decision. It would have been premature to attempt a general revision of exchange rates at that time, in view of the drastic changes in the structure of world trade and the disruption of the internal economies of many member countries wrought by the war.

As economic advances were made as a result of the internal efforts of the countries concerned as well as of the United States foreign-assistance program, the desirability of an eventual revaluation of currencies gradually became more apparent. In its Semiannual Report for the period October 1, 1948–March 31, 1949, the National Advisory Council stated that ". . . in 1948 a general revaluation of the European exchange rates was inadvisable in view of the possible internal repercussions of devaluation on the participating countries in a period when their economies still exhibited serious inflationary tendencies, while their levels of production were not adequate to maintain an expanded volume of international trade. In many of the participating countries these conditions no longer obtain, since substantial progress has been made toward recovery in their levels of production . . . . It is the Council's opinion that in some cases the revaluation of currencies may constitute an important means of bringing about the desired expansion of exports to the dollar area which, along with other appropriate measures, will contribute to more normal methods of financing after 1952." Similarly, in their Annual Report for the year ending April 30, 1949, the Executive Directors of the International Monetary Fund declared that "Where a price reduction . . . is necessary to expand exports, it would in many cases seem possible only through an adjustment in the exchange rate." [8]

In the period under review, it was becoming widely accepted that a general revision of European exchange rates was an essential step in the direction of creating freer intra-European and world trade and restoring equilibrium in European balances of payments at a reasonable level. European export prices in terms of dollars had become less competitive than United States prices for the same types of goods, and in the absence of depreciation it was becoming increasingly difficult for European countries to maintain, much less expand, their exports to the dollar area and to compete with dollar-area goods in their domestic and third markets. There was serious danger that

[8] Similar views had been expressed by other international bodies such as the Organization for European Economic Cooperation and the Economic Commission for Europe.

unless such action was taken, the marked disparities in cost-price structures existing between the soft-currency-area countries and the dollar-area countries on the one hand, and among the soft-currency-area countries themselves on the other, would tend to become set, the strains of altered creditor-debtor relationships increasingly burdensome, and the distortions of international trade and the disequilibria in European balances of payments increasingly intractable.

The decline in the exports of European countries to the dollar area and the depletion of the United Kingdom's gold and dollar reserves during 1949 underlined the need to adopt remedial action. In less than six months, from March 31 to September 18, 1949, the United Kingdom's gold and dollar reserves fell by more than $500,000,000. On September 18, the International Monetary Fund announced that the United Kingdom had proposed and the Fund had concurred in a change in the par value of the pound sterling from the previous rate of one pound sterling to $4.03, to one pound sterling to $2.80. Twenty-five other countries had announced adjustments in their exchange rates by September 30, with the extent of devaluation varying from 9.1 percent in the case of Canada, to 30.5 percent by most countries within the sterling area (see table X). The Fund was consulted on, and approved, the adjustments proposed by member countries, and the United States Executive Director, acting in accordance with policy directives previously formulated by the Council, concurred in the action of the Fund.

The Council recognizes that this readjustment of exchange rates does not constitute a cure-all for the difficult and complex problems currently faced in international payments. But it helps to clear the way by removing some of the obstacles to the effective functioning of a world price system. It may contribute to a reduction in the European dollar deficit by an expansion of exports from the European countries to the Western Hemisphere and facilitate the relaxation of barriers to multilateral trade.

TABLE X.—*Changes in currency values, as of Sept. 30, 1949*

Country	Monetary unit	Currency value: United States cents per unit of currency		Reduction in value (percent)
		Old	New	
Sterling Area:				
United Kingdom [1]	Pound	403.000	280.000	30.5
Iceland	Krona	15.411	10.705	30.5
Ireland	Pound	403.000	280.000	30.5
Burma	Rupee	30.225	21.000	30.5
Ceylon	Rupee	30.225	21.000	30.5
India	Rupee	30.225	21.000	30.5
Iraq	Dinar	403.000	280.000	30.5
Australia	Pound	322.400	224.000	30.5
New Zealand	Pound	403.000	280.000	30.5
South Africa	Pound	403.000	280.000	30.5
Canada	Dollar	100.000	90.909	9.1
Egypt	Pound	413.300	287.156	30.5

[1] All of the British territorial currencies (except that of British Honduras) were likewise devalued by 30.5 percent.

TABLE X.—*Changes in currency values, as of Sept. 30, 1949*—Continued

Country	Monetary unit	Currency value: United States cents per unit of currency		Reduction in value (percent)
		Old	New	
Israel:				
Imports [2]	Pound	302.000	280.000	7.3
Exports	Pound	403.000		30.5
Jordan	Pound	403.000	280.000	30.5
Thailand	Baht	10.075	8.000	20.6
Europe:				
Belgium-Luxembourg [3]	Franc	2.282	2.000	12.3
Denmark	Krone	20.838	14.478	30.5
Finland [4]	Markka	0.625	0.4348	30.4
France [5]	Franc	0.3669	0.2857	22.1
Germany (western)	Deutsche Mark	30.000	23.810	20.6
Greece [6]	Drachma	0.01	0.0067	33.3
Italy [7]	Lira	0.1739	0.1572	9.6
Netherlands [8]	Guilder	37.695	26.316	30.2
Norway	Krone	20.150	14.000	30.5
Portugal [9]	Escudo	4.000	3.478	13.0
Sweden [10]	Krona	27.816	19.33	30.5

[2] Free market rate for imports.
[3] The Belgian Congo franc remains at par with the Belgian franc.
[4] The Finnish change shown here followed closely an earlier devaluation (from 0.735 to 0.625 cents per markka), on July 4, 1949, and thus represents a total devaluation of 41 percent during recent months.
[5] Rates shown are those for trade transactions. Under the official free market system used in France, the rates referred to here are technically flexible, though they may be held steady for relatively long periods. All local currencies of French dependencies are pegged to the French franc, except (1) the rupee of French possessions in India, which is maintained at par with the Indian rupee; and (2) the Djibouti franc, which retains its old dollar parity of 0.47 cents.
[6] Under the exchange certificate system used in Greece, the rates referred to here are technically flexible, but for over a year prior to the current devaluation, fluctuations in the old rate had been held to less than 1 percent in either direction.
[7] Under the official free market system used in Italy, the rates referred to here are technically flexible, though they may be held steady for relatively long periods.
[8] The Indonesian guilder remains at par with the Netherlands guilder, but the Surinam guilder retains the old dollar parity of 53 cents.
[9] The change shown here followed closely a minor adjustment (from 4.0124 to 4.0 cents per escudo), on August 8, 1949. Portugal is not a member of the International Monetary Fund and has no par value. Rates shown are mid rates between the official buying and selling rates.
[10] Sweden is not a member of the Fund and has no par value. Rates shown are average rates between the official buying and selling rates.

Exchange restrictions

On May 27, 1949, the Fund reported results of consultations with the Government of Ecuador on Ecuador's exchange system, and related subjects of credit and monetary policy. As a result of similar consultations with the Fund in June 1947, Ecuador had made certain modifications in her exchange control system. In the May consultations it was understood that Ecuador would continue to maintain for another year her present exchange controls but that during this period Ecuador would consult with the Fund regarding modifications which might properly be made at the end of that time.

Price of gold

The Secretary of the Treasury, at the fourth annual meeting of the International Monetary Fund, in connection with consideration of the resolution proposed by South Africa concerning gold sales at premium prices, reiterated the established position of the United States Government with respect to the maintenance of the dollar price of gold. In his capacity as United States Governor, the Secretary stated, during the course of the discussion "I have said on many occasions and I must say again that I do not perceive any considerations of monetary policy which would justify me in proposing to my Government a change in the dollar price of gold." [9]

Repurchase of Fund drawings

Article V, section 7 of the Fund's Articles of Agreement provides for the compulsory repurchase of Fund holdings of a member's currency under specified conditions.

During May 1949, Costa Rica became the first country to repurchase some of its own currency from the Fund. This transaction involved Costa Rican colones equivalent to 874,000 dollars, and was effected through a Costa Rican payment to the Fund of 855,000 dollars, and gold to the value of 19,000 dollars. In August 1949, Belgium repurchased from the Fund Belgian francs equivalent to 946,500 dollars, with a payment of 35,000 dollars, and gold to the value of 911,500 dollars. During September 1949, Nicaragua repurchased for 500,000 dollars the total amount of cordobas which it had sold to the Fund in 1948. As a result of this transaction, the Fund's holdings of cordobas reverted to the level in existence prior to the original Nicaraguan drawing.

Exchange transactions

During the 6 months, April 1, 1949, through September 30, 1949, the Fund sold $21,000,000 to three of its member countries. These transactions increased total currency sales of the Fund to date to the equivalent of $734,600,000. Fund sales of United States dollars for member currencies have been almost entirely to non-ERP countries since the start of the European Recovery Program in April 1948.

The following table presents a detailed break-down of currency sales through September 30, 1949:

TABLE XI.—*Currency sales of the International Monetary Fund from Apr. 1, 1947, to Sept. 30, 1949*

[In millions of United States dollars]

Country	Total to Sept. 30, 1949	Six-Month Periods ending— Sept. 30, 1949	Mar. 31, 1949	Sept. 30, 1948	Mar. 31, 1948	Sept. 30, 1947
Total, All Countries	734.6	21.0	73.8	39.7	391.1	209.0
Total, ERP Participants	564.2		6.1	17.3	356.8	184.0
United Kingdom	300.0				240.0	60.0
France	125.0				25.0	100.0
Netherlands	75.3			[1] 6.8	44.5	[2] 24.0
Belgium	33.0				33.0	
Norway	15.7		[3] 6.1	[4] 7.1	2.5	
Denmark	10.2			3.4	6.8	
Turkey	5.0				5.0	

[1] Sale of Belgian francs.
[2] Includes $6,000,000 of pounds sterling.
[3] United States dollars sold for an equivalent in gold.
[4] Includes $4,600,000 of Belgian francs.

[9] The position of the United States on this matter was further explained in a memorandum to the press of October 5, 1949 (see appendix F), and reaffirmed by President Truman on November 10, 1949.

TABLE XI.—*Currency sales of the International Monetary Fund from Apr. 1, 1947, to Sept. 30, 1949*—Continued

[In millions of United States dollars]

Country	Total to Sept. 30, 1949	Six-Month Periods ending—				
		Sept. 30, 1949	Mar. 31, 1949	Sept. 30, 1948	Mar. 31, 1948	Sept. 30, 1947
Total, Other Countries	170.4	21.0	67.7	22.4	34.3	25.0
India	100.0		55.9	16.1	28.0	
Mexico	22.5					22.5
Brazil	15.0	15.0				
Union of South Africa	10.0		10.0			
Chile	8.8				6.3	2.5
Czechoslovakia	6.0			6.0		
Egypt	3.0	3.0				
Yugoslavia	3.0	3.0				
Costa Rica	1.3		1.3			
Nicaragua	.5		.5			
Ethiopia	.3			.3		

NOTE.—Except where otherwise indicated, all sales were of United States dollars in exchange for the currency of the purchasing country.

Source: International Monetary Fund.

THE BANK

During the 6 months under review, the International Bank made $76,500,000 in new loan commitments to four of its member countries. The United States Executive Director or his Alternate consulted with the Council with respect to each of these loan applications.

As a further aid to member countries, the International Bank announced an expanded program of technical assistance for economic development. The Bank indicated that it would be prepared to help member countries in making comprehensive surveys of their resources and in working out appropriate long-term investment programs; to work closely with potential borrowers in the analysis and planning of specific projects for Bank financing; and to assist in formulating and putting into effect practical measures to strengthen the financial institutions and practices of its member countries and to encourage productive investment from other sources. The Bank, however, emphasized the importance of action on the part of the less-developed countries to create a sound foundation for economic development.

Loans and disbursements

On July 29, 1949, the Bank granted a loan of $15,000,000 to the Finance Corporation for National Reconstruction (Herstelbank), of the Netherlands. This loan was specifically made to finance imports of equipment for the reconstruction or modernization of plants in various industries. The loan, guaranteed by the Kingdom of the Netherlands, extends for a period of 15 years, and carries an interest rate of 3 percent, plus the usual 1 percent commission for the Bank's special reserve. Amortization payments, calculated to retire the loan by maturity, will start in the fourth year. The Bank announced that this loan was made in accordance with one of its main purposes—to aid in the reconstruction of economies of member nations and to encourage the development of their productive facilities and resources. The Bank also stated that by assisting in financing projects which involve permanent additions to Europe's productive capacity, the loan followed the Bank's policy of supplementing the European Recovery Program.

On August 1, 1949, the Bank announced a loan of $12,500,000 to the Bank of Finland to finance imports of equipment and materials required for the reconstruction and modernization of Finland's woodworking industries, for an electric power development program, and for expanding production of limestone powder for agriculture. The terms of this loan, which was guaranteed by the Government of Finland, were similar to those applicable to the Herstelbank.

On August 18, 1949, the Bank granted a loan of $34,000,000 to India for the reconstruction and development of the railways owned and operated by the State. Proceeds of this loan will be used to finance part of the purchase price of locomotives, boilers, and spare parts. This loan—the first to be granted by the Bank to a member country in Asia—carried terms similar to those in the two preceding instances, except that amortization payments will start on August 15, 1950. On September 29, 1949, the Bank announced an additional loan of $10,000,000 to India, to finance part of the cost of agricultural machinery needed for land clearance and reclamation and thereby to increase the production of grain in India. This loan was for a term of seven years and carried an interest rate of 2½ percent, plus the usual 1 percent commission. Amortization payments, calculated to retire the loan by maturity, will start on June 1, 1952.

On August 19, 1949, the Bank granted a loan of $5,000,000 to the Caja de Credito Agrario, Industrial y Minero of Colombia to finance the purchase of agricultural machinery. This loan, guaranteed by the Republic of Colombia, is for a term of seven years, and carries an interest rate of 2½ percent, plus the customary 1 percent commission. Semiannual amortization payments, beginning May 15, 1952, are designed to retire the loan by maturity on November 15, 1956. The agricultural equipment to be purchased with the proceeds of this loan should enable Colombia to increase farm production and thus meet an expanding domestic consumption, while reducing imports of foodstuffs and staples with a consequent saving of hard currency.

From May 9, 1947, when the Bank announced its first loan, through September 30, 1949, total loan commitments of the International Bank aggregated somewhat more than $726,000,000, of which $678,000,000 had become effective. As shown in the following tabulation, four-fifths of this latter amount had been disbursed by September 30, 1949:

TABLE XII.—*Status of International Bank loans as of Sept. 30, 1949*

Borrower	Loan Commitment	Disbursement	Unused balance of commitment
Total, All Loans	**$726,600,000**	**$541,440,917**	**$185,159,083**
Credit National (France)	250,000,000	250,000,000	
Kingdom of the Netherlands	195,000,000	195,000,000	
Brazilian Traction, Light & Power Co., Ltd. [1]	75,000,000	21,948,244	53,051,756
Dominion of India [2]	44,000,000		44,000,000
Kingdom of Denmark	40,000,000	40,000,000	
Financiera and Comision (Mexico) [3]	34,100,000	5,296,139	28,803,861
Kingdom of Belgium	16,000,000	4,029,608	11,970,392
Corporacion de Fomento (Republic of Chile)	16,000,000	2,945,100	13,054,900
Herstelbank (Netherlands) [4]	15,000,000		15,000,000
Bank of Finland [5]	12,500,000		12,500,000
Grand Duchy of Luxembourg	12,000,000	10,221,826	1,778,174
Netherlands shipping companies [4]	12,000,000	12,000,000	
Caja de Credito (Colombia) [2]	5,000,000		5,000,000

[1] Loan guaranteed by the United States of Brazil.
[2] Agreements become effective after the Bank has received certain certificates and documents, and has notified the borrower and guarantor of its acceptance of such evidence.
[3] Loans guaranteed by the Government of Mexico. Nacional Financiera and Comision Federal de Electricidad are joint borrowers.
[4] Loans guaranteed by the Kingdom of the Netherlands.
[5] Loan guaranteed by the Government of Finland.

Source: International Bank for Reconstruction and Development.

Legislation

In June 1949, the United States Congress enacted, and on the 29th day of that month the President approved, legislation amending provisions of the National Bank Act and the Bretton Woods Agreements Act applicable to securities of the International Bank (Public Law 142, Ch. 276, 81st Cong., 1st sess.). This legislation was designed to remove certain requirements which might interfere with the Bank's financing operations and thereby limit its effectiveness in carrying out the purposes for which it was established. The National Bank Act was amended to permit national banks and State member banks of the Federal Reserve System to deal in and underwrite International Bank securities subject to certain prescribed limitations as to amount. The Bretton Woods Agreements Act was amended to provide that any securities issued by the International Bank and any securities guaranteed by the Bank as to both principal and interest shall be deemed exempted securities under the Securities Act of 1933 and the Securities Exchange Act of 1934. Public Law 142 also authorized the Securities and Exchange Commission to require the Bank to file annual and other reports with it and, in consultation with the Council, to suspend these exemptions.

Fiscal operations

For the fiscal year ending June 30, 1949, the International Bank had a net income of about $10,600,000, exclusive of special reserve commissions of $5,000,000. For the three months ending September 30, 1949, the Bank had an income of nearly $3,200,000, exclusive of over $1,300,000 paid into its special reserve. As of September 30, 1949, the Bank had an earned surplus of over $16,800,000, plus about $9,400,000 in its special reserve.

Future lending

On September 30, 1949, the Bank had uncommitted loanable dollar funds amounting to approximately $320,000,000, and was engaged in the investigation of numerous requests for loans throughout the world. After having completed the immediate postwar phase of its activities, the Bank has entered upon a program of developmental loans to assist nations to obtain the fullest utilization of their own resources.

JOHN W. SNYDER,
Secretary of the Treasury, Chairman of the National Advisory Council on International Monetary and Financial Problems.

DEAN ACHESON,
Secretary of State.

CHARLES SAWYER,
Secretary of Commerce.

THOMAS B. MCCABE,
Chairman of the Board of Governors of the Federal Reserve System.

HERBERT E. GASTON,
Chairman of the Board of Directors of the Export-Import Bank of Washington.

PAUL G. HOFFMAN,
Administrator for Economic Cooperation.

APPENDIX A

* * * * * * *

AMENDMENTS OF THE NATIONAL BANK ACT AND THE BRETTON WOODS AGREEMENTS ACT

(Public Law 142, Ch. 276, 81st Cong., 1st sess.)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph seventh of section 8 of the National Bank Act, as amended (U. S. C., title 12, sec. 24), is amended by adding to the end thereof the following new sentence: "The limitations and restrictions herein contained as to dealing in and underwriting investment securities shall not apply to obligations issued by the International Bank for Reconstruction and Development which are at the time eligible for purchase by a national bank for its own account: *Provided,* That no association shall hold obligations issued by said bank as a result of underwriting, dealing, or purchasing for its own account (and for this purpose obligations as to which it is under commitment shall be deemed to be held by it) in a total amount exceeding at any one time 10 per centum of its capital stock actually paid in and unimpaired and 10 per centum of its unimpaired surplus fund."

SEC. 2. The Bretton Woods Agreements Act, as amended (U. S. C., title 22, secs. 286–286k), is amended by adding at the end thereof a new section to be numbered section 15 and to read as follows:

"SEC. 15. (a) Any securities issued by International Bank for Reconstruction and Development (including any guaranty by the bank, whether or not limited in scope), and any securities guaranteed by the bank as to both principal and interest, shall be deemed to be exempted securities within the meaning of paragraph (a) (2) of section 3 of the Act of May 27, 1933, as amended (U. S. C., title 15, sec. 77c), and paragraph (a) (12) of section 3 of the Act of June 6, 1934, as amended (U. S. C., title 15, sec. 78c). The bank shall file with the Securities and Exchange Commission such annual and other reports with regard to such securities as the Commission shall determine to be appropriate in view of the special character of the bank and its operations and necessary in the public interest or for the protection of investors.

"(b) The reports of the National Advisory Council provided for in section 4 (a) (6) of the Bretton Woods Agreements Act shall also cover and include the effectiveness of the provisions of section 15 (a) of this Act and the exemption for securities issued by the bank provided by section 8 of the National Bank Act in facilitating the operations of the bank and the extent to which the operations of the bank may assist in financing European recovery and the reconstruction and development of the economic resources of member countries of the bank and the recommendations of the Council as to any modifications it may deem desirable in the provisions of this Act."

SEC. 3. The Securities and Exchange Commission acting in consultation with the National Advisory Council on International Monetary and Financial Problems is authorized to suspend the provisions of section 15 (a) of the Bretton Woods Agreements Act at any time as to any or all securities issued or guaranteed by the bank during the period of such suspension. The Commission shall include in its annual reports to Congress such information as it shall deem advisable with regard to the operations and effect of this Act and in connection therewith shall include any views submitted for such purpose by any association of dealers registered with the Commission.

Approved June 29, 1949.

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APPENDIX D

JOINT COMMUNIQUE OF UNITED STATES, UNITED KINGDOM, AND CANADA—SEPTEMBER 12, 1949

1. Representatives of the United States, the United Kingdom, and Canada have met during the past week to examine the trade and financial relationships between the sterling area and the dollar area. The pound and the dollar are the two principal world trading currencies. While the development of a satisfactory balance of payments between the two areas is a matter of fundamental concern to the democratic world, it involves many problems which concern in the first instance the governments which are the centers of these two currency systems. The present discussions were held to examine these problems. It was recognized that the task of working out conditions under which world trade can develop steadily and in increasing freedom will require a strenuous and sustained effort, not only on the part of the United States, the United Kingdom, and Canada, but also by all other countries desiring the same objectives.

2. It was agreed that the common aim is to work toward an ultimate solution which will maintain employment and establish equilibrium of international trade on a mutually profitable basis at high levels. These objectives and general course of action have already been set forth in the United Nations Charter, the Bretton Woods Agreements, and the Havana Charter for an International Trade Organization. It was the broad purpose of the present meetings to explore, within this general framework, various specific measures which the three Governments might take to prevent a serious break-down in the dollar-sterling relationships which would have led to a crippling limitation of dollar imports into the sterling area and to hasten the achievement of those objectives.

3. These conversations have carried forward the consultations initiated in London during July 8–10. They have resulted in a clear understanding of the character of the difficulties to be faced and an increasing realization that a fully satisfactory solution will necessitate continuing efforts in many directions. In the course of these conversations it has become possible to discuss with complete frankness specific problems and the types of measures which will have to be taken if the three countries are to achieve their common purpose.

4. In the early stages of the discussion, attention was given to the immediate problem confronting the United Kingdom and the rest of the sterling area as a result of the rapid decline of gold and dollar reserves. Note was taken by the three Governments of the emergency action which sterling countries have decided to take to meet this situation. These measures are not pleasant ones; they will cause difficulties and sacrifices for everyone concerned. Nevertheless, they are a temporary necessity, and are recognized as such by all three Governments.

5. The Ministers were in complete agreement that no permanent solution to the problem could be found in the emergency steps contemplated. A more funda-

mental attempt would have to be made by all concerned to expand the dollar earnings of the sterling area and to increase the flow of investment from the North American Continent to the rest of the world, including the sterling area.

6. This more fundamental attempt would involve both separate actions of the three countries operating individually, and joint action by the three acting in cooperation with each other. In approaching these possibilities of individual and joint action on the sterling-dollar problem, there was common agreement that this action should be based on the assumption that extraordinary aid from the North American Continent would have come to an end by the middle of 1952. This would require that the sterling area increase its dollar earnings so as to pay its way by 1952. This would require in the sterling area the creation of appropriate incentives to exporters to the dollar area and a vigorous attack upon costs of production to enhance the competitive position of sterling-area products. Maximum efforts would be made to direct exports to the dollar area and build up earnings from tourism and other services. As a part of this export campaign by the sterling-area countries, it was recognized that an essential element was the creation of a feeling of confidence on the part of sterling-area exporters. They must feel that they will be afforded the opportunity to remain in the markets of the United States and Canada in which they will have gained a place, and that the minimum of difficulties will be placed in their way in entering those markets.

On their part the creditor countries undertook to facilitate, to the greatest extent feasible, an expansion of dollar earnings by debtor countries, including the sterling area. It was agreed that the United States and Canada should reduce obstacles to the entry of goods and services from debtor countries, in order to provide as wide an opportunity as possible for those countries to earn dollars through the export of goods and the provision of services, including tourism. It was recognized that such a policy would be in the interest of producers in the United States and Canada, for only in this way can the future level of trade provide adequately for those sectors of the American and Canadian economies which depend in considerable part upon foreign markets.

7. The discussion of possible individual and joint actions, both long-run and short-run, ranged over a wide field. In addition to the question of dollar earnings of the United Kingdom and the rest of the sterling area, mentioned above, the Ministers gave special attention to the following subjects:

1. Overseas investment.
2. Commodity arrangements and stock-piling.
3. Limitations on items which may be financed under present ECA procedures.
4. Customs procedures.
5. Tariff policy.
6. Liberalization of intra-European trade and payments.
7. Sterling balances.
8. Petroleum.
9. Shipping.
10. Provisions for continuing consultation.

8. A working group on overseas investment reviewed both recent experience and future prospects for the flow of productive investment, both private and public, from North America to overseas areas, especially underdeveloped countries. It was agreed that a high level of such investment could make an important contribution toward reducing the sterling-dollar disequilibrium and that every aspect of this problem should be explored on a continuing basis. In order to initiate this work, the President's Committee for Financing Foreign Trade will be asked immediately to explore possible lines of action in cooperation with corresponding groups of British and Canadian financial and business representatives. While dealing with all aspects of private and public investment, the Committee will be expected to address itself especially to the problem of incentives and of providing a suitable environment for a high level of private investment.

9. A working group on commodity arrangements and stock-piling gave special attention to rubber and tin. The Canadian representatives stated that the Canadian Government was prepared to take steps to increase reserve stocks of tin and rubber in Canada. The United States representatives reported that the United States Government was prepared to open to natural rubber a substantial additional area of competition, including a modification of the Government order

relating to the consumption of synthetic rubber. The United States would review its stock-piling program, with particular reference to rubber and tin.

10. Special attention was given by another group to the practical difficulty being experienced by the United Kingdom in making fully effective use of its ECA aid to cover its dollar deficit. This difficulty arises out of the fact that, although the United Kingdom needs dollars to pay for goods in the United States, to make settlements with other countries, to pay for services, and for other purposes, the types of transactions which may be financed by ECA dollars have been definitely limited. It has been agreed that, in order to carry out the basic purposes of the Economic Cooperation Act, it will be necessary for the United Kingdom to finance with its share of ECA funds a wider range of dollar expenditures than has hitherto been eligible, both within and outside of the United States. After careful examination of the dollar expenditures proposed to be made or authorized by the United Kingdom, it appears that eligibility requirements can be broadened to the extent required within the limits set by the Economic Cooperation Act. This would broaden the use but not increase the amount of ECA funds allocated to the United Kingdom.

11. In the consideration of measures which creditor countries might take to reduce barriers to trade, it was recognized that customs procedures may create obstacles, psychological as well as actual. Technical discussions of this subject disclosed that the United States, through administrative action and proposed legislation, was already contemplating constructive steps in this field. Canadian representatives stated that the Canadian Government would undertake a further review of the administrative operation of its Customs Act in the light of these discussions. As to tariff rates, it was noted that high tariffs were clearly inconsistent with the position of creditor countries. There had already been significant and substantial reductions in U. S. tariffs during the last fifteen years. The policy of the United States Government was to seek further negotiation of trade agreements through which additional reductions might be made, within the framework of the Reciprocal Trade Agreements Act.

12. There was agreement that one of the ways in which the competitive position of United Kingdom products might be improved was by a widening of the area in which such products competed freely with those of other countries. In this connection as an initial step toward a more general liberalization the United Kingdom delegation outlined its proposals for liberalizing trade with countries with which it did not have balance-of-payments difficulties, and raised the question whether the provisions of section 9 of the Anglo-American Financial Agreement, and article 5 of the Anglo-Canadian Financial Agreement presented an obstacle to such a plan. It was the view of the United States and Canadian delegations that such liberalization of United Kingdom import regulations should be considered since the United Kingdom shortage of dollars should not in itself force the United Kingdom to reduce its purchases from areas with which it does not have a shortage of means of payment. It was agreed that any United Kingdom import regulations as they affect United States and Canadian products would be the subject of continuing review by representatives of the three Governments through continuing facilities for consultation.

13. (a) A further subject which was discussed was the United Kingdom liability represented by the sterling balances of other countries. A large number of countries have been accustomed to hold either all or a part of their foreign-exchange reserves in the form of sterling. The existence and availability of such holdings are an integral feature of the widespread multilateral use of sterling for the purpose of financing international trade. One of the problems of the postwar period has been the existence of exceptionally large accumulations of sterling which were built up, mainly during the war, as the result of payments by the United Kingdom for goods and services purchased overseas in furtherance of the common war effort. In June 1945 these balances amounted to $13½ billion. Since then there have been considerable fluctuations both in the total and in the holdings of individual countries, though the amount outstanding at the end of 1948 was approximately the same as at June 1945.

(b) In principle the whole of these balances represents a charge on United Kingdom production of goods and services. In practice, however, a substantial proportion will continue to be held as reserves by the countries concerned. To the extent that the balances are liquidated, some proportion of United Kingdom production of goods and services is used to discharge this liability instead of to pay for current imports of goods and services.

(c) This whole problem in its various aspects, including the necessity to provide capital goods for development, was discussed in a preliminary way on the basis of prior technical examination by the experts of the three Governments. It was agreed that this was one of the subjects which concerned other countries and would require further study.

14. Investigation of the ways in which the sterling area could move toward a position in which it could earn its own way led to the discussion of other special problems, including petroleum and shipping—two important elements in the sterling area balance-of-payments picture. The United Kingdom representatives set forth the facts of the very large dollar deficit which the sterling area presently incurs because of oil transactions, and their desire to reduce this deficit to the minimum possible level. It was mutually recognized that the question of oil production and refining, and geographical distribution raised problems of extreme complexity involving the protection of legitimate interests of the major producing countries and companies. The Ministers recognized that these two questions of petroleum and shipping could not be resolved in the short time available to them, and that further study would be required. In the case of petroleum they agreed to appoint representatives to analyze the facts and to provide the basis for subsequent discussions.

15. There has been agreement on the objective toward which policies should be directed and agreement on certain immediate steps which will be taken to bring that objective nearer. There are, however, as has been emphasized, a number of questions requiring closer examination than this short conference has allowed. It is proposed, therefore, to continue the examinations, initiated during the conference, of questions on which it is hoped that useful understanding can be reached under the direction of the present Ministerial group. These arrangements for continuing consultation—supplementing the usual channels of communication between governments—will be used to keep under review the effectiveness of actions already agreed upon and to prepare, for governmental consideration, measures which could carry further those adjustments which are considered to be necessary. In establishing these arrangements for continuing consultation, the three Governments wish to emphasize that these arrangements underline rather than diminish their interest in the development of economic cooperation within the entire community of western nations. The tripartite arrangements will not in any way encroach upon, or detract from, the area of competence of the OEEC and other existing organs of international economic collaboration. On the contrary, those arrangements for continuing consultation, by contributing materially to the solution of problems which today adversely affect the working of the entire OEEC group and yet are not susceptible of solution within that group, will facilitate the progress of economic collaboration in the wider field.

16. In summary the Ministers of the three countries concerned are satisfied that a real contribution to the solution of the sterling-dollar difficulties has been made by the conclusions recorded above. They are confident that, with sustained efforts on all sides and with the seizure of every opportunity by sterling-area exporters to enter into and remain in dollar markets which are open to them, there is the prospect of reaching a satisfactory equilibrium between the sterling and dollar areas by the time exceptional dollar aid comes to an end.

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APPENDIX F

THE GOLD CONTENT OF THE DOLLAR AND THE PRICE OF GOLD

MEMORANDUM FOR THE PRESS

The following statement was issued in response to inquiries at Secretary Snyder's press conference of Wednesday, October 5, 1949, concerning the legal authority to change the gold content of the dollar and the Treasury's price for gold. The Secretary again stated that he had no intention of proposing a change in the dollar price of gold. He reiterated what he had said on many occasions that he does not perceive any considerations which would justify such an action.

(*a*) *The gold content of the dollar*

Only an act of Congress can now alter the statutory gold content of the dollar. The gold content of the dollar, and hence the statutory monetary value of gold in terms of the United States dollar, was defined by the Presidential Proclamation of January 31, 1934, issued under authority of title III, section 43, of the act approved May 12, 1933, as amended. The weight of the gold dollar was fixed by this Proclamation at 15 5/21 grains of gold 9/10ths fine, that is, 1/35 of a troy ounce of pure gold (technically referred to as gold 1,000 parts fine). The monetary or statutory value of gold in the United States is therefore $35 per fine troy ounce. After several extensions the authority of the President by proclamation further to change the gold content of the dollar expired on June 30, 1943.

(*b*) *The price of gold*

The Secretary of the Treasury has authority under sections 8 and 9 of the Gold Reserve Act of 1934, as amended, with the approval of the President, to purchase and sell gold at such rates and upon such terms and conditions as he may deem most advantageous to the public interest.

The authority of the Secretary of the Treasury in this respect, however, is limited by a number of factors. First is the obligation undertaken by the United States as a member of the International Monetary Fund. Article IV, section 2 of the Articles of Agreement of the International Monetary Fund provides:

> "The Fund shall prescribe a margin above and below par value for transactions in gold by members, and no member shall buy gold at a price above par value plus the prescribed margin or sell gold at a price below par value minus the prescribed margin."

The Fund has prescribed a margin of ¼ of 1% above and below the par value for purchases and sales of gold. Accordingly, the United States has an obligation to the International Monetary Fund not to purchase gold at more or sell gold at less than $35 plus or minus the prescribed margin so long as the par value of the dollar declared to the Fund remains unchanged. The par value of the dollar can be changed only pursuant to the provisions of the Articles of Agreement and the Bretton Woods Agreements Act, which requires the approval of Congress for any such change. Section 5 of that act provides that neither the President nor any person or agency shall propose to the International Monetary Fund any change in the par value of the United States dollar or approve any general change in par values unless Congress by law authorizes such action.

Even without the legal obligation to the International Monetary Fund there are important considerations of policy which, in effect, circumscribe the discretion of the Secretary of the Treasury to change the price of gold. The gold policy of the United States has been directed primarily to maintaining a stable relation between gold and the dollar.

Since 1934 the United States has firmly adhered to the requirements of an international gold bullion standard. We have done so by buying and selling gold freely at a fixed price, $35 an ounce, in transactions with foreign governments and central banks for all legitimate monetary purposes.

The importance which the United States attributes to the maintenance of a stable dollar price for gold is demonstrated by other legislative provisions. The gold parity statutes contained in the Gold Standard Act of 1900 and the act of May 12, 1933, provide that the gold dollar "shall be the standard unit of value and all forms of money issued or coined by the United States shall be maintained at a parity with this standard and it shall be the duty of the Secretary of the Treasury to maintain such parity."

[Omitted from this exhibit is part of appendix A, which includes sections of the Bretton Woods Agreements Act and of the Foreign Assistance Act of 1948 relating to the National Advisory Council, which sections were printed in the Annual Reports of the Secretary of the Treasury for 1945 and 1948, respectively. Omitted also are appendixes B, C, and E, which include tables on estimated gold and short-term dollar resources of foreign countries as of June 30, 1949, gold transactions between the United States and foreign countries, January 1, 1945, through September 30, 1949, United States Government assistance to foreign countries, July 1, 1945, through June 30, 1949, and membership and quotas in the International Monetary Fund and membership and subscriptions in the International Bank for Reconstruction and Development, September 30, 1949. Corresponding tables containing data through December 31, 1949, and membership information as of March 31, 1950, are published in the appendixes of the National Advisory Council report covering operations from October 1, 1949, through March 31, 1950, which is printed as exhibit 29. The appendixes in exhibit 29 are published in full except the sections of the legislation referred to above.]

Exhibit 28.—Second Special Report of the National Advisory Council on the operations and policies of the International Monetary Fund and the International Bank for Reconstruction and Development covering the two-year period ended March 31, 1950

[House Document No. 611, 81st Congress, 2d session]

LETTER OF TRANSMITTAL

To the Congress of the United States:

In accordance with section 4 (b) (6) of the Bretton Woods Agreements Act, there is transmitted herewith the Second Special Report on the operations and policies of the International Monetary Fund and the International Bank for Reconstruction and Development.

HARRY S. TRUMAN.

THE WHITE HOUSE, *May 31, 1950.*

LETTER OF SUBMITTAL

THE SECRETARY OF THE TREASURY,
Washington, May 12, 1950.

The PRESIDENT,
The White House.

MY DEAR MR. PRESIDENT: Section 4 (b) (6) of the Bretton Woods Agreements Act directs the National Advisory Council to submit every 2 years a special report on the operations and policies of the International Monetary Fund and the International Bank for Reconstruction and Development. The first such report was submitted in May 1948. As in the case of the First Special Report, the present report discusses the specific questions raised by this provision of the law, particularly the extent to which the Fund and Bank have achieved the purposes for which they were established and the degree to which these institutions have served the interests of the United States and the world in promoting sound international economic cooperation and furthering world security.

In accordance with section 4 (b) (5) of the Bretton Woods Agreements Act, the Council will submit a separate report, along the lines of previous 6 months' reports, on the activities of the Fund and Bank during the period October 1, 1949, to March 31, 1950.

Faithfully yours,

JOHN W. SNYDER,
Chairman, National Advisory Council on International Monetary and Financial Problems.

SECOND SPECIAL REPORT OF THE NATIONAL ADVISORY COUNCIL ON THE OPERATIONS AND POLICIES OF THE INTERNATIONAL MONETARY FUND AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT COVERING THE TWO-YEAR PERIOD ENDED MARCH 31, 1950

CHAPTER I. INTRODUCTION

The National Advisory Council is directed by section 4 (b) (6) of the Bretton Woods Agreements Act biennially to submit a special report to the President and the Congress on the operations and policies of the International Monetary Fund and the International Bank for Reconstruction and Development. These reports are to cover "the extent to which the Fund and the Bank have achieved the purposes for which they were established; the extent to which the operations and policies of the Fund and the Bank have adhered to, or departed from, the general policy directives formulated by the Council, and the Council's recommendations in connection therewith; the extent to which the operations and policies of the Fund and the Bank have been coordinated, and the Council's recommendations in connection therewith; recommendations on whether the resources of the Fund and the Bank should be increased or decreased; recommendations as to how the Fund and the Bank may be made more effective; recommendations on any other necessary or desirable changes in the Articles of Agreement of the Fund and of the Bank or in this act; and an over-all appraisal of the extent to which the operations and policies of the Fund and the Bank have served, and in the future may be expected to serve, the interests of the United States and the world in promoting sound international economic cooperation and furthering world security."[1]

In the period intervening since the submission of its First Special Report, the Council has submitted to the President and to the Congress, in accordance with section 4 (b) (5) of the act, four semiannual reports on its activities. In each of these reports there has been included a discussion of the principal matters of interest in relation to the Fund and the Bank. These matters will not be covered again, except insofar as they are directly related to the broader questions of policy discussed in the present report.[2]

In its First Special Report the Council noted the extensive economic difficulties of the world consequent upon the war. At that time the economies of many countries, particularly in Europe, were suffering from shortages of raw materials and fuels, attrition of capital equipment, and disorganization of production and of trade both within countries and among countries. The report noted various ways in which the world had been attempting to cope with the problems of production, trade, and employment, and also summarized very briefly the United States contributions to the process of reconstruction. The First Special Report was presented after the Congress had passed the

[1] Public Law 142, 81st Cong., which amended portions of the National Bank Act and the Bretton Woods Agreements Act, as amended, requires this report to include additional matters regarding the International Bank. These questions are treated on page 329.

[2] This report covers the 2-year period ending March 31, 1950.

enabling legislation for the European Recovery Program, but before appropriations for the Program had been made.

Partly as the result of reconstruction programs sponsored by the United States, the economic situation of the world at the present time appears far more satisfactory than when the previous report was submitted. In Europe particularly great strides have been made in the recovery of production. With the recovery of production there has also been a recovery in world trade, though the recovery of trade has probably not reached the point of expansion that had been expected by the Bretton Woods Conference.

The Articles of Agreement of the International Monetary Fund were predicated on the expectation that within a period of a few years following the end of hostilities, world trade would be restored to a multilateral basis, with the elimination by the member countries of restrictions on international payments for current account. It was expected that the currencies of the world would again become convertible for international transactions on current account. These expectations have not been realized. On the contrary, a large and persistent disequilibrium in the dollar accounts of most countries in the world required them to draw heavily on their gold and dollar reserves. This not only gave rise to the need for special aid, such as the ERP, but greatly retarded the rate of progress which countries found it possible to make in eliminating exchange and trade restrictions and restoring effective currency convertibility. Consequently, the Fund and the Bank have continued to operate in a world of restrictions and thus have been unable fully to realize their objectives and to carry out their activities in the way that was contemplated. In brief, the transitional period contemplated by the Articles of Agreement has continued to the present time and may be prolonged until a substantial part of the members of the Fund can undertake the obligations of article VIII of the Fund Agreement. This situation has been reflected in the policies and activities of these institutions.

It was recognized by the Bretton Woods Conference that the elimination of exchange restrictions of itself would prove inadequate to the attainment of the Fund's purposes of expanding world trade and nondiscriminatory currency practices unless barriers to trade in the form of quantitative restrictions, import and export controls, and similar devices, which easily could negate freedom of exchange transactions, also were drastically reduced. The Conference in its Resolution VII *inter alia* called upon the nations to deal internationally with the problem of reducing trade regulations and restrictions and other nonfinancial barriers to world trade, and section 14 of the Bretton Woods Agreements Act declared that it was the policy of the United States to bring about further international economic cooperation to attain these ends.

After a succession of conferences a Charter for the International Trade Organization has been formulated and submitted to the Congress and the legislatures of other nations. The code of international trade practices embodied in the ITO Charter will form a valuable adjunct to the provisions of the Fund Articles regarding international currency and exchange practices. Under the proposed ITO Charter the Fund is given certain responsibilities with regard to balance-of-payments questions arising under the Charter. Special exchange agreements with the ITO are to be required in the case of countries not members of the Fund so that they assume obligations in exchange matters comparable to those of Fund members. The ITO Charter provides for consultation and cooperation between the ITO and the Fund in other matters of common interest. The combined activities of these organizations should eventually bring closer to realization their common ideal of expanding multilateral trade intended to raise levels of production and real income throughout the world and should contribute to the stability of the flow of income among the nations.

Pending the entry into effect of the ITO Charter, 26 countries have entered into a General Agreement on Tariffs and Trade, and additional countries are in process of adhering to this Agreement. The countries making this General Agreement have agreed to certain international trade practices as immediate steps looking forward to the entry into force of the more permanent provisions of the ITO Charter and have agreed upon mutual reductions in tariffs and elimination of certain quantitative restrictions on the movement of international trade. There are also provisions for consultation with the Fund in trade matters related to the balance of payments of the signatories and for special exchange agreements with countries not in the Fund.

TABLE I.—*Member countries of the International Monetary Fund and the International Bank for Reconstruction and Development, as of Mar. 31, 1950*

Australia	El Salvador	Nicaragua
Austria	Ethiopia	Norway
Belgium	Finland	Panama
Bolivia	France	Paraguay
Brazil	Greece	Peru
Canada	Guatemala	Philippines
Chile	Honduras	Syria
China	Iceland	Thailand
Colombia	India	Turkey
Costa Rica	Iran	Union of South Africa
Cuba	Iraq	United Kingdom
Czechoslovakia	Italy	United States
Denmark	Lebanon	Uruguay
Dominican Republic	Luxembourg	Venezuela
Ecuador	Mexico	Yugoslavia
Egypt	Netherlands	

In the last 2 years two additional members have joined the International Bank and the International Monetary Fund, and one, Poland, has withdrawn, so that they have a present membership of 47 countries. Of the original signatories only Haiti, Liberia, New Zealand, and the Soviet Union have not become members, while Austria, Finland, Italy, Pakistan, Thailand, and Turkey, which did not participate in the Bretton Woods Conference, have been admitted to membership.[3]

CHAPTER II. THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

The International Bank was established to make and guarantee loans for postwar economic reconstruction and the economic development of its member nations as a means of realizing the more general

[3] Haiti, Liberia, and Pakistan have been admitted to membership but have not as yet assumed the obligations of members by signing the Articles of Agreement and paying their subscriptions.

objectives of international economic cooperation, the growth of international trade, the maintenance of equilibrium in the balances of payments of members, and raising the standards of living of the member countries.

1. CAPITALIZATION AND FINANCING OF THE BANK'S OPERATIONS

The Articles of Agreement of the Bank authorize a capital of 10 billion dollars. The original signatories were to subscribe 9.1 billion dollars of this amount, with the balance available for such new members as might eventually be admitted. The present subscribed capital of the Bank is $8,348,500,000. The capital of the Bank consists of three portions: (1) 2 percent of each member's subscription paid in gold or dollars, except that those countries formerly occupied by the enemy may defer part of their payment; (2) 18 percent of the capital paid in the member's own currency; and (3) 80 percent of the capital subject to call only to meet obligations of the Bank and payable in the currency required by the Bank to meet its obligations. On the 2 percent payment, the total received has been $162,055,000 and $4,915,000 has been deferred. Of the total paid in capital, equivalent to $1,664,785,000, the United States has paid in $635,000,000. Gold and dollar payments by other countries have provided the Bank with $98,555,000 which can be used without restriction for lending operations. The 18 percent payment may be used only with the consent of the member country.

The United States Government, acting through the National Advisory Council, has given its consent to the use of the subscription of the United States. The Governments of Belgium, Canada, Denmark, and the United Kingdom have also authorized the use of part of their capital subscription for lending purposes in amounts aggregating the equivalent of about $13,300,000.[4] While the Bank has been anxious to secure permission from the member governments to use their capital subscriptions for lending purposes, governments other than those specified have not as yet seen fit to grant such permission.

In accordance with section 7 (c) of the Bretton Woods Agreements Act and article V, section 12, of the Bank Agreement, the United States substituted noninterest-bearing notes for that part of the United States subscription not currently needed in the Bank's operations. In consequence of the Bank's use of the United States subscription for making loans, the entire amount of the United States subscription has now been converted into cash so that no notes of this issue are outstanding at this time.

The Bank may make direct loans from the portion of the capital subscribed and paid in by the members, or from borrowed funds. The Bank has issued securities on the market in the United States and in Switzerland, a nonmember country. As noted in previous reports of the Council, the United States has given the Bank permission, in accordance with the Articles, to float securities in the United States market. On July 15, 1947, the Bank issued $100,000,000 par value of 10-year 2¼ percent bonds due July 15, 1957, and $150,000,000 of 25-year 3 percent bonds due July 15, 1972. On January 25, 1950, the Bank, after permission had been granted by the Council, sold an issue

[4] In addition to this amount the United Kingdom has agreed, in principle, to the release of an equivalent of $2,800,000, subject to specific approval in individual cases as they arise.

of $100,000,000 of 2 percent serial bonds which will mature at an annual rate of $10,000,000 between 1953 and 1962. These bonds were issued to retire the outstanding 10-year 2¼ percent bonds. While the first issues of the Bank's securities were sold directly to investors, the 1950 issue was sold by competitive bidding to a syndicate of banking houses, including commercial banks. Since the coupon rate was reduced by ¼ percent and the new bonds were sold to the syndicate at a premium of $559,000, the cost of money to the Bank has been reduced more than $1,250,000 annually. At the same time the maturities of the bond issues will correspond more closely to the serial repayments of loans to the Bank.

The Bank has also issued two series of bonds denominated in Swiss francs. In 1948 the Bank sold an issue of 2½ percent bonds in the amount of 17,000,000 Swiss francs (equivalent to approximately $4,000,000) to the Bank for International Settlements, and in 1950 an issue of bonds with the same coupon rate in the aggregate amount of 28,500,000 Swiss francs (approximately $6,600,000), was sold to a group of Swiss banks. Both of these issues were purchased by the banking institutions for investment purposes and were not offered to the public. The bond issues were floated to obtain Swiss francs to enable the Bank to provide funds for certain purchases of Swiss materials and equipment and to extend the market for the Bank's securities.

The loans made by the Bank up to the present time have been derived from the capital subscription of the United States and, to a very small extent, from the capital funds provided by other countries. The total loans made by the Bank to March 31, 1950, less cancellations, have amounted to $737,700,000, of which $595,000,000 has been disbursed, while the amount available from members' subscriptions for loan purposes has aggregated $746,900,000. The bulk of the funds obtained by the sale of securities has not as yet been loaned, and the Bank has invested the proceeds along with other surplus cash in United States Government obligations to a total amount of $433,600,000, as of March 31, 1950. These investment securities have earned over $4,000,000 per annum for the Bank. The accumulated interest from these investments and other earnings of the Bank are available for additional loans by the Bank, since the Board of Governors at the annual meetings has voted not to distribute the Bank's current earnings, thus providing additional security for Bank obligations.

The Articles of Agreement of the Bank also authorize the Bank to guarantee loans made through private investment channels, as well as to guarantee securities in which it has invested, in order to facilitate resale to private investors. The original expectation that a considerable part of the Bank's business would take the form of guaranties of privately floated loans has not been realized in practice, under the conditions prevailing in the world. In two instances, however, the Bank has resold to private investors with its guaranty securities received under its loan agreements. In 1948 the Bank made a series of loans to four Netherlands steamship companies in an aggregate amount of $12,000,000. The securities arising from these loans were subsequently sold to a group of American commercial and savings banks. Similarly, the bonds arising from a loan of $16,000,000 made directly to the Kingdom of Belgium were resold at private sale to a group of New York savings banks and a life insurance company. The National Advisory Council, on behalf of the United States Government, approved of these sales of securities in the markets of the United States.

Section 15 (b) of the Bretton Woods Agreements Act, as amended by Public Law 142, Eighty-first Congress, requires that the biennial special reports of the Council shall cover the effectiveness of the provisions of section 15 (a) of the act and the exemption for securities issued by the Bank, provided for by section 8 of the National Bank Act, in facilitating the operations of the Bank, and the recommendations of the Council as to any modifications it may deem desirable in the provisions of the act.

Section 15 (a) of the amended act exempted the securities of the Bank from certain provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934 on condition of filing reports with the Securities and Exchange Commission. This amendment was supported by the Council in order to facilitate the wider distribution in the United States of securities issued or guaranteed by the International Bank. Since enactment of the amendment in June 1949, the Bank has distributed only one issue of its securities, the $100,000,000 of bonds maturing serially from 1953 to 1962 mentioned above, which was sold in January 1950 at competitive bidding to a syndicate consisting of 99 investment bankers and 37 commercial banks. The participation of the commercial banks was made possible by the amendment to the National Bank Act.

In view of the short time that has elapsed and the fact that there has been only one issue of the Bank's bonds since the adoption of the amendment, the Council does not believe it possible as yet to judge the effectiveness of section 15 (a) in securing a wider distribution of the Bank's securities and, accordingly, does not at this time recommend any change.

2. THE BANK'S LOANS

As of March 31, 1950, the Bank had made loan commitments (less cancellations) of $737,700,000 including a loan of $12,500,000 which, however, has not as yet become effective. The Bank retained in its portfolio $697,100,000 in securities arising from these loan transactions.

During the first 2 years of its operations the Bank's loans were predominantly reconstruction loans made to the governments of European countries, or their agencies, i. e., France, the Netherlands, Denmark, and Luxembourg. In the case of France, the Netherlands, and Denmark, the loans made in 1947 were general purpose reconstruction loans which assisted these countries in carrying on their reconstruction programs, and enabled them to secure needed supplies of materials and equipment in the United States. The loan to Luxembourg (1947) was to finance construction work for a steel mill and to provide rolling stock for railways. The Council, through the United States Executive Director, favored these loans, which made a valuable contribution to European recovery. It became clear, however, that the magnitude of the European recovery problem was far greater than had originally been anticipated and that the needed program could not be financed entirely or predominantly on a loan basis under the conditions set in the Bank's Articles of Agreement. For this reason, among others, the Council favored the European recovery proposals which were submitted to the Congress and enacted into law in 1948. The International Bank loans proved of great value in that they financed some of the most pressing reconstruction needs in the earlier period.

Since the beginning of the operations of the Economic Cooperation Administration program of grants and loans, the International Bank has made only a few special purpose loans to European countries. These were loans to the Netherlands steamship companies for the purchase of ships, and to Belgium for steel mills and power plants. The Bank has also made loans to the Republic of Finland and the Bank of Finland (guaranteed by the Republic) for timber equipment, the modernization of the woodworking industry, electric power, and limestone production. In 1949 it also made a loan to Yugoslavia for timber equipment. The loans to Finland and Yugoslavia are part of a project for relatively short-period financing of the purchase of timber equipment which would enable these countries to produce and export to western Europe timber needed in the process of European economic reconstruction. These loans should be of benefit to both the borrowing countries and the countries cooperating in the European Recovery Program.

In the last 2 years the Bank has directed its major attention to development loans, particularly in Latin America. Thus, loans were made to Chile for hydroelectric and irrigation installations and the procurement of agricultural machinery. The loan to the Brazilian Traction, Light & Power Co., Ltd., guaranteed by Brazil, was for power and telephone installations, and the loan to Mexico was for power plants and power distribution. The Bank has also approved a loan to El Salvador for a hydroelectric plant and power-distribution equipment, though this loan has not as yet become effective. The loan to Colombia was for agricultural machinery. The Bank has also made a loan to India for railway rehabilitation and land-reclamation machinery, which will contribute to the badly needed agricultural development of the country. These loans mark an important step in the development of the Bank's lending policy. They were made to underdeveloped countries for carefully planned projects intended to increase their economic productivity over a period of time. The Council, in concurring in the granting of these loans, has looked with favor on the extension of the Bank's activities to the underdeveloped countries in the belief that the raising of the productivity of their economies will contribute to world economic prosperity and stability.

In addition to the loans which have been made, the Bank has a variety of applications before it from other countries for various projects. As a general practice, the Bank considers that it is desirable in the interest both of the borrower and of the Bank to have proposed projects carefully examined on the spot by groups of technicians designated by the Bank. These studies have frequently resulted in a reformulation of the project so that some of the projects have been improved or their cost reduced. Many members without specific loan projects in view have asked the Bank for technical assistance in the survey and study of their economies and their prospects for development.

TABLE II.—*Status of International Bank loans, as of Mar. 31, 1950*

Borrower	Loan commitments	Disbursements	Unused balance of commitments
Total, All Loans	**$737,706,983**	**$594,986,266**	**$142,720,717**
Credit National (France)	250,000,000	250,000,000	
Kingdom of The Netherlands	195,000,000	195,000,000	
Brazilian Traction, Light & Power Co., Ltd	75,000,000	31,338,474	43,661,526
Republic of India	44,000,000	26,710,118	17,289,882
Kingdom of Denmark	40,000,000	40,000,000	
Financiera and Comision (Mexico)[1]	34,100,000	10,185,330	23,914,670
Kingdom of Belgium	16,000,000	8,739,524	7,260,476
Corporacion de Fomento (Republic of Chile)	16,000,000	4,891,304	11,108,696
Herstelbank (Netherlands)	[2] 8,800,000	565,616	8,234,384
Rio Lempa Hydroelectric Commission (El Salvador)[3]	12,545,000		12,545,000
Bank of Finland	12,500,000	1,327,599	11,172,401
Netherlands shipping companies	12,000,000	12,000,000	
Grand Duchy of Luxembourg	[4] 11,761,983	11,761,983	
Caja de Credito (Colombia)	5,000,000	866,909	4,133,091
Yugoslavia	2,700,000	1,584,548	1,115,452
Republic of Finland	2,300,000	14,861	2,285,139

[1] Nacional Financiera and Comision Federal de Electricidad are joint borrowers.
[2] After cancellation of $6,200,000, effective Mar. 17, 1950.
[3] Agreement becomes effective after the Bank has received certain certificates and documents, and has notified the borrower and guarantor of its acceptance of such evidence.
[4] After cancellation of $238,017, effective Dec. 19, 1949.

NOTE.—In all instances, loans have been made to or guaranteed by the respective governments.

Source: International Bank for Reconstruction and Development.

The National Advisory Council is of the opinion that the Bank has contributed to the economic development of underdeveloped countries both through its loans and through its technical advice and assistance. The Council believes that the Bank should play an increasingly important role in this pattern of development and that it can be especially valuable in assisting the member countries to direct their economic development in ways which will effectively contribute to raising standards of living and improving levels of production. Properly conceived development projects will also, by increasing productivity, help these countries in financing their foreign exchange needs.

The President of the United States has emphasized the importance of technical assistance to the underdeveloped countries in the Point IV Program, which is under consideration by the Congress. The Bank's activities in this field are a valuable contribution to economic development, fully consonant with the United States international program. The Bank, by using technicians from various countries, can give programs of technical assistance the benefit of wider experience than would be available from the United States alone. In this connection it is significant that the Bank has entered into cooperative arrangements with the International Monetary Fund and with the United Nations for the provision of technical advice to member countries and for undertaking technical studies directed toward economic development. It is expected that the Technical Assistance Program will help to overcome some of the barriers to sound development loans to underdeveloped countries, and will provide considerable assistance to countries in the presentation of projects which will meet the loan criteria of the Bank. In this way it is hoped that the Point IV Program will make possible a more rapid rate of expansion of loans by the International Bank.

3. BANK ADMINISTRATIVE MATTERS

The organization of the Bank was provided for in the Articles of Agreement. Its Board of Governors meets annually and the conduct of affairs between meetings of the Governors is in the hands of the Executive Directors, to whom the Governors have delegated all of their powers except those which have been reserved exclusively to the Governors by the Articles of Agreement. The five countries with the largest subscriptions have the privilege of naming Executive Directors to represent them, while the remainder of the Board is elected by the countries with smaller subscriptions. Thus, the elected Directors represent several countries, with the number varying from 2 to 10. Each Director in turn appoints an Alternate Executive Director who need not be a national of the same country as the Executive Director. In some instances the Executive Director and his Alternate have been nationals of different countries thus giving greater representation to the group of members electing the Director.

The Bank's Articles provide that the Executive Directors shall "function in continuous session at the principal office of the Bank and shall meet as often as the business of the Bank may require" (art. V, sec. 4 (e)). The experience of the 4-year period has indicated that the business of the Bank is not such as to require frequent sessions of the Executive Directors. The active negotiation of loans or the study of loan projects is carried out by the staff of the Bank, under the President's direction, so that the main function of the Executive Board is to give general guidance to the President and to determine the terms of loans after a considerable period of study and negotiation. This business can be transacted by a Board meeting at less frequent intervals than the Fund Board whose problems and methods of operation are rather different. Some of the member countries accordingly have felt that it was undesirable to keep both an Executive Director and an Alternate on a full-time basis in Washington. Other countries have believed, however, that their interests in the Bank could be best served by the retention of full-time Executive Directors and Alternates.

At the annual meeting of the Board of Governors in 1948, a Committee of Governors was established to study this question and to submit its findings to the 1949 meeting. After discussion at the 1949 meeting, the Committee was enlarged in membership and directed to submit a second report to the Governors. This Ad Hoc Committee in the early part of 1950 reported a plan whereby either the Executive Director, or the Alternate, but ordinarily not both, representing a country or group of countries, would be continuously available at the seat of the Bank. They would ordinarily be paid on the basis of the portion of their time actually devoted to the Bank, and might perform other functions for their countries. Where, however, special circumstances existed, an Executive Director might arrange with the Bank's president for simultaneous full or part-time service of both himself and his Alternate. In this way there would be the maximum of flexibility in the arrangements of the various members. Under the revision of the bylaws of the Bank, approved by the vote of the Governors on March 30, 1950, this system will go into effect at the meeting of the Governors in September 1950.

In line with the objective of the new bylaws, the United States

Government has appointed as its Executive Director of the Bank an Assistant Secretary of the Treasury, who receives no compensation from the Bank, but carries on the duties of Executive Director in addition to his normal duties in the United States Government. He is assisted by an Alternate Executive Director who divides his time between the Fund and the Bank. Somewhat similar arrangements have been made by a number of other countries, which have designated part-time Directors or Alternates.

The Bank's Articles provide for an Advisory Council of seven or more persons elected for a 2-year term by the Board of Governors. This Advisory Council has included representatives of banking, commercial, industrial, labor, and agricultural interests, as distinct from ordinary national interests as represented in the Board of Executive Directors. The members have been designated after consultation with the international organizations in these fields. The Advisory Council selected in 1948 held sessions in 1948 and 1949, at which it discussed various problems in connection with the Bank's operations but found that it was unable to agree upon any recommendations and, in fact, at its last session made no formal report to the Bank. It was the opinion of the Chairman of the Bank's Advisory Council, as well as a majority of the members that, as presently constituted, the Bank's Advisory Council served little useful purpose. Accordingly, at the 1949 meeting of the Board of Governors, a new set of councilors was not elected, and the Executive Directors have been instructed to study methods whereby the intention of the Articles could be more satisfactorily accomplished by a reconstitution of the Council through a different selection of members, or otherwise. The National Advisory Council concurs substantially in the conclusion that the Bank's Advisory Council in its present organization and with its present terms of reference has not made a valuable contribution to the work of the Bank.

4. FISCAL RESULTS

The International Bank was established as a cooperative venture in financing reconstruction and development. As such, it was not a primary objective that the Bank should earn a large profit but merely that its operations should be conducted with a prudent regard to the interests of all of the member nations, the soundness of its loans, and the safety of the securities sold by it to the public. During the first period of its operations, before interest on loans accrued to the Bank in large amount, the Bank operated at a loss, amounting in the fiscal year ending June 30, 1947, to $938,600. Since that period, however, the Bank's income has increased, so that in the fiscal year ending June 30, 1948, there was an excess of income over expenses of $4,100,000; in the fiscal year 1949 of $10,600,000; and in the 9-month period ending March 31, 1950, $9,900,000. Thus, though it was not intended as a profit-making institution, the Bank has been able to add to its surplus which, on March 31, 1950, stood at $23,500,000. In addition, the special reserve held against the Bank's liabilities amounted to $12,200,000. For the 9 months ending March 31, 1950, the lending operations of the Bank (interest, commissions, commitment, and other incidental charges) produced gross revenue of $19,200,000. Of this amount $4,200,000, equal to the commissions, was added, in accordance with the Articles, to the special reserve against the Bank's liabilities. The funds derived from the sale of its securities and other funds not immediately needed in the Bank's operations, as well as the special reserve fund, have been invested in United States securities which, in the 9-month period, yielded an income to the Bank of $3,800,000. Expenses for this period aggregated $8,900,000.

At their annual meetings, the Board of Governors has voted not to distribute the net income of the Bank but to add this income to the Bank's operating funds. If a dividend were to be declared, the Bank's Articles of Agreement provide for a preferred dividend of up to 2 percent of the amount of a member's subscription used in loans. Since the bulk of the loans has been made in United States dollars, the bulk of any dividend would thus accrue to the United States Government. In the opinion of the National Advisory Council it has been preferable to keep the Bank's earnings available to the Bank to add to its available capital and surplus as an additional guaranty of the Bank's obligations which have been issued on the market, and to provide additional funds against the contingency of possible default.

5. CONCLUSIONS AND RECOMMENDATIONS

The National Advisory Council believes that the Bank has made considerable progress in carrying out the functions entrusted to it by the Articles of Agreement. The loans made by the Bank in the initial period of postwar reconstruction have been of value in assisting the recovery of the European countries. From the vantage of the present time, it is apparent that the total requirements of the European countries for goods needed to restore their economies to approximately prewar levels have involved funds far in excess of the amount which could be supplied by the Bank under the terms of its Articles and the conditions of financial markets. The foreign economic assistance programs of the United States since 1945 have amounted to several times the total authorized capital of the International Bank. Moreover, it is also clear that it would have been practically impossible to finance the European Recovery Program on a loan basis without greatly impairing the future balance-of-payments position of the participating countries and creating international financial difficulties in future years, in view of the problem of prospective world balances of payments. The Bank, however, may be expected in the future to make loans to European governments or to enterprises whose loans will be guaranteed by governments.

The Bank is making an increasing contribution to the economic development of underdeveloped member countries. It has made loans for hydroelectric and other power projects which should increase the productive capacity of the borrowing countries. It has made loans for agricultural development programs which should add to the ability of the borrowing countries to feed their populations and to provide commodities for export. The Bank has also, through its missions and technical advice, rendered an important, though perhaps less tangible, service to the member countries. The Council heartily supports these activities of the Bank.

The Articles of Agreement predicate that the Bank would be able to finance loan programs principally by the sale of its securities in the financial markets of the member countries. Under the conditions of currency inconvertibility and the maintenance of exchange and other controls, particularly on capital transactions, which have prevailed up to the present, the Bank could, in practice, raise capital funds in large amount only in the American financial market. The Bank has obtained a small amount of Swiss franc funds and it has been authorized to use a very small percentage of the capital subscription of countries other than the United States. It does not appear that for the immediate future the Bank will be able to obtain nondollar funds in an amount large enough to add greatly to its lending capacity.

The Council believes that the methods of consultation with the United States representatives on the Bank and other agencies engaged in international financial transactions have provided satisfactory coordination in the light of the broad objectives of United States international policy. In its opinion the operations of the Bank have contributed to promoting international economic cooperation and furthering world security. The Council does not believe that the United States subscription to the capital stock of the Bank should be changed at this time, nor does it wish to propose amendments to the Bank's Articles of Agreement. The improvement of world conditions will, it is hoped, give the Bank a more important role in furthering international investment as an aid to world security and to improvement in the standards of living of the member nations.

Chapter III. The International Monetary Fund

The International Monetary Fund is an organization intended to promote international monetary cooperation and to assist in the expansion of productive world trade by promoting exchange stability and maintaining orderly exchange arrangements. In carrying out its functions it may aid members by selling foreign exchange to them, under adequate safeguards, to assist them in correcting temporary maladjustments in their balances of payments without resorting to measures destructive of national or international prosperity.

The Articles of Agreement of the International Monetary Fund were predicated on the expectation that after a relatively brief period of transition extending over a few years after the war, the world would make rapid strides toward multilateralism in exchange and trade. Recognizing that changes would come about in stages and that various types of adjustment would be needed in the light of the diversity of conditions among the member nations, the Fund was established as an international arbiter of exchange practices and as an instrument for discussion and mutual cooperation among the members. The actual postwar conditions have been far removed from the ideal situation for the Fund, and, as a consequence, its policies and operations have necessarily reflected the unstable and restrictive conditions of the postwar world. Some countries have found it possible to remove some or even most of the exchange restrictions imposed during the war. But all except five countries have availed themselves of the right to retain exchange restrictions, and a number of countries have intensified restrictions. It cannot so far be said that the total movement has been large in the general direction of unrestricted convertibility of currencies.

Under these conditions most of the world currencies have been inconvertible. The Fund, as a pool of currencies and gold, has thus included a predominance of inconvertible currencies which have not been in great demand by the member countries. The Fund's transactions, therefore, have been very largely in United States dollars. Moreover, so far the amount repurchased from the Fund has been relatively small. It must be kept in mind that the type of currency transaction originally envisaged by the Fund's Articles would result from temporary deficits in balances of payments under conditions in which exchange markets are dominated by private exchange transactions. In practice, with the extensive systems of exchange control, import licensing, governmental purchasing programs, and other forms of direct governmental intervention in international trade, situations arise in which balance-of-payments deficits result from governmental planning.

The Fund was not intended to provide long-term loans, nor to provide funds for reconstruction. It was intended to aid in the stabilization of exchange rates by providing temporary assistance to the members. Under conditions of inconvertibility the drawing of currency, with little prospect of repurchase within a relatively short time, is practically equivalent to an unsecured loan with no very precise conditions for repayment. Under these conditions, the Fund has found it peculiarly difficult both to formulate and to administer a proper and reasonable policy to govern the use of its resources.

It is understandable that, in any description or evaluation of the activities of the Fund, emphasis should be placed on the manner and extent of the use of its resources. But the Fund also has the task of interpreting to members the "code of fair practice" in the field of foreign exchange policy which is set forth in its Articles of Agreement, and of serving as impartial and expert adviser to members who are striving to take the measures most likely to contribute to stability and equilibrium.

The National Advisory Council has had these problems and changing circumstances in mind in the formulation of United States policy with respect to the Fund. It has tried to avoid the extreme, on the one hand, of acquiescing in the virtually automatic use of the Fund's resources to meet any type of current deficit, while also, on the other hand, avoiding the extreme of insisting upon such rigid standards as would practically have suspended the Fund's currency operations until greater progress had been made toward general convertibility, particularly of sterling, and toward elimination of exchange restrictions. Thus, in the first period of the Fund's operations the Council concurred in some Fund drawings, principally by European countries, in the hope that financial stability might be more rapidly attained thereby. As it became apparent that Fund drawings would merely be one additional source of dollars in a situation of fundamental disequilibrium which would not be remedied within a few years, the Council has favored a policy of conservation of the Fund's resources to the future date at which their use might be more efficacious in bringing about the realization of the Fund's basic objectives as stated in the Articles of Agreement.

As an element in this policy, the Council has urged measures which would result in the repurchase of their currencies by members drawing on the Fund so as more effectively to maintain the revolving character of the Fund's pool of currencies. The Council has also emphasized the importance of appropriate levels of exchange rates and exchange policies as an important means eventually of achieving the Fund's objectives through the reduction of fundamental disequilibrium in the international accounts of the members and the avoidance of restrictions which hamper international trade. The specific questions of policy with regard to the Fund are outlined in the following paragraphs.

1. PAR VALUES AND EXCHANGE STABILITY

One of the primary objectives of the Fund is "to promote exchange stability, to maintain orderly exchange arrangements among members, and to avoid competitive exchange depreciation." Exchange stability implies that the prices at which foreign exchange is bought and sold do not deviate greatly from the par values established with the Fund. Par values, expressed in terms of gold or dollars of the weight and fineness in effect July 1, 1944, have been established for all members of the Fund except Austria, China, Finland, Greece, Italy, Thailand, and Uruguay. In the case of France a par value was established in 1946, but there has been no agreed par value since January 26, 1948, and Peru temporarily abandoned its par value in November 1949.

In accepting the original par values in 1946 the Fund recognized that some of the rates adopted would need modification at a later date since they were out of line with relative wage and price levels. The Fund believed that when production had increased and postwar trade had returned to more normal conditions, satisfactory adjustments might be made. The National Advisory Council gave careful consideration to the problem of exchange rates at the time of the determination of the original parities, and concurred in this general conclusion.

The Council has had the problem of exchange rates under continuous review. In 1948, while the legislation for the European Recovery Program was under consideration in the Congress, the Secretary of the Treasury, on behalf of the Council stated:

> The adjustment of some exchange rates may be expected in the course of European recovery. Inflation in Europe in certain instances has given rise to exchange rates which result in an overvaluation of the currencies in relation to the dollar. This state of affairs has tended to hinder the exports of such countries and at the same time to make imports relatively cheap in terms of local currency. In some cases countries have resorted to export subsidies, by means of special exchange rates, or have used other measures in conflict with our own long-range international economic program.
>
> The determination of an appropriate exchange rate is a very complex matter involving the widest range of considerations relating to prices, costs, and balances of payments. The difficulties of setting exchange rates under present conditions are such that, although the rates of some of the participating countries will certainly have to be adjusted, the time of these adjustments will vary from country to country. Accordingly, it would not be good policy for us to insist upon across-the-board modification of exchange rates before we extend aid. The revision of rates of individual countries should instead be considered as a part of a developing program of internal and external stabilization in conjunction with United States assistance. To insure that these revisions will be undertaken where necessary, the recipient countries will be asked to agree that when, in

the opinion of the United States Government, their exchange rates are imposing an unjustifiable burden on their balances of payments, they will consult with the International Monetary Fund about revision.[5]

A year later the Secretary, in discussing the legislation for the continuation of the European Recovery Program, stated:

The National Advisory Council has studied this question from time to time over the last year, and we did not conclude that the time was ripe for widespread exchange rate adjustments. This does not mean that we will hold to the same views in 1949 . . . . The Council believes that the exchange rate question should be reviewed with a number of the European countries in the course of the next year. The objective will be to explore with these countries the extent to which they can improve their balance-of-payments position with the Western Hemisphere, and whether or not changing the par values of their currencies will be conducive to this result . . . . Where an exchange rate adjustment is indicated, a member country will be expected to propose a new par value to the International Monetary Fund.[6]

The International Monetary Fund in its report for the year 1948–49 discussed at some length the problems affecting the balances of payments of the member countries. It emphasized the importance of the adjustment of the pattern of world trade to the conditions emerging in the world and suggested that if countries with large Western Hemisphere deficits were to attain proper balance, increased sales in the Western Hemisphere would be necessary. With regard to the role of exchange rate adjustments, the Fund report said, *inter alia:*

Where a price reduction of the magnitude indicated above is necessary to expand exports, it would in many cases seem possible only through an adjustment in the exchange rate.

Countries with dollar payments difficulties are faced with the question of whether an exchange rate adjustment can help solve their problem. The immediate purpose of an exchange adjustment is to increase substantially the foreign exchange receipts and particularly the dollar receipts from exports . . . . Every country with a payments problem—and this includes both surplus and deficit countries—has a direct interest in the establishment of exchange rates in other countries that will encourage a pattern of trade conducive to a better balance in international payments.

In the course of the summer of 1949 the Fund gave increased attention to the balance-of-payments problems of the member countries so as to be prepared to act promptly should members propose exchange rate adjustments. Under the Articles of Agreement, however, the Fund may not take the initiative in proposing specific exchange rate adjustments since "A change in the par value of a member's currency may be made only on the proposal of the member and only after consultation with the Fund" (art. IV, sec. 5 (b)).

On September 18, 1949, the Fund announced that the United Kingdom had proposed, and the Fund had concurred in, a change in the par value of the pound sterling from the previous rate of $4.03 to the pound to a rate of $2.80 to the pound. With the approval of the Fund, proportional changes were made in the par values of other sterling-area countries [7] and by Denmark, Egypt, and Norway, an almost equivalent devaluation was made by the Netherlands, and smaller changes in their par values were made by Canada, Belgium, and Luxembourg. Several countries not members of the Fund, such as Israel, Jordan, Portugal, Spain, Sweden, and Western Germany,

[5] Hearings before the Senate Foreign Relations Committee, pt. I, January 1948, p. 408.
[6] Hearings before the Senate Foreign Relations Committee, February 1949, p. 388.
[7] In March 1950 a further reduction to 6.14 cents per krona was made by Iceland with Fund concurrence.

made adjustments in their exchange rates. A number of countries which were Fund members but which did not have agreed par values, including Finland, France, Greece, Italy, and Thailand, with Fund approval devalued their currencies with respect to the dollar by announcing increased official rates for the dollar.

TABLE III.—*Changes in currency values between Sept. 18, 1949, and Mar. 31, 1950*

Country	Monetary unit	Currency value: United States cents per unit of currency		Reduction in value (percent)
		Old	New	
Sterling Area:				
United Kingdom [1]	Pound	403.000	280.000	30.5
Iceland	Krona	15.411	6.140	[2] 60.2
Ireland	Pound	403.000	280.000	30.5
Burma	Rupee	30.225	21.000	30.5
Ceylon	do	30.225	21.000	30.5
India	do	30.225	21.000	30.5
Iraq	Dinar	403.000	280.000	30.5
Australia	Pound	322.400	224.000	30.5
New Zealand	do	403.000	280.000	30.5
South Africa	do	403.000	280.000	30.5
Europe:				
Austria [3]	Schilling	10.000	6.944	30.6
Belgium-Luxembourg [4]	Franc	2.282	2.000	12.3
Denmark	Krone	20.838	14.478	30.5
Finland [5]	Markka	.625	.4348	30.4
France [6]	Franc	.3669	.2860	22.9
Germany (western)	Deutschemark	30.000	23.810	20.6
Greece [7]	Drachma	.01	.0067	33.3
Italy [8]	Lira	.1739	.1601	7.9
Netherlands	Guilder	37.695	26.316	30.2
Norway	Krone	20.150	14.000	30.5
Portugal [9]	Escudo	4.000	3.478	13.0
Sweden [10]	Krona	27.816	19.33	30.5
Other Countries:				
Canada	Dollar	100.000	90.909	9.1
Egypt	Pound	413.300	287.156	30.5
Israel	Pound:			
	Imports [11]	302.000	280.000	7.3
	Exports	403.000		30.5
Jordan	Pound	403.000	280.000	30.5
Thailand	Baht	10.075	8.000	20.6
Indonesia	Guilder	37.695	26.316	[12] 30.2

[1] All of the British territorial currencies, except that of British Honduras, were likewise devalued by 30.5 percent. The latter currency was devalued 30.0 percent, effective Dec. 31, 1949.
[2] Represents 2 separate devaluations of the krone. The first, occurring on Sept. 20, 1949, represented a reduction of 30.5 percent (from 15.411 to 10.705 United States cents per krone). The second devaluation of 42.6 percent (effective Mar. 20, 1950), brought the new par value of the krone to 6.14 United States cents.
[3] In November 1949 the Austrian Government increased its basic rate to 14.40 schillings to the dollar, with a premium rate of 26 schillings (used for invisibles and certain other transactions), and a "retention quota" of 60 percent for exports, yielding an effective rate of 21.36 schillings for exports. Subsequently the retention quotas were modified for various classes of transactions.
[4] The Belgian Congo franc remains at par with the Belgian franc.
[5] The Finnish change shown here followed closely an earlier devaluation (from 0.735 to 0.625 cents per markka), on July 4, 1949, and thus represents a total devaluation of 41 percent during recent months.
[6] The old rate shown is for trade transactions. Under the official free market system used in France, the rates referred to here are technically flexible, though they may be held steady for relatively long periods. The new rate shown is as of Mar. 31, 1950. All local currencies of French dependencies are pegged to the French franc, except (1) the rupee of French possessions in India, which is maintained at par with the Indian rupee; and (2) the Djibouti franc, which retains its old dollar parity of 0.47 cents.
[7] Under the exchange certificate system used in Greece, the rates referred to here are technically flexible, but for over a year prior to the current devaluation fluctuations in the old rate had been held to less than 1 percent in either direction.
[8] Under the official free market system used in Italy, the rates referred to here are technically flexible, though they may be held steady for relatively long periods. The new rate shown is as of Mar. 31, 1950.
[9] The change shown here followed closely a minor adjustment (from 4.0124 to 4 cents per escudo), on Aug. 8, 1949. Portugal is not a member of the International Monetary Fund and has no par value. Rates shown are midrates between the official buying and selling rates.
[10] Sweden is not a member of the Fund and has no par value. Rates shown are average rates between the official buying and selling rates.
[11] Free market rate for imports.
[12] Effective Sept. 20, 1949. However, on Mar. 13, 1950, further devaluation of the guilder was effected by means of the introduction of a certificate type of exchange control in the flexible buying and selling rates. On Mar. 31, 1950, the latter rates were quoted at one-half to one-third that of the official rate, which remained unchanged at 26.316 United States cents per guilder.

In the months immediately following these currency devaluations, a number of Latin American countries made changes in their exchange rate systems.[8] These changes were intended in some instances to take account of the probable effect upon their economies of the devaluations of European currencies, particularly as they tended to affect the exports of primary commodities. These adjustments were also designed to curtail demand for imports. For the most part these changes did not take the form of the establishment of new par values, but of changes in various multiple-currency systems already in effect, which resulted in currency depreciations for particular types of transactions. Peru, however, suspended the par value of the sol and has since the suspension permitted the exchange rate to be determined in an exchange certificate market.

The United States Executive Director, acting in accordance with policy directives previously given to him by the Council, concurred in the Fund's decisions on these exchange adjustments. The Council believes that these adjustments of exchange rates will prove beneficial in the long run in providing part of the solution to the balance-of-payments problems of the member countries. By narrowing or eliminating disparities between dollar prices and the prices of commodities in soft currencies, the adjustments should facilitate the expansion of exports from these countries and hence a reduction in their dollar deficits. This should permit greater relaxation of barriers to multilateral trade and so contribute to the realization of one of the primary purposes of the Fund and of United States international economic policy.

How effective exchange rate adjustments can be in contributing to a lasting reduction in disequilibrium in balances of payments depends on financial and economic developments within the countries

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[8] **Argentina:** On October 1, 1949, Argentina announced extensive changes in the existing multiple exchange rate system, but left unchanged the basic export rate in terms of dollars. Argentina is not a member of the Fund and has no par value. The basic buying rate for the peso is 29.77 United States cents; **Bolivia:** In February 1950, two of the three existing rates were altered, but there was no change in the par value of 2.38 United States cents per boliviano. On April 8 the 2.38 rate was abandoned. One of the remaining two rates, 1.667 United States cents per boliviano, became the new parity. Several additional effective rates result from the sale of varying proportions of export proceeds at the two specified rates: **Chile:** On January 10, 1950, the Fund announced that Chile had introduced a new temporary rate of 1.667 United States cents per peso. Although this action, with Fund concurrence, did not constitute a formal revaluation of the peso, it was regarded as the first step in a program of unifying Chile's complex multiple rate structure and of establishing a new par value; **Costa Rica:** On April 1, 1950, without objection by the Fund, Costa Rica modified its multiple exchange rate system. No change was made in the par value (17.8 cents per colon) or in the official buying rate, but there was some effective depreciation of the selling rates by requiring imports in the three least favored of the four import categories to be financed in the free market and by increasing the exchange surcharges which apply at various rates. Four effective selling rates are thus established, and a fifth effective rate may be established by the creation of a fifth import category to which a particularly high surcharge rate would apply; **Ecuador:** In December 1949, without the approval of the Fund, Ecuador discontinued the use of its established par value (7.41 United States cents per sucre), as a buying rate for export proceeds. The par value of the sucre was not formally revalued, although it is now used only for a few nontrade transactions. There exist three effective selling rates for merchandise imports, resulting from taxes applied to the par value; **Nicaragua:** In December 1949, without the approval of the Fund, Nicaragua introduced changes in her exchange rate structure involving an indeterminate amount of effective devaluation and some increase in the degree of rate multiplicity. These revisions did not amount to a formal revaluation of the cordoba, which remained at 20 United States cents per cordoba; **Paraguay:** On November 7, 1949, the Fund announced that Paraguay introduced certain modifications in its multiple exchange rate system. These changes although not representing a formal revaluation of the guarani, involve some simplification of a previously highly complex structure of rates. The par value of the guarani is 32.3625 United States cents per guarani; **Peru:** On November 15, 1949, the Fund announced that Peru had suspended the former par value of the sol (15.385 United States cents). Peru has since permitted the exchange rate to be determined in an exchange certificate market. The step was taken as a temporary measure looking toward the establishment of a unitary rate system at a new par value; **Uruguay:** On October 6, 1949, Uruguay introduced modifications in its multiple exchange rate system. The Fund expressed no objection to these temporary measures with the understanding that consultation would continue for the purpose of unifying the rate structure, and ultimately agreeing on a par value. Probably the most important of Uruguay's three official buying rates is 65.83 United States cents per peso.

concerned. In this connection the Fund warned, in its Annual Report of April 30, 1949:

> For exchange adjustment to be successful, it is essential that the expected benefits should not be dissipated by an offsetting rise in local prices and costs. It must, therefore, have public support and be accompanied by appropriate fiscal and credit policies. If the public recognizes that an expansion of exports is necessary to maintain the flow of imports, and is prepared to accept higher import prices without insisting on corresponding changes in incomes, exchange adjustments in the deficit countries should involve only a relatively small rise in the cost of living. If, however, the public is insistent on offsetting by higher incomes even a moderate rise in the cost of living, the result will be the almost complete dissipation of the benefits of exchange adjustment. Even if an exchange adjustment is accomplished without a significant rise in prices and costs, it would be futile if the greater demand abroad were not matched by an equivalent supply of exports. Unless home demand is restrained, the expansion of exports, which alone can justify an exchange adjustment, will not be achieved.

As was mentioned above, seven member countries have not proposed par values for their currencies and three others have abandoned their par values and have not proposed new ones to the Fund. These countries for the most part have been suffering from the economic dislocations attendant upon internal inflation and other conditions which have tended toward instability in their international payments situations. Where conditions are manifestly unstable, little is to be gained by a merely formal declaration of par values, if the country concerned cannot in practice maintain the degree of stability which would make the par value effective. But the Council considers that the system of par values and unitary rates called for by the Articles of Agreement of the Fund is fundamentally sound, and that the Fund provides a satisfactory mechanism for facilitating needed changes. Accordingly, where a country's internal situation has approached a reasonable state of stability, the Council believes that the declaration of a par value and the maintenance of conditions of stability would be in the interest of the member concerned and of the world at large. In the period ahead, as world trade adjusts to a declining volume of extraordinary United States financial assistance, it will be important that the exchange pattern of the world be kept under review and that adjustments in individual exchange rates be made from time to time if developing conditions so require.

2. EXCHANGE RESTRICTIONS AND MULTIPLE-CURRENCY PRACTICES

One of the ultimate objectives of the Fund is the establishment of a multilateral system of payments for international transactions and the elimination of exchange restrictions on current international transactions. At the time the Fund Agreement came into operation almost all of the countries of the world had in effect some controls over exchange transactions. These controls take the form of limitation on payments in certain currencies or payments for particular types of transactions, or both. In many countries there have been multiple-currency systems, varying greatly from country to country, designed to deal with balance-of-payments deficits but providing incidental or deliberate protection to some producers and export subsidies to others. In these systems the price of a dollar in terms of local currency may vary with the commodity purchased, or foreign exchange for certain purposes may be obtained only through purchase on the open market where the price is higher than the official rate available for preferred transactions. Moreover, multiple-currency practices and exchange restrictions are supplemented by direct controls of trade or other transactions insofar as import licenses or other special permission of government may be required before a transaction can be consummated.

The Fund Articles require that exchange restrictions be progressively removed. Under article VIII, members may not impose restrictions on payments and transfers for current transactions without the approval of the Fund and members may not engage in discriminatory currency arrangements without the approval of the Fund, except insofar as they may be authorized by the Agreement. The restrictions in effect at the entry into force of the Agreement were to be removed progressively by the member countries unless they took advantage of the transitional privileges provided by article XIV, section 2. These provisions permit member countries to maintain and adapt to changing circumstances restrictions on current account transactions, and in the case of members which had been occupied by the enemy, to introduce restrictions. Members availing themselves of the transitional period provisions are not obligated to convert foreign-held balances but they are expected to abandon their restrictions as soon as they are able to do so.

In accordance with article XIV, section 4, the Fund is required to prepare a report on the restrictions still in force under the transitional arrangements 3 years after the date the Fund began operations. Each year thereafter a similar report is to be made on such restrictions still in force. The first of these reports was presented to the member governments in April 1950. Five years after the date of the Fund's initial operations, i. e., March 1952, any members retaining restrictions inconsistent with article VIII, sections 2, 3, and 4 (which require the conversion of foreign-held balances and the avoidance of restrictions on current payments and discriminatory currency practices), must consult with the Fund as to their further retention. Such consultations are to take place annually thereafter. The Fund in exceptional circumstances may make representations to a member that conditions are favorable for the withdrawal of particular restrictions, and if the member, after consultation, persists in maintaining such restrictions despite the Fund's objections, it may be required to withdraw from membership.

On November 8, 1946, the Fund requested the members to state whether they chose to take advantage of the transitional provisions or whether they were willing to accept the obligations to maintain nondiscriminatory currency practices and to avoid restrictions on current transactions and on conversion of foreign balances. The only countries which have accepted these obligations are El Salvador, Guatemala, Mexico, Panama, and the United States. The currencies of these countries alone are, therefore, regarded as convertible currencies within the meaning of the Fund's Articles. All other countries have taken advantage of the transitional period privileges, although, as the Fund's recent report on exchange restrictions explains, several other countries maintain restrictions so mild in effect as to bring them very close to convertibility.

The Fund's report on the restrictions in force March 1; 1950, has described in detail the nature of these restrictions, but, in view of their wide prevalence, has not attempted to formulate a program for removal of restrictions by the member countries as a whole. The Fund holds that these restrictions should be removed at the earliest date possible, but recognizes that under present conditions progress may have to be made gradually. The Fund, however, has, from time to time, consulted with many members individually on their foreign exchange practices. These consultations have taken place in Washington or in the countries concerned, generally when the member country has requested the Fund to send a mission to discuss exchange restrictions, multiple-currency practices and cognate issues. The Fund has examined these cases carefully and has obtained agreement on some modifications of the exchange practices of various member countries to move them in the direction of less discrimination and toward greater multilateralization of their trade arrangements. Substantial changes in multiple-currency practices require the approval of the Fund, because these changes usually involve exchange rate adjustments even though the par value itself is not modified. In some instances, the Fund has not objected to certain multiple-currency practices, on the grounds that in these cases the transition to the desirable system could not quickly be made.

The Fund's attitude on exchange restrictions and multiple-currency practices has been to press for a reduction in or a removal of restrictions and the abandonment of, or a simplification of, multiple-currency practices, country by country, as each case arises; but at the same time to recognize the substantial difficulties which countries face as they endeavor to move toward unified and stable exchange systems with a minimum of restrictions. The National Advisory Council has concurred in the Fund's attitude. The slow rate of progress has been a disappointment, but the United States itself has recognized the special difficulties of the European area through its European Recovery Program and other forms of international assistance. The conditions which have called forth this aid program have largely been responsible for the persistence of restrictions on trade by the European countries, which have found themselves without adequate resources and adequate earnings in dollars to cover their requirements from the Western Hemisphere. The time is approaching when greater efforts must be made by the member countries in Europe and elsewhere to bring about conditions of multilateral trade and exchange in conformity with the Fund's objectives. Many countries, in the formulation of their policies, have probably overestimated the difficulties and underestimated the advantages of transition from restricted to unrestricted payments systems. It is clear that the Fund cannot adequately function in an economic world in which the bulk of the member countries maintain international exchange and trade policies and practices which are clearly out of harmony with the objectives of the Fund.

3. USE OF THE FUND'S RESOURCES

The Articles of Agreement limit the Fund's operations in general to "the purpose of supplying a member, on the initiative of such member, with the currency of another member in exchange for gold or the currency of the member desiring to make the purchase" (art. V, sec. 2). These currency transactions are intended to give assistance to members in financing temporary balance-of-payments deficits on current account for monetary stabilization operations.

There have been further developments with regard to the Fund's policy in the use of its resources since the submission of the First Special Report of the Council to the Congress. The first drawings on the Fund's resources had been made principally by the European countries, and at the time these drawings were made the Council concurred in them as a means of dealing with the immediate need for foreign exchange. As conditions developed subsequently, it became clear that the European situation was more serious than had originally been anticipated, and that the amount required for the reconstruction of Europe, even for current account transactions, was far greater than could be provided through the resources of the Fund and the Bank. It was clear that the European countries were in a condition of fundamental, rather than temporary, disequilibrium and that a remedy for the situation was to be sought in other means than the use of the Fund's resources. With the introduction of the European Recovery Program there was no further occasion for the European countries to attempt to finance their balance-of-payments deficits through the Fund's limited supply of dollars. Accordingly, the Fund Board, in a decision on April 5, 1948, in which the United States concurred, resolved that during the continuance of the European Recovery Program member participating countries should not draw on the dollar resources of the Fund, except under exceptional or unforeseen circumstances. This policy has continued in effect.

In the first 4 years of operations, the Fund made total currency sales equivalent to 783.4 million United States dollars in exchange for other member currencies and gold. Of this amount, sales of United States dollars against other member currencies were 759.8 million. As of March 31, 1950, the Fund's United States dollar holdings amounted to 1.30 billion in dollar deposits and noninterest-bearing notes. In addition, the Fund held 1.46 billion dollars in gold. The Fund's gold and dollar resources thus are the equivalent of about 2.76 billion dollars. These resources will, of course, be increased by such currency repurchases with gold and dollars as occur in the future. It is apparent that under present conditions the greatest demand for currencies from the Fund will be a dollar demand and that unless the Fund rigorously scrutinizes all requests for drawings and limits them for use strictly in accordance with the letter and spirit of the Fund's Articles, the Fund's ability to supply dollars might be greatly impaired within a relatively short period of years.

Within the Fund itself there has been discussion of the precise terms on which the Fund's resources should be made available. One view, in its extreme form, is that drawings on the Fund should be almost automatic and that the Fund should honor all requests for drawings whenever the member has an agreed par value, has not formally been declared ineligible to draw under the Articles of Agreement, and certifies that the currency is needed to meet a deficit on current account. In practice, however, the Fund, without a formal declaration of ineligibility, may indicate that it would regard drawings as inadvisable in the case of members whose internal and external situations are such that their balances-of-payments deficits could not be regarded as temporary. Moreover, in every request for a drawing, the Fund has (and exercises) the right to make a careful examination of the current and prospective payments position of the member with a view to determining whether the use of the resources of the Fund is likely to be temporary.

TABLE IV.—*Currency sales of the International Monetary Fund, Apr. 1, 1947, to Mar. 31, 1950*

[In millions of United States dollars]

Country	Total to Mar. 31, 1950	Six Month Periods ending— Mar. 31, 1950	Sept. 30, 1949	Mar. 31, 1949	Sept. 30, 1948	Mar. 31, 1948	Sept. 30, 1947
Total, All Countries	783.4	48.8	21.0	73.8	39.7	391.1	209.0
Total, ERP Participants	564.2			6.1	17.3	356.8	184.0
United Kingdom	300.0					240.0	60.0
France	125.0					25.0	100.0
Netherlands	75.3				[1] 6.8	44.5	[2] 24.0
Belgium	33.0					33.0	
Norway	15.7			[3] 6.1	[4] 7.1	2.5	
Denmark	10.2				3.4	6.8	
Turkey	5.0					5.0	
Total, Other Countries	219.2	48.8	21.0	67.7	22.4	34.3	25.0
India	100.0			55.9	16.1	28.0	
Brazil	37.5	22.5	15.0				
Mexico	22.5						22.5
Australia	20.0	20.0					
Union of South Africa	10.0			10.0			
Yugoslavia	9.0	6.0	3.0				
Chile	8.8					6.3	2.5
Czechoslovakia	6.0				6.0		
Egypt	3.0		3.0				
Costa Rica	1.3			1.3			
Ethiopia	.6	.3			.3		
Nicaragua	.5			.5			

[1] Sale of Belgian francs.
[2] Includes $6,000,000 of pounds sterling.
[3] United States dollars sold for an equivalent in gold
[4] Includes $4,600,000 of Belgian francs.

NOTE.—Except where otherwise indicated, all sales were of United States dollars in exchange for the currency of the purchasing country.

Source: International Monetary Fund.

The Council approves a strict application of this criterion by the Fund to any requested drawings. The fifth purpose of the Fund, i. e., "to give confidence to members by making the Fund's resources available to them under adequate safeguards thus providing them with opportunity to correct maladjustments in their balance of payments without resorting to measures destructive of national and international prosperity," implies that the Fund must give proper regard to the prospects of repurchase of currencies from the Fund so that the Fund's resources will not be dissipated. Decisions on specific applications must be considered in the light of the Fund's purposes, which include the promotion of exchange stability, the maintenance of orderly exchange arrangements, the establishment of a multilateral system of payments in respect of current transactions, and the shortening of the duration and lessening of the degree of disequilibrium in the international balances of payments of members. In the view of the Council retention of exchange restrictions on current account transactions or quantitative import controls by a member of the Fund should be considered as *prima facie* evidence of fundamental disequilibrium. In such instances, a drawing on the Fund's resources should not be permitted without careful scrutiny of the borrower's balance-of-payments position and prospects for restoring equilibrium. Before permitting a drawing, the Fund should be satisfied that the program of the country in question designed to restore equilibrium is adequate, and should from time to time carefully review the impact of internal fiscal policies on the payments position of the country, the appropriateness of its exchange rate, the impact on its balance of payments of reconstruction and development programs and all other pertinent factors affecting its general payments position.

4. REPURCHASE OF CURRENCIES SOLD TO THE FUND

The Fund was conceived of as an international pool of currencies whose total value would remain unimpaired, but whose composition would vary with the conditions of the international exchange situation. This pool was not intended as a means of providing long-term loans. The Fund's Articles were also predicated on the assumption that most of the member currencies would be convertible, so that a member drawing one currency from the Fund would in due course be able to repurchase the Fund's holdings of its currency by offering gold or other convertible currencies in exchange. As noted above, only the United States dollar and the currencies of a few other Western Hemisphere countries are convertible currencies in the meaning of the Fund's Articles and, accordingly, available to make repurchases from the Fund under article V, section 7 (b).[9]

Repurchase obligations have arisen in the case of Belgium and Costa Rica in accordance with these provisions, and the countries concerned have repurchased their currencies with gold and dollars in accordance with the Articles of Agreement. In 1949 Nicaragua voluntarily repurchased from the Fund the cordobas which had been paid for a purchase of dollars in 1948.

In a great many of the countries which are members of the Fund, the repurchase obligation would not arise under present conditions either because their gold and dollar reserves are smaller than their quotas, or because they are not likely to increase their holdings of gold and dollars in the immediate future in an amount sufficient to require repurchase. Moreover, members of a currency group such as the sterling area customarily hold only small or even nominal gold reserves and, if the currency in which they hold their foreign exchange

[9] This article provides, *inter alia*, that at the end of each financial year of the Fund, each member is required to repurchase its currency from the Fund in an amount equivalent to one-half of any increase in the Fund's holdings of its currency in the course of the year, plus one-half of any increase in the country's monetary reserves, or minus one-half of any decrease in the member's monetary reserves during the year. (Monetary reserves are defined as gold and convertible currencies.) This repurchase obligation, however, may not extend to the point where (1) The member's monetary reserves are below its quota; or (2) The Fund's holdings of its currency are below 75 percent of its quota; or (3) The Fund's holdings of any currency required to be used in the repurchase are above 75 percent of the quota of the member concerned. This means that, if a member's monetary reserves are smaller than its quota, it has no automatic obligation to repurchase. It also means that, if a country's monetary reserves increase rapidly so that the application of the formula would reduce the Fund's holdings of the currency below 75 percent, it would not apply, i. e., no member may be required to make payments in gold or convertible currencies in the repurchase of its own currency which would make its net contribution of gold and convertible currencies to the Fund more than 25 percent of its quota, unless its own currency is in fact convertible. Finally, the effect of a repurchase obligation by member countries may not be such as to require the Fund to hold more than 75 percent of the quota of a country whose currency is used to make the repurchase because the result would be to oblige that country to reduce the Fund's holdings of its currency by additional gold or convertible currency payments.

reserves (e. g., pounds sterling) is inconvertible, the automatic repurchase obligations described above would not operate. Under these circumstances, drawings of dollars from the Fund are likely to result in the accumulation by the Fund of inconvertible currencies and a gradual reduction in the Fund's ability to supply dollars.

As has been noted, the Fund's Articles were predicated on the assumption of convertibility of the major currencies of the world so that any country, whose general balance-of-payments situation was satisfactory, would be able to use the currencies obtained from its normal international transactions for the repurchase of its currency within a reasonably short period, say, 4 or 5 years. With currencies generally inconvertible, only earnings of dollars from the Western Hemisphere, or from other countries receiving dollars in payment of goods, and gold derived from current production, or through exchange transactions, are available to satisfy repurchase requirements. The Fund is thus faced with problems somewhat different from those originally contemplated. To permit drawings under these circumstances, with little assurance that there will be a repurchase within a few years, would result in a steady deterioration of the Fund's assets. Some assurance that conditions in a country will result in a probable repurchase within a few years would seem to be a desirable condition precedent to Fund drawings. The National Advisory Council has favored careful consideration by the Fund of the problem of currency repurchases under the conditions which are likely to prevail in the immediate future.

5. CONCLUSIONS AND RECOMMENDATIONS

In the present state of world affairs, characterized by currency inconvertibility, disequilibrium in international accounts and the maintenance of exchange and trade restrictions. the resources of the Fund can be used effectively only to a limited extent to promote the basic objectives for which the Fund was established and which are part of the United States international economic program, i. e., the achievement and maintenance of multilateral nondiscriminatory international payments with a minimum of restriction on current account exchange transactions. It is clear that the time when the Fund can be most effective in stabilization operations is in the future when greater progress has been made toward reaching the conditions originally predicated for the Fund's most successful operation. It is in accordance with this belief that the National Advisory Council favors only moderate and prudent use of the Fund's resources to assist member countries in meeting genuinely temporary deficits.

In the interim, nevertheless, the Fund has an important role as an international consultative body and as a forum for dealing with important questions relating to foreign exchange. In the long run this may prove to be the Fund's greatest contribution to the solution of the international economic problems of our times. It has on the request of many member governments sent missions to make studies of their exchange and balance-of-payments situations and the related monetary and financial matters which affect their ability to achieve and maintain exchange and trade equilibrium. Some of the member countries have benefited greatly from these studies and from the

Fund's advice and suggestions tendered through these missions and through consultations at the Fund's headquarters. Moreover, the continual discussion in the Fund's Board of the problems of the various countries, as they come to the Fund's attention, has served to acquaint countries with each other's problems and so to view their own programs in the light of broader considerations of general economic policy. In this way the Fund's activities in the financial field also serve as a valuable element in the program of technical assistance proposed by the President.

The Council has considered the questions specified in section 4 (b) of the Bretton Woods Agreements Act. It does not believe that the United States subscription to the International Monetary Fund should be changed under the conditions which are likely to prevail in the immediate future. The Council believes that the Fund's resources should be conserved for the purposes specified in the Articles of Agreement and in the Bretton Woods Agreements Act. Since the Articles of Agreement admit of considerable flexibility in adjusting the operations of the Fund to the emerging patterns of world trade and finance, the Council does not propose any amendments at this time. In its opinion, present conditions and the conditions of the immediate past have not given adequate opportunity to test the effectiveness of the Fund as a stabilizing mechanism and as a means for maintaining orderly exchange arrangements in a world of freer trade and greater stability.

JOHN W. SNYDER,
Secretary of the Treasury, Chairman of the National Advisory Council on International Monetary and Financial Problems.

DEAN ACHESON,
Secretary of State.

CHARLES SAWYER,
Secretary of Commerce.

THOMAS B. MCCABE,
Chairman of the Board of Governors of the Federal Reserve System.

HERBERT E. GASTON,
Chairman of the Board of Directors of the Export-Import Bank of Washington.

PAUL G. HOFFMAN,
Administrator for Economic Cooperation.

Exhibit 29.—Report of activities of the National Advisory Council on International Monetary and Financial Problems, October 1, 1949, to March 31, 1950

[House Document No. 658, 81st Congress, 2d session]

LETTER OF TRANSMITTAL

To the Congress of the United States:

I transmit herewith a report of the National Advisory Council on International Monetary and Financial Problems covering its operations from October 1, 1949, to March 31, 1950, and describing, in accordance with section 4 (b) (5) of the Bretton Woods Agreements

Act, the participation of the United States in the International Monetary Fund and the International Bank for Reconstruction and Development for the above period.

HARRY S. TRUMAN.

THE WHITE HOUSE, *July 25, 1950.*

REPORT OF ACTIVITIES OF THE NATIONAL ADVISORY COUNCIL ON INTERNATIONAL MONETARY AND FINANCIAL PROBLEMS, OCTOBER 1, 1949, TO MARCH 31, 1950

I. ORGANIZATION OF THE COUNCIL

STATUTORY BASIS

The National Advisory Council on International Monetary and Financial Problems was established by the Congress in the Bretton Woods Agreements Act (59 Stat. 512, 22 U. S. C. 286b), approved July 31, 1945. The statute directed the Council to coordinate the policies and operations of the representatives of the United States on the International Monetary Fund and the International Bank for Reconstruction and Development, the Export-Import Bank of Washington, and all other agencies of the Government "to the extent that they make or participate in the making of foreign loans or engage in foreign financial, exchange, or monetary transactions." The Council was also directed to advise and consult with the President and the United States representatives on the Fund and the Bank on major problems arising in the administration of the Fund and the Bank; and to recommend to the President general policy directives for the guidance of the representatives of the United States on the Fund and the Bank. The Council was given certain additional duties with regard to the economic assistance program, and the Bretton Woods Agreements Act was amended by section 106 of the Foreign Assistance Act of 1948 (62 Stat., ch. 169, 22 U. S. C. 286b (a)), approved April 3, 1948, to include the Administrator for Economic Cooperation as a member of the Council for the duration of this office.

In June 1949, the Bretton Woods Agreements Act and the National Bank Act were amended (63 Stat. 298; 12 U. S. C. 24; 22 U. S. C., 286k–1, 286k–2), to permit wider dealing in and underwriting of International Bank securities and to exempt such securities from the Securities Acts. The legislation also authorized the Securities and Exchange Commission, acting in consultation with the Council, to suspend the exemption of International Bank securities from the Securities Acts.

The relevant portions of the Bretton Woods Agreements Act, the Foreign Assistance Act of 1948, and amendments to the National Bank Act and the Bretton Woods Agreements Act are presented in appendix A.

REPORTS

Since its first meeting on August 21, 1945, the Council has submitted 11 formal reports, including two special biennial reports on the operations and policies of the International Monetary Fund and the International Bank.[1] The present report covers the activities of the Council from October 1, 1949, to March 31, 1950.

MEMBERSHIP

The members of the Council, according to law, during the period under review, were the following:

The Secretary of the Treasury, John W. Snyder, Chairman.
The Secretary of State, Dean Acheson.
The Secretary of Commerce, Charles Sawyer.
The Chairman of the Board of Governors of the Federal Reserve System, Thomas B. McCabe.
The Chairman of the Board of Directors of the Export-Import Bank, Herbert E. Gaston.
The Administrator for Economic Cooperation, Paul G. Hoffman.

By agreement, the following served as alternates:

William McChesney Martin, Jr., Assistant Secretary of the Treasury.
Willard L. Thorp, Assistant Secretary of State for Economic Affairs.
Thomas C. Blaisdell, Jr., Assistant Secretary of Commerce.
M. S. Szymczak, member of the Board of Governors of the Federal Reserve System.
Hawthorne Arey, Vice Chairman of the Board of Directors of the Export-Import Bank.
William C. Foster, Deputy Administrator, Economic Cooperation Administration.

C. Dillon Glendinning is the Secretary of the Council.

The United States Executive Directors of the International Monetary Fund, Frank A. Southard, Jr., and of the International Bank for Reconstruction and Development, William McChesney Martin, Jr., or their Alternates, regularly attended the meetings of the Council.

[1] The two special reports were transmitted by the President to the Congress on May 17, 1948 (H. Doc. No. 656, 80th Cong., 2d sess.), and May 31, 1950 (H. Doc. No. 611, 81st Cong., 2d sess.). The remaining reports were transmitted on March 1, 1946 (H. Doc. No. 489, 79th Cong., 2d sess., subsequently included as appendix B to H. Doc. No. 497, 79th Cong., 2d sess.); March 8, 1946 (H. Doc. No. 497, 79th Cong., 2d sess.); January 13, 1947 (H. Doc. No. 53, 80th Cong. 1st sess.); June 26, 1947 (H. Doc. 365, 80th Cong., 1st, sess.); January 19, 1948 (H. Doc. No. 501, 80th Cong., 2d sess.); August 3, 1948 (H. Doc. No. 737, 80th Cong., 2d sess.); March 14, 1949 (H. Doc. No. 120, 81st Cong., 1st sess.); July 5, 1949 (H. Doc. No. 250, 81st Cong., 1st sess.); and January 20, 1950 (H. Doc. No. 450, 81st Cong., 2d sess.).

II. The United States Balance of Payments in the Postwar Period

A basic concern of foreign nations in the postwar period has been that of the means of financing required imports from the United States. Between July 1945 and December 1949, total United States exports of goods and services amounted to 74.8 billion dollars, while total imports amounted to 39.5 billion dollars, or 53 percent of that figure. The remainder of the necessary financing was provided chiefly from United States Government sources, largely credits and grants, of 25.5 billion dollars, or 34 percent, and liquidation of foreign gold and dollar assets of 6.1 billion dollars, or 8 percent. These three main components of the balance of payments—foreign trade, Government aid, and changes in gold and dollar assets—are discussed briefly in the following sections.

Table I.—*The United States balance of payments, July 1, 1945, to Dec. 31, 1949*

[In millions of dollars]

Period	Total exports of goods and services	Means of financing			
		Total imports of goods and services	U. S. Government sources (net)[1]	Liquidation of gold and dollar assets[2]	Other[3]
Total Postwar	74,786	39,466	25,463	6,099	3,758
1945—July-December	7,201	4,143	3,629	[4] −1,077	506
1946—January-June	7,235	3,328	2,569	823	515
July-December	7,506	3,635	2,408	1,109	354
1947—January-June	10,068	4,091	3,327	2,378	272
July-December	9,728	4,198	2,515	2,084	931
1948—January-June	8,806	4,980	2,302	854	670
July-December	8,286	5,376	2,766	[4] −74	218
1949—January-June	8,765	4,968	3,337	364	96
July-December	7,191	4,747	2,610	[4] −362	196

[1] Data on U. S. Government sources (net) presented in this table and chart A differ from U. S. Government aid in chart B and table IV and the statistical appendix for the following reasons:

(a) Data in the above table are net of unilateral transfers to the United States, capital repayments, etc., whereas gross data appear in chart B.

(b) Pensions, annuities, claims of individuals, etc., are included in this calculation of net sources, but are excluded in chart B.

(c) Included in the calculation of net sources are lend-lease shipments and merchant ship deliveries, whereas aid appearing in chart B is based on lend-lease billings and mortgages signed, both of which lag. As a result of these lags, net source figures reported for the earlier period in the above table exceed those appearing in chart B.

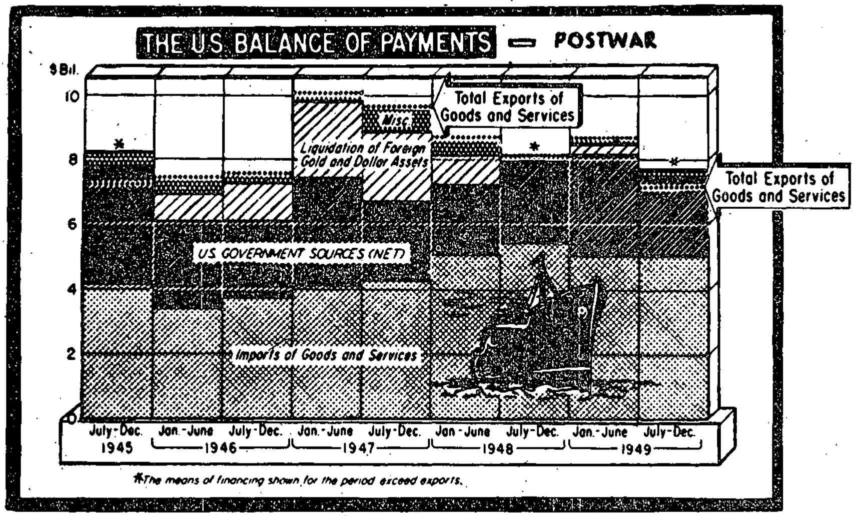
[2] Figures in this table differ from those which could be derived from table V principally because table I includes gold sold out of current production abroad, as well as liquidation of existing foreign holdings.

[3] Includes dollar disbursements by the International Monetary Fund and the International Bank, United States net private remittances, United States net private long- and short-term capital outflow, and errors and omissions.

[4] Net foreign acquisition of dollar assets and purchases of gold from the United States, resulting from an excess of means of financing over exports.

Source: U. S. Department of Commerce.

CHART A



United States foreign trade

United States exports of goods and services, already at a high level, reached a postwar peak in the middle of 1947, and subsequently declined rather steadily. Imports reached their high point in the latter part of 1948, dropped somewhat in 1949, but increased again in the early part of 1950. In each postwar year through 1949, however, the excess of United States exports over imports has been over 6 billion dollars.

United States exports of goods and services in 1949 amounted to 16.0 billion dollars as compared with imports of 9.7 billion dollars. As indicated in table II, the surplus of United States exports over imports was narrowed to an annual rate of 4.4 billion dollars in the fourth quarter of 1949 while in the first quarter of 1950 the difference was further reduced to an annual rate of 2.6 billion dollars per year. This sharp decline may not continue through 1950. Nevertheless, it compares with the 1948–49 average excess of United States exports over imports of 6.5 billion dollars. Thus, the change in trade since September 1949 has had the effect, at least temporarily, of sharply reducing the over-all trade deficit of foreign countries with the United States.

The period between September 1949 and March 1950 is too short to permit an appraisal of the ultimate effects of the currency devaluations which occurred in the fall of 1949. It is also difficult to separate, statistically, the effects of devaluation on the foreign trade of the United States from the effects of measures to conserve dollar exchange, such as exchange and import restrictions and bilateral trade agreements. The devaluation of foreign currencies vis-à-vis the dollar was responsible, at least in part, for an improvement in the balance-of-payments position of the devaluing countries, including the ERP countries, which were able to increase the volume of their merchandise exports.

TABLE II.—*United States exports and imports of goods and services, by quarters, July 1, 1945, to Mar. 31, 1950*

[In millions of dollars]

Period	Exports	Imports	Excess of exports
Total Postwar	77,976	42,003	35,973
1945, 6 months	7,201	4,143	3,058
July to September	3,851	2,248	1,603
October to December	3,350	1,895	1,455
1946 total	14,741	6,963	7,778
January to March	3,338	1,677	1,661
April to June	3,897	1,651	2,246
July to September	3,784	1,764	2,020
October to December	3,722	1,871	1,851
1947 total	19,796	8,289	11,507
January to March	4,800	1,988	2,812
April to June	5,268	2,103	3,165
July to September	4,830	1,986	2,844
October to December	4,898	2,212	2,686
1948 total	17,092	10,356	6,736
January to March	4,484	2,492	1,992
April to June	4,322	2,488	1,834
July to September	4,029	2,735	1,294
October to December	4,257	2,641	1,616
1949 total	15,956	9,715	6,241
January to March	4,323	2,550	1,773
April to June	4,442	2,418	2,024
July to September	3,685	2,346	1,339
October to December	3,506	2,401	1,105
1950, January to March	3,190	2,537	653

Source: Department of Commerce.

The United States share of world merchandise exports has increased both in quantitative and in value terms above prewar levels, our exports during 1949 accounting for about one-fifth of total world exports and our imports amounting to about one-eighth of world imports. While this country is presently the greatest single exporting nation in the world, the western European countries, most of which are participants in the European Recovery Program, accounted for about one-third of total world exports in 1949 and about two-fifths of world imports. The percentage of foreign trade to the gross national product, moreover, is relatively small for the United States as compared with other major trading nations.

One of the salient features of changes in world trade during the postwar period, as compared with prewar, has been the increased amount of trade between the United States and other nations of the Western Hemisphere. Another factor, which has represented a shift in the postwar world trading pattern as compared with prewar, has been the decline in the positions of both Germany and Japan as major trading nations. In addition, a number of other countries, severely affected by the war, have been unable to supply their needs through exports but have, in part, been dependent on foreign aid to maintain subsistence. The western European countries imported the products of the Western Hemisphere to a greater extent than in the prewar period. (The change in the pattern of world trade in the postwar period is reflected in table III.)

TABLE III.—*Distribution of total world trade,*[1] *postwar and prewar, by geographic area*

[Values expressed in millions of United States dollars]

EXPORTS (F. O. B.)

Area	1949 Value	1949 Percent	1938 Value	1938 Percent
World Total	**$57,129**	**100.0**	**$22,137**	**100.0**
United States	12,028	21.0	3,122	14.1
Other Western Hemisphere	9,243	16.2	2,850	12.9
Europe	22,960	40.2	11,031	49.8
Intra-European trade	(9,736)	(17.0)	(5,256)	(23.7)
Other European trade	(13,224)	(23.2)	(5,775)	(26.1)
Far East and Oceania	8,050	14.1	3,832	17.3
Africa and Middle East	4,848	8.5	1,302	5.9

IMPORTS (C. I. F.)

Area	1949 Value	1949 Percent	1938 Value	1938 Percent
World Total	**$62,709**	**100.0**	**$24,863**	**100.0**
United States	7,529	12.0	2,203	8.9
Other Western Hemisphere	9,160	14.6	2,714	10.9
Europe	29,887	47.7	14,249	57.3
Intra-European trade	(10,071)	(16.1)	(5,808)	(23.4)
Other European trade	(19,816)	(31.6)	(8,441)	(33.9)
Far East and Oceania	9,139	14.6	3,840	15.4
Africa and Middle East	6,994	11.1	1,857	7.5

[1] Merchandise only (excluding services).

Source: International Monetary Fund and Economic Cooperation Administration.

In the early postwar period, the demand of war-devastated countries was largely for consumption goods. Later there was a shift in emphasis to reconstruction and recovery programs, and the demand for capital goods increased, although many countries have continued their demands for consumption goods. Important United States exports include machinery, iron and steel manufactures, textiles, and such agricultural products as wheat and cotton. Major imports include newsprint, coffee, certain ores and metals, natural rubber, wool, and vegetable oils.

The most important shift in the postwar foreign trade of the United States has been the tendency for this country to run a food export surplus, whereas in the prewar period the United States was a net importer of food. However, it should be noted that the United States had abnormal exports in the early postwar years, particularly in 1947, because of the transition abroad from a wartime to a peacetime economy, when nonrecurring United States exports of such items as coal and certain agricultural products were essential to foreign economic recovery. Illustrative of this was the export of bituminous coal to certain areas of Europe which normally were able to meet their requirements from European sources. But the return to a closer balance in conditions of supply and demand which was in evidence during 1949 was reflected in a decreased flow of United States exports, particularly during the latter part of 1949.

Invisibles, such as shipping and the foreign travel of American citizens, constitute a major component of the foreign trade of the United States. In prewar years, greater use was made of the ships of other countries than of those of the United States. During the early postwar period, American shipping earnings were high because foreign nations had not wholly repaired war shipping losses, while United States tonnages had substantially increased. The larger participation of United States vessels in the carriage of American foreign trade and the large excess of United States exports over imports contributed to high shipping earnings. However, more recently a greater proportion of United States overseas trade has been carried in foreign ships. Other invisibles, particularly the foreign travel of American citizens, are of significance in financing United States exports.

Foreign aid

As pointed out in the preceding *Report* of the Council, funds authorized and appropriated for the immediate postwar programs of assistance were substantially exhausted by mid-1948. By that time, the European Recovery Program had swung into operation. In addition, there were continuing programs of aid such as that provided under Government and Relief in Occupied Areas. The normal lending activities of the Export-Import Bank were continued throughout the postwar period. The Mutual Defense Assistance Program, military-economic in nature, was approved in October 1949, and shipments were begun in March 1950. During the latter part of 1949, there was some decline in the aggregate amount of foreign aid. However United States Government foreign aid has not varied greatly in amount, averaging about 5.8 billion dollars per year since July 1945.

TABLE IV.—*U. S. Government foreign aid, utilized, July 1, 1945, to Dec. 31, 1949, by geographic area*

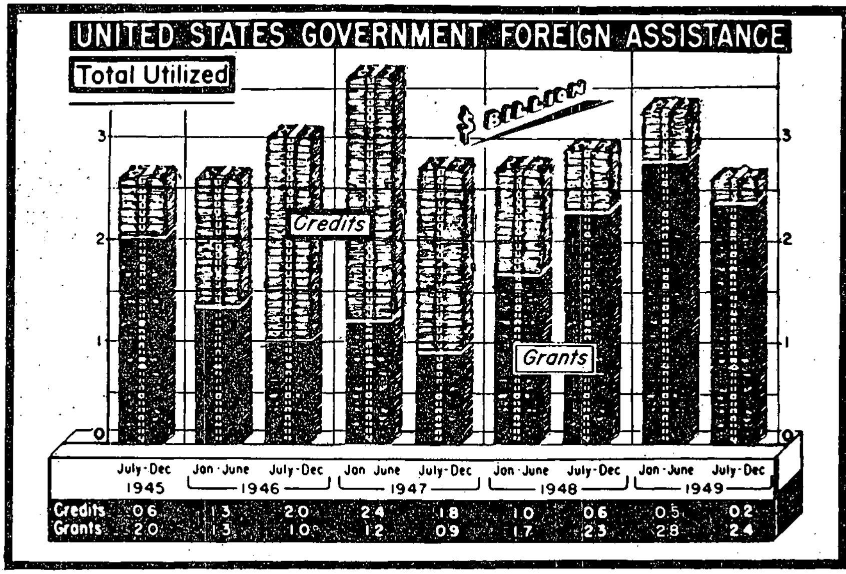
[In millions of dollars]

Area	Total	Grants	Credits
Total, All Areas	25,932	15,688	10,244
Total, Europe	20,122	11,236	8,886
ERP Participants	18,539	10,121	8,418
Other Europe	1,583	1,115	468
Asia	4,567	3,786	781
Latin America	398	33	365
All other	845	633	212

Source: Department of Commerce.

The total of United States Government foreign aid, utilized during the period between July 1, 1945, and December 31, 1949, amounted to 25.9 billion dollars of which grants constituted approximately three-fifths, or 15.7 billion dollars and credits two-fifths, or 10.2 billion dollars. (See table IV.) Almost three-fourths (18.5 billion dollars) of total assistance had been provided to ERP participants, with Asia the geographical area receiving the next largest share (4.6 billion dollars). The predominance of grant assistance during the past 2 years is

CHART B



apparent from the accompanying chart, which shows that utilized grant assistance amounted to 4.0 billion dollars in 1948 and 5.2 billion dollars in 1949, as compared with utilized credit assistance of 1.6 billion dollars and $700,000,000 in 1948 and 1949 respectively.

Foreign gold and dollar reserves

As indicated above, the two principal means of financing United States exports have been the payments accruing to foreigners as the result of United States imports, and the provision of United States Government aid in the form of loans and grants. A third important means of financing balance-of-payments deficits has been through the use of foreign gold and dollar resources. The reserve position of foreign countries had declined by about 4.8 billion dollars from June 30, 1945, through December 31, 1948. (See table V.) On December 31, 1949, the estimated gold and short-term dollar holdings of foreign countries, excluding the gold holdings of the U. S. S. R., amounted to 15.2 billion dollars as compared with 14.9 billion dollars at the end of 1948. The increase during 1949 of about $350,000,000 in monetary reserves represented a marked reversal of the previous postwar trend.[2] In recent years, the acquisition of gold by the United States has generally been in excess of annual world gold production. However, it may be noted that the flow of gold for settling balance-of-payments deficits could not be continued at this rate since few countries are substantial producers of gold and few have had gold and dollar re-

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[2] The net difference between the 6.1 billion dollars referred to earlier as constituting liquidation of gold and dollar assets between July 1, 1945, and December 31, 1949 (see table I), and the 4.5 billion dollar reduction in foreign gold and dollar balances indicated in table V is largely accounted for by sales of gold to the United States out of current foreign gold production.

sources adequate to serve as currency reserves and as working balances for international transactions.

TABLE V.—*Estimated foreign gold and short-term dollar balances, June 30, 1945, to Dec. 31, 1949, by geographic area* [1]

[In millions of dollars]

Area	June 30, 1945	End of year— 1946	1947	1948	1949
Total, All Areas	**19,717**	**19,347**	**15,128**	**14,867**	**15,214**
Total, Europe	11,224	10,799	8,545	8,438	8,479
ERP Participants [2]	10,195	9,695	7,542	7,630	7,757
Other Europe [3]	1,029	1,104	1,003	808	722
Latin America	3,625	3,642	2,877	2,744	3,054
Asia and Oceania [2]	2,291	2,321	2,081	2,187	2,044
All other	2,577	2,585	1,625	1,498	1,637

[1] Excludes holdings of the International Monetary Fund, the International Bank, and other international organizations; also excludes U. S. S. R. gold holdings.
[2] Including dependencies except for Indonesian holdings which are included in Asia and Oceania.
[3] Includes gold held by Tripartite Commission for the Restitution of Monetary Gold.

Source: Treasury Department and Board of Governors of the Federal Reserve System.

Devaluation has been responsible, in part, for changing the direction of the flow of gold and short-term capital between the United States and foreign countries. For the six-month period ending on March 31, 1950, foreign countries increased their gold and short-term dollar holdings, through transactions with the United States, by more than the losses which they had sustained during the first three quarters of 1949. In addition to these gains, the reserves of foreign countries were also augmented by new gold production.

United States investments abroad

From the end of 1945 to the end of 1949, United States private investments abroad increased nearly one-third or about 4.6 billion dollars. Over the same period United States Government investments, a large part of which were directed to the European countries, rose from 2.1 to 13.5 billion dollars.[3] A large part of the additional postwar private investment was made up of reinvested earnings. Such income was largely derived from overseas petroleum production and from American manufacturing and mining enterprises in foreign countries.

TABLE VI.—*United States investments abroad in the postwar period*

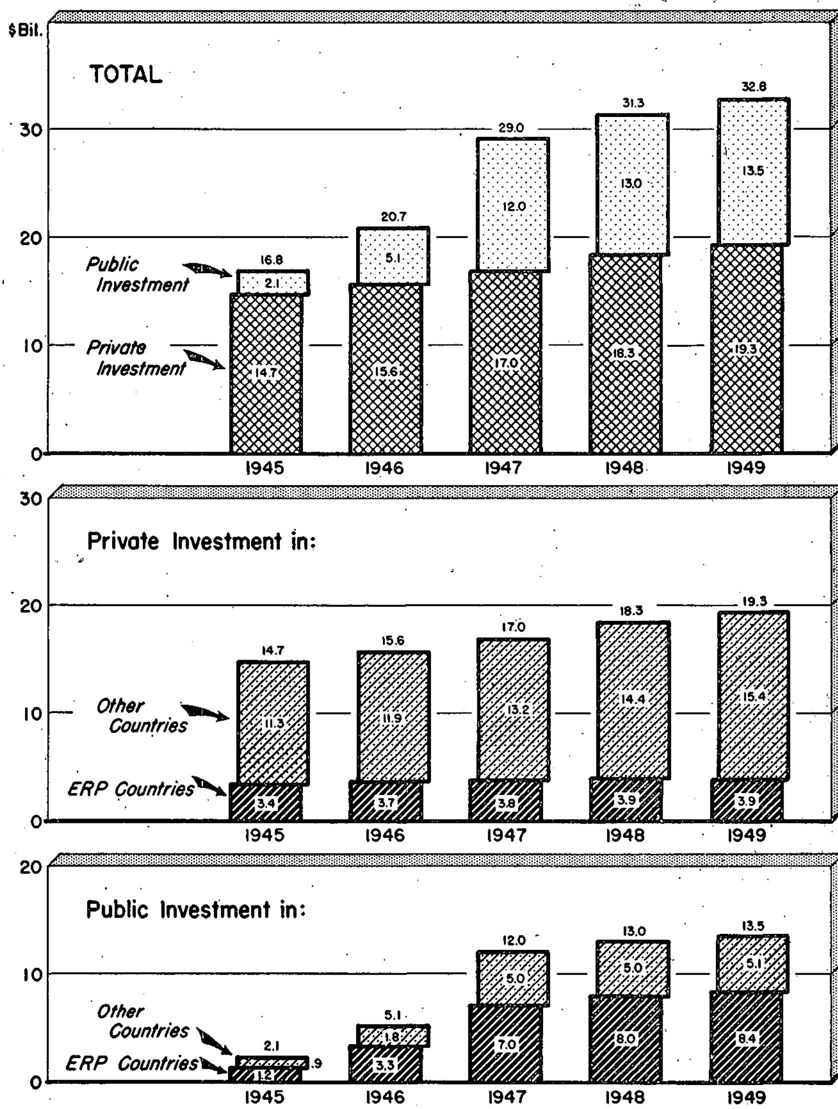
[In billions of dollars]

Type of investment	End of year— 1945	1946	1947	1948	1949
Total U. S. Investments Abroad	**16.8**	**20.7**	**29.0**	**31.3**	**32.8**
Private	14.7	15.6	17.0	18.3	19.3
U. S. Government	2.1	5.1	12.0	13.0	13.5

[3] Exclusive of World War I debts, which are likewise excluded from table VI and chart C.

Chart C

DISTRIBUTION OF U. S. INVESTMENTS ABROAD



Source: Department of Commerce

Private United States investments abroad are predominately long-term, and include a large proportion of direct investments. United States Government investments abroad have resulted mainly from the extension of loans and credits and are thus also very largely long-term. United States private investment in ERP countries increased very little in the postwar period, and presently constitutes about 20 percent of total private investment abroad. On the other hand, United States Government investment in ERP countries has increased much more rapidly than in the rest of the world, and comprises about 60 percent of public investment abroad.

While the recent devaluations tended to reduce the transfer problem with respect to private equity investment, they had a tendency to increase the local currency burden of servicing debt denominated in dollars. This particularly affects ERP countries where most of the debts owing to the United States Government are concentrated. The total foreign debt service owing to the United States Government on existing loans will increase from about $300,000,000 in 1950 to about $500,000,000 in 1952, and thereafter decline to a level somewhat in excess of $400,000,000 per year.

Foreign assets in the United States have varied very little in the aggregate in the postwar period, fluctuating around a level of about 17.0 billion dollars. These holdings mainly consist of short-term assets, such as dollar deposits and United States Government securities with short maturities.

As of December 31, 1949, American-owned assets in foreign countries exceeded foreign-owned assets in the United States by more than 15 billion dollars.

III. Activities of the Council From October 1, 1949, to March 31, 1950 (Other Than Those Relating to the International Monetary Fund and the International Bank)

EUROPEAN RECOVERY PROGRAM

Appropriation request and proposed method of allocation for ERP, fiscal year 1951

During February 1950, the Council concurred in ECA's proposal that approximately 3 billion dollars should be recommended to the Congress as the appropriation request for the European Recovery Program for the fiscal year 1951. In determining its appropriation request for this period, the ECA had based its calculations on a consolidated balance-of-payments projection for the recipient countries as a group, including an evaluation of commodity-import programs. The estimated dollar requirements represented roughly 75 percent of the 3.9 billion dollars in appropriation and authorization ECA had received for the fiscal year 1950.

During the first 2 years of the European Recovery Program, aid to the individual countries was based upon the amounts indicated as necessary to restore and improve levels of internal production and consumption. In anticipation of the tapering-off of the program to its end on June 30, 1952, proposed allocations of assistance for the fiscal year 1951 were based on proportionate shares of the amounts previously allotted to the individual countries. Also, it was planned that a central reserve fund would be set aside to be utilized in connection with the proposed European Payments Union and in other ways to contribute to the liberalization of trade in Europe.

The over-all estimate of ECA appeared reasonable in the light of anticipated dollar requirements for the recipient countries as a group for the fiscal year 1951. It was recognized that there would be variation in performance among countries, as in the past, with the possibility of corresponding fluctuations in reserves of the individual recipient countries.

Proposed legislation was submitted by ECA to provide funds for the fiscal year 1951 totaling 2.95 billion dollars, in addition to which it was requested that any balances unobligated as of June 30, 1950, or the subsequent release of obligations (estimated at about $150,000,000) be made available for obligation through the fiscal year 1951. Of this total appropriation request, it was proposed that about $600,000,000 be reserved to provide for the liberalization of European trade and payments, including the establishment of a European Payments Union, while the remaining funds would be primarily for direct country aid. In the ECA presentation to the Congress, it was stated that the main function of the proposed EPU would be "the development of transferability of European currencies and to promote the liberalization of trade by participating countries with one another and with other countries." [4]

ECA grants and loans

As indicated in table VII, the bulk of ERP assistance has been in the form of grants. Moreover, the bulk of ECA loans, amounting to about 1 billion dollars was negotiated during the first year of the program. In the fiscal year 1949, funds equal to that amount were available only for the purpose of making loans or guaranties. The Council considered that assistance for the fiscal years 1950 and 1951 should be predominantly on a grant basis but recommended that the Administrator for Economic Cooperation seek discretionary authority with respect to the total amount appropriated for the program (exclusive of the amount provided for guaranties) to extend such assistance either on a grant or a loan basis. This action was designed to preserve Europe's capacity to borrow through normal investment channels in the post-ERP period.

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[4] On June 5, 1950, President Truman signed the Foreign Economic Assistance Act of 1950, which included authorization of new appropriations of $2,700,000,000 for continuation of the European Recovery Program for the fiscal year 1951. In addition, funds previously appropriated for ERP and unobligated as of June 30, 1950 (as well as funds subsequently released from obligation), were authorized for obligation in the fiscal year 1951. Furthermore, the authorization of $150,000,000 for guaranties, contained in the 1949 legislation, was increased to $200,000,000.

TABLE VII.—*ECA allotments to participating countries, Apr. 3, 1948, to Mar. 31, 1950, by type of aid*

[In millions of dollars]

Country	Total allotments. Apr. 3, 1948–Mar. 31, 1950	July 1, 1949–Mar. 31, 1950, total allotments, loans, grants, and conditional aid	Apr. 3, 1948–June 30, 1949, by type of aid			
			Total	Loans	Grants	Conditional aid
All ERP Countries	8,984.9	3,031.9	5,953.0	972.3	4,209.3	771.4
United Kingdom	2,417.9	798.2	1,619.7	322.7	963.0	334.0
France and DOT	1,894.1	580.7	1,313.4	172.0	1,131.7	9.7
Italy	1,007.0	339.0	668.0	67.0	553.7	47.3
Germany (Federal Republic)[1]	873.7	260.2	613.5		516.1	97.4
Netherlands and DOT	824.1	253.0	571.1	146.7	413.1	11.3
Belgium-Luxembourg and Belgian DOT	481.4	220.0	261.4	50.9	3.0	207.5
Austria	429.4	149.4	280.0		276.9	3.1
Greece	316.0	124.3	191.7		191.7	
Denmark	197.0	70.8	126.2	31.0	90.1	5.1
Norway	182.0	80.9	101.1	35.0	49.6	16.5
Ireland	121.6	35.3	86.3	86.3		
Turkey	90.2	41.2	49.0	38.0		11.0
Sweden	88.0	42.6	45.4	20.4		25.0
Trieste	27.3	9.4	17.9		17.9	
Portugal and DOT	22.0	22.0				
Iceland	13.2	4.9	8.3	2.3	2.5	3.5

[1] ECA allotments exclude GARIOA funds.

NOTE.—See appendix C, table XXV, for data on intra-European aid and net aid received by or provided to participating countries.

Source: Economic Cooperation Administration.

For the fiscal year 1950, the Congress authorized $150,000,000 for the purpose of extending loans to participating countries, a reduction from the 1 billion dollars of funds set aside for loan or guaranty authority for the fiscal year 1949. As of March 31, 1950, the Council had approved proposals by the Administrator for Economic Cooperation for allocations of new loans in the amount of approximately $106,000,000 for the fiscal year 1950, and it was anticipated that the Administrator would shortly propose another allocation of the residual amount of the $150,000,000 authorized for loans, amounting to about $44,000,000.

European Payments Union

During February 1950, the ECA outlined to the Congress certain details with respect to the proposed European Payments Union. The major objectives of the proposed Union, which is intended to replace the existing Intra-European Payments Plan, were stated by ECA as follows:

"The replacement of bilateral by multilateral trade would be accomplished through a clearing system which would permit each member to offset a deficit against any one member with a surplus against any other. Countries would not have to settle each deficit bilaterally with each other but would settle only their multilateral deficit with the Union, which would generally be smaller than the sum of their bilateral deficits. To discourage excessive multilateral surpluses and deficits, the Union would require creditors to settle part of their surpluses with long-term loans to the Union, and debtors to settle part of their deficits with the Union in gold or dollars. Furthermore, a Board of Governors would have authority to adjust the working of these settlements arrangements and to use other means to induce countries to maintain a reasonable balance with the Union as a whole." [5]

In its review of the proposal, the Council considered that, in the establishment of the proposed Union, its operations should not conflict with obligations undertaken by the United States and other member governments to the International Monetary Fund and that the establishment of the Union on the regional basis proposed should not prevent any one participating country or group of participating countries from moving as rapidly as possible toward currency convertibility and economic integration independently of the rate of progress of other members of the proposed Union.

Local currency accounts

As outlined in previous *Reports* of the Council, participating countries receiving assistance in the form of grants from ECA are required to deposit their own currencies in special accounts in amounts commensurate with the dollar costs of the grant aid received. There is no obligation to deposit local currency counterpart where countries receive assistance in the form of loans. Where assistance has taken the form of conditional aid, the country receiving ECA dollars has placed at the disposal of other participants its currency in the form of drawing rights. The country receiving the drawing rights has made a commensurate deposit in a special local currency account.

Recipient countries make deposits in the special local currency accounts after notification by ECA, using conversion rates which are either the par values agreed to by the International Monetary Fund, or, where the country has no par value, a rate mutually agreed upon by ECA and the participating country.

During the six-month period ending March 31, 1950, the Council reviewed requests for the release of counterpart funds in Austria, Belgium, western Germany, France, Italy, the Netherlands, and Norway. The Council had previously reviewed releases for all of these countries except Belgium and western Germany. Table VIII shows, as of March 31, 1950, the status of counterpart funds under the Foreign Assistance Act of 1948 (as amended).

95 percent counterpart

The purposes for which 95 percent counterpart funds have been used may be summarized briefly as follows:

A. For monetary and financial stability.—In the United Kingdom and Norway, counterpart releases have been made supporting the financial stabilization programs of those countries. Counterpart funds were released to cancel government obligations to the central bank, which cancellation resulted in a desirable reduction in the volume of circulating media in those countries. Furthermore, where releases were made to finance investment programs, consideration was given to the impact of such releases on the achievement and maintenance of monetary and financial stability, and the releases were frequently made in connection with the taking by the partici-

[5] ECA *Budget Estimate* July 1, 1950–June 30, 1951, pt. II, pp. 13 and 14.

pating countries concerned of measures designed to further financial stability.

B. For capital investment and promotion of production.—In France, counterpart funds were used to finance investments in important areas of the French economy, including the coal, steel, transportation, electric power, and manufacturing industries, and in agriculture. In western Germany, capital investment loans were made out of counterpart funds to finance power developments, coal mines, agricultural rehabilitation and development, and a wide variety of industries, especially dollar-saving and dollar-earning industries. In Austria, releases were made for capital investments in essential industries and agriculture. In Italy, counterpart funds were used to promote agricultural development, for rehabilitation of the railroad system, and for other essential investments. In Trieste, counterpart was used to make loans for shipbuilding, Trieste's chief industry, and for other industrial and commercial purposes. In Greece, counterpart funds were utilized for the rehabilitation of agriculture, transportation, other utilities, and essential industrial plants. In the Netherlands, the greater part of counterpart funds released was for land reclamation, agricultural research and development, waterways and harbors, etc. The Council concurred in the release of counterpart funds in Belgium to finance research and technical developments in industry and agriculture.[6]

TABLE VIII.—*Status of European local currency counterpart fund accounts under Public Law 472 (80th Cong., 2d sess.), as of Mar. 31, 1950*

[Dollar equivalents of local currency, in millions of dollars]

Countries receiving grants	Adjusted dollar equivalents of deposits [1]			For use by recipient countries (95 percent portion)		
	Total	5 percent for use by the United States	95 percent for use by recipient countries	Approved for withdrawal	Withdrawals	Balances on deposit
All Countries	5,113.0	236.8	4,876.2	3,380.7	3,157.5	1,718.7
France	1,479.8	64.3	1,415.5	1,353.4	1,353.4	62.1
United Kingdom	1,296.0	60.8	1,235.2	787.2	787.2	448.0
Germany (Federal Republic)	574.7	27.0	547.7	375.6	373.0	174.7
Italy	469.6	24.1	445.5	206.5	80.1	365.4
Netherlands [2]	369.4	18.1	351.3	162.9	162.9	188.4
Austria	317.9	14.9	303.0	187.4	169.0	134.0
Greece	288.2	12.5	275.7	219.0	143.4	132.3
Norway	163.7	7.2	156.5	73.5	73.5	83.0
Denmark	107.4	5.5	101.9	(3)	(3)	101.9
Turkey	18.6	.9	17.7			17.7
Trieste	16.0	.8	15.2	15.2	15.0	.2
Portugal	4.1	.2	3.9			3.9
Ireland	3.0	.2	2.8			2.8
Belgium	2.7	.2	2.5			2.5
Iceland	1.9	.1	1.8			1.8

[1] Local currency is deposited in the special counterpart accounts at the agreed upon rates in effect at the time dollar funds were actually expended by ECA. Withdrawals of part of these local currency funds were made, however, at times when the conversion rates were different from those in effect at the time of deposit. The adjusted dollar equivalent of deposits represents the sum of withdrawals (calculated at the conversion rates in effect at the time of withdrawal) plus balances on hand (calculated at the current conversion rate).
[2] Includes Indonesia.
[3] Less than $50,000.

Source: Economic Cooperation Administration.

[6] The release of counterpart funds in Belgium occurred after the close of the period under review.

C. For other purposes.—Counterpart funds were released in various countries to finance essential industrial housing, tourist facilities, the transportation of relief packages and, in Greece, for the care and rehabilitation of refugees from the guerrilla warfare.

5 percent counterpart

Not less than 5 percent of local currency deposits is reserved for United States use in the recipient country and is placed in a separate account under the control of United States disbursing officers. These funds are used for ECA administrative expenses, or for the purchase or development of the production of strategic materials which are in short supply in the United States. Funds not required by ECA are transferred to the United States Treasury for use by other United States Government agencies. In order to be so used, these agencies must, in effect, purchase such funds from the Treasury with their appropriated dollars.

ECA guaranty program

In the 2 years of ECA operations ending on March 31, 1950, 17 guaranty contracts, with a total value of $6,130,127, were issued in connection with new industrial investments by United States investors in ERP countries. In addition, the total of informational media guaranties signed since the inception of the program amounted to $3,053,838.

As of March 31, 1950, there were under consideration 29 applications for industrial investment guaranties amounting to $32,250,876; 4 applications for guaranties of contracts for the furnishing of capital goods items and related services (forward contracting guaranties), totaling $4,550,000; and 63 applications for informational media guaranties valued at $10,254,510.

Through March 31, 1950, fees collected for the issuance of informational media guaranties amounted to about $37,000. Dollar disbursements made pursuant to applications for the conversion of foreign currencies under such guaranties totaled some $567,500. With respect to industrial guaranties, fees collected amounted to about $59,000, but no dollar disbursements were made.

As indicated in the previous *Report* of the Council, the Economic Cooperation Act of 1948 was amended and liberalized in 1949 to allow United States firms securing guaranties for new industrial and commercial investments in participating countries to convert receipts into dollars during the life of the guaranty up to 100 percent of the dollars invested plus actual earnings or profits derived from the projects represented by such investments to the extent provided in the contract of guaranty. ECA determined that the aggregate amount to be covered under a guaranty of an industrial project should not at any time exceed 175 percent of the value of the cash or tangible property invested, plus additional amounts based upon techniques and processes contributed by the applicant. During the first 5 years of individual guaranty contracts, investors were limited in the amount of receipts that they could convert under the guaranty, but beginning in the 6th year each investor in industrial and commercial enterprises may convert at any time up to the full amount of the coverage provided by each guaranty contract. The effective life of the guaranties may extend until April 3, 1962. No provision was made under the guaranty legislation of 1948 or 1949 against ordinary business or political risks or against fluctuations in rates of foreign exchange. Guaranties of investments in enterprises producing or distributing informational media were reduced under the act as amended in 1949 from a limit of $15,000,000 to a limit of $10,000,000 in any fiscal year.[7]

ECA experience during the first year of the recovery program indicated that the investment guaranty provision had interested primarily companies doing a considerable volume of European business in relatively specialized products either through plants already established abroad or by export sales. These guaranties were approved by the ECA and the participating governments concerned on the basis of their contribution to the recovery effort. In most cases, it was anticipated that not only would the domestic market of the recipient country be served by the guaranty, thus reducing the need for dollar imports, but that some of the output would also be sold to other countries. Informational media guaranties have been written for newspapers, magazines, and other periodicals in such a manner that the amounts payable by ECA to publishers or distributors will not exceed the estimated dollar costs incurred. These guaranties involved new investments for the purpose of obtaining increased circulation and are issued generally for a period of six months with the privilege of renewal upon expiration.

ECONOMIC ASSISTANCE FOR ASIA

China

Under the Foreign Assistance Act of 1948, an appropriation of $275,000,000 was made available for economic aid to China until April 3, 1949. In early 1949, when it became evident that the civil war on the Chinese mainland had severely restricted the area of effective United States aid, the program of assistance was reduced in scope. As of April 3, 1949, the unobligated balance of funds from this appropriation amounted to $54,000,000. These funds, and any funds thereafter released from obligation, were made available for expenditure through February 15, 1950, by Public Law 47 (81st Cong., 1st sess.).

Subsequently, as a result of further developments in China, the program was progressively curtailed. Certain funds were released from obligation and on December 31, 1949, there was left an unobligated portion of $90,800,000 from the original appropriation, plus further estimated releases from obligation of $14,000,000. Under Public Law 447 (81st Cong., 2d sess.), the Congress extended from February 15 to June 30, 1950, the authority of the President to obligate funds previously appropriated under Public Law 47 (81st. Cong., 1st sess.) for assistance to certain areas of China.[8]

[7] Under the Foreign Economic Assistance Act of 1950, which amends the Economic Cooperation Act of 1948 as amended, considerable changes were made in the guaranty coverage formerly provided. Among other things this amendment enlarges the definition of investments which may qualify for guaranties to include those of an intangible (i. e., patents, processes, and techniques) as well as tangible nature. Also, in addition to the risk of nonconvertibility of foreign currencies, ECA may guarantee against the risk of loss due to expropriation or confiscation by action of a government of a participating country. Finally, as indicated previously, Congress gave ECA authority to issue up to $200,000,000 in guaranties, an increase of $50,000,000 over the amount previously available.

[8] Under the China Area Aid Act of 1950 (Title II of the Foreign Economic Assistance Act of 1950), unobligated funds or those to be released from obligation under the 1949 appropriation were made available through June 30, 1951, to further the general objectives of the China Aid Act of 1948.

Japan

During January 1950, the Council reviewed a request for appropriations, prepared by the Department of the Army, for economic aid to Japan during the fiscal year 1951. The Council had occasion previously to review the Department of the Army's appropriation request for the economic rehabilitation of Japan for the fiscal year 1950. At that time, the Council believed that certain steps should be taken in Japan to bring about economic stabilization. Council consideration of the Japanese financial situation was followed by a directive of the Supreme Commander Allied Powers (SCAP) to the Japanese Government on economic stabilization and by a Mission to Japan to advise and assist SCAP in the implementation of the directive. A single exchange rate for the Japanese yen was established during April 1949. The directive and the work of the Mission have resulted in progress in the economic stabilization of Japan and in assisting the country in its efforts toward attaining a self-supporting economy.

The appropriation request for economic aid to Japan for the fiscal year 1951 was subsequently presented to the Congress.

Korea

During February 1950, under the Far Eastern Economic Assistance Act of 1950 (Public Law 447, 81st Cong., 2d sess.) the Congress authorized $60,000,000 of aid to Korea for the fiscal year ending June 30, 1950, in addition to the sums already appropriated. The Reconstruction Finance Corporation was authorized to make advances not to exceed $30,000,000 to carry out this provision.[9] Korea had previously received $60,000,000 in aid to cover part of its requirements for the fiscal year 1950.

EXPORT-IMPORT BANK CREDITS

During the period under review, the Council continued to work closely with the Export-Import Bank to facilitate coordination of the Bank's operations with those of other agencies concerned with foreign financial and monetary matters. New credits authorized by the Bank during this period totaled $216,642,859.

Afghanistan

Application by Afghanistan to the Export-Import Bank for credits to assist in financing the dollar costs of equipment, materials, and services required for the construction of dam, river development, and irrigation projects, was referred to the Council. Development work, previously undertaken by an American engineering firm and financed by Afghanistan's foreign-exchange receipts, had resulted in the construction of a dam and an all-weather road. Completion of the irrigation works to be financed in part by the proposed credit will provide for an increased food supply and permit the resumption of other types of agricultural production. It should also improve the country's international financial position. After consultation with the Council,

[9] In June 1950, sec. 3 (d) of the Far Eastern Economic Assistance Act of 1950 was amended to authorize $100,000,000 of assistance for Korea for the fiscal year ending June 30, 1951 (Public Law 535, 81st Cong., 2d sess.).

the Bank on November 25, 1949, announced authorization of credits to Afghanistan not to exceed $21,000,000.

Bolivia

In 1944, after recommendation by a United States economic mission, construction was started on the Cochabamba-Santa Cruz highway in Bolivia. At that time, the Export-Import Bank extended a credit of $15,500,000 to the Bolivian Government of which $10,000,000, along with funds supplied from Bolivian sources, was to be used to finance highway construction. This highway is designed to provide a transportation link between the centers of population and agricultural areas in Bolivia, and make possible the development of the Santa Cruz area as a source of supply for food and other agricultural products, which are now largely imported. The development will also contribute to an improvement of Bolivia's international payments position and serve to relieve its extreme dependence on the production and export of tin. The Council approved consideration by the Bank of an additional credit to Bolivia and on November 1, 1949, the Bank announced that it had authorized a credit to the Bolivian Government not to exceed $16,000,000 to finance two-thirds of the costs of completing the Cochabamba-Santa Cruz highway. Advances under the credit will be repaid over a period of 16½ years beginning on March 31, 1954, and ending on September 30, 1970, at a rate of interest of 3½ percent per annum.

Chile

Application to the Bank by the Corporacion de Fomento de la Produccion of Chile for funds to assist in the development of iron ore deposits near Coquimbo, Chile, was referred to the Council during October 1949. Under this proposal, credits will be made available for purchase in the United States of railroad, dock, and construction equipment representing one-third of the total estimated financing costs of $8,250,000. The remainder of the funds will be supplied by the Bethlehem Steel Co. and will help finance the construction of port works and ore handling facilities, and the rehabilitation of railway facilities. The purpose of this new credit is to assure a supply of ore for the steel plant located near Concepcion, Chile, which was financed in part by a $48,000,000 Export-Import Bank credit, and to provide an additional source of dollar revenue to Chile from the export of iron ore to the United States. The Bank, after consulting the Council, announced on October 28, 1949, authorization of a credit of $2,750,000 to the Corporacion de Fomento to be repaid over a period of 15 years at 4 percent, repayment to be guaranteed by the Republic of Chile.

As indicated in its previous *Report*, the Council had earlier approved consideration by the Export-Import Bank of a credit to Chile not to exceed $25,000,000 to assist in the financing of its import program for the remainder of 1949. The authorization of this credit was announced by the Bank on October 7, 1949.

Ecuador

In order to assist in the reconstruction of property damaged by the earthquake of August 5, 1949, Ecuador applied to the Export-Import Bank for credits to finance the cost of the repair and reconstruction of roads, the financing of railroad equipment, and for specific projects directed toward restoration of the earthquake-affected area. All of the projects undertaken as a result of this financing will be directed toward meeting Ecuador's long-range reconstruction and development needs. Domestic costs of reconstruction will continue to be provided by internal financing on the part of Ecuador. The Council approved consideration by the Bank of a credit to Ecuador of $7,000,000, payable over a period of 20 years, with interest at 3½ percent per year, and the Bank announced authorization of this credit on December 21, 1949.

Indonesia

During February 1950, the Bank consulted with the Council on an application by the Republic of the United States of Indonesia for credits to assist in financing the import from the United States of capital goods urgently required for reconstruction of the Indonesian economy. Vital equipment and materials for agricultural production and processing are necessary in order to restore Indonesia to her prewar level as a major source of certain products, such as rubber, tin, palm oil and coconut products, sisal, tea, kapok, and other essential commodities. On February 11, 1950, the Bank announced the authorization of the establishment of credits to Indonesia up to $100,000,000 at an interest rate of 3½ percent per annum repayable over a period of 20 years, with principal payments beginning after 5 years.

Saudi Arabia

During October 1949, the Bank referred to the Council an application of the Al Haza Cement Co., a subsidiary of Saudi Arabian Industries Corp., for the construction of a cement plant. After consultation with the Council, the Export-Import Bank on November 9, 1949, authorized a credit of $4,000,000 to this company under guaranty of the Saudi Arabian Government. The loan will mature in 10 years and bear 4 percent interest.

Yugoslavia

Early in 1950, the Export-Import Bank consulted the Council on the application by Yugoslavia for additional credits to provide essential imports, including those necessary to maintain and improve the transport system, particularly in those branches related to Yugoslav exports. On March 2, 1950, the Bank announced that $20,000,000 would be available to Yugoslavia until March 30, 1951, to bear interest at 3½ percent per annum, and to be amortized over a period of 7 years, beginning on January 1, 1954.

Other Export-Import Bank credits

In October 1949, a credit of $3,806,200 was established to assist in financing the sale by Higgins, Inc., shipbuilders, of coastal cargo vessels and harbor ferries to Brazil. In November 1949, the Bank joined with the International General Electric Co. in financing the dollar costs of expanding the electric power generating and distributing equipment of the Compania Anonima de la Electricidad de Caracas, Venezuela. The Bank's credit for this purpose is $5,158,000.

The Export-Import Bank also acted, on behalf of ECA, as administering agency for the supplementary loan agreements with participating ERP countries, signed during the period under review. The terms and conditions of these loans, determined by ECA after consultation with the Council, include an interest rate of 2½ percent per annum payable semiannually from 1952, and principal payments beginning in 1956. The loans mature in 1983. Minor changes were made in the amounts covered by the loan agreements with the Netherlands (for Indonesia), Ireland, Sweden, and the United Kingdom.

As of March 31, 1950, the resources of the Export-Import Bank were distributed as follows:

[In millions of dollars]

Total Lending Authority	**3, 500. 0**
Loans outstanding	2, 199. 8
Undisbursed commitments	486. 5
Uncommitted lending authority	813. 7

Table IX shows the distribution of credits (less cancellations and expirations) authorized by country and object of financing. Data on actual utilization of Export-Import Bank credits by country, through December 31, 1949, may be found in table XXI, appendix C.

TABLE IX.—*Credits authorized by the Export-Import Bank,*[1] *July 1, 1945, to Mar. 31, 1950, by area and country*

[In millions of dollars]

Area and country	Total	Reconstruction	Development	Lend-lease requisitions	Cotton [2] purchases	Other
Total, All Areas	**2, 846. 2**	**1, 008. 6**	**972. 3**	**655. 0**	**183. 0**	**27. 3**
Total, Europe	**2, 050. 0**	**971. 9**	**300. 5**	**655. 0**	**105. 0**	**17. 6**
France	1, 200. 0	650. 0		550. 0		
Netherlands	205. 3	152. 2	3. 1	50. 0		
Belgium	132. 0	45. 0	32. 0	55. 0		
Italy	131. 8		101. 9		25. 0	[3] 4. 9
Finland	100. 2		73. 2		17. 0	[4] 10. 0
Norway	50. 2	50. 0				. 2
Poland	40. 0	40. 0				
Yugoslavia	40. 0		40. 0			
Turkey	35. 5		35. 5			
Czechoslovakia	22. 0				20. 0	[3] 2. 0
Denmark	20. 0	20. 0				
Greece	14. 7	14. 7				
Austria	13. 1		12. 6			. 5
Germany	4. 6				[5] 4. 6	
Sweden	2. 2		2. 2			
Unallotted cotton credits	38. 4				38. 4	
Total, Latin America	**284. 5**		**284. 5**			
Chile	92. 5		92. 5			
Brazil	68. 4		68. 4			
Mexico	57. 0		57. 0			
Colombia	20. 0		20. 0			
Bolivia	19. 3		19. 3			
Ecuador	10. 8		10. 8			
Venezuela	8. 0		8. 0			
Haiti	4. 0		4. 0			
Panama	2. 0		2. 0			
Argentina	. 2		. 2			
Uruguay	. 1		. 1			
Other Latin America	2. 2		2. 2			

See footnotes at end of table.

TABLE IX.—*Credits authorized by the Export-Import Bank,*[1] *July 1, 1945, to Mar. 31, 1950, by area and country*—Continued

[In millions of dollars]

Area and country	To al	Reconstruction	Development	Lend-lease requisitions	Cotton[2] purchases	Other
Total, Asia and Africa	357.0	36.7	242.3		78.0	
Indonesia	100.0		100.0			
Israel	100.0		100.0			
China	66.7	33.7			33.0	
Japan	45.0				[5] 45.0	
Afghanistan	21.0		21.0			
Saudi Arabia	14.0		14.0			
Egypt	7.3		7.3			
Ethiopia	3.0	3.0				
Canada	145.0		145.0			
Miscellaneous	9.7					9.7

[1] Cancellations and expirations deducted. Many of these pertained to credits established prior to July 1, 1945. Numerous small exporter-importer loans extended by the Bank, July 1, 1945, through Mar. 31, 1950, are excluded, as well as participation by private banks not guaranteed by the Export-Import Bank. Also excluded are Mexican authorizations of $30,000,000, and a Peruvian authorization of $400,000 approved prior to June 30, 1945, recorded on the books of the Export-Import Bank subsequent to June 30, 1945.
[2] Credits extended by Export-Import Bank under general approval of the Council. Hungarian credit of $7,000,000 canceled Apr. 2, 1947.
[3] For financing tobacco purchases.
[4] For financing food purchases.
[5] Revolving credits.

Source: Export-Import Bank of Washington.

THE POINT IV PROGRAM AND FOREIGN INVESTMENT PROBLEMS

The general nature of the Point IV Program was discussed in the preceding semiannual *Report* of the Council. During the period under review, progress was made in the negotiation of treaties of friendship, commerce, and economic development, which have as one of their objectives the creation of a more favorable climate for investment abroad. The proposals relating to United States participation in international technical cooperation were considered by the Congress and included in the over-all program for foreign economic assistance.[10] As of the date of this *Report,* no further action had been taken on the bills permitting the extension of foreign investment guaranties, which had been reported on favorably by the Banking and Currency Committees of both Houses of Congress during the first session of the Eighty-first Congress.[11]

The communique signed on September 12, 1949, following the Tripartite discussions among representatives of the United States, the United Kingdom, and Canada, requested the President's Committee for Financing Foreign Trade to explore possible means of action in promoting overseas investment in cooperation with corresponding groups of British and Canadian financial and business representatives.[12]

[10] Under the Foreign Economic Assistance Act of 1950 (Public Law 535, 81st Cong., 2d sess.), the Congress authorized $35,000,000 for United States participation in technical cooperation programs, including those carried on by the United Nations.

[11] During the second session of the 81st Cong., a revised House bill was reported out favorably and placed on the calendar for consideration during July 1950.

[12] On April 20, 1950, the Canadian Minister of Finance announced the establishment of an Advisory Committee on Private Overseas Investment under the chairmanship of Mr. Gordon R. Ball, general manager of the Bank of Montreal. The press announcement indicated that the Committee would probably, in the first instance, devote its attention to a study of the obstacles impeding the free flow of investment from Canada to overseas countries and of the steps that might be taken to eliminate or minimize these obstacles.

In December 1949, the Council and the President's Committee met in joint session and considered in detail the relationship of investment treaties to the development of a favorable climate for private investment, the sphere of private capital investment in relation to government capital, the formation of foreign banking committees to facilitate private foreign overseas investment, the experience of ECA in the field of technical assistance, and various aspects of the Export-Import Bank's proposed investment guaranty program for stimulating private investment.

The Council and the President's Committee both believed that a case study of private foreign investment experience in recent years might be helpful in determining appropriate incentives for private investment. The Committee agreed to undertake such a case study.

OTHER FINANCIAL PROBLEMS

Aid to Palestine refugees

In December 1949, following a report of the United Nations Economic Survey Mission to the Middle East, the Department of State referred to the Council for its consideration the financial aspects of United States participation in the United Nations program for aid to Palestine refugees. Under this plan, it was proposed that funds be made available for direct relief and works programs in Jordan, Syria, and Lebanon. Erosion control, reforestation, dam, and road construction would be the main types of work undertaken. This area is generally self-supporting and thus only a small portion of the funds would be required for food.

The United Nations Mission estimated that the total cost of the program would amount to approximately $55,000,000 for the period January 1, 1950, to June 30, 1951. The Council advised the Department of State that it had no objection to an appropriation request of about $27,500,000 as the United States contribution for aid to Palestine refugees during this period, and the view was expressed that such assistance might be extended on a grant basis. An appropriation request for this program was later submitted to the Congress.[13]

Philippine exchange controls

In response to a request of the Philippine Government the President, with the advice of the National Advisory Council, agreed in December 1949 to temporary measures by the Philippine Government to deal with the then existing foreign-exchange situation. The President acted in accordance with the provisions of the Executive Agreement of July 4, 1946, between the Governments of the Philippines and the United States. The Philippine Government on December 9, 1949, instituted controls over transactions in foreign exchange.

Proposed International Commodity Clearing House

During November 1949, the Council reviewed a proposal, contained in a report of the Food and Agricultural Organization of the United Nations, for the establishment of an International Commodity Clearing House. This institution was to be chartered initially for a

[13] The Foreign Economic Assistance Act of 1950 authorized the Secretary of State to make contributions before July 1, 1951, for the "United Nations Relief and Works Agency for Palestine Refugees in the Near East," in amounts not exceeding in the aggregate $27,450,000.

period of 5 years during which time it would engage in two types of surplus disposal operations:

(1) Surplus commodities would be purchased at commercial prices from hard-currency countries and resold also at commercial prices to soft-currency countries. The latter would make payment in their own currencies to the Clearing House which would hold each soft currency to the account of the selling country until it became convertible or until such time as some appropriate use might be found for it by the creditor country.

(2) Surplus commodities would be purchased by the Clearing House from hard-currency countries at less than market prices and resold abroad at the reduced price for such special purposes as relief and school-lunch programs. Such purchases and sales would be made only for hard currencies and would be on account of the general fund of the Clearing House.

The proposal contemplated that the Clearing House would have an authorized capital equivalent to 5 billion dollars, with membership quotas assessed on the basis of national income, and that subscriptions of 20 percent of this amount would be used as a revolving fund to finance the transactions involving purchases and sales for hard currencies. The remaining 80 percent of quotas would be callable only with the consent of the countries involved.

The Council did not favor United States participation in an international organization, such as the proposed International Commodity Clearing House, which was designed to serve as a financial mechanism for the disposal of agricultural surplus commodities. The Council also held that the sale of surpluses abroad for inconvertible currencies under the proposed plan would be undesirable since it would result in further accumulation of such currencies for the account of the United States or other hard-currency countries. The accumulation of additional inconvertible currency holdings by hard-currency countries would correspondingly increase the liabilities of the deficit countries and so constitute a serious deterrent to the establishment of convertibility.

At the FAO Conference, fifth session, November 21–December 6, 1949, food-deficit as well as food-surplus countries opposed the proposal as not workable. The Conference established machinery to continue study of the problem of surplus agricultural commodities.

Financial terms for sales of foreign excess property

The Council has from time to time reviewed the financial terms for sales of foreign surplus property by the former Office of the Foreign Liquidation Commissioner, State Department. When the OFLC was abolished on June 30, 1949, the function of disposal of foreign excess property was transferred, effective as of that date, to each executive agency having such property. The Council authorized the successor departments and agencies of OFLC operating in this field, pursuant to Public Law 152 (81st Cong., 1st sess.) to extend credit on terms similar to those contained in agreements negotiated by the OFLC, when immediate payment in United States dollars is not practicable or advantageous, and, in certain cases, to accept payment in foreign currencies.

IV. Activities of the Council From October 1, 1949, to March 31, 1950, Relating to the International Monetary Fund and the International Bank for Reconstruction and Development

The National Advisory Council, in accordance with statutory authority, continued to coordinate the activities of the United States Directors on the Executive Boards of the Fund and the Bank with those of other agencies of the Government, by consulting and advising with them on major problems arising in the administration of the Fund and the Bank. The United States Executive Directors of these institutions, or their Alternates, have attended the Council's meetings regularly, and have participated continuously in the work of its staff committee.

In the six-month period under review, the Council gave consideration to various policy questions relating to the activities of both the Fund and the Bank. These questions have been discussed in the *Second Special Report* of the National Advisory Council on the Operations and Policies of the International Monetary Fund and the International Bank for Reconstruction and Development (H. Doc. No. 611, 81st Cong., 2d sess.).

MEMBERSHIP CHANGES IN THE FUND AND THE BANK

In January 1950, the Boards of Governors of the Fund and the Bank, by mail and telegraph ballot, approved the membership application of Pakistan, providing for a quota in the Fund of $100,000,000, with a like amount as a subscription to the Bank. The Council advised the United States Executive Directors on the Fund and the Bank to give favorable consideration to the application. Pakistan will have until July 31, 1950, to accept membership, although this period may be extended to January 31, 1951. During the period under review, no new countries were formally admitted to membership in either the Fund or the Bank.

On March 15, 1950, the Fund and Bank announced the withdrawal of Poland from the two organizations. As of March 31, 1950, 47 countries were officially listed as members of the Fund and of the Bank. These countries, with their quotas and capital subscriptions on that date, are listed in appendix D.

ORGANIZATIONAL CHANGES

On January 17, 1950, the President of the United States, with the advice and consent of the United States Senate, made three appointments affecting United States representation on the Fund and on the Bank. Mr. James E. Webb, Under Secretary of State, was appointed to serve also as United States Alternate Governor of the Fund and of the Bank; Mr. William McChesney Martin, Jr., Assistant Secretary of the Treasury, was appointed to serve also as United States Executive Director of the Bank; and Mr. John S. Hooker, United States Alternate Executive Director of the Bank, was reappointed to that position, concurrently assuming the duties of United States Alternate Executive Director of the Fund. Each of these three appointments became effective on January 18, 1950. Mr. Webb replaced Mr. William L. Clayton, whose resignation had become effective on August 27, 1949. Mr. Martin's appointment was to the position formerly held by Mr. Eugene R. Black, who assumed the Presidency of the Bank on July 1, 1949. As United States Alternate Executive Director of the Fund, Mr. Hooker replaced Mr. Henry J. Tasca, whose resignation became effective December 22, 1949.

THE FUND

During the six months ending March 31, 1950, the Fund sold 48,800,000 United States dollars to four of its member countries for an equivalent amount in local currencies. These transactions increased the total of Fund currency sales to an equivalent of $783,385,000 from May 8, 1947 (the date of the Fund's initial sale), to March 31, 1950. Repurchases by member countries of their currencies aggregated nearly $21,900,000 in the six-month period under review.

Par values and exchange rates

The six months from October 1, 1949, to March 31, 1950, witnessed an adjustment by many nations throughout the world of their currency values, principally as a consequence of the devaluations that occurred in September 1949. Some of these adjustments constituted formal changes in par values (Iceland, British Honduras), while most of them consisted of changes in existing multiple exchange rate structures. Included in this latter category are Austria, Bolivia, Chile, Costa Rica, Ecuador, Nicaragua, Paraguay, and Uruguay, all of which are members of the Fund; as well as Argentina and Spain, which are nonmembers. On November 15, 1949, Peru suspended the par value of the sol, permitting the exchange rate to be determined in an exchange certificate market. Details of the currency adjustments made by the various countries listed above may be found in chapter II of the Council's *Second Special Report.*

Exchange transactions

The Fund's largest currency sale in the period under review occurred in November 1949, when Brazil purchased 22,500,000 United States dollars for cruzeiros. This transaction represented Brazil's second drawing on the Fund. In October 1949, Australia made its initial drawing on the Fund through a purchase of $20,000,000 for Australian pounds. During that same month, Yugoslavia bought $6,000,000 in exchange for dinars, and Ethiopia purchased $300,000 for Ethiopian dollars. Each of the latter two transactions represented a second drawing by the respective governments.

The United States Executive Director on the Fund, after consultation with the Council, concurred in these transactions.

CHART D

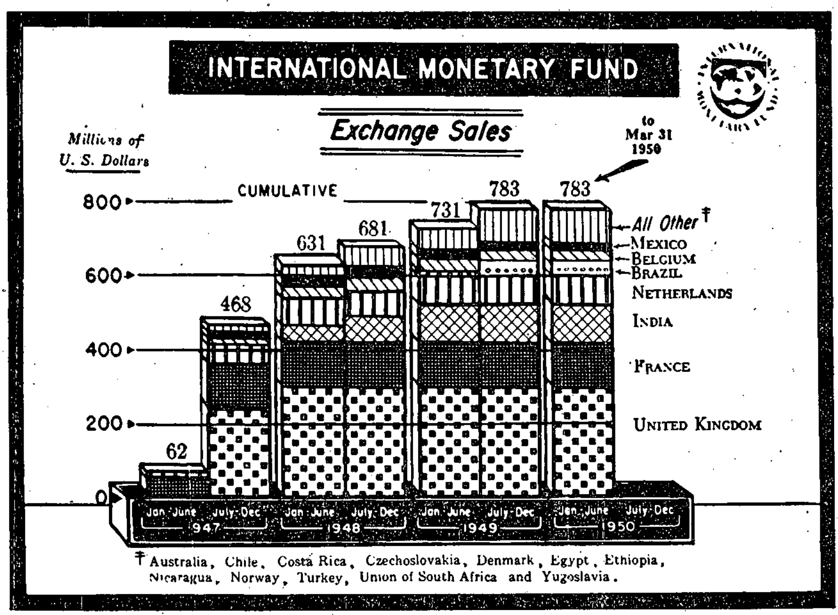


Chart D and table X present—by semiannual periods—all currency sales made by the Fund from its inception to March 31, 1950. Data for the chart have been cumulated from figures in table X to show the distribution of exchange and gold transactions at the termination of each given semiannual[14] period:

TABLE X.—*International Monetary Fund currency sales, Jan. 1, 1947, to Mar. 31, 1950*[1]

[In millions of United States dollars]

Country	Total	1947		1948		1949	
		January-June	July-December	January-June	July-December	January-June	July-December
Total	**783.4**	**62.0**	**405.7**	**163.5**	**50.7**	**49.7**	**51.8**
United Kingdom	300.0	----------	240.0	60.0	----------	----------	----------
France	125.0	50.0	75.0	----------	----------	----------	----------
India	100.0	----------	----------	44.1	24.2	31.7	----------
Netherlands	75.3	[2] 12.0	40.0	[3] 23.3	----------	----------	----------
Brazil	37.5	----------	----------	----------	----------	15.0	22.5
Belgium	33.0	----------	11.0	22.0	----------	----------	----------
Mexico	22.5	----------	22.5	----------	----------	----------	----------
All other [4]	(90.1)	(----------)	(17.2)	(14.1)	(26.5)	(3.0)	(29.3)
Australia	20.0	----------	----------	----------	----------	----------	20.0
Norway	15.7	----------	----------	[5] 7.3	[6] 8.4	----------	----------
Denmark	10.2	----------	3.4	6.8	----------	----------	----------
Union of South Africa	10.0	----------	----------	----------	10.0	----------	----------
Yugoslavia	9.0	----------	----------	----------	----------	----------	9.0
Chile	8.8	----------	8.8	----------	----------	----------	----------
Czechoslovakia	6.0	----------	----------	----------	6.0	----------	----------
Turkey	5.0	----------	5.0	----------	----------	----------	----------
Egypt	3.0	----------	----------	----------	----------	3.0	----------
Costa Rica	1.3	----------	----------	----------	1.3	----------	----------
Ethiopia	.6	----------	----------	----------	.3	----------	.3
Nicaragua	.5	----------	----------	----------	.5	----------	----------

[1] No currency sales were made by the Fund between Dec. 31, 1949, and Mar. 31, 1950.
[2] Includes $6,045,000 of pounds sterling.
[3] Includes $6,845,029 of Belgian francs.
[4] As presented in chart D.
[5] Includes $2,286,676 of Belgian francs.
[6] Consists of $6,126,788 in United States dollars sold for an equivalent in gold, and $2,281,676 of Belgian francs.

NOTE.—Except where otherwise indicated, all sales were of United States dollars in exchange for the currency of the purchasing country. Repurchases by members of their own currencies totaled about $24,209,000 as of Mar. 31, 1950. Such repurchases have not been deducted from data in this table.

Source: International Monetary Fund.

Repurchase of Fund drawings

During the period covered by this report, two countries—Costa Rica and Belgium—repurchased portions of their currencies from the Fund. In November 1949, Costa Rica repurchased the equivalent of $1,250,000 of its own currency held by the Fund, thereby offsetting dollar drawings in the same amount made in the last quarter of 1948. This is the second repurchase transaction by Costa Rica, the earlier transaction, in the amount of $874,000, having been effected in May 1949.

[14] Semiannual calendar periods have been used to afford comparability between time periods with both balance-of-payments data, appearing on chart A, and statistics of United States Government foreign aid shown in appendix C.

On January 23, 1950, Belgium repurchased approximately 1 billion Belgian francs from the Fund, by payment of $12,090,283 in United States dollars and the equivalent of $8,548,923 in gold. An earlier repurchase of Belgian francs in the amount of $946,500 occurred in August 1949. As a result of these two transactions, the Fund's holdings of Belgian francs were reduced to the level preceding Belgium's initial purchase of dollars from the Fund in December 1947.

THE BANK

During the period under review, the International Bank granted $17,545,000 in new loans to three of its member countries. These loans increased the total of the Bank's outstanding commitments to $737,707,000 as of March 31, 1950. During the period, the Bank concurred in requests for the cancellation of portions of loans previously granted to two of its member countries. These cancellations totaled $6,438,000.

New loan commitments

On October 17, 1949, the Bank granted two loans totaling $5,000,000 to the Republic of Finland and to the Federal People's Republic of Yugoslavia for the development of the timber resources of those countries. The loan to Finland was in the amount of $2,300,000, while the loan to Yugoslavia amounted to $2,700,000.

Both loans are for terms of 2 years and carry interest rates of 2 percent, plus the usual 1 percent commission for the Bank's special reserve. In addition, a commitment charge of 1½ percent will apply to the undisbursed portion of the loans. Amortization payments, beginning on June 30, 1950, are calculated to retire the loans at maturity. The loan to Finland became effective on December 16, 1949, and the loan to Yugoslavia on January 24, 1950, after certain conditions had been fulfilled.

On December 14, 1949, the Bank announced that it was prepared to extend a loan of $12,545,000 to the Rio Lempa Hydroelectric Commission, an agency of the Government of El Salvador, for the purpose of financing imports for the development of electric power resources. This loan, the first to be made by the Bank in the Central American area, is to be guaranteed by the Government of El Salvador. The loan is to be for a term of 25 years and to carry an interest rate of 3¼ percent, in addition to a commission charge of 1 percent for the Bank's special reserve. Amortization payments, to begin on July 15, 1954, are calculated to effect retirement by maturity. In addition to the foreign-exchange costs which the International Bank expects to finance, the power development project would require an expenditure of an equivalent of about $5,000,000 in Salvadorean colones. These local currency costs would be financed by the public sale in El Salvador of bonds denominated in colones, to be issued by the Commission. To become effective, the loan agreement must be ratified by an elected Constituent or Legislative Assembly in El Salvador. As of March 31, 1950, such action had not yet been taken.

The Council was consulted by the United States Executive Director or his Alternate with respect to each of the above loan applications.

Table XI and chart E present—by semiannual periods—loan commitments (net of cancellations) made by the International Bank from its inception to March 31, 1950. Data for the chart have been cumulated from figures in table XI to show the distribution of outstanding loans at the termination of any given semiannual[15] period:

TABLE XI.—*International Bank loan commitments, Jan. 1, 1947, to Mar. 31, 1950*[1]

[In millions of United States dollars]

Country	Total	1947		1948		1949	
		January-June	July-December	January-June	July-December	January-June	July-December
Total	**737.7**	**250.0**	**246.8**	**16.0**	**12.0**	**125.1**	**87.8**
France	250.0	250.0					
Netherlands	215.8		195.0		12.0		[2] 8.8
Brazil	75.0					75.0	
India	44.0						44.0
Denmark	40.0		40.0				
Mexico	34.1					34.1	
All other [3]	(78.8)	(........)	(11.8)	(16.0)	(........)	(16.0)	(35.0)
Belgium	16.0					16.0	
Chile	16.0			16.0			
Finland	14.8						14.8
El Salvador	12.5						[4] 12.5
Luxembourg	11.8		[5] 11.8				
Colombia	5.0						5.0
Yugoslavia	2.7						2.7

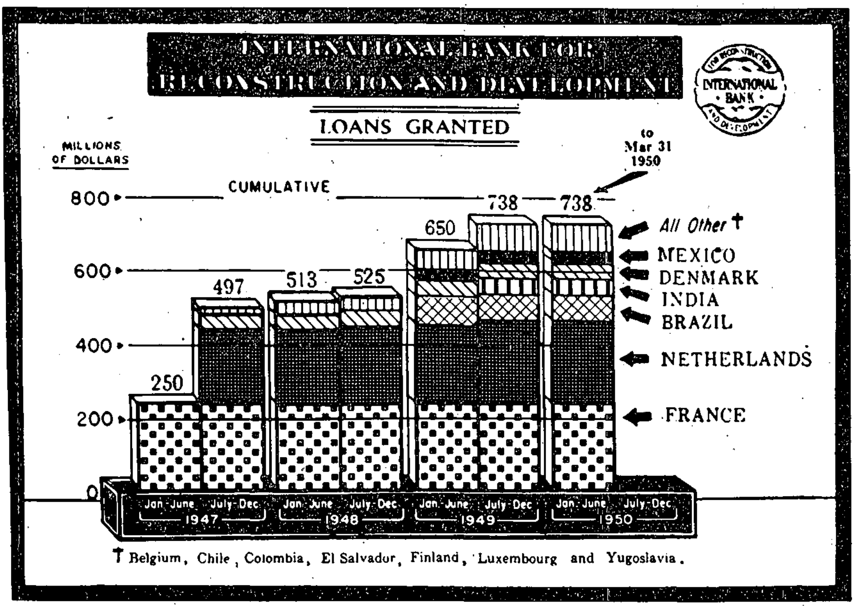
[1] No loan commitments were made by the Bank between Dec. 31, 1949, and Mar. 31, 1950.
[2] After cancellation of $6,200,000, effective Mar. 17, 1950.
[3] As presented in chart E.
[4] Agreement becomes effective after the Bank has received certain certificates and documents, and has notified the borrower and guarantor of its acceptance of such evidence.
[5] After cancellation of $238,017, effective Dec. 19, 1949.

NOTE.—In all instances, loans have been made to or guaranteed by the respective governments.

Source: International Bank for Reconstruction and Development.

[15] Semiannual calendar periods have been used to afford comparability between time periods with both balance-of-payments data, appearing on chart A, and statistics of United States Government foreign aid shown in appendix C.

CHART E



Loan cancellations

The Bank's first loan cancellations occurred during the six months under review, and consisted of a reduction of $6,200,000 in the principal amount of $15,000,000 originally made available to the Herstelbank on July 26, 1949, and a $238,017 reduction in the $12,000,000 commitment made by the Bank to Luxembourg on August 28, 1947.

Bank financing

In June 1949, the Congress enacted legislation classifying securities issued or guaranteed by the International Bank as exempted securities under the Securities Exchange Act of 1934, as amended. The Council supported this legislation. Subsequently, the Federal Reserve Board stated that, as a result of this enactment, International Bank securities should be classified as exempted securities under section 2 (e) of regulation T, thus placing such securities in the same category under the regulation as United States Government, State and municipal bonds. On October 24, 1949, following the Board's ruling, the New York Stock Exchange announced greatly reduced margin requirements for transactions in International Bank bonds.

On January 25, 1950, the Bank, with the consent of the Council, sold in the United States market an issue of $100,000,000 of 2 percent serial bonds, scheduled to mature in equal amounts annually between 1953 and 1962. These securities were issued to retire a like amount of outstanding 10-year 2¼ percent bonds due July 15, 1957. On March 6, 1950, the Bank announced the sale of an equivalent of approximately $6,600,000 in 2½ percent Swiss franc bonds to a group of leading banks in Switzerland. Additional information concerning each of these transactions may be found in the Council's *Second Special Report.*

Future operations

As of March 31, 1950, the Bank had in excess of $320,000,000 in uncommitted dollar funds available for lending, and was actively engaged in the processing of numerous loan applications. The Bank may also be expected to continue, through its economic missions, to assist countries in making general surveys of development potentialities and to recommend measures to facilitate their realization.

JOHN W. SNYDER,
Secretary of the Treasury, Chairman of the National Advisory Council on International Monetary and Financial Problems.

DEAN ACHESON,
Secretary of State.

CHARLES SAWYER,
Secretary of Commerce.

THOMAS B. MCCABE,
Chairman of the Board of Governors of the Federal Reserve System.

HERBERT E. GASTON,
Chairman of the Board of Directors of the Export-Import Bank of Washington.

PAUL G. HOFFMAN,
Administrator for Economic Cooperation.

APPENDIX A

SECTIONS OF THE BRETTON WOODS AGREEMENTS ACT RELATING TO THE NATIONAL ADVISORY COUNCIL

(59 Stat. 512; 22 U. S. C. 286b)

[For sections 4 and 14 of the act, omitted here, see full text of the act in the Annual Report of the Secretary of the Treasury for 1945, beginning on page 382.]

SECTIONS OF THE FOREIGN ASSISTANCE ACT OF 1948 RELATING TO THE NATIONAL ADVISORY COUNCIL

(62 Stat. 169; 22 U. S. C. 286b (a), 1509, 1513)

[For sections 106, 111 (c)(1) and (2), and 115 (b)(6) of the act, see the Annual Report of the Secretary of the Treasury for 1948, beginning on page 262.]

AMENDMENTS OF THE NATIONAL BANK ACT AND THE BRETTON WOODS AGREEMENTS ACT

(Public Law 142, Ch. 276, 81st Cong. 1st sess.)

[For amendments, see page 316 of this report.]

APPENDIX B

TABLE XII.—*Estimated gold and short-term dollar resources of foreign countries, as of Dec. 31, 1949*

[In millions of dollars]

Area and country	Total	Gold [1]	Short-term dollar balances
Total, All Areas [2]	15,214	9,319	5,895
Total, Europe (excluding sterling area)	6,415	4,467	1,948
Total, ERP Participants (excluding sterling area)	5,693	3,856	1,837
Austria	92	50	42
Belgium, Luxembourg, and Belgian Congo	912	754	158
Denmark	70	32	38
France and dependencies	740	543	197
(France)	(695)	(523)	(172)
(Dependencies)	[3] (45)	(20)	(25)
Germany (western)	149		149
Greece	36	6	30
Italy	556	258	298
Netherlands, Netherlands West Indies, and Surinam	416	220	196
Norway	120	51	69
Portugal and dependencies	222	178	44
Sweden	160	70	90
Switzerland	2,016	1,504	512
Trieste	4		4
Turkey	164	154	10
ERP adjustments	36	36	
Total, Other Europe	722	611	111
Bulgaria	27	25	2
Czechoslovakia	44	25	19
Finland	31	6	25
Hungary	42	41	1
Poland	52	46	6
Spain and dependencies	127	111	16
Union of Soviet Socialist Republics	10	(4)	10
Other Europe and unidentified	389	[5] 357	32
Total, British Commonwealth (including other sterling area)	4,095	2,401	1,694
Sterling area countries in ERP	2,064	1,368	696
Iceland	4	1	3
Ireland	32	17	15
United Kingdom	1,924	1,350	574
United Kingdom dependencies	104	(4)	104
Other sterling area	666	537	129
India	310	247	63
Iraq	2	(4)	2
New Zealand	40	32	8
Pakistan	41	27	14
Union of South Africa	134	128	6
Other	139	103	36
Canada	1,365	496	869

See footnotes at end of table.

TABLE XII.—*Estimated gold and short-term dollar resources of foreign countries, as of Dec. 31, 1949*—Continued

[In millions of dollars]

Area and country	Total	Gold [1]	Short-term dollar balances
Total, Africa [6]	138	56	82
Egypt and Anglo-Egyptian Sudan	115	53	62
Ethiopia	5	3	2
Tangier	18	(4)	18
Total, Asia [3 6]	1,512	742	770
Afghanistan	44	39	5
Indonesia	194	178	16
Iran	157	140	17
Israel	24	(4)	24
Japan	377	[7] 162	215
Korea (southern)	22	(4)	22
Palestine (Arabian)	1	(4)	1
Philippine Republic	298		297
Saudi Arabia	17	(4)	17
Thailand (Siam)	143	118	25
Other Asia and unidentified	235	104	131
Total, Latin America [6]	3,054	1,653	1,401
Argentina	417	216	201
Bolivia	37	23	14
Brazil	510	317	193
Chile	101	40	61
Colombia	137	51	86
Costa Rica	10	2	8
Cuba	463	299	164
Dominican Republic	39	4	35
Ecuador	30	21	9
El Salvador	45	17	28
Guatemala	51	27	24
Panama	74	(8)	74
Peru	81	28	53
Uruguay	236	178	58
Venezuela	515	372	143
Other Latin America and unidentified	308	58	250

1 Official gold holdings: For countries whose current holdings have not been published, available estimates have been used, or the figures previously published or estimated have been carried forward.

2 Excludes holdings of the International Monetary Fund, the International Bank for Reconstruction and Development, the Bank for International Settlements, and other international organizations. (Total gold and short-term dollar balances of international organizations on this date were $3,242,000,000, consisting of $1,519,000,000 in gold and $1,723,000,000 in short-term dollar balances.) Also excludes gold holdings of the U. S. S. R.

3 French Indochina is included under French dependencies.

4 No estimate made.

5 Includes gold to be distributed by the Tripartite Commission for the Restitution of Monetary Gold to claimant countries including European Recovery Program countries, in accordance with the Paris Reparations Agreement.

6 Excludes sterling-area countries and dependencies of European countries.

7 Includes approximately $38,000,000 in gold held on earmark in Japan principally for French Indochina.

8 Less than $500,000.

Source: Treasury Department and Board of Governors of the Federal Reserve System.

TABLE XIII.—*Gold transactions between the United States and other countries, Jan. 1, 1945, through Dec. 31, 1949*

[Negative figures indicate net sales by the United States]

[In millions of dollars at $35 per fine troy ounce]

Area and country	Net total 5 years	1949			Net purchases or sales			
		Net	Purchases	Sales	1948	1947	1946	1945
Total, All Areas	4,836.0	193.3	734.3	541.0	1,510.0	2,864.4	721.3	−452.9
Total, Europe	2,847.4	195.9	510.2	314.3	926.8	1,475.6	81.6	167.5
United Kingdom	1,587.3	446.3	446.3		734.3	406.9	−.2	(1)
France	558.9				15.8	264.6	(1)	278.5
Sweden	321.2				3.0	238.0	80.2	
Belgium	296.9	−41.0	2.5	43.5	69.8	222.8	14.2	31.1
Netherlands	148.0	−23.5	10.4	33.9	40.7	130.8		
Portugal	135.1	14.0	14.0		63.0	116.0	−10.0	−47.9
Turkey	49.6				10.4	56.2	−7.0	−10.0
U. S. S. R.	35.8						35.8	
Poland	28.4				1.0	27.4		
Norway	20.7					3.6	17.1	
Denmark	3.0							3.0
Finland	−4.2				−6.0			1.8
Greece	−8.2	−4.1	2.0	6.1	.2	.1	−4.4	
Czechoslovakia	−8.3	−6.2		6.2		(1)	−2.1	
Vatican City	−15.9	−1.0		1.0		−.6	−12.1	−2.2
Bank for International Settlements	−34.3	−34.3		34.3				
Italy	−114.3	−114.3		114.3				
Switzerland	−152.3	−40.0	35.0	75.0	−5.6	10.0	−29.9	−86.8
Other Europe	(1)	(1)	(1)	(1)	.2	−.2		
Total, Latin America	440.8	−147.9	20.8	168.7	81.8	808.4	171.0	−472.5
Argentina	720.0	−49.9		49.9	114.1	727.5	153.2	−224.9
Mexico	104.0	−16.1	10.2	26.3	61.6	45.4	36.9	−23.8
Colombia	59.8	7.0	7.0		15.5	60.0	−5.2	−17.5
Chile	25.2				.3	8.7	18.4	−2.2
Nicaragua	23.8	.1	.1	(1)	.5	8.7	7.3	7.2
Peru	13.5	−8.0		8.0		4.5	9.4	7.6
Uruguay	−21.4	−14.4	3.0	17.5	10.7	25.1	−4.9	−37.9
Brazil	−34.8					.1	−10.0	−24.9
Cuba	−200.0	−10.0		10.0	−10.0	−65.0	−30.0	−85.0
Venezuela	−244.0	−50.0		50.0	−108.0	−3.7	−9.2	−73.1
Other Latin America	−5.3	−6.6	.5	7.1	−2.9	−2.9	5.1	2.0
Total, Asia and Oceania	−229.7	−52.1	3.9	55.9	−4.1	1.1	13.7	−188.3
Afghanistan	−18.0						−2.0	−16.0
Thailand	−34.1	−43.1		43.1			9.0	
China	−193.5	−7.0		7.0		−.7	−.5	−185.3
Other Asia and Oceania	15.9	−2.0	3.9	5.8	−4.1	1.8	7.2	13.0
North America: Canada	689.3	3.4	3.4		(1)	311.2	337.9	36.8
Total, Africa	1,043.5	194.0	196.0	2.0	499.2	256.0	94.3	
Union of South Africa	1,044.6	195.7	195.7		498.6	256.0	94.3	
Other Africa	−1.1	−1.7	.3	2.0	.6			
International Bank	18.8				1.2	1.5	16.1	
Unallocated	25.9	−.1		.1	5.1	10.4	6.8	3.7

[1] Less than $50,000.

NOTE.—Figures will not necessarily add to totals because of rounding.

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APPENDIX C

STATISTICAL TABLES ON UNITED STATES GOVERNMENT POSTWAR FOREIGN LOANS AND OTHER CREDITS, AND GRANTS

EXPLANATORY NOTE

The data in this appendix relate to loans and other credits and to grants provided by the United States Government to foreign governments and other entities from July 1, 1945, through December 31, 1949. Because there were some credits and grants of a peacetime character between July 1, 1945, and VJ-day, and data for this period are readily available only on a semiannual basis, for statistical purposes an initial date of July 1, 1945 (except for postwar lend-lease data, which have a beginning date of September 2, 1945), has been adopted for the postwar period.

The statistical tables presented in this appendix and this Explanatory Note were prepared by the Clearing Office for Foreign Transactions, Office of Business Economics, Department of Commerce, in consultation with the International Statistics Division, Office of International Finance, Treasury Department, on the basis of the latest information available from Government agencies reporting to the Clearing Office.

Items which are necessarily based on estimates, particularly lend-lease grants and some lend-lease and surplus-property credits, have been adjusted or qualified on the basis of information received to the date of preparation of these tables, but in some instances are subject to future adjustments.

Foreign aid (grants and credits) in some cases has been extended subject to future settlement which may or may not ultimately result in repayment. Aid rendered on this basis is included with grants in this appendix.

The following credits are excluded from the tables: short-term credits (less than 6 months for credits of the former Office of the Foreign Liquidation Commissioner and War Assets Administration; 90 days or less for all other agencies), the revolving special exporter-importer credits of the Export-Import Bank, and advance payments on commodity-procurement contracts.

Also excluded are several operations of the United States Government abroad which are sometimes called grants. Among these excluded transactions are (1) the waiver to France of vessels intended as reparations to the United States from Germany; (2) the return of reparation vessels to Italy; (3) certain of the naval vessels transferred to China under Public Law 512 of the Seventy-ninth Congress; (4) costs of military occupation and government in former enemy countries, other than supplies for civilian economies; (5) payments to the joint commission fighting foot-and-mouth disease in Mexico; (6) payments abroad of pensions, annuities, dependency allotments, and certain claims; (7) services supplied by the Economic Cooperation Administration and paid for out of the 5 percent counterpart funds received under the Foreign Assistance Act of 1948, as amended; and (8) relatively minor amounts of assistance under international and educational activities of the United States Government.

It should be noted that grants to the United States by foreign countries, such as the receipt of the 5 percent of counterpart funds under economic-cooperation programs, the receipt of reparations, and reciprocal aid in the form of reverse lend-lease, have not been netted against the grant utilization shown in the appendix tables.

No attempt has been made in the appendix tables to show United States Government aid rendered through the International Bank for Reconstruction and Development or the International Monetary Fund. During 1946 and 1947 the United States Government invested $635,000,000 in the capital of the Bank and $2,750,000,000 in the Fund. The United States Government has a larger equity investment in the capital of these two institutions (38 and 39 percent, respectively) than any other government. For data on the transactions of these two international organizations, see chapter IV of the text of this report.

TRANSACTIONS COVERED

The following types of United States Government transactions are included in this appendix:

1. **Credits.**—These include:

(*a*) *Loans.*—These represent cash loans (except for the major part of loans extended by the Economic Cooperation Administration) to foreign governments, and to private entities in foreign countries, which result in debtor-creditor relationships, anticipating repayments of principal and usually payments of interest. Direct loans by the Export-Import Bank and other Government agencies, and disbursements of agent banks on loans of the Export-Import Bank are included. In the case of the Economic Cooperation Administration, loans generally represent both the goods and funds furnished to European Recovery Program participants on a credit basis.

Loans of the Economic Cooperation Administration originate in commitments made by the Administrator but most of the loans are made by the Export-Import Bank as agent for the Economic Cooperation Administration. Intermediate-term loans in connection with deficiency-material projects are made directly by the Economic Cooperation Administration. These are made from either appropriated dollar funds or 5 percent counterpart funds, whereas the loans through the Export-Import Bank are made from public-debt dollar funds.

Loans of the Export-Import Bank originate in commitments or authorizations resulting from approval of loans by the Board of Directors. These included, as of December 31, 1949, certain loans which had not been formalized by executed contracts or agreements. These authorizations, included in the appendix tables, are as follows:

Total, All Areas	**$176, 746, 959**
ERP Countries:	
Turkey	116, 854
Unallocated European cotton credits	38, 443, 733
Latin America:	
Bolivia	16, 000, 000
Brazil	4, 992, 544
Chile	28, 950, 000
Ecuador	7, 000, 000
Mexico	4, 581, 125
Venezuela	5, 158, 000
Unallocated Latin America	19, 604, 703
Asia:	
Afghanistan	21, 000, 000
Israel	26, 650, 000
Philippines	250, 000
Saudi Arabia	4, 000, 000

(*b*) *Property credits.*—These represent credits extended abroad in the disposal of surplus property, including merchant ships, and in the settlement for lend-lease articles and services. These extensions of credit result in debtor-creditor relationships, anticipating payments of principal and, in most cases, of interest.

In analyzing surplus-property and lend-lease credits, consideration should be given to the *Special Notes on Property Credits* which appear subsequently in this Explanatory Note.

Certain property-credit settlements and agreements provide for undertakings by the foreign government, other than in the form of payment of United States dollars, which, when completed will constitute a discharge of the whole or a part of its obligation to the United States Government. Collections shown in the tables do not include the undertakings of foreign governments, except to the extent that they have been reported as completed. Provisions governing the collection of principal and interest vary, and may call for payment in the form of different combinations of United States dollars, property or improvements to property, and foreign currencies.

Foreign obligations to repay lend-lease silver are included in property credits because such silver is required to be returned to the Treasury, ounce for ounce, within 5, or in some cases 7, years after the end of World War II, as determined by the President. To date, only Belgium has returned lend-leased silver.

Commodity programs are included with property credits in the appendix tables and represent credits resulting from commodity shipments by the United States Government to the military governments for western Germany and Japan. The major commodity advanced to Germany and the only commodity advanced to Japan under these programs has been raw cotton.

2. **Grants.**—These represent aid to foreign governments or other entities for which no repayment is expected, or for which repayment terms are currently indeterminate. Grants are not synonymous with gifts since they include, in addition to outright gifts, foreign aid extended under indeterminate terms and

conditions of recovery to the United States, pending future settlement. These settlements may eventually stipulate repayment, in whole or in part, for what is currently classified as a grant. When terms are established, the aid may be transferred from a grant basis to a credit basis. This has been done in the case of many lend-lease settlements.

Supplies and services furnished to foreign governments or other entities include all costs, actual or estimated, chargeable to the United States Government. Services include the charges for administering the program where they can be ascertained. However, administrative expenses of the Economic Cooperation Administration paid from 5-percent counterpart funds are excluded from the grants tables. Grant aid utilized on an annual basis during the postwar period and available unutilized balances at December 31, 1949, are shown in table XXIV by program. Specifically, the grants included in this appendix are the following:

(*a*) *Economic cooperation.*—These represent aid provided by the Economic Cooperation Administration, on other than a credit basis, principally under title I and section 404 (a) of title IV of the Foreign Assistance Act of 1948, as amended. Title I of this act authorizes the European Recovery Program, and title IV is the authority for the Chinese assistance program. Included also, in the European Recovery Program (unutilized as of December 31, 1949), is the $100,000,000 transferred from the Army Department government and relief in occupied areas (GARIOA) appropriation to the Economic Cooperation Administration for use in Germany. Under authority of Public Law 327, approved October 6, 1949, this type of aid to Germany, formerly administered by the Army Department and shown as civilian supplies, was transferred to the Economic Cooperation Administration. Data shown also include aid to Korea under Executive Order dated January 5, 1949, wherein the President transferred responsibility for aid in this area from the Army Department to the Economic Cooperation Administration. Technical assistance and training provided under the programs are included, as are the subsidies (including postal reductions), on freight payments for private relief shipments.

Where goods have been shipped to a dependent area, the aid has been shown as rendered to the parent country. Because of the military situation in China, ships bearing cargoes financed by ECA were diverted to other destinations, including Korea; partial adjustments have been made to correct the cumulative postwar data shown for these two countries. Complete information for applying these adjustments to the proper periods is not presently available, consequently the six-month utilization in table XVI does not reflect the final figures that will be shown for that period when the necessary phasing adjustments have been made. The amount shown as utilized for *Unallocated ERP* areas represents the dollar administrative expenses of the ECA; such expenses paid from U.S.-owned counterpart funds are not included.

(*b*) *Civilian supplies.*—These represent principally supplies furnished by the United States Army for civilian use abroad to prevent disease and unrest in occupied areas; issues of supplies by the Navy Department in the Pacific Islands; and supplies financed out of lend-lease appropriations and furnished to the Army Department for Italian relief. (The tables have been adjusted to exclude these Italian relief transactions from lend-lease and include them under civilian supplies. The amount involved is $135,000,000 utilized in the postwar period.)

Army Department data include all reported shipments of civilian supplies plus net diversions abroad from military stocks. (It is estimated that about $400,000,000 is omitted from the Army civilian-supply grants for the entire postwar period, resulting from diversions, petroleum transfers, and other overseas civilian-supply operations which have not been reported. The Army has issued regulations to correct this reporting.) Also included is the value of incentive materials provided Germany and Japan, and subsidies (paid from appropriations for civilian supplies) for postal shipments of private relief parcels. Services rendered gratis to civilians are not included because of the infeasibility of segregating the cost of such services from the cost of regular military operations. Shipments have been shown by individual country, except for the United States and British zones of the immediate postwar European theater, which have been shown in the appendix tables as *Unallocated ERP* areas.

(*c*) *Relief* (other than civilian supplies).—These represent grants furnished for relief abroad directly to recipient areas or through international or national agencies (in particular UNRRA, the International Children's Emergency Fund of the United Nations, the Intergovernmental Committee on Refugees, the International Refugee Organization, the United Nations for relief of Palestinian refugees and the American Red Cross).

The UNRRA data cover only goods, services, and funds provided by the United States Government. Reports on United States participation in UNRRA operations were made by the State Department. Supplies provided through UNRRA were reported at the time of transfer, usually at shipside in the United States, with an adjustment to include estimated ocean-transportation charges to obtain the landed cost. In most cases, UNRRA shipments were used in the country to which they were destined. In some instances, however, goods were later transshipped and the country of destination which is reported in these tables was not the country actually utilizing the supplies. The dollar value of supplies transshipped is small relative to the total. The United States contribution to UNRRA comprised about three-fourths of that agency's resources. For some countries the United States contribution was used to provide more than three-fourths of total aid to that country by UNRRA. In others, the United States contribution was considerably less than three-fourths of total UNRRA assistance. Where possible, data are shown for the country of destination of United States' contributed shipments. Of the postwar total of $2,577,000,000 of United States', contributed UNRRA aid, $2,212,000,000 is shown by country of destination. The cash grant paid in dollars to UNRRA of $274,000,000 is shown against the geographical entry *Unallocated International Organizations* in the tables. Services, including administrative costs, unclassified shipments of UNRRA, and other undistributable charges, aggregating $91,000,000, are shown against the entry *Unallocated All Areas.*

Relief furnished directly to recipient areas includes the post-UNRRA program, authorized by Public Law 84, approved May 31, 1947, and the Interim-Aid Program, authorized by Public Law 389, approved December 17, 1947. ECA is responsible for terminal administration of these two programs which were originally under the State Department. Data on shipments under the post-UNRRA program after June 30, 1948 (estimated at $5,000,000 to China), are not available and are not included in these data.

The State Department has been responsible for the administration of contributions to the International Children's Emergency Fund, the Intergovernmental Committee on Refugees, the International Refugee Organization, and the United Nations Relief and Work Agency for Palestine Refugees in the Near East. These are shown in the tables as *Unallocated International Organizations.*

Data included for the former relief program of the American Red Cross cover only supplies provided by United States Government procuring agencies with appropriated funds. In the appendix tables, $2,000,000 of the $10,000,000 total American Red Cross aid, and $5,000,000 of the total $300,000,000 post-UNRRA relief is shown as *Unallocated All Areas.* These represent undistributable American Red Cross, administrative expenses of the post-UNRRA program, and reimbursements under the post-UNRRA program to American voluntary relief organizations for ocean-freight expenditures incurred in sending aid abroad. Goods, services, and funds provided by private persons or organizations, even though furnished through Government-approved organizations, are excluded from these data.

(*d*) *Lend-lease.*—Figures for lend-lease aid represent the estimated value of such aid furnished on a grant basis (often referred to as "straight" lend-lease), during the period September 2, 1945, to June 30, 1949. Lend-lease grants are broken down by requisitioning governments and are shown only for major areas; for example, against the United Kingdom for the British Commonwealth, against France for all French areas, etc., and for the American Republics, in total, against the entry *Unallocated Latin America.*

Although governments of other nations provided some aid in the postwar period to the United States in the form of reverse lend-lease, such assistance received has not been offset against the assistance furnished.

(*e*) *Other grants.*—The remaining other grants include—

1. Aid through cultural and economic programs for the American Republics, representing principally programs instituted by agencies whose functions have been consolidated in the Institute of Inter-American Affairs in the State Department.

2. Financial aid to China under the laws approved in February 1942, which directed that $500,000,000 be provided to China to assist in prosecuting the war against Japan and in stabilizing the Chinese economy. This aid was ad-

ministered by the Treasury Department; approximately $120,000,000 was disbursed in the postwar period.

3. Aid to China under section 404 (b) of Public Law 472, approved April 3, 1948, which authorized the President to provide $125,000,000 of military aid to China.

4. Assistance to Chinese students in the United States under Public Law 327, approved October 6, 1949. This act authorized the transfer of $4,000,000 from the Economic Cooperation Administration to the State Department for this program.

5. Aid to Greece and Turkey under Public Law 75, approved May 22, 1947, and title III of Public Law 472, approved April 3, 1948. This assistance is administered by the State Department.

6. Aid to the Philippines under the first three titles of the Philippine Rehabilitation Act of 1946.

7. Military assistance under the Mutual Defense Assistance Program, authorized under Public Law 329, approved October 6, 1949, and for which $814,000,000 was appropriated in Public Law 430, approved October 28, 1949. Shown under *Unallocated ERP* areas are the appropriations of $500,000,000 for the signatories of the North Atlantic Treaty, and $211,000,000 for continuation of Greek-Turkish military aid. Against *Unallocated Asia* are shown the appropriations of $28,000,000 for aid to Iran, Korea, and the Philippines, and of $75,000,000 for assistance in the general area of China. The authorized transfers of property excess to the needs of the United States equivalent to $450,000,000 is shown against *Unallocated All Areas*. This amount, plus the $814,000,000 appropriated for MDAP in Public Law 430, results in an unutilized total of $1,264,000,000 on December 31, 1949. Excluded from the data in the tables is $500,000,000 in contract authorizations for the North Atlantic area.

DEFINITIONS

Because of the wide variety of transactions and differences in the accounting procedures of the various Government agencies, it is not possible to prepare simple definitions applicable to all cases, but it is believed that the classifications used are as consistent as possible.

1. **Utilized** represents for—

(*a*) Loans:

1. *Economic Cooperation Administration.*—The amount of aid extended on a credit basis, based upon calculations by the Economic Cooperation Administration. This aid, except to Iceland, was extended originally on an indeterminate basis out of appropriated funds, and represented supplies and services in the case of United States Government procurement, and expenditures in the case of cash reimbursements to a foreign government (for procurement made by that government or its agents) or to a United States supplier or bank (for payments to suppliers) for procurement made on a letter of credit authorized by ECA. While the utilization shown does not represent either (1) disbursements out of public debt funds, as reported by the Export-Import Bank, or (2) reimbursements of advances from appropriated funds, as reported by the Economic Cooperation Administration, it is eventually incorporated into the fiscal records of both agencies by the disbursement of public debt funds and the reimbursement of appropriated funds.

2. *All other agencies* (including Economic Cooperation Administration deficiency-material loans).—The amounts disbursed under the terms of the agreements.

(*b*) Property Credits:

1. *Lend-lease.*—The inventories of lend-lease goods in the hands of civilian agencies of recipient governments at VJ-day, and billings to foreign governments for post-VJ-day shipments under pipeline agreements; also included is the value of the silver lend-leased during the postwar period (which is to be returned in kind). The dollar value of the lend-lease silver credits is computed at 71⅑ cents per fine ounce, the official value at the time the silver was originally furnished to the foreign governments. In many cases the amounts due have been established in war-account settlement agreements. In the case of Liberia, utilization represents expenditures reported by the Navy Department.

2. *Former Office of the Foreign Liquidation Commissioner surplus-property credits.*—Deliveries in the case of both bulk-sale credit agreements and sales

contracts signed under other credit agreements. In the case of bulk sales to Belgium and India, utilized credits represent the current estimate of the one-half share of the United States Government in the proceeds from the resale of the surplus property by these two foreign governments.

3. *Maritime Commission ship-sales credits.*—The principal amount of the mortgages received from foreign purchasers of merchant ships.

4. *Reconstruction Finance Corporation and former War Assets Administration surplus-property credits.*—Deliveries under sales contracts. (The Reconstruction Finance Corporation credit was to Brazil.)

5. *Army Department surplus-property credit.*—The estimated value of surplus property delivered to China.

6. *Commodity programs for Germany (western) and Japan.*—The value of the raw materials shipped, plus shipping costs, handling charges, and administrative expenses.

(*c*) GRANTS:

1. *Economic Cooperation Administration.*—Supplies and services in the case of United States Government procurement, and expenditures in the case of cash reimbursements to a foreign government (for procurement by that government or its agents), or to a United States supplier or bank (for payments to suppliers), for procurement made on a letter of credit authorized by ECA.

2. *Other grants.*—Supplies and services in the case of United States Government procurement, and expenditures in the case of cash disbursements to foreign countries.

2. **Unutilized** represents for—

(*a*) LOANS AND OTHER CREDITS:

The difference between net agency authorizations (cumulative gross authorizations less cumulative expirations and cancellations), and the amount utilized. In addition, there is included, as unallocated on a country basis, for the—

1. *Economic Cooperation Administration.*—The uncommitted authority to extend aid on a credit basis from public debt funds to the ERP participating countries, which is the difference between the statutory credit authority (financed by public debt funds), and the net credit commitments of ECA.

2. *Export-Import Bank.*—The uncommitted lending authority, i. e., the difference between the statutory lending authority of the Bank, and the sum of the outstanding indebtedness to the Bank and to agent banks plus the unutilized authorizations of the Bank.

3. *Army Department.*—The uncommitted commodity-program credit authority, which is the difference between the statutory credit authority, and the sum of the outstanding indebtedness to the Army plus the unutilized commitments of the Army under this program.

(*b*) GRANTS:

1. *Civilian supplies.*—An estimate based on the unexpended appropriation programed for this purpose.

2. *Institute of Inter-American Affairs.*—The difference between the amount of aid specified in signed agreements with the countries involved and the amount utilized.

3. *Mutual Defense Assistance Program.*—The difference between the value of the excess property authorized for transfer and the amount transferred (utilized), plus the difference between the appropriation and the amount utilized. As of December 31, 1949, there had been no recorded utilization under this program.

4. *Other active programs.*—The difference between the appropriation and the amount utilized. In those instances where programs have been obviously completed, although the recorded grants utilized are short of the final total, the computed unutilized amount has been adjusted to zero.

3. **Outstanding indebtedness** represents the net of credits utilized less repayments. The data necessarily include the results of transactions taking place before July 1, 1945. Indebtedness arising out of World War I, however, is excluded.

4. **Authorized** represents the gross credit commitments, as well as any increase in prior commitments. Commitments represent all loans and other credits approved by Government agencies even though in some instances such arrangements had not been formalized by signed credit agreements. Because the lack of formal agreement may become important in some cases, the amounts in this category as of December 31, 1949, included in table XIX, are tabulated under *Trans-*

actions Covered in this Explanatory Note. Included also in authorized, as unallocated on a country basis, are the net increases between July 1, 1945, and December 31, 1949, in (1) the uncommitted authority of the Economic Cooperation Administration to extend aid on a credit basis from public debt funds, (2) the uncommitted lending authority of the Export-Import Bank, and (3) the uncommitted commodity-program credit authority of the Army Department.

5. **Expired and canceled** represents all expirations and cancellations of credit authorizations or commitments occurring during the period from July 1, 1945, through December 31, 1949, regardless of whether the loan or other credit was authorized prior or subsequent to July 1, 1945.

6. **Repaid** represents payments on principal only, including repayments on loans and other credits utilized prior to July 1, 1945, but excluding repayments on debts arising out of World War I. Repayments on agent-bank loans of the Export-Import Bank are included.

SPECIAL NOTES ON PROPERTY CREDITS

As previously pointed out, the data presented in the tables under surplus-property and lend-lease credits are subject to the following qualifications for individual countries:

1. *Belgium.*—The final amount of the Foreign Liquidation Commissioner bulk-sales credit will depend on the proceeds received from the resale of surplus property by the Belgian Government for the joint account of the two countries. The figures shown for credit committed and utilized represent the current estimate of the United States Government's share in the proceeds.

2. *France.*—The $420,000,000 credit, assignable to lend-lease under the war-account settlement agreement of May 28, 1946, was not a fixed amount but was an estimate subject to later adjustment pending final determination of the amount of goods delivered. A final determination was subsequently made in the agreement signed March 14, 1949, which fixed the obligation of France assignable to lend-lease at $353,300,000, reflecting a cancellation of $66,700,000.

3. *Netherlands.*—Lend-lease credits utilized are stated in the amount of $48,000,000, the agreed net indebtedness established by the war-account settlement with the Netherlands dated May 28, 1947. This includes $840,000 due for surplus property sold by the Foreign Liquidation Commissioner in January 1947. The difference between the $65,000,000 unutilized lend-lease credit reported as of June 30, 1945, and the $48,000,000 war-account settlement credit has been shown as a cancellation of credit commitments.

4. *United Kingdom.*—A lend-lease credit commitment in the amount of $590,000,000 represents the amount assigned to lend-lease (exclusive of lend-lease silver), in the war-account settlement agreements with the United Kingdom dated December 6, 1945, and March 27, 1946. This amount was composed of $472,000,000, regarded as the "fixed" amount, and $118,000,000 subject to future accounting adjustments representing the net estimated amount of the lend-lease and reverse lend-lease pipelines, less the net claims.

A later agreement with the United Kingdom, signed July 12, 1948, set $90,446,911 as the amount to be paid to the United States Government to replace the previous estimated amount of $118,000,000. This reduction of $27,553,089 has been shown as a cancellation of the original commitment.

5. *U. S. S. R.*—The gross lend-lease commitments represent the original estimated value of articles and services on order and not transferred as of VJ-day which were designated for transfer on a credit basis; the cancellations represent downward revisions in the original estimates.

6. *Latin America.*—Lend-lease mutual-aid agreements were signed with all the American Republics except Argentina and Panama. Combined data for these lend-lease credits are shown in *Unallocated Latin America.*

7. *China.*—The gross lend-lease commitments represent the original estimated value of articles and services on order and not transferred as of VJ–day which were designated for transfer on a credit basis; the cancellations represent downward revisions in the original estimates. The $20,000,000 shown as a credit for the Army Department represents the estimated amount of surplus property delivered by the Army subject to future settlement.

8. *India.*—The exact amount of the Foreign Liquidation Commissioner bulk-sales credit will depend on the proceeds received from the resale of surplus property by the Government of India for the joint account of the United States and India. The figures shown for credit commitment and utilization are based on the latest estimate of the United States Government's share in the proceeds.

PRESENTATION OF DATA IN TABLES

The presentation of the data for foreign credits and grants of the United States Government in the tables of this appendix, while not identical with that in all previous reports of the National Advisory Council, is similar and comparable.

Table XIV shows foreign credits and grants utilized in the 4½-year postwar period in various combinations with amounts unutilized as of the end of the period. Table XV is a summary of the status of foreign credits as of June 30, 1945, and as of December 31, 1949, and of the activity during the intervening 4½-year period. Table XVI is in three parts and presents, by type of program, grants (1) utilized in the 4½-year postwar period, (2) utilized in the six-month period ended December 31, 1949, and (3) unutilized as of December 31, 1949. Tables XVII–XXI and XXIII present a breakdown by credit-extending agency of the credit data (as of December 31, 1949, and during the 4½-year period), summarized in table XV. Table XXII shows a breakdown by credit-extending agency of the credits utilized in the six-month period from July 1, 1949, through December 31, 1949. All these tables present the data by geographical area and country.

Table XXIV shows, by fiscal year over the 4½-year period, utilized grants and credits, and as of December 31, 1949, unutilized grants and credits, classified by program. Table XXV presents ERP aid received by participating countries from the United States as well as aid received from or provided to other participants under the OEEC intra-European payments plan.

The figures in each of the tables are rounded to whole millions of dollars, hence components will not necessarily add to totals because of rounding. In the *ERP Participants* area, each country having any data has been shown individually. In all other areas, any country whose total or largest dollar amount cannot be rounded to $5,000,000 or more has been combined with other countries in that area whose dollar amounts cannot be rounded to $5,000,000 or more and the total has been rounded and shown as *Other*. In determining whether a country should be shown individually or in combination with other countries in an area, each table has been treated separately.

Whenever the country detail to be shown for an area is one item only (one country or, in accordance with the above, exclusively *Other*), only the area total appears, and this area total is shown even though the figure is less than $5,000,000. For each item shown (area, country, other, or unallocated), the detail figures for that item appearing in any column are shown, even though in some instances they may be less than $5,000,000.

The unallocated items are aid or potential aid that cannot be allocated by country. In most instances such items have been allocated by area. The composition of the unallocated items is covered either elsewhere in this Explanatory Note or in footnotes to the tables.

Although some Foreign Liquidation Commissioner accounts have been transferred to the Foreign Accounts and Collections Section, Division of Investments, Treasury Department, and the War Assets Administration accounts are now under the General Services Administration, these credits are shown in the tables under the name of the original contracting agency in order to preserve continuity of statistical data.

TABLE XIV.—*Summary of U. S. Government foreign credits and grants: utilized, July 1, 1945, to December 31, 1949; and unutilized as of December 31, 1949, by area and country* [1]

[In millions of dollars]

Area and country	Grand Total	Credits plus Grants		Utilized plus Unutilized		
		Utilized	Unutilized	Loans	Property credits	Grants
Total, All Areas	33,584	25,933	7,652	8,900	3,095	21,590
Total, Europe	25,091	20,122	4,969	6,938	2,304	15,849
Total, ERP Participants	23,483	18,539	4,944	6,755	1,994	14,734
Austria	716	649	68	13	12	691
Belgium and Luxembourg	679	542	137	192	39	449
Denmark	190	164	26	51	1	138
France	4,040	3,639	401	1,372	749	1,919
Germany (western)	3,046	2,624	421	5	121	2,920
Greece	1,211	1,086	125	15	97	1,100
Iceland	11	8	4	2	[2]	9
Ireland	112	67	45	86	---	25
Italy	2,175	1,846	329	198	209	1,767
Netherlands	1,030	803	227	352	81	597
Norway	239	177	62	85	30	124
Sweden	80	44	36	23	2	55
Switzerland	2	2	---	---	---	2
Trieste	38	31	7	---	---	38
Turkey	280	194	86	73	12	194
United Kingdom	6,925	6,486	439	4,098	641	2,186
Unallocated ERP	2,710	179	2,532	190	---	2,521
Total, Other Europe	1,608	1,583	25	183	310	1,115
Albania	20	20	---	---	---	20
Czechoslovakia	213	213	---	22	8	183
Finland	128	123	5	101	25	2
Hungary	18	18	---	---	16	2
Poland	443	443	---	40	38	365
U. S. S. R.	465	465	---	---	223	243
Yugoslavia	320	300	20	20	1	299
Total, Latin America	563	398	165	482	43	38
Bolivia	37	21	16	35	---	2
Brazil	105	96	9	85	16	4
Chile	114	71	44	111	---	4
Colombia	42	25	17	40	1	1
Cuba	11	11	---	10	---	[2]
Ecuador	23	10	13	21	[2]	2
Haiti	7	3	4	4	[2]	2
Mexico	137	109	28	132	---	5
Peru	8	8	---	[2]	6	2
Uruguay	10	10	[2]	7	2	1
Venezuela	12	4	7	10	---	1
Other Latin America	10	9	1	4	[2]	6
Unallocated Latin America	46	22	25	21	18	7

See footnotes at end of table.

TABLE XIV.—*Summary of U. S. Government foreign credits and grants: utilized July 1, 1945, to December 31, 1949; and unutilized as of December 31, 1949, by area and country* [1]—Continued

[In millions of dollars]

Area and country	Grand Total	Credits plus Grants		Utilized plus Unutilized		
		Utilized	Unutilized	Loans	Property credits	Grants
Total, Asia	5,505	4,567	938	355	580	4,569
Afghanistan	21		21	21		
Burma	5	5			5	
China	1,894	1,753	141	99	146	1,649
India	45	45			45	
Indonesia	67	67			63	4
Iran	37	37			37	
Israel	100	7	93	100		
Japan	2,052	1,716	337	51	233	1,768
Korea (southern)	361	293	67		25	336
Philippines	700	568	133	70	9	621
Ryukyu Islands	89	49	40			89
Saudi Arabia	22	18	4	14	8	
Thailand	6	6			6	
Other Asia	3	3			3	(2)
Unallocated Asia	103		103			103
Canada	145	141	4	145		
Total, Africa	52	37	15	19	32	1
French Morocco	5	1	4	5		
Egypt	18	18	(2)	7	11	(2)
Liberia	23	15	8	4	19	
Other Africa	6	3	2	3	2	1
Total, Oceania	17	17			13	5
Australia	8	8			8	(2)
Other Oceania	9	9			4	4
Unallocated, International Organizations	645	552	93	65		580
Unallocated, All Areas	1,566	98	1,468	895	123	548

[1] For important qualifications affecting this table and for definitions of terms, see the Explanatory Note.
[2] Less than $500,000.

TABLE XV.—*Summary of U. S. Government foreign credits: July 1, 1945, to Dec. 31, 1949, by area and country* [1]

[In millions of dollars]

Area and country	Dec. 31, 1949		Activity July 1, 1945, to Dec. 31, 1949				June 30, 1945 [2]	
	Outstanding indebtedness	Unutilized credits	Authorized	Expired and canceled	Utilized	Repaid	Outstanding indebtedness	Unutilized credits
Total, All Areas	9,901	1,750	12,458	1,174	10,244	1,133	789	710
Total, Europe	8,811	356	9,623	555	8,886	455	379	174
Total, ERP Participants	8,365	331	8,999	415	8,418	405	352	166
Austria	24	....	37	12	25	1	....	....
Belgium and Luxembourg	197	9	230	55	222	24	....	55
Denmark	52	....	61	9	52	(3)	....	....
France	2,053	....	2,248	127	2,121	68	....	....
Germany (western)	84	....	133	8	126	41	....	....
Greece	101	....	147	36	111	10	....	....
Iceland	2	....	3	(3)	2	....	....	....
Ireland	64	22	89	3	64	....	....	....
Italy	351	23	411	3	385	34	....	....
Netherlands	447	1	437	68	432	21	36	65
Norway	108	....	142	37	115	7	....	11
Sweden	4	21	28	2	4	1	....	....
Turkey	47	31	90	4	55	8	....	....
United Kingdom	4,831	35	4,731	28	4,704	189	316	35
Unallocated ERP	....	190	212	22	....	....	....	....
Total, Other Europe	446	25	624	140	468	49	27	9
Czechoslovakia	6	....	72	42	30	24	....	....
Finland	122	5	136	19	121	22	24	9
Hungary	14	....	30	14	16	2	....	....
Poland	80	....	90	12	78	1	3	....
U. S. S. R	223	....	275	52	223	....	....	....
Yugoslavia	1	20	21	....	1	....	....	....
Total, Latin America	398	160	417	228	365	151	183	337
Bolivia	20	16	19	....	19	1	2	16
Brazil	116	9	115	42	92	33	56	28
Chile	56	44	99	2	67	24	14	13
Colombia	23	17	19	2	24	11	10	23
Costa Rica	7	....	....	(3)	(3)	(3)	7	(3)
Cuba	11	....	....	7	10	3	3	18
Ecuador	11	13	12	1	8	2	5	10
Haiti	5	4	4	(3)	1	4	9	(3)
Mexico	78	28	91	8	104	37	11	49
Paraguay	4	....	....	....	1	2	5	1
Peru	4	....	7	26	6	2	....	25
Uruguay	15	(3)	3	18	9	1	7	25
Venezuela	4	7	11	(3)	3	2	3	....
Other Latin America	4	1	3	2	2	6	8	3
Unallocated L. A	40	20	33	119	20	23	44	125

See footnotes at end of table.

TABLE XV.—*Summary of U. S. Government foreign credits: July 1, 1945, to Dec. 31, 1949, by area and country* [1]—Continued

[In millions of dollars]

Area and country	Dec. 31, 1949		Activity July 1, 1945, to Dec. 31, 1949				June 30, 1945 [2]	
	Outstanding indebtedness	Unutilized credits	Authorized	Expired and canceled	Utilized	Repaid	Outstanding indebtedness	Unutilized credits
Total, Asia	**612**	**154**	**1,119**	**216**	**781**	**374**	205	32
Afghanistan		21	21					
Bahrein Islands						16	16	
Burma	5		5		5	(3)		
China	169	15	235	22	229	109	49	32
India	174		45		45	2	132	
Indonesia	62		200	137	63	1		
Iran	27		40	3	37	10		
Israel	7	93	100		7			
Japan	46	21	290	6	263	218		
Korea (southern)	25		25	(3)	25			
Lebanon	1		5	3	2	1		
Pakistan			10	10	(3)	(3)		
Philippines	65	(3)	89	10	79	14		
Saudi Arabia	25	4	43	20	18	2	9	
Thailand	6		10	4	6	(3)		
Other Asia			2	1	1	1		
Canada	**6**	**4**	**311**	**166**	**141**	**141**	7	
Total, Africa	**31**	**15**	**43**	**3**	**36**	**11**	6	11
Egypt	7	(3)	18		18	11		
Ethiopia	5	2	4	1	1	(3)	4	
French Morocco	1	4	5		1			
Liberia	17	8	14	2	15		2	11
Other Africa	1		2	1	1	(3)	(3)	(3)
Total, Oceania	**19**		**14**	**1**	**13**	**2**	8	
Australia	15		8		8	1	8	
New Zealand	4		6	1	4	(3)		
Unallocated, International Organizations	**23**	**42**	**65**		**23**			
Unallocated, All Areas		**1,018**	**867**	**5**				[4] 156

[1] For important qualifications affecting this table and for definitions of terms, see the Explanatory Note. For agency break-down of the first 6 columns of this table, see tables XVII-XXI and XXIII. Outstanding indebtedness at Dec. 31, 1949, is equivalent to the sum of outstanding indebtedness at June 30, 1945, plus the difference between the amount utilized and the amount repaid during the period July 1, 1945, to Dec. 31, 1949. Unutilized credits at Dec. 31, 1949, is equivalent to the sum of unutilized credits at June 30, 1945, and the amount authorized during the period July 1, 1945, to Dec. 31, 1949, less the sum of the amount expired and canceled and the amount utilized during the period July 1, 1945, to Dec. 31, 1949.

[2] Most items in the June 30, 1945, columns relate to loans by the Export-Import Bank. Major other agency credits were as follows: Belgium, $55,000,000 unutilized lend-lease credit; Netherlands, $36,137,087 outstanding lend-lease silver credit and $65,000,000 unutilized lend-lease credit; United Kingdom, $271,887,470 outstanding and $35,000,000 unutilized loan by the Reconstruction Finance Corporation, and $44,281,061 outstanding lend-lease silver credit; Bolivia, $2,071,321 outstanding loans by the Reconstruction Finance Corporation; Unallocated Latin America, $43,569,862 outstanding and $52,364,138 unutilized lend-lease credits; Bahrein Islands, $16,145,611 outstanding loan by the Reconstruction Finance Corporation; India, $131,555,487 outstanding lend-lease silver credit; Saudi Arabia, $8,558,773 outstanding lend-lease silver credit; Canada, $6,706,952 outstanding loan by the Reconstruction Finance Corporation; Ethiopia, $3,857,778 outstanding lend-lease silver credit; Liberia, $1,801,259 outstanding and $10,698,741 unutilized lend-lease credit; Australia, $8,371,719 outstanding lend-lease silver credit.

[3] Less than $500,000.

[4] Uncommitted lending authority of the Export-Import Bank.

TABLE XVI.—*U. S. Government foreign grants: utilized July 1, 1945, to Dec. 31, 1949, and July 1, 1949, to Dec. 31, 1949; and unutilized as of Dec. 31, 1949, by area, country, and type* [1]

[In millions of dollars]

AMOUNTS UTILIZED JULY 1, 1945, TO DEC. 31, 1949

Area and country	Total	Economic cooperation	Civilian supplies	Relief	Lend-lease	Other grants
Total, All Areas	15,688	5,292	4,170	3,700	1,213	1,314
Total, Europe	11,236	5,111	2,387	2,657	487	594
Total, ERP Participants	10,121	5,111	2,387	1,597	432	594
Austria	624	301	94	229		
Belgium and Luxembourg	321	258		1	61	
Denmark	112	112		(2)		
France	1,518	1,125		318	75	
Germany (western)	2,499	609	1,887	4		
Greece	975	187		317	6	465
Iceland	5	5				
Ireland	3	3		(2)		
Italy	1,461	513	244	703		
Netherlands	371	341		2	27	
Norway	62	61		1		
Sweden	40	39		1		
Switzerland	2			2		
Trieste	31	16	3	12		
Turkey	139	10				129
United Kingdom	1,782	1,511		8	262	
Unallocated ERP	179	20	158			(2)
Total, Other Europe	1,115			1,060	55	
Albania	20			20		
Czechoslovakia	183			183		
Poland	365			365	(2)	
U. S. S. R.	243			188	55	
Yugoslavia	299			299		
Other	4			4		
Total, Latin America	33			(2)	2	31
Mexico	5					5
Other Latin America	25			(2)		25
Unallocated L. A.	2				2	
Total, Asia	3,786	181	1,779	414	724	689
China	1,524	158		406	724	236
Japan	1,453		1,453			
Korea (southern)	268	23	245	1		
Philippines	488		28	8		452
Ryukyu Islands	49		49	(2)		
Other Asia	4		4	(2)		
Africa	1			1		
Oceania	5		4	(2)		
Unallocated, International Organizations	530			530		
Unallocated, All Areas	98			98	(2)	

See footnotes at end of table.

TABLE XVI.—*U. S. Government foreign grants: utilized July 1, 1945, to Dec. 31, 1949, and July 1, 1949, to Dec. 31, 1949; and unutilized as of Dec. 31, 1949, by area, country, and type* [1]—Continued

[In millions of dollars]

AMOUNTS UTILIZED JULY 1, 1949, TO DEC. 31, 1949

Area and country	Total	Economic cooperation	Civilian supplies	Relief	Other grants
Total, All Areas	2,432	1,707	482	45	199
Total, Europe	2,004	1,700	228		77
Total, ERP Participants	2,004	1,700	228		77
Austria	84	84			
Belgium and Luxembourg	109	109			
Denmark	49	49			
France	325	325			
Germany (western)	430	203	228		
Greece	112	62			50
Iceland	2	2			
Ireland	3	3			
Italy	124	124			
Netherlands	168	168			
Norway	26	26			
Sweden	21	21			
Trieste	2	2			
Turkey	31	5			27
United Kingdom	510	510			
Unallocated ERP	8	8			(2)
Latin America	2				2
Total, Asia	381	7	254		120
China	6	Cr. 9			14
Japan	228		228		
Korea (southern)	34	16	18		
Philippines	106				106
Ryukyu Islands	8		8		
Unallocated, International Organizations	45			45	

UNUTILIZED BALANCES, DEC. 31, 1949

Area and country	Total	Economic cooperation	Civilian supplies	Relief	Other grants
Total, All Areas	5,902	3,886	475	51	1,489
Total, Europe	4,613	3,706	120		787
Total, ERP Participants	4,613	3,706	120		787
Austria	68	68			
Belgium and Luxembourg	128	128			
Denmark	26	26			
France	401	401			
Germany (western)	421	301	120		
Greece	125	87			38
Iceland	4	4			
Ireland	22	22			
Italy	306	306			
Netherlands	226	226			
Norway	62	62			
Sweden	15	15			
Trieste	7	7			
Turkey	55	18			37
United Kingdom	404	404			
Unallocated ERP	2,342	1,631			711

See footnotes at end of table.

TABLE XVI.—*U. S. Government foreign grants: utilized July 1, 1945, to Dec. 31, 1949, and July 1, 1949, to Dec. 31, 1949; and unutilized as of Dec. 31, 1949, by area, country, and type* [1]—Continued

[In millions of dollars]

UNUTILIZED BALANCES, DEC. 31, 1949—Continued

Area and country	Total	Economic cooperation	Civilian supplies	Relief	Other grants
Latin America	5				5
Total, Asia	783	180	355		248
China	125	113			12
Japan	315		315		
Korea (southern)	67	67			
Philippines	133				133
Ryukyu Islands	40		40		
Unallocated Asia	103				103
Unallocated, International Organizations	51			51	
Unallocated, All Areas	450				450

[1] For important qualifications affecting this table and for definitions of terms, see the Explanatory Note.
[2] Less than $500,000.

TABLE XVII.—*Outstanding indebtedness* [1] *of foreign countries on U. S. Government credits, as of Dec. 31, 1949, by area, country, and agency*

[In millions of dollars]

Area and country	Total [2]	LOANS: Export-Import Bank [2]	LOANS: Economic Cooperation Administration	PROPERTY CREDITS: Lend-lease	PROPERTY CREDITS: Foreign Liquidation Commissioner [2]	PROPERTY CREDITS: Maritime Commission [2]	Other loans and property credits [2]
Total, All Areas	9,901	2,187	902	1,586	1,035	192	4,000
Total, Europe	8,811	1,779	901	1,289	814	165	3,862
Total, ERP Participants	8,365	1,638	901	1,066	739	164	3,857
Austria	24	12			8		[3] 3
Belgium and Luxembourg	197	112	51		34		
Denmark	52	20	31		1		
France	2,053	1,140	172	353	332	48	[3] 7
Germany (western)	84				84		
Greece	101	15			54	32	
Iceland	2		2		(4)		
Ireland	64		64				
Italy	351	84	67		144	57	
Netherlands	447	187	146	88	17	8	[3] 1
Norway	108	49	35	6	4	14	[3] 1
Sweden	4	2			2		
Turkey	47	17	20		4	5	
United Kingdom	4,831		313	618	53		[5] 3,846
Total, Other Europe	446	142		223	75	1	5
Czechoslovakia	6				6		
Finland	122	98			18	1	[3] 5
Hungary	14				14		
Poland	80	43			37		
U. S. S. R.	223			223			
Other	1			1			

See footnotes at end of table.

TABLE XVII.—*Outstanding indebtedness*[1] *of foreign countries on U. S. Government credits, as of Dec. 31, 1949, by area, country, and agency*—Continued

[In millions of dollars]

Area and country	Total[2]	LOANS: Export-Import Bank[2]	LOANS: Economic Cooperation Administration	PROPERTY CREDITS: Lend-lease	PROPERTY CREDITS: Foreign Liquidation Commissioner[2]	PROPERTY CREDITS: Maritime Commission[2]	Other loans and property credits[3]
Total, Latin America	398	341		40	4	11	1
Bolivia	20	19					[6] 1
Brazil	116	[7] 107			3	6	([4, 6])
Chile	56	56					
Colombia	23	22			([4])		([4, 6])
Costa Rica	7	7					
Cuba	11	11					
Ecuador	11	11			([4])		([4, 6])
Haiti	5	5					([3, 4])
Mexico	78	78					([4, 8])
Uruguay	15	14				2	
Other Latin America	17	13			([4])	4	
Unallocated L. A.	40			40			
Total, Asia	612	57		226	205	17	108
Burma	5				5		
China	169	37		47	51	15	[9] 20
India	174			163	11		
Indonesia	62				62		
Iran	27			1	27		
Israel	7	7					
Japan	46	5			14		[10] 27
Korea (southern)	25				25		
Philippines	65				2	2	[11] 61
Saudi Arabia	25	8		15	2		
Thailand	6				6		
Other Asia	1				1		
Canada	6	1					[6] 6
Total, Africa	31	8	1	21	2		
Egypt	7	7					
Ethiopia	5	1		4	([4])		
Liberia	17			17			
Other Africa	2	([4])	1		1		
Total, Oceania	19			9	11		
Australia	15			9	6		
Other Oceania	4				4		
Unallocated, International Organizations	23						[12] 23

[1] For important qualifications affecting this table and for definitions of terms, see the Explanatory Note.
[2] Includes $4,965,190 in arrears 90 days or more, as follows: (a) Export-Import Bank, $1,576,559 in the following countries: Poland, $3,492; Brazil, $142,980; Uruguay, $42,282; other Latin America, $1,356,300 (Nicaragua, $49,000; Paraguay, $307,300; Venezuela, $1,000,000); other Africa (Angola), $31,505; (b) former Office of the Foreign Liquidation Commissioner, $1,882,755 in the following countries: Belgium, $11,280; Colombia, $102,264; Ecuador, $96,855; other Latin America (Peru), $58,286; Burma, $709,882; China, $272,119; Iran, $27,225; Thailand, $301,764; Ethiopia, $303,080; (c) Maritime Commission, $335,807 in China; and (d) Reconstruction Finance Corporation, $1,170,069 in the following countries: Bolivia, $1,032,816; Brazil, $30,613; Colombia, $28,170; and Ecuador, $78,470.
[3] Property credits by the former War Assets Administration.
[4] Less than $500,000.
[5] Loans: $3,750,000,000 by the Treasury Department and $96,096,660 by the Reconstruction Finance Corporation.
[6] Loans by the Reconstruction Finance Corporation.
[7] Includes $7,000,000 participation by another agency in loans of the Export-Import Bank to Brazil.
[8] Loan by the State Department (Institute of Inter-American Affairs).
[9] Property credit by the Army Department.
[10] Property credit (commodity program) by the Army Department.
[11] Loan of $60,000,000 by the Reconstruction Finance Corporation and property credit of $1,026,782 by the former War Assets Administration.
[12] Loan to the United Nations by the State Department.

TABLE XVIII.—*Unutilized balances*[1] *of U. S. Government foreign credits, as of Dec. 31, 1949, by area, country, and agency*

[In millions of dollars]

Area and country	Total	LOANS: Export-Import Bank	LOANS: Economic Cooperation Administration	PROPERTY CREDITS: Lend-lease	Other loans and property credits
Total, All Areas	1,750	1,319	226	4	201
Total, Europe	356	99	222		35
Total, ERP Participants	331	74	222		35
Belgium and Luxembourg	9		9		
Ireland	22		22		
Italy	23	23			
Netherlands	1		1		
Sweden	21		21		
Turkey	31	13	18		
United Kingdom	35				[2] 35
Unallocated ERP	190	38	[3] 151		
Total, Other Europe	25	25			
Finland	5	5			
Yugoslavia	20	20			
Total, Latin America	160	160			
Bolivia	16	16			
Brazil	9	9			
Chile	44	44			
Colombia	17	17			
Ecuador	13	13			
Mexico	28	28			
Venezuela	7	7			
Other Latin America	5	5			
Unallocated L. A.	20	20			
Total, Asia	154	154			
Afghanistan	21	21			
China	15	15			
Israel	93	93			
Japan	21	21			
Other Asia	4	4			
Canada	4	4			
Total, Africa	15	6	4	4	
Liberia	8	4		4	
Other Africa	7	2	4		
Unallocated, International Organizations	42				[4] 42
Unallocated, All Areas	1,018	[5] 895			[6] 123

[1] For important qualifications affecting this table and for definitions of terms, see the Explanatory Note.
[2] Loan by the Reconstruction Finance Corporation.
[3] Uncommitted authority of the Economic Cooperation Administration to extend aid to the ERP participating countries on a credit basis from public debt funds.
[4] Loan to the United Nations by the State Department.
[5] Includes $889,200,151 uncommitted lending authority of the Export-Import Bank.
[6] Uncommitted commodity-program credit authority of the Army Department.

TABLE XIX.—*Authorizations*[1] *of U. S. Government foreign credits, July 1, 1945, to Dec. 31, 1949, by area, country, and agency*

[In millions of dollars]

Area and country	Total	LOANS		PROPERTY CREDITS			Other loans and property credits
		Export-Import Bank	Economic Cooperation Administration	Lend-lease	Foreign Liquidation Commissioner	Maritime Commission	
Total, All Areas	12,458	3,860	1,132	1,468	1,312	262	4,425
Total, Europe	9,623	2,071	1,127	1,315	988	220	3,902
Total, ERP Participants	8,999	1,889	1,127	1,039	833	219	3,892
Austria	37	14			12		[2] 10
Belgium and Luxembourg	230	132	60	(3)	39		
Denmark	61	20	31		10		
France	2,248	1,200	172	420	350	56	[2] 50
Germany (western)	133	5			84		[4] 45
Greece	147	25			80	42	
Iceland	3		2		(3)		
Ireland	89		89				
Italy	411	134	67		144	66	
Netherlands	437	210	147	4	30	21	[2] 25
Norway	142	50	35	6	10	29	[2] 12
Sweden	28	2	22		3		
Turkey	90	36	38		10	6	
United Kingdom	4,731		313	608	60		[5] 3,750
Unallocated ERP	212	61	[6] 151				
Total, Other Europe	624	182		276	155	1	10
Czechoslovakia	72	22			50		
Finland	136	100			25	1	[2] 10
Hungary	30				30		
Poland	90	40			50		
U. S. S. R.	275			275			
Yugoslavia	21	20		1			
Total, Latin America	417	347		37	12	18	2
Bolivia	19	19					(3 7)
Brazil	115	95			8	9	[8] 2
Chile	99	99					
Colombia	19	19			1		(3 7)
Ecuador	12	12			1		(3 7)
Mexico	91	89				2	
Peru	7	(3)			1	5	
Venezuela	11	11					
Other Latin America	10	6			1	2	(3 9)
Unallocated L. A.	33	[10] Cr. 3		37			
Total, Asia	1,119	373		106	285	23	332
Afghanistan	21	21					
Burma	5				5		
China	235	67		59	70	19	[11] 20

See footnotes at end of table.

TABLE XIX.—*Authorizations*[1] *of U. S. Government foreign credits, July 1, 1945, to Dec. 31, 1949, by area, country, and agency*—Continued

[In millions of dollars]

Area and country	Total	LOANS		PROPERTY CREDITS			Other loans and property credits
		Export-Import Bank	Economic Cooperation Administration	Lend-lease	Foreign Liquidation Commissioner	Maritime Commission	
Asia—Continued							
India	45			31	13		
Indonesia	200	100			100		
Iran	40			9	31	1	
Israel	100	100					
Japan	290	51			16		[12] 222
Korea (southern)	25				25		
Lebanon	5				5		
Pakistan	10						[2] 10
Philippines	89	(3)			6	3	[13] 80
Saudi Arabia	43	34		7	2		
Thailand	10				10		
Other Asia	2				2		
Canada	311	311					
Total, Africa	43	14	5	10	14		
Egypt	18	7			11		
French Morocco	5		5				
Liberia	14	4		10			
Other Africa	6	3		(3)	3		
Total, Oceania	14			1	13		
Australia	8			1	8		
New Zealand	6				6		
Unallocated, International Organizations	65						[14] 65
Unallocated, All Areas	867	[15] 743					[16] 123

[1] For important qualifications affecting this table and for definitions of terms, see the Explanatory Note.
[2] Property credits by the former War Assets Administration.
[3] Less than $500,000.
[4] Property credits (commodity programs): Agriculture Department, $34,206,079; and Reconstruction Finance Corporation, $10,573,101.
[5] Loan by the Treasury Department.
[6] Net increase in the uncommitted authority of the Economic Cooperation Administration to extend aid to the ERP participating countries on a credit basis from public debt funds.
[7] Loans by the Reconstruction Finance Corporation.
[8] Loan, $33,258, and property credit, $1,964,773, by the Reconstruction Finance Corporation.
[9] Loans by the State Department (Institute of Inter-American Affairs), $30,163, and Reconstruction Finance Corporation, $13,497; and property credits by the former War Assets Administration, $255,000.
[10] Allocated to Colombia and Venezuela.
[11] Property credit by the Army Department.
[12] Property credits (commodity programs): Agriculture Department, $180,147,013; Reconstruction Finance Corporation, $12,104,073; and Army Department, $30,000,000.
[13] Loan by the Reconstruction Finance Corporation, $70,000,000, and property credit by the former War Assets Administration, $10,000,000.
[14] Loan to the United Nations by the State Department.
[15] Includes net increase of $732,801,642 in the uncommitted lending authority of the Export-Import Bank.
[16] Net increase in the uncommitted commodity-program credit authority of the Army Department.

TABLE XX.—*Expirations and cancellations*[1] *of U. S. Government foreign credits: July 1, 1945, to Dec. 31, 1949, by area, country, and agency*

[In millions of dollars]

Area and country	Total	LOANS		PROPERTY CREDITS			Other loans and property credits
		Export-Import Bank	Economic Cooperation Administration	Lend-lease	Foreign Liquidation Commissioner	Maritime Commission	
Total, All Areas	1,174	501	4	300	215	33	120
Total, Europe	555	60	4	219	152	22	98
Total, ERP Participants	415	53	4	166	77	22	93
Austria	12	1			4		[2] 7
Belgium and Luxembourg	55			55			
Denmark	9				9		
France	127			67	18	(3)	[2] 43
Germany (western)	8						[4] 8
Greece	36	10			25	(3)	
Iceland	(3)				(3)		
Ireland	3		3				
Italy	3	3				(3)	
Netherlands	68	5		17	11	11	[2] 24
Norway	37	11			6	10	11
Sweden	2		2		1		
Turkey	4	1			4	(3)	
United Kingdom	28			28			
Unallocated ERP	22	22					
Total, Other Europe	140	8		52	75	(3)	5
Czechoslovakia	42	(3)			42		
Finland	19	8			6	(3)	[2] 5
Hungary	14				14		
Poland	12				12		
U. S. S. R.	52			52			
Total, Latin America	228	150		71	1	6	(3)
Brazil	42	39			(3)	3	
Cuba	7	7					
Mexico	8	6				2	
Peru	26	25			(3)	1	
Uruguay	18	18			(3)	(3)	(3 5)
Other Latin America	7	7			(3)		(2 3)
Unallocated L. A.	119	48		71			
Total, Asia	216	120		9	60	5	22
China	22	(3)		9	11	2	
Indonesia	137	100			37		
Japan	6				2		[6] 3
Pakistan	10						[2] 10
Philippines	10					1	[2] 9
Saudi Arabia	20	20			(3)		
Other Asia	11				10	1	
Canada	166	166					
Africa	3	(3)		2	1		
Oceania	1				1		
Unallocated, All Areas	5	5					

1 For important qualifications affecting this table and for definitions of terms, see the Explanatory Note.
2 Property credits by the former War Assets Administration.
3 Less than $500,000.
4 Property credits (commodity programs) by the Reconstruction Finance Corporation.
5 Loan by the State Department (Institute of Inter-American Affairs).
6 Property credits (commodity programs) by the Army Department.

TABLE XXI.—*Utilizations*[1] *of U. S. Government foreign credits: July 1, 1945, to Dec. 31, 1949, by area, country, and agency*

[In millions of dollars]

Area and country	Total	LOANS		PROPERTY CREDITS			Other loans and property credits
		Export-Import Bank	Economic Cooperation Administration	Lend-lease	Foreign Liquidation Commissioner	Maritime Commission	
Total, All Areas	10,244	2,532	902	1,347	1,096	229	4,139
Total, Europe	8,886	1,931	901	1,216	836	198	3,803
Total, ERP Participants	8,418	1,773	901	993	756	197	3,798
Austria	25	13			9		[2] 3
Belgium and Luxembourg	222	132	51	([3])	39		
Denmark	52	20	31		1		
France	2,121	1,200	172	353	332	56	[2] 7
Germany (western)	126	5			84		[4] 37
Greece	111	15			55	41	
Iceland	2		2		([3])		
Ireland	64		64				
Italy	385	109	67		144	65	
Netherlands	432	205	146	52	19	10	[2] 1
Norway	115	50	35	6	4	19	[2] 1
Sweden	4	2			2		
Turkey	55	22	20		6	6	
United Kingdom	4,704		313	581	60		[5] 3,750
Total, Other Europe	468	158		223	80	1	5
Czechoslovakia	30	22			8		
Finland	121	96			19	1	[2] 5
Hungary	16				16		
Poland	78	40			38		
U. S. S. R.	223			223			
Other	1			1			
Total, Latin America	365	322		18	11	12	2
Bolivia	19	19					([3] [6])
Brazil	92	76			8	6	[7] 2
Chile	67	67					
Colombia	24	23			1		([3] [6])
Cuba	10	10					
Ecuador	8	8			([3])		([3] [6])
Mexico	104	104					
Peru	6	([3])			1	4	
Uruguay	9	7			([3])	2	([3] [8])
Other Latin America	6	6			([3])		([3] [9])
Unallocated L. A.	20	2		18			
Total, Asia	781	131		97	225	18	310
Burma	5				5		
China	229	83		50	59	16	[10] 20
India	45			31	13		
Indonesia	63				63		
Iran	37			9	29		
Israel	7	7					
Japan	263	30			14		[11] 219
Korea (southern)	25				25		
Philippines	79				6	2	[12] 71
Saudi Arabia	18	10		7	2		
Thailand	6				6		
Other Asia	3				2		([2] [3])

See footnotes at end of table.

TABLE XXI.—*Utilizations*[1] *of U. S. Government foreign credits: July 1, 1945, to Dec. 31, 1949, by area, country, and agency*—Continued

[In millions of dollars]

Area and country	Total	LOANS		PROPERTY CREDITS			Other loans and property credits
		Export-Import Bank	Economic Cooperation Administration	Lend-lease	Foreign Liquidation Commissioner	Maritime Commission	
Canada	141	141					
Total, Africa	36	8	1	15	13		
Egypt	18	7			11		
Liberia	15			15			
Other Africa	4	1	1	(3)	2		
Total, Oceania	13			1	12		
Australia	8			1	8		
Other Oceania	4				4		
Unallocated, International Organizations	23						[13] 23

[1] For important qualifications affecting this table and for definitions of terms, see the Explanatory Note.
[2] Property credits by the former War Assets Administration.
[3] Less than $500,000.
[4] Property credits (commodity programs): Agriculture Department, $34,206,079, and Reconstruction Finance Corporation, $2,655,861.
[5] Loan by the Treasury Department.
[6] Loans by the Reconstruction Finance Corporation.
[7] Loan, $33,258, and property credit, $1,964,773, by the Reconstruction Finance Corporation.
[8] Loan by the State Department (Institute of Inter-American Affairs).
[9] Loan, $13,497, by the Reconstruction Finance Corporation and property credit, $150,501, by the former War Assets Administration.
[10] Property credit by the Army Department.
[11] Property credits (commodity programs): Agriculture Department, $180,147,013; Reconstruction Finance Corporation, $12,104,073; and Army Department, $26,739,723.
[12] Loan by the Reconstruction Finance Corporation, $70,000,000, and property credit by the former War Assets Administration, $1,084,666.
[13] Loan to the United Nations by the State Department.

TABLE XXII.—*Utilizations*[1] *of U. S. Government foreign credits: July 1, 1949, to Dec. 31, 1949, by area, country, and agency*

[In millions of dollars]

Area and country	Total	LOANS		PROPERTY CREDITS		Other loans and property credits
		Export-Import Bank	Economic Cooperation Administration	Lend-lease	Foreign Liquidation Commissioner	
Total, All Areas	160	77	47	3	3	31
Total, Europe	75	25	46	1	3	(2)
Total, ERP Participants	69	20	46		3	(2)
Austria	2	2				
France	1				1	(2 3)
Iceland	(2)		(2)		(2)	
Ireland	25		25			
Italy	18	18				
Netherlands	1		1			
Sweden	2				2	
Turkey	20	(2)	20			

See footnotes at end of table.

TABLE XXII.—*Utilizations* [1] *of U. S. Government foreign credits: July 1, 1949, to Dec. 31, 1949, by area, country, and agency*—Continued

[In millions of dollars]

Area and country	Total	LOANS		PROPERTY CREDITS		Other loans and property credits
		Export-Import Bank	Economic Cooperation Administration	Lend-lease	Foreign Liquidation Commissioner	
Total, Other Europe	6	6		1		(2)
Finland	5	5				(2 3)
Other	1	(2)		1		
Total, Latin America	37	37				
Brazil	5	5				
Chile	14	14				
Mexico	10	10				
Other Latin America	8	8				
Total, Asia	32	12				19
Israel	7	7				
Japan	24	4				[4] 19
Other Asia	1	1				
Canada	1	1				
Africa	5	2	(2)	2		
Unallocated, International Organizations	11					[5] 11

[1] For important qualifications affecting this table and for definitions of terms, see the Explanatory Note.
[2] Less than $500,000.
[3] Property credits by the former War Assets Administration.
[4] Property credits (commodity programs) by the Army Department.
[5] Loan to the United Nations by the State Department.

TABLE XXIII.—*Repayments* [1] *on U. S. Government foreign credits: July 1, 1945, to Dec. 31, 1949, by area, country, and agency*

[In millions of dollars]

Area and country	Total	LOANS	PROPERTY CREDITS			Other loans and property credits
		Export-Import Bank	Lend-lease	Foreign Liquidation Commissioner	Maritime Commission	
Total, All Areas	1,133	559	39	61	37	436
Total, Europe	455	179	7	22	33	213
Total, ERP Participants	405	135	7	17	33	213
Austria	1	1		([2])		([2,3])
Belgium and Luxembourg	24	20	([2])	4		
Denmark	([2])			([2])		
France	68	60			8	([2,3])
Germany (western)	41	5				[4] 37
Greece	10			2	9	
Italy	34	25		1	9	
Netherlands	21	18		1	2	([2,3])
Norway	7	2		([2])	5	([2,3])
Sweden	1	1				
Turkey	8	5		2	1	
United Kingdom	189		7	7		[5,6] 176
Total, Other Europe	49	44		5	([2])	([2])
Czechoslovakia	24	22		2		
Finland	22	22		1	([2])	([2,3])
Other	3			3		
Total, Latin America	151	117	21	7	1	[7] 4
Brazil	33	25		5	1	[8] 2
Chile	24	24				
Colombia	11	11		([2])		
Mexico	37	37				([2,9])
Other Latin America	22	19		2	1	[7,10] 2
Unallocated L. A.	23	2	21			
Total, Asia	374	123	11	20	2	219
Bahrein Islands	16					[5] 16
China	109	95	3	8	2	
Iran	10		8	2		
Japan	218	25				[11] 192
Philippines	14			4	([2])	[12] 10
Other Asia	8	2		5		([2,3])
Canada	141	140				[5] 1
Total, Africa	11	([2])		11		
Egypt	11			11		
Other Africa	([2])	([2])		([2])		
Oceania	2		([2])	2		

[1] For important qualifications affecting this table and for definitions of terms, see the Explanatory Note.
[2] Less than $500,000.
[3] Property credits by the former War Assets Administration.
[4] Property credits (commodity programs): Agriculture Department, $34,206,079, and Reconstruction Finance Corporation, $2,655,861.
[5] Loans by the Reconstruction Finance Corporation.
[6] Does not include $6,904,426 held on Dec. 31, 1949, in a sinking fund for payment of principal.
[7] Includes portions of Reconstruction Finance Corporation loans to individuals charged off as uncollectible, as follows: Total, Latin America, $1,323,545; Other Latin America, $1,323,545 (Bolivia, $888,987; British Honduras, $430,835; and Ecuador, $3,723).
[8] Reconstruction Finance Corporation: loans $2,645; property credits, $1,964,773.
[9] Loans by the State Department (Institute of Inter-American Affairs).
[10] Loans by the Reconstruction Finance Corporation, $1,562,042; loan of the State Department (Institute of Inter-American Affairs), $30,000.
[11] Property credits (commodity programs): Agriculture Department, $180,147,013, and Reconstruction Finance Corporation, $12,104,073.
[12] Loan by the Reconstruction Finance Corporation, $10,000,000, and property credit by the former War Assets Administration, $57,884.

TABLE XXIV.—*Foreign assistance programs of the U. S. Government, grants and credits utilized in the postwar period, by fiscal years, and unutilized as of Dec. 31, 1949* [1]

[In millions of dollars]

Program	Utilized in the postwar period (fiscal years)						Unutilized Dec. 31, 1949
	Total Utilized	1950, first half	1949	1948	1947	1946	
Total, All Programs	25,933	2,592	6,281	5,385	6,209	5,466	7,652
Total Grants	15,688	2,432	5,143	2,689	2,143	3,282	5,902
Economic Cooperation	5,292	1,707	3,380	205			3,886
European Recovery Program	5,111	1,700	3,208	204			[2] 3,706
Chinese aid	158	Cr. 9	165	1			113
Korean aid	23	16	7				67
Civilian Supplies	4,170	482	1,074	1,177	694	744	475
Relief	3,700	45	131	949	1,381	1,194	51
UNRRA	2,577		(Cr. [3])	16	1,377	1,184	
Post-UNRRA	300		3	296			
Interim aid	557		24	534			
International Children's Emergency Fund	60	2	25	33			15
Intergovernmental Committee on Refugees	4			(Cr. [3])	4	([3])	
International Refugee Organization	177	35	71	71			36
United Nations (Palestine refugee relief)	15	7	8				1
American Red Cross	10					10	
Lend-Lease	1,213					1,213	
Other Grants	1,314	199	558	358	68	131	1,489
Inter-American aid	31	2	5	6	7	11	5
Chinese stabilization	120					120	
Chinese military assistance	116	14	102				9
Chinese student assistance	([3])	([3])					4
Greek-Turkish aid	594	77	258	260			76
Philippine rehabilitation	452	106	193	92	61		133
Mutual Defense Assistance Program							1,264
Total Credits	10,244	160	1,138	2,696	4,066	2,184	1,750
Loan to United Kingdom	3,750			1,700	2,050		
Export-Import Bank	2,532	77	214	598	1,085	558	1,319
Surplus property	1,365	3	46	292	529	495	
Lend-lease	1,347	3	4	46	191	1,104	4
European Recovery Program	902	47	855				226
Other	349	31	19	60	212	28	201

[1] For important qualifications affecting this table and for definitions of terms, see the Explanatory Note.
[2] Includes $100 million transferred from the Army Department GARIOA appropriation to the Economic Cooperation Administration for economic rehabilitation and relief in Germany, under authority of Public Law 327, approved Oct. 6, 1949.
[3] Less than $500,000.

TABLE XXV.—*European Recovery Program aid received and provided by country: from Apr. 3, 1948, through Dec. 31, 1949*

[In millions of dollars]

Country	Aid received from the United States					Intra-European aid [1]		Net received (+) or provided (−)
	Total	Grant basis [2]			Credit basis	Received from other participants	Provided to other participants	
		Total	Direct	Conditional upon intra-European aid provided [1]				
All Countries	**6,013**	**5,111**	**4,269**	**842**	**902**	**933**	**933**	**+6,013**
United Kingdom	1,824	1,511	1,237	274	313	71	274	+1,621
France	1,298	1,125	1,091	35	[3] 173	313	35	+1,577
Germany (western)	609	609	457	152	----------	48	152	+505
Italy	580	513	466	47	67	----------	47	+533
Netherlands	487	341	324	17	146	112	17	+582
Belgium-Luxembourg	309	258	3	255	51	9	317	+1
Austria	301	301	300	1	----------	95	1	+394
Greece	187	187	187	----------	----------	136	----------	+323
Denmark	143	112	108	4	31	25	4	+164
Norway	96	61	56	5	35	85	5	+175
Ireland	67	3	3	----------	64	----------	----------	+67
Sweden	39	39	----------	39	----------	8	54	−7
Turkey	30	10	[4]	10	20	27	24	+33
Trieste	16	16	16	----------	----------	----------	----------	+16
Iceland	8	5	2	4	2	----------	4	+4
Portugal	----------	----------	----------	----------	----------	5	----------	+5
Administrative expenses unallocated	20	20	20	----------	----------	----------	----------	+20

[1] Includes $3.5 million extended by Iceland to Germany outside of the intra-European payments plan.

[2] Includes $15.0 million in ECA expenditures for freight subsidies on voluntary relief supplies and parcel-post packages, and $0.2 million for technical assistance, but does not include $21.2 million in ECA expenditures for administrative expenses from 5 percent counterpart funds.

[3] Includes $0.6 million disbursed on deficiency-material loans to French Morocco from 5 percent counterpart funds.

[4] Less than $500,000.

Appendix D

Table XXVI.—*Membership and quotas in the International Monetary Fund, and membership and subscriptions in the International Bank for Reconstruction and Development, as of Mar. 31, 1950*

[In millions of dollars]

Member	Fund quota	Bank subscription	Member	Fund quota	Bank subscription
Total	7,921.5	8,223.5	India	400.0	400.0
			Iran	35.0	33.6
Australia	200.0	200.0	Iraq	8.0	6.0
Austria	50.0	50.0			
Belgium	225.0	225.0	Italy	180.0	180.0
			Lebanon	4.5	4.5
Bolivia	10.0	7.0	Luxembourg	10.0	10.0
Brazil	150.0	105.0			
Canada	300.0	325.0	Mexico	90.0	65.0
			Netherlands	275.0	275.0
Chile	50.0	35.0	Nicaragua	2.0	.8
China	550.0	600.0			
Colombia	50.0	35.0	Norway	50.0	50.0
			Panama	.5	.2
Costa Rica	5.0	2.0	Paraguay	3.5	1.4
Cuba	50.0	35.0			
Czechoslovakia	125.0	125.0	Peru	25.0	17.5
			Philippines	15.0	15.0
Denmark	68.0	68.0	Syria	6.5	6.5
Dominican Republic	5.0	2.0			
Ecuador	5.0	3.2	Thailand	12.5	12.5
			Turkey	43.0	43.0
Egypt	60.0	53.3	Union of South Africa	100.0	100.0
El Salvador	2.5	1.0			
Ethiopia	6.0	3.0	United Kingdom	1,300.0	1,300.0
			United States	2,750.0	3,175.0
Finland	38.0	38.0	Uruguay	15.0	10.5
France	525.0	525.0			
Greece	40.0	25.0	Venezuela	15.0	10.5
			Yugoslavia	60.0	40.0
Guatemala	5.0	2.0			
Honduras	.5	1.0			
Iceland	1.0	1.0			

SELECTED STATEMENTS BY THE SECRETARY OF THE TREASURY

Exhibit 30.—Address by Secretary of the Treasury Snyder before the American Life Convention, Chicago, Ill., October 6, 1949

The year 1948 marked a milestone in the history of life insurance in this country. Life insurance ownership passed the $200 billion mark—twice the total only 13 years ago, and nearly thirty times the amount in force as little as a half century ago.

From my acquaintance as a banker, I came to know the field of insurance as a great and fascinating business.

The history of insurance probably goes back to the time of the ancient Egyptians and Hindus when mutual benefit societies were formed to aid unfortunate members through the contributions of all the members. And in Roman times, the medieval guilds assumed obligations which today would be regarded as life, accident or health insurance contracts.

But the broad use of insurance as a device for distributing loss developed among the merchants of Venice, Florence, and Genoa during the middle of the fourteenth century and from there it spread over the whole of Europe.

The development of the life insurance contracts was slow. Many countries condemned life insurance as immoral wagers on human life and prohibited it by law, or at least regarded such insurance with disfavor. Today, we think it strange that the life insurance contract was prohibited in France until 1820, and until the early part of the eighteenth century was not actively favored in England.

The life insurance business in the United States, as you know, had its beginning in the organization of a religious mutual benefit association in Pennsylvania in 1769. However as late as 1815 courts in Massachusetts questioned whether a life insurance contract was not repugnant to sound morals and, therefore, contrary to public policy.

It was not until the middle of the nineteenth century that the insurance business in the United States really began to develop. This seems odd to us today when insurance is one of our largest and most important business fields.

In reviewing its record of growth, it is clear that the life insurance business built its remarkable success on two simple principles: faithful observance of the highest fiduciary standards, and faithful discharge of all contractual obligations.

In a broader sense, these two principles are, of course, the foundation of all sound business, public as well as private. Over 150 years ago, the first Secretary of the Treasury wrote in his *Report on Public Credit*, that it is "by good faith, by a punctual performance of contracts . . ." that "States, like individuals, who observe their engagements, are respected and trusted. . . ."

It is pertinent to remind ourselves that these words echo down to us from a time when our Nation was new and struggling for its existence. In 1790, there was nothing to back up the credit of our Government except the belief of our citizens in themselves, and in their future.

Today, the credit of the United States Government has behind it a long history of faithful fulfillment of contractual obligations. Our national credit rests also on the foundation of the entire wealth and resources of this country. In 1949 as in 1790, however, our most precious asset remains the confidence of our citizens in the future of our country.

Confidence, in fact, built this Nation. As our people moved westward, confidence enabled them to face the hardships of their new environment with courage and determination. When the frontiers disappeared, other problems in our development as an industrial Nation arose. These, too, were tackled in the confident belief that they could be worked out successfully, without endangering any of the institutions we cherish.

Confidence that we will carry out our present domestic and international responsibilities is based essentially on our belief in the fundamental economic strength of this country. And it is clear that the success of all our efforts in maintaining a high level of production and business activity here at home depends upon a full utilization of our economic strength.

There are a number of elements in our postwar economic situation which lend great strength to our present position. Notable among these has been the prudence of American business ever since VJ-day, in the field of credit extension—in both business credit and consumer credit. It has been evident in the stock market and generally in the commodity market. It was inevitable that businessmen should make strenuous efforts to reduce inventories as soon as the first signs of a buyer's market began to appear. Postwar inventories, in the aggregate, were not at any time excessive in relation to the volume of sales. Nevertheless, they were sharply reduced in many lines earlier this year in the belief that demand was falling back. But the tower of strength in the American economy was the continued flow of consumer income at a high rate. Average income of individuals for the first seven months of this year ran at a higher rate than for the comparable seven-month period last year, and indeed, for the entire calendar year 1948.

Retail buying has also been remarkably well sustained. The most recent figures for total retail sales—which include, in addition to department store purchases, such important items as expenditures for food, automobiles and gasoline—show a dollar volume only slightly below the corresponding months of a year ago. In physical volume, the sales are running slightly above last year.

Another most important element of strength in our present situation is the backlog of individual savings which today are at a record level.

Thrift has again become a vital factor in our present day life. This is particularly important when we recall that it was the thrift of individuals or groups of individuals that furnished the capital funds needed for our industrial development. Someone's savings helped to build our railroads, develop our petroleum industry, and create our steel empire. Thrift, in other words, has made a major contribution to the attainment of our present high level of production and employment.

Since the end of 1945, the savings of individuals in the United States have risen by the following percentages: United States savings bonds, 13 percent; life insurance, 30 percent; shareholdings in savings and loan associations, over 60 percent; deposits in mutual savings banks, 25 percent; savings accounts in commercial banks, 15 percent; postal savings accounts, about 10 percent; and checking accounts of individuals, about 10 percent. Of the various forms of liquid assets, only holdings of currency in the hands of individuals fell off.

In short, the purchasing power is there—in pay envelopes, in Government bonds, and in the bank. Our financial structure is sound, and credit conditions are encouraging. It is true that there is a new need for business to get out and sell. Now that conditions of ample supply have returned, the primary need of our domestic business situation is to supply real customer demands.

In the four years since VJ-day, businessmen in this country have spent the tremendous sum of about $85 billion for new equipment, and in construction and modernization of plants. Over $15 billion of this amount has been spent during 1949.

By far the largest portion of postwar expenditures for capital purposes, however, reflects in one way or another the determination of our businessmen to make use of the recent discoveries and improved techniques to increase the efficiency of their plant operations, improve their products, and thus broaden their markets.

The war compressed many decades of experiment and research into a few brief years. As we all know, there have been tremendous developments in the fields of physics, chemistry, plastics, and synthetics of all types. Industry has ingenious new ways of doing things. By the use of large quantities of oxygen, steelmakers have found they can increase their production from blast furnaces by 20 percent. New high-speed machine tools are doing three times the work of 1940 tools. A new coal-mining machine will multiply a miner's daily output ten times. Diesel locomotives do the work of three steam locomotives on many jobs.

All these factors indicate that we have it within our power to maintain prosperity in this country. But we must also keep in mind that our prosperity at home depends in important measure on the economic progress of our neighbors in this hemisphere and across the seas. We must work out ways and means of sharing the special talents, skills and resources the nations separately possess.

To develop our world trade to the best interests of our people and of the people of other parts of the free world, it is necessary to promote the greatest possible free movement of goods and services between the trading countries of the world. When each country sells to other countries what it can produce with particular efficiency and cheapness, it earns foreign exchange with which it can acquire from other nations the things that they can produce most efficiently, and cheaply. This type of trade is obviously beneficial to both sides. There are many things which it is to our advantage to acquire from other countries rather than to produce ourselves. Within our own frontiers the kinds of industry in which a given city or state specializes are determined by the interplay of prices and the cost of production in that particular area, when compared in terms of dollars with the cost of producing similar goods in other parts of our country.

However, other nations have their own currencies and compute their costs and prices in terms of those local currencies. When we compare the cost of production of a particular article in this country with the same article in other countries, we have to convert the foreign price into dollars at the applicable rate of exchange. The foreign producer who sells in the United States receives the dollar price converted into his local currency at the established exchange rate. By comparing his proceeds from sales to the United States with the proceeds which he might earn from sales at home or to other areas he decides where to market his products. Similarly, our own producers measure the advantage of foreign trade by converting into dollars, at the current exchange rate, their proceeds in sterling, francs, or other foreign currencies. When it is profitable to sell abroad they do so.

Most of the exchange rates against the dollar have, until recently, remained unchanged since shortly after the end of the war. In the meantime, prices and costs have risen in many foreign countries to a greater extent than in the United States. As a result it became increasingly less attractive to sell goods for dollars, than for the so-called soft currencies. Moreover, the relatively high prices of goods abroad made them unattractive to American importers. At the same time, these exchange rates, which were considered by many people as "over-valued", made American goods appear cheap in terms of the foreign currencies. Hence, the public in the foreign countries had a strong preference for dollar goods which were restricted by direct rationing of dollars through import licenses and other measures.

The adjustments of exchange rates which have been made during September by a number of foreign countries tend to remove many of these artificial price relationships which previously existed. These adjustments bring the prices of dollar goods back into a more appropriate relationship with the prices of other goods in foreign countries. They increase the incentive to foreign businessmen to expand their efforts to earn dollars through foreign trade. At the same time they reduce the excessive demands for dollar exchange in foreign countries and ease the pressure on the foreign exchange control systems of these countries. They point to a higher level of trade in both directions, for only by expanding their dollar earnings can foreign countries continue to purchase, by their own means, the American goods which they require, thus reducing the need for assistance from the United States.

To put this matter in concrete terms, we now export goods at the rate of about $12 billion a year to foreign countries. Our imports of goods are running at a level of about $6 to $6½ billion a year. It is desirable to maintain a high level of American exports, for this is beneficial both to us and to the rest of the world. It provides employment and incomes to our people, and makes available needed goods to foreign countries.

Foreign trade is also advantageous to the American people, because it enables us to obtain goods which we cannot produce here, or which other countries can produce more cheaply.

It is clear that foreign countries cannot continue to spend $12 billion a year in our markets unless they can earn the dollars. That means that we must import more, spend more on tourism and other services, and make sound capital investments abroad if we are to maintain the level of our own export trade. At the present time a large part of the gap between our exports and our imports is covered by American foreign aid programs. The bare and simple logic of arithmetic makes it apparent that the gap must be closed as this assistance is reduced.

The recent adjustments in exchange rates should help to improve the dollar position of foreign countries. However, this action does not constitute a cure-all for the difficult and complex problems currently faced in international payments. Exchange adjustment is merely a step which helps to clear the way by removing some handicaps to the effective and fluid functioning of a world price system in accordance with the economic incentives to free enterprise. It does provide an environment in which friendly governments and business enterprises may work more hopefully toward the common objective of expanding world trade.

We Americans face many difficult problems, both domestic and international. We are meeting these problems squarely, and I believe we are making real progress in helping to solve them. But I do want to leave with you members of the life insurance industry—an industry which has played such an important part in the growth and development of this country—the reminder that these problems will continue to require full energies and efforts of all our citizens. For it will take all the ingenuity, courage, and steadfastness of purpose that we can individually and collectively muster to insure a prosperous and peaceful world.

Exhibit 31.—Address by Secretary of the Treasury Snyder before the American Bankers Association, San Francisco, Calif., November 1, 1949

It is a real pleasure to be here today with the bankers of America. This occasion brings back many pleasant memories of other meetings which I have attended with the members of your Association—both nationally assembled, as today, and in the conferences held by your State associations.

This year, many current issues have given us concern. There have been business readjustments to evaluate; there has been a need for new decisions in the field of international finance; and there have been serious new trials of our determination to win the peace. You bankers, as leaders in your communities and in the Nation, have, I know, been giving all of these matters your most serious thought.

At times, the size and number of the difficulties which confront us may have seemed discouraging. But we can gain real encouragement, and readjust our perspective, if we look back a little. It has been four years since VJ-day—four years of such rapid change that it is hard to recall the problems which seemed so formidable during the early postwar period, let alone the predictions of what was to happen. Even the short space of six months—the last six months, specifically—has been long enough to bring an entire reversal of opinion on the part of those who narrowly limited their vision to surface changes in the business scene.

When we look at these past four years as a whole—and separate the important from the less important—one major fact stands out. And that is the strength which our system of private enterprise and democratic Government has demonstrated in the face of constantly changing situations. On the domestic front, our economy has shown a flexibility and a capacity for uninterrupted progress which we would not have dared predict four years ago. And in the area of international relations, our people have shown a sympathetic understanding and a willingness to offer assistance which has greatly strengthened the efforts of free nations the world over to live and work together.

These are the real achievements of the four years just passed. They are the real measure of the distance we have gone since VJ-day.

In a broader sense, however, they are the fruit of our much longer experience in working together to make our democratic system function.

This year the American Bankers Association has entered its 75th year of cooperative endeavor. You can be proud of the great contributions you have made to American banking during the lifetime of your Association, and of the increasing capacity which you have shown for productive work of national significance.

When we look back over the past three quarters of a century, a momentous period in our history, the fact that impresses us most is that here in America, more than in any other country in the world, the environment has been provided in which inventive and productive genius could flourish.

As a young, growing country, we believed in change and in planning for a larger future. And our belief was justified. Productivity—the true source of our high American standard of living—has constantly increased. Obsolete industries and outmoded ways of doing things have given way to new products and new techniques, and, in the process, millions of new jobs were created.

The farsighted cooperation of American banking has made a great contribution to American progress. Down through the years, banking practice and banking operation have grown with our economy. Today, you bankers must be specialists in the whole broad field of business analysis and customers' needs. You must be able to interpret business and economic trends, not only in your own communities, but in the Nation as a whole.

For the very reason, however, that economic conditions and business practices have changed so radically during the past 75 years, we Americans are apt to think of our progress solely in terms of material achievements. Certainly we have every reason to take pride in these achievements; for they have brought better living and richer opportunities for development to all of our citizens.

But our real progress is not to be measured by material things alone. In a deeper sense, it can only be judged by the changes which take place, year by year, in the scale of values which we as a people apply to our daily living.

Many of these values are codified into law, but fundamentally they rest on our concepts of right and wrong, of what is fair and decent, and of what we will do and will not do as respected members of our communities.

It is important to realize that the changes over the years in the ethical values which govern our daily actions are equally as striking as the spectacular achievements in the material field. And it is important to realize, also, that the high standards which govern our conduct today have grown out of the experience of successive generations of Americans in acting together for a common purpose. We have transmitted our heritage of freedom, guaranteed by the Bill of Rights, from one generation to the next, yet each generation, out of its full measure of rich and varied experience has preserved and strengthened this priceless heritage. We must continue to add greater strength to the moral fabric of our Nation.

Let me illustrate this by the changes which have been occurring in our own field—banking and finance. In the short space of time since your Association was founded, bankers in this country have become more than bankers; they have learned to disassociate themselves from their strictly personal interest and to participate more actively in national and international affairs.

Today, bankers and representatives of other business groups come to Washington voluntarily to give the Government the benefit of their best thinking on the financial problems which confront the Nation. And often, the advice given is against their own immediate interests.

One striking instance is the position which was taken by the representatives of your Association during the period of inflationary pressures. At that time, you bankers did not hesitate to recommend that the Treasury reduce bank-held debt and distribute Federal securities more widely among the people of the country.

There have been many other occasions on which you have urged the Government to take a course of action which, viewed in the narrow sense, was in conflict with your own short-term interests. But your advice has been frankly offered, nevertheless, because as citizens of this country you have learned that our democratic system can only function on the basis of certain fundamental principles of good citizenship: free discussion, active participation, and a primary concern for the general welfare.

There are numerous other instances of the voluntary participation of the commercial bankers of this country in activities which contribute primarily to the sound functioning of the economy as a whole. Your splendid cooperation in promoting the savings bond program during and since the war—without profit, and, indeed, at the expense of considerable time and personal effort—is an outstanding example. Another is the voluntary credit control program of your Association, undertaken last year when inflationary developments were threatening the financial stability of the Nation.

Today, the public service activities of commercial bankers have become so commonplace that they are apt to be taken for granted. But it is important to recognize that they are of tremendous consequence in the daily conduct of our business life.

The distance we have gone along this cooperative road is illustrated even more strikingly in another area of governmental finance—our revenue system.

Just remember that ours is one of the few countries in the world today that is able to rely for the major portion of its revenue on taxes that are voluntarily reported and paid by the mass of its citizens. During the past three years, an average of 96 percent of all internal revenue taxes collected have been on the basis of voluntary assessment and payment.

Under any other than voluntary self-assessment and payment—we may be sure—the costs of tax administration would be many times their present amount, while the receipts realized by the Government would be much lower. Indeed, there is considerable doubt as to whether our present broadly based income tax could be continued at all in the absence of a spirit of genuine cooperation on the part of the great majority of our taxpaying citizens.

This basic willingness of our citizens to comply with the tax laws voluntarily did not come about by chance, and it could not have been achieved by statute. It came about because we believed in our free institutions sufficiently to devote time and energy, year after year, to shaping our laws and adapting our customs generally to fit the changing requirements of a vigorous, growing Nation.

There are many other examples of the lessons which we Americans have learned in the course of democratic living. As you will note, I have chosen only the ones which are closest to your own everyday experience—and to mine. But wherever we look, our institutions and our ways of doing things provide clear evidence that our democratic system of Government works; that it can be adapted to meet all the needs and all the aspirations of a free people.

These needs and aspirations will change—just as they have changed in the past. This year, in particular, we have had to adjust ourselves to many new circumstances. But the basic strength of our country has again been demonstrated.

American business is having another tremendous year in 1949. The predictions of the pessimists that we could not return to conditions of abundant supply without severe dislocations of the economy have proven unfounded. We have experienced business readjustments—many of them—throughout the economy. Certain industries and localities have, of course, felt the impact of the adjustment more severely than others.

On the broader front of the national economy, however, it has become increasingly apparent as the year went forward that the basic factors making for our continued growth and progress have been far stronger than the forces tending to pull us back.

Both incomes and jobs—in the aggregate—have held up, month after month, at close to the all-time record level of last year. Incomes, so far this year, have averaged even higher than in the same months of the highly prosperous 1948. Total civilian employment in recent months has been practically at the 60 million figure; and unemployment, at its seasonal peak during the summer, amounted to a little over 6 percent of the total labor force.

Since mid-summer, as you know, there has been a noticeable improvement in many lines of activity and trade. This has been reflected in a number of the indexes which sum up business trends; and it has been reflected, also, in a more confident attitude on the part of the business community.

I am speaking, of course, of basic conditions, which will determine the main business trend over the months ahead. I shall not attempt to forecast the duration of current work stoppages, which, in any event, can dominate the business picture only temporarily. Serious as they appear today, when they are finally settled, the strong underlying forces will again come into full play, and production will be expanded to build up depleted stocks.

In the vital area of manufacturing employment, the number of workers employed has risen more than seasonally since July. This is particularly significant, since manufacturing activities were among the first to be affected by inventory adjustments during the past 12 months.

Throughout this period, the continued high volume of retail sales has provided unmistakable evidence of the strength of consumer demand. Total retail sales in September, the latest month available, were only 2 percent lower than last year in dollar value, and were higher than last year in actual unit volume. Demand has been sustained not only by the continued high level of incomes, but also by the backlog of purchasing power inherent in our all-time record volume of personal savings.

The financial situation, likewise, could scarcely be in a sounder position. As you know, bankers and businessmen alike have taken precautions that credit did not become over-extended during the inflationary period. But as inflationary pressures diminished, credit was immediately available in needed quantities.

Therefore, starting with a basically sound present situation we face the future with many demands which industry has thus far been unable to meet. Outstanding among these are the continued urgent requirements for new construction, particularly of new houses and community facilities.

For many years, the repair and modernization of these facilities were allowed to lag. We have now a greatly increased rate of population growth; we have had vast shifts in population between different sections of the country; and in all of our metropolitan areas there has been a tremendous movement toward a decentralization of housing, shopping centers, and service facilities.

We have 8 million more families in the United States today than we had in 1940. These people must be fed, clothed, housed, educated, and provided with a wide variety of community services.

These developments mean new demands for many types of construction, and for the building of new roads and highways. Their powerful influence is seen in the unusually high volume of building activity so far this year, and in the number of commitments already made for the future. Contract awards in September for new residential construction were 88 percent higher than a year earlier; while total construction awards were 43 percent higher.

Such influences as these will provide continued strong support to our economy in the days ahead.

In addition, I could mention many new developments resulting from our wartime discoveries which may well provide a volume of demand for new and improved products unprecedented in the business history of this country.

In my belief, an important explanation of the success with which we have overcome our postwar difficulties, and forged ahead, lies in the fact that we have had faith in our American system and in our American ways of doing things.

We accepted our responsibilities, whether domestic or foreign, in that same spirit of confidence which has marked American endeavor since this Nation's earliest days.

Yes, much has already been accomplished; and our banking history, just as truly as the record of our other achievements, reflects these advances. Today, bankers are undertaking their broader responsibilities in the life of the Nation with the utmost earnestness and integrity of purpose. They are making great contributions to the successful functioning of our free enterprise system and our democratic form of Government in all of its many aspects. And they are doing this because they have found that working together for the common welfare pays; that only joint efforts—on a voluntary basis—can provide the clear thinking and bold actions so urgently needed in meeting the complex problems of today.

Our problems will not be easy, and—on both the domestic and the foreign fronts—we may be sure that they will seldom take the exact form of problems which we have met before. But we in America are accustomed to overcoming difficulties. We are not dismayed by change. We have made it clear that we will continue to devote all of our energies and all of our will to strengthening the foundations of our individual freedom, and our own way of living.

Exhibit 32.—Address by Secretary of the Treasury Snyder before the U. S. Savings Bonds Conference, Washington, D. C., March 29, 1950

The presence here tonight of so many leaders of business and industry is a tribute to the importance of the savings bond program, and I assure you that the Treasury Department is deeply grateful for your continued voluntary cooperation and support.

In a few short weeks we will be opening the Independence Drive. You people are being called upon to spearhead this drive as it reaches into every community of our Nation. I welcome the opportunity to be here with you tonight and to discuss the important role which savings bonds continue to play in the economic independence of our people and the financial strength of our country.

Today, as never before, the spotlight of history is focused upon our Nation. The world's hope for peace and stability depends in large measure upon the economic, military, and spiritual strength of this Nation. The task, then, falls to every one of us as individual Americans to see that our own economic house is in good order, and stands firmly on a sound foundation.

Our democratic form of government offers the individual greater opportunities than any other system of government in the world today. Every American has a stake in the preservation of this system.

During the past year we have had a concrete demonstration of what the savings of the American people have meant in promoting the economic stability of the Nation. During the early half of 1949 an inventory adjustment caused a sharp drop in factory production, and people in various industries were thrown out of work. Many felt that the decline in incomes and the rise in unemployment would arouse general apprehension; that it would have a depressing effect on retail trade and might bring further unemployment.

But nothing of the kind happened. The large backlog of personal savings gave people a feeling of financial security, and they continued their normal purchasing. Total retail sales held up, month after month, at close to the high levels of the previous year.

By midyear it became very apparent that people were taking more goods off the market than the factories were producing. By fall, the factories were again stepping up production to meet the great volume of incoming orders.

The key factor in our present economic stability is public confidence. This widespread confidence rests in part upon the financial security provided by the record holdings of personal savings, of which savings bonds form a very important part. Public confidence also rests upon the Nation's immensely strong financial structure, and upon the general knowledge that people's incomes today are better protected than ever before.

More than 4½ years have passed since the end of the war. Now, nearly all of our industries have completed their readjustment to competitive markets, and our economy is on a sound and stable basis.

Personal income in January this year, not including the veterans' insurance payments, was at an annual rate of $213 billion—the highest for any month since January 1949. Retail sales—a basic measure of the demand for consumer goods—have continued at a high level. In the first two months of 1950, in fact, the dollar volume of retail sales was 2½ percent higher than a year ago, despite lower average prices.

The very favorable near-term business outlook rests on obvious factors of strength that have been frequently pointed out. The longer outlook, in my opinion, is likewise reassuring. We have some distance to go in meeting the backlog of demand for new houses and other construction, while our population continues to grow.

Our factories have invested huge sums for new plant and equipment since the war, yet it is obvious that this expansion has not been over-expanded, in view of the continued development of new products, new industrial machinery and new technical processes.

Most importantly, the continued cautious attitude of businessmen, bankers, and other important groups has aided in preventing any excessive expansion in credit, in speculation, or in inventories, such as always has occurred before any important business downturn.

The Treasury's major objective has been to maintain this Nation's financial soundness through fiscal policies and debt management operations which are designed to cement confidence in the credit of this Government. I believe that the course of action which the Treasury has pursued in maintaining that confidence has contributed greatly to our present unparalleled economic position.

America has come a long way since our forefathers signed the Declaration of Independence. Yet we have by no means reached our maturity. America is still a young Nation. There is no limit to what we can accomplish through our system of free American enterprise.

This Nation was founded on the traditional American concept of thrift. It was thrift which helped us attain our present greatness. It is thrift which will lead America to new heights of achievement in the years ahead.

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

It gives every American citizen the opportunity to actively participate in a systematic program of thrift which not only insures future security for himself and his family, but gives him a stake in insuring the future security of his country.

It does not matter whether a man's income is great or small—whether he lives on a farm or in a crowded metropolitan area—he is given the opportunity to buy the savings bond which represents a personal share in his country's future.

The savings bonds program is a strong unifying force in our national life. Each savings bond volunteer has himself experienced the heart warming knowledge that in making a bond sale, he is making a personal contribution. He knows that he is actually doing something for the good of his community and his country.

I should like to take a moment to point out a striking example of what Government bond holdings mean to the people of our country. You may be interested to know that the Government bond holdings of individuals are now equivalent to the total value of all farm real estate in the country.

Ownership of Government securities by millions of individuals is good for the country as well as for those individuals. It gives the people of the country an increased interest in the affairs of their Government and causes them to participate more actively in those affairs.

We believe that an essential phase of debt management is achieved by distributing the ownership of the debt among as many Americans as possible—and by permitting as many individuals and families as possible to share in interest payments. The savings bonds program helps to accomplish both these objectives.

Most important of all, the savings bonds program represents the individuals throughout America who now hold close to $49 billion of savings bonds. It is the men and women who buy the bonds; the men and women who sell them to other people—friends, families, neighbors, fellow workers. It is the millions of working men and women now saving regularly through the automatic payroll savings plan.

These holdings seem particularly significant when we recall that at the bottom of the depression—in 1933—the national income in the country was only $39½ billion. Across the Nation, people now have a cushion of reserves to fall back upon that is far greater than the total income in the Nation in that year.

As you people go forward to carry the message of the Independence Drive to your States and local communities, you—and the millions of volunteer workers who will assist you—can be proud of the product you have to sell. It is not a new product, for thrift is as old as America itself. It is not an untried product, for it is thrift that has spelled progress for our Nation. It is an old and time-proven product, but not in any sense an old-fashioned one.

The product we have to sell is as up to date as the atomic age we are entering. Savings bonds have been designed to meet the modern day needs of every American. They are not a luxury which only the wealthy can afford—they have been designed to meet the individual needs of every class.

Moreover, you are selling something the people need and want—a product which not only gives them future personal independence but assures a free and strong America in which to enjoy the fruits of their savings.

As you know, the Independence Drive will run from May 15 to July 4. The national sales goal for the drive is $650 million in E bonds. Our savings bonds volunteers have always met and exceeded their sales goal. I am sure the Independence Drive, through your leadership, will continue this fine record.

I should like to ask you to carry to your local workers my sincere thanks for the spirit in which they are undertaking this praiseworthy and most important task. In encouraging thrift, they are helping to preserve our system of individual enterprise. They are helping to guarantee our economic security and stability—and thus they are helping to preserve the peace and security of all the world.

Exhibit 33.—Address by Secretary of the Treasury Snyder before the American Institute of Banking, Minneapolis, Minn., June 12, 1950

I am delighted to be here today to participate with you in the 50th anniversary celebration of the American Institute of Banking. It is particularly interesting to note the large number of women who have come as delegates to the meetings this year. This represents quite a change from the first years of your association's history. In this connection, I would like to call your attention to a news item which appeared in one of the early bulletins of your Institute published in 1901.

At that time, a trust company in Chicago had just installed 13 girls at the teller's windows in its savings department. This was certainly news of great interest in the banking world, since these girls were said to be the only ones to hold such positions in the United States. The report further stated that these young ladies were not employed with a view toward reducing salaries, since their pay was to be the same as the men—$25 a month at the start.

I need not remind this audience of the increasingly important responsibilities which the business women of this country have undertaken since the time when this news item was printed.

The expanding opportunities for those of you in the banking field during the past 50 years have reflected the growing importance of our banks and of our financial institutions generally in the business life of the Nation.

Fifty years ago, the business of banking in this country was a far different matter from the complex loan and investment operations of today. In most communities outside of the leading financial centers, its success depended almost entirely on personal knowledge of local prospects and local borrowers. Credit decisions on this basis were by no means easy, as Mr. Kent and others whose experience goes back that far will testify. The quality of judgment has remained the most important single ingredient of successful banking, but the techniques of credit analysis have been enormously extended in the years since your association was founded.

Today, every important credit decision calls for a mass of specific information and analysis. It calls for a wide background knowledge of national business trends and their significance locally. And, finally, it calls for the education and the experience necessary to evaluate all of the facts and to translate those facts into the right answer.

The business of banking has always presented particularly difficult problems to American bankers, because the investment of funds requires an evaluation of the future, and in America conditions are always changing. Today, as in the days of the frontier, we are continually having to make adjustments to new knowledge, new tastes, and new surroundings. The tremendous surge westward of American industry during and since the war—with its implication of population changes and community developments—is an instance in point.

This atmosphere of change—of newness—which has been the environment of each generation of Americans, has had a significant influence on our development. It has contributed in an important measure to making us a Nation of strong individuals, constantly alert to new opportunities and new ways of doing things. These particular traits of the American character have been fostered also by our representative system of government. They have been strengthened by the fact that our free enterprise system puts a premium on initiative, resourcefulness, and ability to see a job through. And, as the pace of activity has quickened, individual abilities have been further encouraged by the American concept of education as a continuing aid in the business of daily living.

Your own association, the American Institute of Banking, grew out of the needs of practical businessmen. Its increasing services, over the years, have reflected the growing realization that doing business in the dynamic American economy calls for a constant flow of new facts, and a constant reappraisal of old ones. Throughout the 50 years of the Institute's history, your members have recognized that practical experience is most valuable when it is enriched by broad background information and by the training needed to put that information to good use.

Today the need for services such as those provided by the American Institute of Banking is greater than ever before. I have noted that the founders of your association—with some courage, I may say—chose the field of commercial law as their first subject of study. At that time, a compilation of "Federal Laws Affecting National Banks" required only 63 pages. Today, almost 500 pages are needed to cover the ground. This is just one illustration of the complicated nature of modern financial operations as compared with the situation a half or even a quarter of a century ago.

The achievements of American banking during the past half century, however, cannot be measured alone by reference to the growing complexities of banking operations. Their true measure is the progress of our country during this period. In the decades since 1900, we have changed from a predominantly rural and small town economy to the greatest industrial organization in the world. And industrial development has required financing. It has required a tremendous volume of capital investment.

In America, the capital fortunately has been forthcoming. It is estimated that the process of mechanization alone, over the past 100 years, has taken capital goods valued at over $600 billion. And this year, as you know, American industry is continuing its program of expansion. During the first quarter of 1950, over $5 billion was invested in modernization and in new plant and equipment, making a record total of more than $95 billion in the postwar period as a whole.

These dollar sums are significant as an indication of the faith which Americans have in their future. They are significant as an indication of the important function performed by banking and finance in this country. That function is the business of assisting Americans to turn out materials and services and merchandise for people to use.

It has taken considerable financing to carry new products, new ideas, and new mechanical devices of all kinds into millions of American homes and factories and farms. In the process, many industries which were flourishing in 1900 have all but disappeared. But as older techniques and older products were replaced, millions of new jobs opened up. It is interesting to consider that today, a significant proportion of the wage earners in manufacturing alone are producing commodities or services that in 1900 were produced in the household. In addition, millions of our people are employed in turning out products or services which were either unknown in 1900 or available to only a limited few. As our economy has become more complex and our standards of living ever higher, the processes of production and marketing have called to an increasing extent on the specialized services of finance. And the developmental work necessary to pay the way for mass output and for the extended application of new techniques has depended, at every stage, on capital.

In the days of the early frontiersmen and prospectors who came by river and over land to this part of the country, very little more was required in the way of assets than a large fund of courage and determination. But the later development of our western States could not have taken place without the substantial investment of capital funds.

The discovery of the Minnesota iron ore reserves, for example, was an event of extreme importance in the economic history of this country. It is less well known, but highly important, that improvements in the arts of mining and mineral processing since the opening of the Mesabi Range are of almost equal significance with the discovery itself. Intensive research programs have led to methods of concentrating low-grade ores which are opening up vast new reserves. A single new plant for concentrating ores of this type—now in the process of construction—will, I am told, have an annual capacity of one million tons.

The same thing has happened in the chemical industry—in metal alloys—and, most strikingly of all, in agriculture and soil science. In almost every field of output, we have passed far beyond the boundaries of a production potential limited by the known resources and techniques of a generation ago. And it is capital investment—traced back, in every instance, to someone's decision that America's future was worth backing—which has made possible the phenomenal achievements of American industry.

This year, business improvements represent an important forward movement in our national economy. They are supported by our rapidly growing population, our continued high income levels, our strong credit and financial situation, and the great technical progress which the capital investment of recent years has provided.

The rapid rate of population growth has been an extremely important factor in the progress in our own country. It has provided an expanding market here—the greatest market in the world—for the increasing output of American agriculture and American industry. Today, as in the past, the growing American market is a dynamic force making for business expansion.

The current rate of population growth means that during 1950 alone the American market will be enlarged by 2½ million people. Also, there has been a very rapid increase during the past decade in the number of families. Forty percent of all our families are new families—the result of the 17½ million marriages since 1940. This means, of course, that the need for separate homes and for separate facilities of all kinds is increasing even more rapidly than the population figures would indicate.

The buying power of our people, moreover, has continued at a very high level. Aided by the special insurance dividend to veterans, personal incomes this year are the highest on record. Even without this dividend, current incomes are above the corresponding period last year.

Retail sales throughout the postwar period have reflected a basic confidence in the economic outlook. During the readjustment period of 1949, consumer buying held like a stone wall against the setback in production. Early in 1949, you will recall, the return of buyers' markets had caused many businessmen to liquidate inventories. Declining orders for stock soon had their effect on output. But with incomes continuing high—and a record backlog of savings—most families saw no need to cut down on their purchases. While they bought less of some things, they bought more of others. For 1949 as a whole, total retail sales in actual unit volume proved to be higher than the record sales of the previous year. And continued high sales soon led to the restocking of merchandise and to an increase in production.

The rise in production is still under way. Retail sales, in the meantime, have also expanded. So far this year they have been running some 6 percent greater in physical volume than a year ago. Industrial production is now close to the record peacetime level reached in the fall of 1948, while employment in May was at a new high record for that month.

The business advance so far has given very little indication of underlying weakness. The prevailing spirit of confidence has shown no signs of developing into excessive optimism. Business planning generally has remained cautious, and inventories have been kept conservative. There has been no important volume of speculation in the stock or commodity markets. Bank loans, on the whole, have shown no unduly large increase, and our credit and financial situation in general remains reassuring.

The problems which face our Nation today make it imperative that we maintain this strength. It is the task of those in the Government and of every individual American to see that our economic structure is stronger than ever before. We must continue to demonstrate the effectiveness of our system of free enterprise in opening up the resources of our country, and spreading their benefits across the Nation. We must continue to prove that our form of Government offers the individual greater opportunities than any other system of Government in the world today.

As members of the American Institute of Banking, you have a particular responsibility for approaching the day-to-day problems of banking operation in the light of their relation to the broader issues of our national well-being. For our economy to remain strong, it will be of vital importance to assure the continued soundness of our credit structure and to protect the economy from the dangers of excessive speculation. But in observing these primary rules of economic health, it is important never to lose sight of the fact that our economy, to continue healthy, must continue growing. Our success in maintaining our growth and at the same time keeping the foundations of our strength unimpaired will depend on many thousands of individual decisions in the banks, in the business offices, and in the homes of the Nation.

These decisions will shape our future.

ORGANIZATION AND PROCEDURE

Exhibit 34.—Treasury Department orders relating to organization and procedure

No. 117, July 1, 1949, Transfer of Books and Forms Unit to Office of Administrative Services

Pursuant to authority vested in me by section 161 of the Revised Statutes (U. S. C., title 5, sec. 22), and to other authority vested in me as Secretary of the Treasury, the Books and Forms Unit, Bureau of Federal Supply, having been retained in the Treasury Department pursuant to the determination of the Director, Bureau of the Budget, under authority of P. L. 152 (1st sess., 80th Cong.), is hereby assigned to and made a part of the Office of Administrative Services, effective July 1, 1949. The specific determinations of functions, records, property, personnel, and funds to be transferred shall be made by the Administrative Assistant to the Secretary. Control over and supervision of the Books and Forms Unit as transferred shall thereafter be in the Director of Administrative Services.

E. H. Foley, Jr.,
Acting Secretary of the Treasury.

No. 118, August 9, 1949, Designation of Administrative Assistant to the Secretary to Direct the Effectuation of Executive Order 10072 of July 29, 1949

By virtue of the authority vested in me as Secretary of the Treasury and section 161 of the Revised Statutes and all other provisions of law, I hereby designate the Administrative Assistant to the Secretary, serving also as Chairman of the Treasury Department Management Committee, as the official to direct and coordinate the effectuation of Executive Order 10072 of July 29, 1949, in the Treasury Department.

In assuming this responsibility and to insure that the Government and the Department will attain maximum benefits in the accomplishment of this mission, the Administrative Assistant to the Secretary is authorized and directed to enlist all necessary facilities and personnel of the Department.

John W. Snyder,
Secretary of the Treasury.

No. 119, October 25, 1949, Designation of Officials to Grant Quarters and Cost of Living Allowances to Civilian Employees Stationed in Foreign Countries

In accordance with the provisions of sections 1.5 (a) and 1.6 of the Standardized Government Civilian Allowance Regulations (Foreign Areas) the following officers of the Treasury Department, or the officers authorized to act in their absence, have been designated by me to grant quarters and cost of living allowances to civilian officers and employees stationed in foreign countries:

Assistant Secretary of the Treasury
Administrative Assistant to the Secretary
Deputy Commissioner of Customs (Fiscal Administration)
Commissioner of Accounts
Chief Disbursing Officer

The above-named officials are also charged with the responsibility of reporting to the General Accounting Office, in accordance with regulations prescribed by the Comptroller General, the rates at which the allowances are granted, any revisions in the rates of such grants, and the dates of their commencement, revision, and termination.

E. H. Foley, Jr.,
Acting Secretary of the Treasury.

Amendment December 5, 1949, to Treasury Department Order No. 119

In accordance with the provisions of section 1.5 (a) and 1.6 of the Standardized Government Civilian Allowance Regulations (Foreign Areas), the Deputy Commissioner of Customs (Management and Controls), and the Head, Fiscal Section, Bureau of Customs, or the officers authorized to act in their absence, are hereby designated by me to grant quarters and cost of living allowances to civilian officers and employees stationed in foreign countries. These officials are also charged with the responsibility of reporting to the General Accounting Office, in accordance with regulations prescribed by the Comptroller General, the rates at which the allowances are granted, any revisions in the rates of such grants, and the dates of their commencement, revision, and termination.

The authority granted to the Deputy Commissioner of Customs (Fiscal Administration) under the provisions of Treasury Department Order No. 119 is hereby rescinded, inasmuch as the title of that position has been changed to Deputy Commissioner of Customs (Management and Controls).

This order amends Treasury Department No. 119, dated October 25, 1949, and shall be effective today.

E. H. Foley, Jr.,
Acting Secretary of the Treasury.

No. 81, Revised February 2, 1950, Relating to the Committee on Printing and Publication

By virtue of the authority vested in me as Secretary of the Treasury by section 161 of the Revised Statutes, Executive Order 397 of January 20, 1906, and all other provisions of law, I hereby establish in the Treasury Department a Committee on Printing and Publication.

In the interest of further economy and efficiency, the Committee shall exercise general supervision over all printing and binding originating in and procured for use by the Treasury Department. The Committee shall make recommendations regarding regulations governing or affecting the general printing policies of the Department, and such regulations shall be subject to the approval of the Administrative Assistant to the Secretary.

The Committee shall consist of the Assistant to the Administrative Assistant or his alternate, as Chairman, the Assistant Commissioner of Internal Revenue for Operations or his alternate, and the Chief of Headquarters Administration Division, U. S. Coast Guard or his alternate.

This order supersedes Treasury Department Order No. 81, dated February 14, 1947.

John S. Graham,
Acting Secretary of the Treasury

No. 79, Revised March 28, 1950, Relating to the Treasury Awards Committee

Treasury Department Order No. 79, dated January 14, 1947, is herewith revised and reissued as follows:

By virtue of the authority vested in me as Secretary of the Treasury by section 161 of the Revised Statutes, section 12 of the act of August 2, 1946, 60 Stat. 809 (U. S. C., title 5, sec. 22a), Executive Order 9817 of December 31, 1946, and all other provisions of law, I hereby delegate to the Administrative Assistant to the Secretary the authority set forth in section 14 of the act of August 2, 1946, 60 Stat. 809 (U. S. C., title 5, sec. 116a) and the authority set forth in section 1002 of the Classification Act of 1949 (Public Law 429, 81st Congress). All awards contemplated by the above-cited sections shall be under the general jurisdiction and subject to the general direction of the Administrative Assistant to the Secretary.

The Efficiency Awards Committee provided for in section 1002 of the Classification Act of 1949 and Bureau of the Budget Circular A–8, Supplement No. 1 of February 28, 1950, shall hereinafter be known as the Treasury Awards Committee with membership constituted as follows:

Chairman	Assistant to the Administrative Assistant
Vice Chairman	Senior Organization and Methods Examiner, Office of the Administrative Assistant
Member	Director of Personnel
Member	Budget Officer
Member	Assistant Director, Bureau of the Mint
Member	Assistant Director for Administration, Bureau of Engraving and Printing
Member	Chief, Planning and Control Staff, U. S. Coast Guard
Member	Senior Assistant General Counsel
Member	Assistant to the Fiscal Assistant Secretary
Member	Chief Coordinator, Treasury Enforcement
Member	Senior Tax Advisor, Bureau of Internal Revenue
Member	Deputy Commissioner of Customs for Management

This Committee will take such action as may be necessary to achieve prompt and equitable recognition of superior accomplishment, meritorious suggestions, exceptional or meritorious service by civilian officers and employees of the Treasury. The Treasury Awards Committee shall administer the Treasury awards programs in accordance with this order and the requirements of Bureau of the Budget Circular No. A–8, Supplement No. 1.

John W. Snyder,
Secretary of the Treasury.

MISCELLANEOUS

Exhibit 35.—Letters of Secretary of the Treasury Snyder to the Chairman of the Government Operations Subcommittee of the House Committee on Expenditures in the Executive Departments concerning the rate of interest paid on public debt securities issued to trust funds

Treasury Department,
Washington, November 10, 1949.

My Dear Mr. Chairman: This is in reply to your letter of October 20, 1949, requesting the Treasury's comments on the report prepared by the Committee's staff concerning the rate of interest paid on public debt obligations of the United States issued to the national service life insurance fund. It is noted that this report has been prepared on the premise that the 3 percent interest rate paid on securities issued to the fund is abnormally high and that there appears to be no legal basis for the action of the Treasury in fixing such rate.

I am sure your Committee does not entertain any doubt as to the legality of the action of the Treasury in issuing public debt obligations to the national service life insurance fund or in fixing the rate of interest borne by such obligations.

Under U. S. Code, title 38, section 805, there is created in the Treasury a permanent trust fund to be known as the national service life insurance fund and the Secretary of the Treasury is authorized to invest or reinvest such fund, or any part thereof, in interest-bearing obligations of the United States or in obligations guaranteed as to principal and interest by the United States, and to sell such obligations for the purposes of such fund. The special Treasury notes, national service life insurance fund series, issued to the fund, have been issued under the provisions of the Second Liberty Bond Act, as amended, U. S. Code, title 31, section 753. Under this authority the Secretary of the Treasury, with the approval of the President, is authorized to borrow from time to time on the credit of the United States for certain authorized purposes, such sum or sums as in his judgment may be necessary, and to issue therefor notes of the United States at not less than par, in such form or forms and denomination or denominations, containing such terms and conditions and such rate or rates of interest, as the Secretary of the Treasury may prescribe, and each series of notes so issued shall be payable at such time not less than one year and not more than five years from the date of its issue as he may prescribe.

It will be observed that the Treasury notes issued under the foregoing authority shall be at such rate or rates of interest as the Secretary of the Treasury may prescribe, with the approval of the President. Thus, the interest rate borne by securities issued to the national service life insurance fund is for determination in the discretion of the Secretary of the Treasury, with the approval of the President.

In providing for the establishment of the national service life insurance fund and the investment of such fund in interest-bearing obligations of the United States, the Congress did not specifically indicate the rate of interest which such obligations should bear. However, the law provides (U. S. Code, title 38, section 802e) that the premium rates for national service life insurance shall be the net rates based upon the American Experience Table of Mortality and interest at the rate of 3 percent per annum, and that all cash, loan, paid up, and extended values, and all other calculations in connection with such insurance, shall be based upon said American Experience Table of Mortality and interest at the rate of 3 percent per annum. In view of this provision of law, it appeared reasonable to assume that the Congress anticipated that the fund would be invested so as to earn an interest rate of 3 percent per annum, and on this basis, the Treasury determined upon a 3 percent interest rate for the special Treasury notes issued to the fund.

In view of the great growth of trust funds administered by the Treasury in recent years and the investment of such funds in public debt obligations of the United States, the Treasury and the Bureau of the Budget have had their staffs making an intensive study of the subject of the interest rates borne by the public debt obligations issued to the funds to determine whether it is advisable to make any changes in the rates of interest now being paid on special obligations issued to the various funds. There are numerous inconsistent statutory provisions governing the investment of such funds which provide in some cases for specified interest rates and in other cases for no specified interest rates, or for rates determined by certain fixed formulae. The national service life insurance fund is one of the funds included in this study. A report of the staff study has not yet been completed although such report is anticipated in the near future in the absence of any unforeseen circumstances which may delay its completion. The Congress, of course, can remove all grounds for differences in opinion as to the proper interest rate to be paid to any particular fund by enacting statutory provisions definitely fixing a particular rate or prescribing a basis for determining the rate of interest to be paid on investments of Government trust funds, as has been done in the case of the railroad retirement, the Federal old-age and survivors insurance trust fund, and the unemployment trust fund. These latter funds aggregate in excess of $18 billion.

Very truly yours,

JOHN W. SNYDER,
Secretary of the Treasury.

HONORABLE PORTER HARDY, Jr.,
Chairman, Government Operations Subcommittee of the Committee on Expenditures in the Executive Departments,
House of Representatives, Washington, D. C.

TREASURY DEPARTMENT,
Washington, May 22, 1950.

MY DEAR MR. CHAIRMAN: On January 30, 1950, I wrote you in answer to your letter of January 17, in which you had asked to be advised of the progress being made on our study relating to the subject of interest rates borne by public debt obligations issued to various trust funds. Certain of these rates, as you are aware, are required by legislation passed at a time when the interest rate structure was considerably different from what it is now.

In the absence of specific guides or directives by the Congress, there is, to my mind, only one position which can be justified with respect to interest rates paid by the Treasury on securities issued to the trust funds and not available to the public; that is the average cost to the Government of funds borrowed from the public. This cost is represented by the average interest rate on all public interest-bearing securities of the Federal Government outstanding at any one time. The figure is published in the daily Treasury statement each month.

The public interest-bearing securities of the Government include marketable issues such as bills, certificates, and Treasury bonds; and they also include public nonmarketable issues such as the various series of savings bonds. On April 30, 1950, the average rate on all of these issues amounted to 2.145 percent as compared with an average rate of 2.646 percent now being paid on special issues held by the seven major trust funds. On these seven funds, the difference in interest costs on the basis of these two rates amounts to approximately $145 million a year.

The major justification for using the average rate on all public interest-bearing securities is the fact that it is the most realistic measure of the cost of Government borrowing. As you know, the policy of the Treasury during and since the war has been to plan its security issues in such a way as to meet the needs of the various investors having funds available for investment in Federal securities. It is in this way only that the Treasury can secure the maximum of funds needed for its purposes from nonbank investors at a minimum interest cost to the Government.

The wide variety of maturities and interest rates represented by the Federal debt in the hands of the public at the present time thus has two purposes. First, it greatly increases the flexibility of public debt operations from the point of view of debt management. Second—and this is the point which has particular bearing for the matter in hand—it is a means of attracting private investment funds with greatly varying requirements as to rate of return, length of investment, and possibilities for cash redemption.

Certificates of indebtedness, for example, which are securities maturing within a year, are particularly well suited to the needs of corporations who wish to invest certain funds for short periods only. Our longest term bonds, on the other hand, are a type of security which best suits the needs of institutional investors, such as insurance companies and mutual savings banks, who are not looking for a quick turnover of funds but for a maximum return on long-term investments. And our Series E savings bonds, to take a final example, are especially adapted to the needs of small individual investors who wish to combine a satisfactory return with maximum security and accessibility of funds in case of need.

These examples illustrate what the Treasury means when it talks about suiting the terms of Federal securities to the needs of investors. This is not done because of any desire to make it easier for private investors to solve their individual problems or to earn a satisfactory return on idle funds. It is done, as I have already emphasized, because it is in this way, and in this way only, that the Treasury can draw, to the fullest extent, on funds available for investment in the hands of nonbank investors; and thereby meet its needs and carry on its operations in such a way as to contribute to the good health of the Nation's economy.

As you will readily see, these considerations which call for a variety of interest rates and of other conditions applicable to securities offered in the open market do not apply to the funds available for investment on the part of the trust funds. Neither one of the considerations which I mentioned above as controlling the terms of Federal security issues—namely, flexibility in public debt operations and suitability to varying needs of private investors—applies in the case of trust fund accumulations. It would be inappropriate and of no benefit to the Treasury under present conditions to extend the criterion of flexibility for public debt management to securities planned for special issue to the trust funds. And since the accumulations in the trust funds are not available for investment in private enterprise, there is no need to shape the securities offered these funds in order to fit in with conditions in the money market or in the economy generally.

It may be that at some time in the future, with respect to some of the funds, past accumulations and specified current contributions will have to be supplemented further by direct appropriations of Federal revenue in order to meet benefit obligations. This need not concern us now because the rights of beneficiaries under Federal Government trust funds—unlike those under private trust funds—are secured by the very fact that the taxing power of the Government stands behind them. There would seem to be no reason under these circumstances for a current budget burden having no necessary relation to the rights and benefits of the recipients of trust funds, and which would in most cases only succeed in moving back to the present a budget charge relating to future expenditures.

The question of direct appropriations raises one further point which should, perhaps, be clarified at this time. It is possible that a situation might arise in which the operations of a trust fund would seem to require a higher return on investments than that provided by the average rate of interest on funds borrowed from the public. In that event, the higher rate would be in the nature of a subsidy. It is my view that decisions with respect to such a subsidy should not be within the discretion of the Treasury, but should rest with the Congress. If funds were needed, they could then be made available to the trust fund through direct appropriation.

From every point of view, therefore, it is the considered opinion of the Treasury Department that the rate of interest on Federal securities issued to the trust funds should be the average rate paid on funds borrowed from the public. The adoption of this rate for trust fund issues would be in line with the principles which guide the Treasury at all times in the discharge of its responsibilities to the American people for prudent management of the Nation's finances.

Very truly yours,

JOHN W. SNYDER,
Secretary of the Treasury.

HONORABLE PORTER HARDY, JR.,
Chairman, Government Operations Subcommittee of the Committee on Expenditures in the Executive Departments,
House of Representatives, Washington, D. C.

Exhibit 36.—An act to authorize the President to determine the form of the national budget and of departmental estimates, to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes

[Public Law 784, 81st Congress, H. R. 9038]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Budget and Accounting Procedures Act of 1950".

TITLE I—BUDGETING AND ACCOUNTING

PART I—BUDGETING

SEC. 101. Section 2 of the Budget and Accounting Act, 1921 (42 Stat. 20), is amended by adding at the end thereof the following:

"The term 'appropriations' includes, in appropriate context, funds and authorizations to create obligations by contract in advance of appropriations, or any other authority making funds available for obligation or expenditure."

SEC. 102. (a) Section 201 of such Act is amended to read as follows:

"SEC. 201. The President shall transmit to Congress during the first fifteen days of each regular session, the Budget, which shall set forth his Budget message, summary data and text, and supporting detail. The Budget shall set forth in such form and detail as the President may determine—

"(a) functions and activities of the Government;

"(b) any other desirable classifications of data;

"(c) a reconciliation of the summary data on expenditures with proposed appropriations;

"(d) estimated expenditures and proposed appropriations necessary in his judgment for the support of the Government for the ensuing fiscal year, except that estimated expenditures and proposed appropriations for such year for the legislative branch of the Government and the Supreme Court of the United States shall be transmitted to the President on or before October 15 of each year, and shall be included by him in the Budget without revision;

"(e) estimated receipts of the Government during the ensuing fiscal year, under (1) laws existing at the time the Budget is transmitted and also (2) under the revenue proposals, if any, contained in the Budget;

"(f) actual appropriations, expenditures, and receipts of the Government during the last completed fiscal year;

"(g) estimated expenditures and receipts, and actual or proposed appropriations of the Government during the fiscal year in progress;

"(h) balanced statements of (1) the condition of the Treasury at the end of the last completed fiscal year, (2) the estimated condition of the Treasury at the end of the fiscal year in progress, and (3) the estimated condition of the Treasury at the end of the ensuing fiscal year if the financial proposals contained in the Budget are adopted;

"(i) all essential facts regarding the bonded and other indebtedness of the Government; and

"(j) such other financial statements and data as in his opinion are necessary or desirable in order to make known in all practicable detail the financial condition of the Government."

(b) Section 203 of such Act is amended to read as follows:

"SEC. 203. (a) The President from time to time may transmit to Congress such proposed supplemental or deficiency appropriations as in his judgment (1) are necessary on account of laws enacted after the transmission of the Budget, or (2) are otherwise in the public interest. He shall accompany such proposals with a statement of the reasons therefor, including the reasons for their omission from the Budget.

"(b) Whenever such proposed supplemental or deficiency appropriations reach an aggregate which, if they had been contained in the Budget, would have required the President to make a recommendation under subsection (a) of section 202, he shall thereupon make such recommendation."

(c) Section 204 of such Act is amended to read as follows:

"SEC. 204. (a) Except as otherwise provided in this Act, the contents, order, and arrangement of the proposed appropriations and the statements of expenditures and estimated expenditures contained in the Budget or transmitted under section 203, and the notes and other data submitted therewith, shall conform to requirements prescribed by the President.

"(b) The Budget, and statements furnished with any proposed supplemental or deficiency appropriations, shall be accompanied by information as to personal services and other objects of expenditure in the same manner and form as in the Budget for the fiscal year 1950: *Provided*, That this requirement may be waived or modified, either generally or in specific cases, by joint action of the committees of Congress having jurisdiction over appropriation: *And provided further*, That nothing in this Act shall be construed to limit the authority of committees of Congress to request and receive such information in such form as they may desire in consideration of and action upon budget estimates."

(d) Section 205 of such Act is amended to read as follows:

"SEC. 205. Whenever any basic change is made in the form of the Budget, the President, in addition to the Budget, shall transmit to Congress such explanatory notes and tables as may be necessary to show where the various items embraced in the Budget of the prior year are contained in the new Budget."

(e) The last sentence of section 207 of such Act is amended to read as follows: "The Bureau, under such rules and regulations as the President may prescribe, shall prepare the Budget, and any proposed supplemental or deficiency appropriations, and to this end shall have authority to assemble, correlate, revise, reduce, or increase the requests for appropriations of the several departments or establishments."

(f) Section 214 of such Act is amended to read as follows:

"SEC. 214. The head of each department and establishment shall prepare or cause to be prepared in each year his requests for regular, supplemental, or deficiency appropriations."

(g) Section 215 of such Act is amended to read as follows:

"Sec. 215. The head of each department and establishment shall submit his requests for appropriations to the Bureau on or before a date which the President shall determine. In case of his failure to do so, the President shall cause such requests to be prepared as are necessary to enable him to include such requests with the Budget in respect to the work of such department or establishment."

(h) Section 216 of such Act is amended to read as follows:

"Sec. 216. Requests for regular, supplemental, or deficiency appropriations which are submitted to the Bureau by the head of any department or establishment shall be prepared and submitted as the President may determine in accordance with the provisions of section 201."

Government statistical activities

Sec. 103. The President, through the Director of the Bureau of the Budget, is authorized and directed to develop programs and to issue regulations and orders for the improved gathering, compiling, analyzing, publishing, and disseminating of statistical information for any purpose by the various agencies in the executive branch of the Government. Such regulations and orders shall be adhered to by such agencies.

Improved administration of executive agencies

Sec. 104. The President, through the Director of the Bureau of the Budget, is authorized and directed to evaluate and develop improved plans for the organization, coordination, and management of the executive branch of the Government with a view to efficient and economical service.

Business-type budgets

Sec. 105. The first two sentences of section 102 of the Government Corporation Control Act of 1945 (59 Stat. 597), are amended to read as follows: "Each wholly owned Government corporation shall cause to be prepared annually a business-type budget which shall be submitted to the Bureau of the Budget, under such rules and regulations as the President may establish as to the date of submission, the form and content, the classifications of data, and the manner in which such budget program shall be prepared and presented."

PART II—ACCOUNTING AND AUDITING

Short title

Sec. 110. This part may be cited as the "Accounting and Auditing Act of 1950".

Declaration of policy

Sec. 111. It is the policy of the Congress in enacting this part that—

(a) The accounting of the Government provide full disclosure of the results of financial operations, adequate financial information needed in the management of operations and the formulation and execution of the Budget, and effective control over income, expenditures, funds, property, and other assets.

(b) Full consideration be given to the needs and responsibilities of both the legislative and executive branches in the establishment of accounting and reporting systems and requirements.

(c) The maintenance of accounting systems and the producing of financial reports with respect to the operations of executive agencies, including central facilities for bringing together and disclosing information on the results of the financial operations of the Government as a whole, be the responsibility of the executive branch.

(d) The auditing for the Government, conducted by the Comptroller General of the United States as an agent of the Congress be directed at determining the extent to which accounting and related financial reporting fulfill the purposes specified, financial transactions have been consummated in accordance with laws, regulations or other legal requirements, and adequate internal financial control over operations is exercised, and afford an effective basis for the settlement of accounts of accountable officers.

(e) Emphasis be placed on effecting orderly improvements resulting in simplified and more effective accounting, financial reporting, budgeting, and auditing requirements and procedures and on the elimination of those which involve duplication or which do not serve a purpose commensurate with the costs involved.

(f) The Comptroller General of the United States, the Secretary of the Treasury, and the Director of the Bureau of the Budget conduct a continuous program for the improvement of accounting and financial reporting in the Government.

Accounting and reporting provisions

SEC. 112. (a) The Comptroller General of the United States, after consulting the Secretary of the Treasury and the Director of the Bureau of the Budget concerning their accounting, financial reporting, and budgetary needs, and considering the needs of the other executive agencies, shall prescribe the principles, standards, and related requirements for accounting to be observed by each executive agency, including requirements for suitable integration between the accounting processes of each executive agency and the accounting of the Treasury Department. Requirements prescribed by the Comptroller General shall be designed to permit the executive agencies to carry out their responsibilities under section 113 of this part, while providing a basis for integrated accounting for the Government, full disclosure of the results of the financial operations of each executive agency and the Government as a whole, and financial information and control necessary to enable the Congress and the President to discharge their respective responsibilities. The Comptroller General shall continue to exercise the authority vested in him by section 205 (b) of the Federal Property and Administrative Services Act of 1949 (63 Stat. 389) and, to the extent he deems necessary, the authority vested in him by section 309 of the Budget and Accounting Act, 1921 (42 Stat. 25). Any such exercise of authority shall be consistent with the provisions of this section.

(b) The General Accounting Office shall cooperate with the executive agencies in the development of their accounting systems, including the Treasury Department, in the development and establishment of the system of central accounting and reporting required by section 114 of this part. Such accounting systems shall be approved by the Comptroller General when deemed by him to be adequate and in conformity with the principles, standards, and related requirements prescribed by him.

(c) The General Accounting Office shall from time to time review the accounting systems of the executive agencies. The results of such reviews shall be available to the heads of the executive agencies concerned, to the Secretary of the Treasury, and to the Director of the Bureau of the Budget, and the Comptroller General shall make such reports thereon to the Congress as he deems proper.

SEC. 113. (a) The head of each executive agency shall establish and maintain systems of accounting and internal control designed to provide—

(1) full disclosure of the financial results of the agency's activities;

(2) adequate financial information needed for the agency's management purposes;

(3) effective control over and accountability for all funds, property, and other assets for which the agency is responsible, including appropriate internal audit;

(4) reliable accounting results to serve as the basis for preparation and support of the agency's budget requests, for controlling the execution of its budget, and for providing financial information required by the Bureau of the Budget under section 213 of the Budget and Accounting Act, 1921 (42 Stat. 23);

(5) suitable integration of the accounting of the agency with the accounting of the Treasury Department in connection with the central accounting and reporting responsibilities imposed on the Secretary of the Treasury by section 114 of this part.

(b) The accounting systems of executive agencies shall conform to the principles, standards, and related requirements prescribed by the Comptroller General pursuant to section 112 (a) of this part.

SEC. 114. (a) The Secretary of the Treasury shall prepare such reports for the information of the President, the Congress, and the public as will present the results of the financial operations of the Government: *Provided*, That there shall be included such financial data as the Director of the Bureau of the Budget may require in connection with the preparation of the Budget or for other purposes of the Bureau. Each executive agency shall furnish the Secretary of the Treasury such reports and information relating to its financial condition and operations as the Secretary, by rules and regulations, may require for the effective performance of his responsibilities under this section.

(b) The Secretary of the Treasury is authorized to establish the facilities necessary to produce the financial reports required by subsection (a) of this section. The Secretary is further authorized to reorganize the accounting functions and install, revise, or eliminate accounting procedures and financial reports of the Treasury Department in order to develop effective and coordinated systems of accounting and financial reporting in the several bureaus and offices of the Department with such concentration of accounting and reporting as is necessary to accomplish integration of accounting results for the activities of the Department and provide the operating center for the consolidation of accounting results of other executive agencies with those of the Department. The authority vested in and the duties imposed upon the Department by sections 10, 15, and 22 of the Act entitled "An Act making appropriations for the legislative, executive, and judicial branches of the Government for the fiscal year ending June thirtieth, eighteen hundred ninety-five, and for other purposes", approved July 31, 1894 (28 Stat. 162, 208–210), may be exercised and performed by the Secretary of the Treasury as a part of his broader authority and duties under this section and in such a manner as to provide a unified system of central accounting and reporting on the most efficient and useful basis.

(c) The system of central accounting and reporting provided for herein shall be consistent with the principles, standards, and related requirements prescribed by the Comptroller General pursuant to section 112 of this part.

SEC. 115. (a) When the Secretary of the Treasury and the Comptroller General determine that existing procedures can be modified in the interest of simplification, improvement, or economy, with sufficient safeguards over the control and accounting for the public funds, they may issue joint regulations providing for the waiving, in whole or in part, of the requirements of existing law that—

(1) warrants be issued and countersigned in connection with the receipt, retention, and disbursement of public moneys and trust funds; and

(2) funds be requisitioned, and advanced to accountable officers under each separate appropriation head or otherwise.

(b) Such regulations may further provide for the payment of vouchers by authorized disbursing officers by means of checks issued against the general account of the Treasurer of the United States: *Provided*, That in such case the regulations shall provide for appropriate action in the event of delinquency by disbursing officers in the rendition of their accounts or for other reasons arising out of the condition of the officers' accounts, including under necessary circumstances, the suspension or withdrawal of authority to disburse.

SEC. 116. The Comptroller General is authorized to discontinue the maintenance in the General Accounting Office of appropriation, expenditure, limitation, receipt, and personal ledger accounts when in his opinion the accounting systems and internal control of the executive, legislative, and judicial agencies are sufficient to enable him to perform properly the functions to which such accounts relate.

Auditing provisions

SEC. 117. (a) Except as otherwise specifically provided by law, the financial transactions of each executive, legislative, and judicial agency, including but not limited to the accounts of accountable officers, shall be audited by the General Accounting Office in accordance with such principles and procedures and under such rules and regulations as may be prescribed by the Comptroller General of the United States. In the determination of auditing procedures to be followed and the extent of examination of vouchers and other documents, the Comptroller General shall give due regard to generally accepted principles of auditing, including consideration of the effectiveness of accounting organizations and systems, internal audit and control, and related administrative practices of the respective agencies.

(b) Whenever the Comptroller General determines that the audit shall be conducted at the place or places where the accounts and other records of an executive agency are normally kept, he may require any executive agency to retain in whole or in part accounts of accountable officers, contracts, vouchers, and other documents, which are required under existing law to be submitted to the General

Accounting Office, under such conditions and for such period not exceeding ten years as he may specify, unless a longer period is agreed upon with the executive agency: *Provided,* That under agreements between the Comptroller General and legislative and judicial agencies the provisions of this sentence may be extended to the accounts and records of such agencies.

General provisions

SEC. 118. As used in this part, the term "executive agency" means any executive department or independent establishment in the executive branch of the Government but (a) except for the purposes of sections 114, 116, and 119 shall not include any Government corporation or agency subject to the Government Corporation Control Act (59 Stat. 597), and (b) except for the purposes of sections 111, 114, and 116 shall not include the Post Office Department.

SEC. 119. The head of each executive agency is authorized to designate the place or places, at the seat of government or elsewhere, at which the administrative examination of fiscal officers' accounts will be performed, and with the concurrence of the Comptroller General to waive the administrative examination in whole or in part: *Provided,* That the same authority is hereby conferred upon the officers responsible for the administrative examination of accounts for legislative and judicial agencies.

TITLE II—APPROPRIATIONS

Authorizations for appropriations

SEC. 201. No requests for legislation, which, if enacted, would authorize subsequent appropriations for a department or establishment in the executive branch of the Government, shall be transmitted to the Bureau of the Budget, to the President, or to the Congress by such department or establishment, or by any organization unit thereof, without the prior approval of the head of such department or establishment.

Adjustment of appropriations for reorganization

SEC. 202. (a) When under authority of law a function or an activity is transferred or assigned from one agency within any department or establishment to another agency in the same department or establishment, the balance of appropriations which are determined by the head of such department or establishment to be available and necessary to finance or discharge the function or activity so transferred or assigned may, with the approval of the President, be transferred to, and be available for use by, the agency to which said function or activity is transferred or assigned for any purpose for which said funds were originally available. Balances so transferred shall be credited to any applicable existing appropriation account or accounts, or to any new appropriation account or accounts, which are hereby authorized to be established, and shall be merged with funds in the applicable existing or newly established appropriation account or accounts and thereafter accounted for as one fund.

(b) When under authority of law a function or activity is transferred or assigned from one department or establishment to another department or establishment, the balance of appropriations which are determined by the President to be available and necessary to finance or discharge the function or activity so transferred or assigned, shall be transferred to and be available for use by the department or establishment to which said function or activity is transferred or assigned for any purpose for which said funds were originally available. Balances so transferred shall be credited to any applicable existing appropriation account or accounts, or to any new appropriation account or accounts, which are hereby authorized to be established, and shall be merged with funds in the applicable existing or newly established appropriation account or accounts and thereafter accounted for as one fund.

TITLE III—REPEALS AND SAVING PROVISIONS

Repeals

SEC. 301. The following Acts and parts of Acts are hereby repealed:

(1) Section 10 of the Act of August 1, 1914 (38 Stat. 680; U. S. C., title 31, sec. 582).

(2) So much of section 4 of the Act of June 20, 1874 (18 Stat. 109; U. S. C., title 31, sec. 583 (1)), as reads: "; and hereafter the Secretary of the Treasury shall annually submit to Congress detailed estimates of appropriations required for said expenses;".

(3) The last proviso in the first paragraph under the heading "Judgments; United States Courts" of the Act of April 27, 1904 (33 Stat. 422; U. S. C., title 31, sec. 583 (2)).

(4) The last sentence of section 5 of the Act of August 5, 1882 (22 Stat. 256; U. S. C., title 31, sec. 583 (3)).

(5) So much of the matter appearing under the heading "Mints and Assay Offices" of the Act of March 4, 1911 (36 Stat. 1292; U. S. C., title 31, sec. 583 (4)), as reads: ", and the Secretary of the Treasury shall, for the fiscal year nineteen hundred and thirteen, and annually thereafter, submit to Congress in the regular book of estimates, detailed estimates for the expenses of this Service".

(6) So much of the matter appearing under the heading "Treasury Department" in the Act of August 26, 1912 (37 Stat. 596; U. S. C., title 31, sec. 583 (5)), as reads: "*Provided further*, That estimates hereunder shall be submitted in detail for the fiscal year 1914, and annually thereafter".

(7) The last sentence of the paragraph under the heading "Federal Farm Loan Board" of the Act of September 8, 1916 (U. S. C., title 31, sec. 583 (7)), appearing on page 803 of volume 39 of the Statutes at Large; and the third and last paragraph under the heading "Federal Farm Loan Bureau" of the Act of March 3, 1917 (U. S. C., title 31, sec. 583 (7)), appearing on page 1084 of volume 39 of the Statutes at Large.

(8) The last sentence on page 48 of volume 30 of the Statutes at Large, in the Act of June 4, 1897 (U. S. C., title 31, sec. 583 (8)).

(9) The first sentence of section 6 of the Act of March 3, 1919 (40 Stat. 1309; U. S. C., title 31, sec. 583 (10)).

(10) The last proviso under the heading "Office of the Chief Signal Officer" of the Act of March 2, 1907 (34 Stat. 1159; U. S. C., title 31, sec. 583 (11)).

(11) The sixth full paragraph appearing on page 648 of volume 29 of the Statutes at Large in the Act of March 3, 1897 (U. S. C., title 31, sec. 583 (13)).

(12) So much of the matter following the heading "Bureau of Mines" in the Act of March 3, 1915 (38 Stat. 858; U. S. C., title 31, sec. 583 (14)) as reads: ", estimates shall be submitted specifically for all personal services required permanently and entirely in the Bureau of Mines at Washington, District of Columbia, and previously paid from lump-sum or general appropriations;".

(13) The proviso at the end of the fourth paragraph on page 312 of volume 37 of the Statutes at Large, in the Act of August 17, 1912 (U. S. C., title 31, sec. 583 (15)).

(14) The third paragraph appearing on page 1082 of volume 32 of the Statutes at Large, in the Act of March 3, 1903 (U. S. C., title 31, sec. 583 (16)).

(15) So much of section 12 of the Act of June 26, 1906 (34 Stat. 480; U. S. C., title 31, sec. 583 (18)), as reads: "and he shall annually submit to Congress estimates to cover the cost of the establishment and maintenance of fish hatcheries in Alaska, the salaries and actual traveling expenses of such officials, and for such other expenditures as may be necessary to carry out the provisions of this Act".

(16) The proviso at the end of the first full paragraph on page 456 of volume 32 of the Statutes at Large, in the Act of June 28, 1902 (U. S. C., title 31, sec. 583 (20)).

(17) The second full paragraph on page 841 of volume 38 of the Statutes at Large, in the Act of March 3, 1915 (U. S. C., title 31, sec. 583 (21)).

(18) The fourth full paragraph on page 2 of volume 38 of the Statutes at Large, in the Act of May 1, 1913 (U. S. C., title 31, sec. 583 (22)).

(19) The proviso at the end of the second paragraph under the heading "Bureau of Immigration and Naturalization" of the Act of March 4, 1907 (34 Stat. 1329, 1330; U. S. C., title 31, sec. 583 (23)).

(20) The second full paragraph on page 374 of volume 35 of the Statutes at Large, in the Act of May 27, 1908 (U. S. C., title 31, sec. 583 (25)).

(21) So much of the last paragraph on page 396 of volume 37 of the Statutes at Large, in the Act of August 23, 1912 (U. S. C., title 31, sec. 583 (26)), as reads: "For the fiscal year nineteen hundred and fourteen and annually thereafter estimates in detail shall be submitted for all personal services required in the Indian Office,".

(22) The proviso at the end of the first full paragraph on page 646 of volume 41 of the Statutes at Large, in the Act of May 29, 1920 (U. S. C., title 31, sec. 584).

(23) Section 3660 of the Revised Statutes (U. S. C., title 31, sec. 585).
(24) Section 4 of the Act of June 22, 1906 (34 Stat. 448; U. S. C., title 31, sec. 586).
(25) Section 4 of the Act of March 4, 1909 (35 Stat. 907; U. S. C., title 31, sec. 587).
(26) Section 2 of the Act of June 30, 1906 (34 Stat. 762; U. S. C., title 31, sec. 588); and the proviso in the first paragraph on page 1367 of volume 34 of the Statutes at Large, in the Act of March 4, 1907 (U. S. C., title 31, sec. 588).
(27) Section 3661, as amended, of the Revised Statutes (U. S. C., title 31, sec. 589).
(28) So much of the first paragraph on page 255 of volume 24 of the Statutes at Large, in the Act of August 4, 1886 (U. S. C., title 31, sec. 590), as reads: ": *Provided further*, That all printing and engraving for the Geological Survey, the Coast and Geodetic Survey, the Hydrographic Office of the Navy Department, and the Signal Service shall hereafter be estimated for separately and in detail, and appropriated for separately for each of said bureaus".
(29) Section 3662 of the Revised Statutes (U. S. C., title 31, sec. 591).
(30) Section 3663 of the Revised Statutes, as amended (U. S. C., title 31, sec. 594).
(31) Section 3664 of the Revised Statutes (U. S. C., title 31, sec. 597).
(32) Section 3665 of the Revised Statutes (U. S. C., title 31, sec. 598).
(33) The second paragraph under the heading "Revenue-Cutter Service" in the Act of March 2, 1889 (25 Stat. 907; U. S. C., title 31, sec. 600).
(34) So much of the second full paragraph on page 512 of volume 24 of the Statutes at Large, in the Act of March 3, 1887 (U. S. C., title 31, sec. 601), as reads: "That the Secretary of the Treasury shall for the fiscal year eighteen hundred and eighty-seven, and for each fiscal year thereafter in the annual estimates, report to Congress the number of persons employed outside of the District of Columbia, as superintendents, clerks, watchmen and otherwise, and paid from appropriations for the construction of public buildings showing where said persons are employed, in what capacity, the length of time and at what rate of compensation,".
(35) So much of the sixth full paragraph on page 374 of volume 26 of the Statutes at Large, in the Act of August 30, 1890 (U. S. C., title 31, sec. 601) as reads: "; and hereafter the Secretary of the Treasury shall annually report to Congress in the book of estimates a statement of the expenditure of the appropriation for 'repairs and preservation of public buildings' which shall show the amount expended on each public building and the number of persons employed and paid salaries from such appropriation".
(36) So much of section 1317 of the Revenue Act of 1921 (42 Stat. 314; U. S. C., title 31, sec. 602) as reads: "; and the Secretary of the Treasury shall submit for the fiscal year 1921, and annually thereafter, an estimate of appropriations to refund and pay back duties or taxes erroneously or illegally assessed or collected under the internal-revenue laws, and to pay judgments, including interests and costs, rendered for taxes or penalties erroneously or illegally assessed or collected under the internal-revenue laws".
(37) The first paragraph on page 133 of volume 22 of the Statutes at Large, in the Act of July 1, 1882 (U. S. C., title 31, sec. 603).
(38) The eighth paragraph under the heading "Foreign Intercourse" of the Act of May 3, 1905 (33 Stat. 1214; U. S. C., title 31, sec. 603).
(39) The last paragraph on page 48 of volume 30 of the Statutes at Large, in the Act of June 4, 1897 (U. S. C., title 31, sec. 604).
(40) The eighth paragraph under the heading "Under the Engineer Department" of the Act of February 13, 1913 (37 Stat. 671; U. S. C., title 31, sec. 605).
(41) The sixth paragraph under the heading "Fortifications in Insular Possessions" of the Act of March 3, 1905 (33 Stat. 847; U. S. C., title 31, sec. 606).
(42) So much of the first section of the Act of August 4, 1886 (24 Stat. 246; U. S. C., title 31, sec. 607), as reads: "the estimates for the Army and Navy hospital service shall be submitted as a part of the military establishment".
(43) The first full paragraph on page 117 of volume 31 of the Statutes at Large, in the Act of April 17, 1900 (U. S. C., title 31, sec. 609).
(44) Section 3668 of the Revised Statutes (U. S. C., title 31, sec. 610).
(45) So much of the first paragraph on page 357 of volume 20 of the Statutes at Large, in the Act of March 3, 1879 (U. S. C., title 31, sec. 611), as reads: ": *Provided*, That hereafter, in making his estimates for railway mail service the Postmaster General shall separate the estimate for postal-car service from the

general estimates; and in case any increase or diminution of service by postal cars shall be made by him, the reasons therefor shall be given in his annual report next succeeding such increase or diminution".

(46) So much of the first paragraph under the heading "United States Geological Survey" in the Act of March 3, 1887 (24 Stat. 527; U. S. C., title 31, sec. 612), as reads: "; and hereafter the estimates for the Geological Survey shall be itemized".

(47) The first paragraph on page 455 of volume 32 of the Statutes at Large, in the Act of June 28, 1902 (U. S. C., title 31, sec. 612).

(48) Section 4 of the Act of August 15, 1876 (19 Stat. 200; U. S. C., title 31, sec. 613).

(49) The fourth paragraph of section 26 of the Act of June 30, 1913 (38 Stat. 103; U. S. C., title 31, sec. 613).

(50) The eighth full paragraph on page 1421 of volume 36 of the Statutes at Large, in the Act of March 4, 1911 (U. S. C., title 31, sec. 614).

(51) The eighth full paragraph on page 1206 of volume 33 of the Statutes at Large, in the Act of March 3, 1905 (U. S. C., title 31, sec. 615).

(52) The fourth full paragraph under the heading "Government in the Territories" of the Act of July 16, 1914 (38 Stat. 479; U. S. C., title 31, sec. 616).

(53) The first full paragraph on page 492 of volume 39 of the Statutes at Large, in the Act of August 11, 1916 (U. S. C., title 31, sec. 617).

(54) The proviso in the first paragraph under the heading "Rent in the District of Columbia" of the Act of March 4, 1915 (38 Stat. 1108; U. S. C., title 31, sec. 617).

(55) The seventh paragraph on page 433 of volume 32 of the Statutes at Large, in the Act of June 28, 1902 (U. S. C., title 31, sec. 618).

(56) The ninth full paragraph on page 755 of volume 36 of the Statutes at Large, in the Act of June 25, 1910 (U. S. C., title 31, sec. 618).

(57) The fourth full paragraph on page 362 of volume 27 of the Statutes at Large, in the Act of August 5, 1892 (U. S. C., title 31, sec. 619).

(58) The first full paragraph on page 764 of volume 36 of the Statutes at Large, in the Act of June 25, 1910 (U. S. C., title 31, sec. 620).

(59) Section 6 of the Act of August 1, 1914 (38 Stat. 679; U. S. C., title 31, sec. 621).

(60) The last full sentence in the first paragraph on page 254 of volume 23 of the Statutes at Large, in the Act of July 7, 1884 (U. S. C., title 31, sec. 622).

(61) Section 5 of the Act of June 30, 1906 (34 Stat. 763; U. S. C., title 31, sec. 626).

(62) The proviso at the end of the first paragraph on page 579 of volume 37 of the Statutes at Large, in the Act of August 24, 1912 (U. S. C., title 31, sec. 626).

(63) Section 7, as amended, of the Act of August 26, 1912 (37 Stat. 626; 37 Stat. 790; U. S. C., title 31, sec. 629).

(64) The fourth full paragraph on page 854 of volume 37 of the Statutes at Large, in the Act of March 4, 1913 (U. S. C., title 31, sec. 630).

(65) The proviso at the end of the seventh paragraph on page 1030 of volume 31 of the Statutes at Large, in the Act of March 3, 1901 (U. S. C., title 31, sec. 633).

(66) The second paragraph under the heading "Contingent, Bureau of Ordnance" of the Act of July 12, 1921 (42 Stat. 128; U. S. C., title 31, sec. 636), down through the first proviso therein.

(67) So much of the third paragraph under the heading "Contingent Expenses, Navy Department" of the Act of June 22, 1906 (34 Stat. 427; U. S. C., title 31, sec. 637); as reads: "and hereafter it shall not be lawful to expend, for any of the offices or bureaus of the Navy Department at Washington, any sum out of appropriations made for the naval establishment for any of the purposes mentioned or authorized in the said foregoing paragraph".

(68) So much of the paragraph under the heading "Increase of the Navy, Equipment" of the Act of March 3, 1915 (38 Stat. 952; U. S. C., title 31, sec. 648), as reads: "and beginning with July first, nineteen hundred and fifteen, equipment outfits shall be charged to appropriation 'Increase of the Navy, Construction and Machinery' ".

(69) The two provisos in the paragraph under the heading "Fuel and Transportation" of the Act of March 3, 1915 (38 Stat. 944; U. S. C., title 31, sec. 649)

(70) The proviso in the tenth paragraph on page 236 of volume 28 of the Statutes at Large, in the Act of August 6, 1894 (U. S. C., title 31, sec. 650).

(71) The fourth full paragraph on page 1175 of volume 34 of the Statutes at Large, in the Act of March 2, 1907 (U. S. C., title 31, sec. 655).

(72) So much of the first full paragraph on page 1391 of volume 42 of the Statutes at Large, in the Act of March 2, 1923 (U. S. C., title 31, sec. 656), as reads: "and the Budget estimates for each of such appropriations shall hereafter carry separately the amounts required for such transportation costs".

(73) The proviso in the seventh full paragraph on page 520 of volume 32 of the Statutes at Large, in the Act of June 30, 1902 (U. S. C., title 31, sec. 657).

(74) The proviso in lines 2 through 8 on page 710 of volume 36 of the Statutes at Large, in the Act of June 25, 1910 (U. S. C., title 31, sec. 664).

(75) Section 3682 of the Revised Statutes (U. S. C., title 31, sec. 674).

(76) Section 3683 of the Revised Statutes (U. S. C., title 31, sec. 675).

(77) The second full paragraph on page 1303 of volume 41 of the Statutes at Large, in the Act of March 3, 1921 (U. S. C., title 31, sec. 676).

(78) The proviso in lines 7 through 17 on page 203 of volume 20 of the Statutes at Large, in the Act of June 19, 1878 (U. S. C., title 31, sec. 677).

(79) Section 3684 of the Revised Statutes (U. S. C., title 31, sec. 681).

(80) Section 6 of the Act of May 30, 1908 (U. S. C., title 31, sec. 683).

(81) So much of the paragraph under the heading "Pay of Assistant Custodians and Janitors" on pages 1153 and 1154 of volume 31 of the Statutes at Large, in the Act of March 3, 1901 (U. S. C., title 31, sec. 684), as reads: ", and hereafter no other fund appropriated shall be used for this service".

(82) The second paragraph under the heading "United States Commerce Court" of the Act of March 4, 1911 (36 Stat. 1234; U. S. C., title 31, sec. 687).

(83) Section 26 of the Act of June 30, 1913 (38 Stat. 103; U. S. C., title 31, sec. 688).

(84) Section 400 of the Second Deficiency Appropriation Act, 1947 (U. S. C., title 31, sec. 694).

(85) Section 607 of the Act of June 30, 1945, as amended (59 Stat. 304; U. S. C., title 5, sec. 947).

(86) Section 3 of the Act of March 3, 1875, as amended (18 Stat. 370; U. S. C., title 31, sec. 624).

(87) So much of the Act of March 26, 1934, as amended (48 Stat. 466; U. S. C., title 5, sec. 118c), as reads: "with the Budget estimates".

(88) So much of the paragraph under the heading "Department of State" in the Act of August 5, 1909 (36 Stat. 119; U. S. C., title 5, sec. 157), as reads: "and estimates for further appropriations hereunder shall include in detail salaries for all persons to be employed and paid in the Department of State at Washington, District of Columbia".

(89) The last proviso under the head "Working Capital Fund" in the Act of July 12, 1943 (57 Stat. 393; U. S. C., title 5, sec. 558a).

(90) So much of section 17 of the Act of May 22, 1920, as amended (41 Stat. 620; U. S. C., title 5, sec. 730), as reads: "annually to the Bureau of the Budget".

(91) Section 31 of the Act of September 7, 1916, as amended (39 Stat. 749; U. S. C., title 5, sec. 782).

(92) The last sentence of section 35 of the Act of September 7, 1916, as amended (39 Stat. 749; U. S. C., title 5, sec. 785).

(93) So much of section 1 of the Act of October 1, 1890 (26 Stat. 653; U. S. C., title 10, sec. 214), as reads: "and the Signal Corps of the Army shall remain a part of the Military Establishment under the direction of the Secretary of War, and all estimates for its support shall be included with other estimates for the support of the Military Establishment".

(94) The last proviso of section 4 of the Act of March 12, 1926 (44 Stat. 206; U. S. C., title 10, sec. 1597).

(95) So much of section 1 of the Act of June 12, 1917, as amended (40 Stat. 153; U. S. C., title 16, sec. 452), as reads: "and the Secretary of the Interior is directed to submit, for the fiscal year nineteen hundred and nineteen and annually thereafter, estimates of the amounts required for the care, maintenance, and development of the said parks."

(96) So much of section 1 of the Act of July 24, 1876, as amended (19 Stat. 99; U. S. C., title 24, sec. 278), as requires estimates for the care and maintenance of the national military cemeteries to be submitted annually by the Director of the National Park Service.

(97) So much of section 1 of the Act of January 24, 1923 (42 Stat. 1208; U. S. C., title 31, sec. 12), as reads: "The aggregate of all estimates of appropriations from

the 'reclamation fund' contained in the Budget for any fiscal year shall be included in the totals of the Budget for that year."

(98) The second paragraph under the heading "Pay, Miscellaneous" of the Act of March 3, 1909 (35 Stat. 754; U. S. C., title 31, sec. 609a).

(99) The third paragraph under the heading "Office of the Fourth Assistant Postmaster General" of the Act of June 9, 1896 (29 Stat. 316; U. S. C., title 31, sec. 610a).

(100) The last proviso under the heading "National Home for Disabled Volunteer Soldiers" of the Act of October 2, 1888, as amended (25 Stat. 543; U. S. C., title 31, sec. 719).

(101) Section 119 of the Act of June 3, 1916 (39 Stat. 213; U. S. C., title 32, sec. 25).

(102) So much of the fourth full paragraph on page 558 of volume 39 of the Statutes at Large in the Act of August 29, 1916 (U. S. C., title 34, sec. 504), as reads: "and the Secretary of the Navy shall each year, in the annual estimates, report to Congress the number of persons so employed, their duties, and the amount paid to each".

(103) The last proviso in the third paragraph on page 377 of volume 37 of the Statutes at Large in the Act of August 23, 1912 (U. S. C., title 39, sec. 769).

(104) Section 27 of the Act of January 12, 1895, as amended (28 Stat. 604; U. S. C., title 44, sec. 37).

(105) The eighth full paragraph on page 382 of volume 35 of the Statutes at Large in the Act of May 27, 1908 (U. S. C., title 44, sec. 37).

(106) The last paragraph under the heading "Government in the Territories" in the Act of June 20, 1874 (18 Stat. 99; U. S. C., title 48, sec. 1456).

Saving provisions

SEC. 302. (a) The omission of any provisions of law from the provisions of law repealed under section 301 shall not be construed as limiting the application of section 201 or 216 of the Budget and Accounting Act, 1921, as amended, or the powers of the President thereunder, or as evidencing an intent that such provision was not to be superseded by such sections.

(b) Whenever any law authorizes expenditures for a particular object or purpose to be made from an appropriation item referred to in such law by the specific title theretofore used for that appropriation item in the appropriation Act concerned, and thereafter such title is changed or is eliminated from such appropriation Act, expenditures for such object or purpose thereafter may be made from any corresponding appropriation item.

(c) Except where authority for performance of a function is specifically repealed in section 301, none of the provisions of such section shall be construed as affecting the jurisdiction or responsibility of any agency or officer of the Government over any function or organizational unit referred to in such section.

(d) Existing laws, policies, procedures, and directives pertaining to functions covered by this Act, and not inconsistent herewith or repealed hereby, shall remain in full force and effect unless and until superseded or except as they may be amended, under the authority of this Act or under other appropriate authority.

Approved September 12, 1950.

Exhibit 37.—Supplement 6, May 10, 1950, to Department Circular No. 655, prescribing regulations relating to delivery of checks and warrants to addresses outside the United States, its Territories and possessions

TREASURY DEPARTMENT,
Washington, May 10, 1950.

Section 211.3 (a) of Department Circular No. 655, dated March 19, 1941 (31 C. F. R. Cum. Suppl. 211.3 (a)), as amended, is hereby further amended to read as follows:

"The Secetary of the Treasury hereby determines that postal, transportation, or banking facilities in general or local conditions in the Russian Zone of Occupation of Germany; the Russian Sector of Occupation of Berlin, Germany; and in Albania and Bulgaria are such that there is not a reasonable assurance that a payee in those areas will actually receive checks or warrants drawn against funds of the United States, or agencies or instrumentalities thereof, and be able to negotiate the same for full value."

Except to the extent they have been authorized by appropriate unrevoked licenses, or are authorized by specific license issued by the Department of Justice, Office of Alien Property, remittances by United States Government agencies from any accounts in which a German or Japanese interest existed on or before December 31, 1946, will continue to be restricted by Executive Order No. 8389, as amended, and rules and regulations issued pursuant thereto, including in particular General Ruling 11A, as amended. Attention is directed to the provisions of Public Law 622, 79th Congress, 2nd session, which prohibits among other things, payments of veterans' benefits to German or Japanese citizens or subjects residing in Germany or Japan.

JOHN W. SNYDER,
Secretary of the Treasury.

Exhibit 38.—Letter of the Postmaster General to the Secretary of the Treasury certifying extraordinary expenditures contributing to the deficiencies of postal revenues for the fiscal year 1950

WASHINGTON, D. C., *December 18, 1950.*

The Honorable THE SECRETARY OF THE TREASURY.

DEAR MR. SECRETARY: Pursuant to the provisions of the act of June 9, 1930 (39 U. S. C. 793), embodied in section 18.7, Postal Laws and Regulations of 1948, the amounts set forth below with respect to certain mailings during the fiscal year ended June 30, 1950, as determined under our present system of estimating, are certified to you in order that they may be separately classified on the books of the Treasury Department:

(*a*) The estimated amount which would have been collected at regular rates of postage on matter mailed during the year by officers of the Government (other than those of the Post Office Department) under the penalty privilege including registry fees:		
Postage	$57, 339, 613	
Registry fees, including surcharges	23, 692, 075	
Total		$81, 031, 688
(*b*) The estimated amount which would have been collected at regular rates of postage on matter mailed during the year by:		
1. Members of Congress under the franking privilege	$1, 366, 370	
2. By others under the franking privilege	60, 368	
Total		1, 426, 738
(*c*) The estimated amount which would have been collected during the year at regular rates of postage on publications going free in the county		799, 368
(*d*) The estimated amount which would have been collected at regular rates of postage on matter mailed free to the blind during the year		120, 053
(*e*) The estimated difference between the postage revenue collected during the year on mailings of newspapers and periodicals published by and in the interests of religious, educational, scientific, philanthropic, agricultural, labor, and fraternal organizations, and that which would have been collected at zone rates of postage		470, 087
(*f*) The estimated excess during the year of the cost of aircraft service over the postage revenues derived from air mail		36, 112, 390
Grand total		119, 960, 324

It has not been the practice to include in item (*f*) the total cost of handling and transporting air mail. Under the system of estimating used in prior years and followed for 1950 the cost of the items considered amounted to $137,566,552 for the fiscal year 1950. This estimated amount includes only payments to air carriers (exclusive of $2,156,962, based on preliminary figures for the fiscal year, paid to air carriers for star route service in Alaska related to other than air mails), personnel costs at air mail fields, and the extra transportation cost involved in getting mail to and from air mail fields. Preliminary figures for the fiscal year 1950 indicate that the total cost of handling and transporting air mail, as determined by Cost Ascertainment procedure, amounted to $186,288,330. The combined revenue from foreign and domestic air mail was $101,454,162. This total revenue includes the revenue from both domestic and foreign air parcel post.

Sincerely yours,

J. M. DONALDSON,
Postmaster General.

TABLES

Note.—In tables where figures have been rounded to a specified unit, the components may not necessarily add to totals. Percentages are calculated on unrounded figures.

EXPLANATION OF BASES USED IN TABLES

Figures in the following tables are shown on various bases, namely: (1) daily Treasury statements, (2) Public Debt accounts, (3) warrants issued, (4) checks issued, and (5) collections reported by collecting officers.

Daily Treasury statements.—The figures shown in the Daily Statement of the United States Treasury are compiled from the latest daily reports received by the Treasurer of the United States from Government depositaries and Treasury offices holding Government funds. The daily Treasury statement, therefore, is a current report compiled from latest available information, and, by reason of the promptness with which the information is obtained and made public, it has come into general use as reflecting the receipts and expenditures of the Government covering a given period and the condition of the Treasury as it is ascertainable from day to day. The current assets and liabilities of the Treasurer's accounts are also shown. The figures as shown in current daily Treasury statements are the basis for the budget estimates of receipts and expenditures, public debt, and condition of the Treasury submitted to Congress by the President. Effective with the beginning of the fiscal year 1947 expenditures of the several departments and establishments serviced by the Division of Disbursement, Treasury Department, are reported in the daily Treasury statement on the basis of checks issued. A clearing account is provided to take care of outstanding checks. Beginning July 1, 1948, such expenditures are reported as of the day on which checks are issued in payment of obligations, through the use of teletype facilities.

During the fiscal year 1950, an important change was made in the daily Treasury statement in the method of reporting interest on the public debt. Commencing November 1, 1949, interest on the public debt is reported as an expenditure when such interest becomes due and payable, as distinguished from the previous practice of showing the expenditure on the basis of interest paid by the Treasurer of the United States. In order to take care of the transition in the basis of reporting, the expenditures for interest in the fiscal year 1950 represent not only the interest which became due and payable during that year but also the interest for prior years which had not been presented as of June 30, 1949, for payment by the Treasurer of the United States.

Public Debt accounts.—On account of the distance of some of the Treasury offices and depositaries from the Treasury, it is obvious that the reports from all offices covering a particular day's transactions cannot be received and assembled in the Treasury at one time without delaying for several days the publication of the daily Treasury statement. It is not practicable to delay the publication of the daily Treasury statement in order to include the latest reports. It is necessary, therefore, in order to exhibit the actual public debt receipts and expenditures for any given fiscal year, to take into consideration those reports covering the transactions toward the end of the fiscal year concerned which have not been received in the Treasury until the succeeding fiscal year, and to eliminate receipts and expenditures relating to the preceding fiscal year. After taking into consideration these reports the revised figures indicate the status of the public debt on the basis of actual transactions during the period under review as reflected by the Public Debt accounts. This is known as "the basis of Public Debt accounts."

Warrants issued (receipts).—Section 305 of the Revised Statutes provides that receipts for all moneys received by the Treasurer of the United States shall be endorsed upon warrants signed by the Secretary of the Treasury, without which warrants, so signed, no acknowledgment for money received into the Public Treasury shall be valid. The issuance of warrants by the Secretary of the Treasury, as provided by law, represents the formal covering of receipts into the Treasury.

Certificates of deposit covering actual deposits in Treasury offices and depositaries, upon which covering warrants are based, cannot reach the Treasury simultaneously, and for that reason all receipts for a fiscal year cannot be covered into the Treasury by warrants of the Secretary immediately upon the close of that fiscal year. It is necessary to have all certificates of deposit before a statement can be issued showing the total receipts for a particular fiscal year on a warrant basis. The figures thus compiled and contained in this report are on a warrants-issued basis. Table 2 for years prior to 1916 shows receipts on this basis.

Warrants issued (expenditures).—The Constitution of the United States provides that no money shall be drawn from the Treasury but in consequence of appropriations made by law. Section 305 of the Revised Statutes requires that the Treasurer of the United States shall disburse the moneys of the United States upon warrants drawn by the Secretary of the Treasury. As the warrants are issued by the Secretary they are charged against the appropriate appropriations provided by law. Some of these warrants do not represent actual payments to claimants, but are merely advances of funds to be placed to the credit of disbursing officers of the Government with the Treasurer of the United States for the payment of Government obligations. The disbursing officer then issues his check on the Treasurer in payment of such obligations. As far as the appropriation accounts are concerned, the warrants issued and charged thereto constitute expenditures, but it will be observed that such expenditures necessarily include unexpended balances to the credit of the disbursing officers.

Checks issued (expenditures).—This basis, more than any other, reflects the real expenditures of the Government. Expenditures for a given fiscal year on the basis of checks issued differ from the corresponding figures on the basis of warrants in that the former include expenditures made by disbursing officers from credits granted during the previous fiscal year, and exclude the amount of unexpended balances remaining to their credit at the end of the fiscal year. A detailed explanation of the basis of checks issued will be found on page 89 of the Secretary's report for 1927.

Collections reported by collecting officers (receipts).—Statements showing receipts on a collection basis are compiled from reports received by the various administrative offices from collecting officers in the field, such as collectors of internal revenue and collectors of customs. These reports cover the collections actually made by these officers during the period specified. The collections are then deposited in a designated Government depositary to the credit of the Treasurer of the United States, and the depositary renders a report to the Treasurer. Effective January 1, 1950, a revision was made in the accounting for deposits of income taxes withheld under the Withholding Tax Act of 1943 and social security taxes withheld under the Federal Insurance Contributions Act. This revision provided for the covering into the Treasury of both types of withholdings so that the Federal old-age and survivors insurance trust fund would benefit by the earlier deposit of social security taxes. These deposits, which are made directly with depositaries and not recorded by collectors of internal revenue until quarterly tax returns are filed, are included in statements of receipts on a collection basis as receipts of the Secretary of the Treasury in the fiscal year in which deposited and as receipts of the collectors in the fiscal year in which returns are filed. The reports of the collecting officers and the receipts on a covering warrant basis do not coincide for the reasons that the collecting officers make collections during the last few days of the fiscal year which are not deposited until after the close of the fiscal year and because withheld taxes are deposited directly in depositaries in advance of receipts submitted to the collectors with returns. The receipts are reported on a collection basis merely for statistical purposes and to furnish information as to detailed sources of revenue. Classification of such items on the basis of deposits has been found to be impracticable and uneconomical. Table 7 shows receipts on the basis of reports of collectors of internal revenue.

DESCRIPTION OF ACCOUNTS THROUGH WHICH TREASURY OPERATIONS ARE EFFECTED

All receipts of the Government are covered into the general fund of the Treasury from which all expenditures are made. Receipts and expenditures, however, are classified in the Treasury's records according to the class of accounts through which operations are effected. Transactions are segregated in order to exhibit separately those effected through general and special accounts, as contrasted with those effected through trust accounts. This classification was first shown for the warrants and checks-issued bases and on the daily Treasury statements beginning with the July 1, 1933, issue, in order to conform to the practice of the Bureau of the Budget. In some tables in this report, however, transactions in the three types of accounts are combined for purposes of historical comparison. A brief general explanation of the three classes of accounts is presented below.

General accounts.—The principal sources of general account receipts are income taxes, miscellaneous internal revenue, social security taxes, taxes upon carriers and their employees, and customs duties. In addition, a large number of miscellaneous receipts come under this head, including such items as proceeds of Government-owned securities (except those which are applicable to public debt retirement), sale of surplus and condemned property, Panama Canal tolls, fees (including consular and passport fees), fines, penalties, forfeitures, rentals, royalties, reimbursements, immigration head tax, sale of public land, seigniorage on coinage of subsidiary silver and minor coins, etc. Moneys represented in the general accounts may be withdrawn from the Treasury only in pursuance of appropriations made by Congress. There are five classes of appropriations payable through the general accounts of the Treasury, namely: (a) One-year, which are available for incurring obligations only during a specified fiscal year; (b) multiple-year, which are available for incurring obligations for a definite period in excess of one fiscal year; (c) continuing (no year), which are available for incurring obligations until exhausted or until the object for which appropriated has been accomplished; (d) permanent-specific, which are fixed amounts provided for each of a series of years by permanent legislation, without annual action of Congress; and (e) permanent-indefinite, which are indefinite amounts (so much as may be necessary) provided by permanent legislation without annual action of Congress, such as the indefinite appropriation to cover interest on the public debt.

A statement of general account receipts and expenditures is, therefore, in the nature of a general operating statement, and gives a picture of the relationship between the general revenues of the Government and the operating expenditures (including capital outlays and fixed charges) chargeable against them.

Special accounts.—Special account receipts may be generally defined as funds received under special authorizations of law which may be expended only for the particular purposes specified therein. Special account receipts may not be used for the general expenditures of the Government. The more important items of receipts included under this heading, from the standpoint of amounts other than those applicable to the retirement of the public debt are the reclamation fund, Alaska Railroad fund, and Mineral Leasing Act under the Department of the Interior; and the national forest funds under the Department of Agriculture. There are many other special account receipts of lesser importance. Details of these accounts, which are summarized under miscellaneous receipts in table 116, are given in the Combined Statement of Receipts, Expenditures, and Balances.

Trust accounts.—Trust account receipts represent moneys received by the Government for the benefit of individuals or classes of individuals and are used for purposes specified in the trust. Moneys held in trust, being payable to or for the use of beneficiaries only, are not available for general expenditures of the Government. There are several classes of trust account receipts, the beneficiaries under which may be either individuals or groups of individuals. The accounts may represent (*a*) moneys received directly from or for account of individuals, as in the case of moneys received from foreign governments or other sources in trust for citizens of the United States or others under the act of February 27, 1896; (*b*) moneys collected as revenues and held in trust, such as the proceeds of sales of Indian lands which are held as interest-bearing funds for the benefit of Indian tribes; (*c*) proceeds of grants from the general accounts of the Treasury in pursuance of treaty or other obligations such as the perpetual trust fund created for the Ute Indians under section 5 of the act of June 15, 1880; (*d*) deposits, donations, or contributions for specified purposes, such as funds received for the purchase of lands in the national parks; and (*e*) deposits to be held until appropriate disposition thereof can be made, such as proceeds from the redemption of bonds found and whose owners are unknown.

Checking accounts of Government corporations.—Commencing with the fiscal year 1947, the practice of reporting net operations of wholly owned Government corporations and certain other business-type activities on page 3 of the daily Treasury statement was discontinued and since then such transactions (except sales or redemptions of their obligations in the market) have been included in budget expenditures on page 2 of the daily Treasury statement. Expenditures for corporations, the disbursements of which are not handled by the Division of Disbursement, Treasury Department, are included in the daily Treasury statement on the basis of checks paid by the Treasurer of the United States.

SUMMARY OF FISCAL

TABLE 1.—*Summary of fiscal operations,*

[On basis of daily Treasury

Fiscal year or month	Budget receipts and expenditures: Net receipts [2]	Budget receipts and expenditures: Expenditures [3 4]	Budget receipts and expenditures: Surplus, or deficit (−)	Trust accounts, etc., net receipts, or expenditures (−) [5]
1932	$1,923,913,117	$4,659,202,825	−$2,735,289,708	−$5,178,050
1933	2,021,212,943	4,622,865,028	−2,601,652,085	−5,009,989
1934	3,064,267,912	6,693,899,854	−3,629,631,943	834,880,108
1935	3,729,913,845	6,520,965,945	−2,791,052,100	402,724,190
1936	4,068,936,689	8,493,485,919	−4,424,549,230	187,063,025
1937	4,978,600,695	7,756,021,409	−2,777,420,714	3,314,169
1938	r 5,761,623,749	r 6,938,240,347	−1,176,616,598	98,934,030
1939	5,103,396,943	8,965,554,983	−3,862,158,040	1,209,673,564
1940	5,264,663,044	9,182,682,204	−3,918,019,161	442,538,143
1941	7,227,281,383	13,386,553,742	−6,159,272,358	907,790,781
1942	12,696,286,084	34,186,528,816	−21,490,242,732	−1,612,785,695
1943	22,201,501,787	79,621,932,152	−57,420,430,365	−337,796,138
1944	43,891,672,699	95,315,065,241	−51,423,392,541	−2,221,918,654
1945	44,761,609,047	98,702,525,172	−53,940,916,126	791,293,666
1946	40,026,888,964	60,703,059,573	−20,676,170,609	−523,587,210
1947	40,042,606,290	39,288,818,630	753,787,660	−1,102,524,942
1948 [7]	42,210,770,493	33,791,300,649	8,419,469,844	−294,342,662
1949 [7]	38,245,667,810	40,057,107,858	−1,811,440,048	−494,733,365
1950	37,044,733,557	40,166,835,915	−3,122,102,357	99,137,360
1949—July	1,946,458,649	3,434,111,642	−1,487,652,993	29,703,478
August	2,478,741,407	3,584,562,493	−1,105,821,086	344,780,975
September	4,832,448,201	3,995,295,606	837,152,594	−404,192,378
October	1,881,491,461	3,111,085,115	−1,229,593,653	9,807,519
November	2,344,492,617	3,127,088,923	−782,596,306	298,928,777
December	4,190,982,490	3,722,269,967	468,712,523	−272,259,615
1950—January	3,366,199,124	3,322,546,129	43,652,995	1,683,621
February	2,971,621,068	2,495,930,783	475,690,285	169,623,632
March	4,819,823,928	3,269,068,102	1,550,755,827	−93,304,432
April	1,488,260,233	2,846,746,360	−1,358,486,128	−79,449,446
May	2,320,404,645	2,962,230,803	−641,826,159	147,118,865
June	4,403,809,734	4,295,899,990	107,909,743	−53,303,636

r Revised to adjust receipts and expenditures in the amount of $40,561,887 representing refunds of receipts during 1938 not previously included with adjustments referred to in footnote 3 below.

1 Guaranteed obligations for 1934–39 on basis of Public Debt accounts, and for 1940 and subsequent years on basis of daily Treasury statements. Excludes guaranteed obligations held by the Treasury.

2 Total budget receipts less amounts appropriated to Federal old-age and survivors insurance trust fund and refunds of receipts. See also footnote 3.

3 Effective Jan. 3, 1949, amounts refunded by the Government, principally for the overpayment of taxes, are being reported as deductions from total receipts rather than as expenditures. Also, effective July 1, 1948, payments to the Treasury, principally by wholly owned Government corporations for retirement of capital stock and for disposition of earnings, have been excluded in reporting both budget receipts and expenditures. Neither of these changes affects the size of the budget surplus or deficit. Prior year figures have been adjusted accordingly for comparative purposes.

4 Figures exclude amounts for public debt retirements which are chargeable to the sinking fund, etc., under special provisions of law; and include expenditures for "Government corporations (wholly owned), etc. (net)."

5 Comprises trust accounts; sales and redemptions of securities of Government corporations, etc., in the market (net); increment on gold; seigniorage on silver; and miscellaneous funds and accounts. Figures exclude retirement of national bank notes chargeable against increment on gold (fiscal years 1935–39).

6 Clearing account for outstanding checks and interest coupons, and telegraphic reports from Federa Reserve Banks; excess of receipts, or expenditures (−).

OPERATIONS

fiscal years 1932–50 and monthly 1950

statements,[1] see p. 443]

Clearing account [6]	Public debt net increase, or decrease (−)	General fund balance net increase, or decrease (−)	Amount, end of period: General fund balance	Debt outstanding: Public debt	Debt outstanding: Guaranteed obligations [1]	Debt outstanding: Total
------------	$2,685,720,952	−$54,746,805	$417,197,178	$19,487,002,444	------------	$19,487,002,444
------------	3,051,670,116	445,008,042	862,205,221	22,538,672,560	------------	22,538,672,560
------------	4,514,468,854	1,719,717,020	2,581,922,240	27,053,141,414	$680,767,817	27,733,909,231
------------	1,647,751,210	−740,576,701	1,841,345,539	28,700,892,625	4,122,684,692	32,823,577,316
------------	5,077,650,869	840,164,664	2,681,510,204	33,778,543,494	4,718,033,242	38,496,576,735
------------	2,646,070,239	−128,036,307	2,553,473,897	36,424,613,732	4,664,604,533	41,089,218,265
------------	740,126,583	−337,555,984	2,215,917,913	37,164,740,315	4,852,791,651	42,017,531,967
------------	3,274,792,096	622,307,620	2,838,225,533	40,439,532,411	5,450,834,099	45,890,366,510
------------	2,527,998,627	−947,482,391	1,890,743,141	42,967,531,038	5,529,070,655	48,496,601,693
------------	5,993,912,498	742,430,921	2,633,174,062	48,961,443,536	6,370,252,580	55,331,696,116
------------	23,461,001,581	357,973,154	2,991,147,216	72,422,445,116	4,568,259,630	76,990,704,746
------------	64,273,645,214	6,515,418,710	9,506,565,926	136,696,090,330	4,099,943,046	140,796,033,376
------------	64,307,296,891	10,661,985,696	20,168,551,622	201,003,387,221	1,623,069,301	202,626,456,522
------------	57,678,800,189	4,529,177,729	24,697,729,352	258,682,187,410	433,158,392	259,115,345,802
------------	10,739,911,763	−10,459,846,056	14,237,883,295	269,422,099,173	476,384,859	269,898,484,033
$554,706,981	−11,135,716,065	−10,929,746,366	3,308,136,929	258,286,383,109	89,520,185	258,375,903,294
−507,106,039	−5,994,136,596	1,623,884,548	4,932,021,477	252,292,246,513	73,460,818	252,365,707,331
366,441,900	478,113,347	−1,461,618,165	3,470,403,312	252,770,359,860	27,275,408	252,797,635,268
482,656,886	4,586,992,491	2,046,684,380	5,517,087,692	257,357,352,351	19,503,034	257,376,855,385
218,195,221	1,106,514,906	−133,239,388	3,337,163,924	253,876,874,766	25,512,805	253,902,387,571
−133,214,202	1,974,976,819	1,080,722,507	4,417,886,430	255,851,851,585	27,191,409	255,879,042,994
20,333,192	827,707,132	1,281,000,540	5,698,886,970	256,679,558,717	29,359,278	256,708,917,995
159,784,756	98,168,862	−961,832,516	4,737,054,454	256,777,727,580	27,681,573	256,805,409,153
−35,724,834	204,273,309	−315,119,054	4,421,935,400	256,982,000,889	29,327,457	257,011,328,346
−87,679,819	148,339,652	257,112,740	4,679,048,141	257,130,340,541	29,769,459	257,160,110,000
589,498,572	−264,965,024	369,870,164	5,048,918,305	256,865,375,517	27,029,983	256,892,405,500
−11,134,403	−497,020,356	137,159,158	5,186,077,462	256,368,355,161	27,051,078	256,395,406,239
121,956,070	−644,834,990	934,572,474	6,120,649,937	255,723,520,171	23,663,626	255,747,183,796
24,722,308	−5,578,527	−1,418,791,794	4,701,858,143	255,717,941,643	21,760,645	255,739,702,288
−375,671,886	632,191,091	−238,188,089	4,463,670,055	256,350,132,734	20,047,017	256,370,179,751
−8,408,087	1,007,219,617	1,053,417,637	5,517,087,692	257,357,352,351	19,503,034	257,376,855,385

[7] Sec. 114 (f) of the Economic Cooperation Act of 1948, approved Apr. 3, 1948, required that the sum of $3,000,000,000 be transferred to a trust fund entitled "Foreign Economic Cooperation Trust Fund," and "considered as expended during the fiscal year 1948, for the purpose of reporting governmental expenditures." The effect of this was to charge the budget in the fiscal year 1948 for expenditures made in the fiscal year 1949, with consequent effect on the budget surplus or deficit of those years. This bookkeeping transaction had no effect on the actual timing of either receipts or expenditures. In order to simplify comparison of figures between years, the transactions shown in this table do not take into account the transfer of $3,000,000,000 in the fiscal year 1948 to the Foreign Economic Cooperation trust fund; expenditures of $3,000,000,000 during the fiscal year 1949 from the Foreign Economic Cooperation trust fund are treated as budget expenditures in this table. If effect is given to sec. 114 (f) of the Economic Cooperation Act of 1948, the budget results for the fiscal years 1948 and 1949 would be as follows:

	Fiscal year 1948	*Fiscal year 1949*
Budget receipts	$42,210,770,493	$38,245,667,810
Budget expenditures	36,791,300,649	37,057,107,858
Budget surplus	5,419,469,844	1,188,559,952

RECEIPTS AND

TABLE 2.—*Receipts and expenditures,*

[On basis of warrants issued from 1789 to 1915, and on basis of daily Treasury statements for 1916 and sub-
1930. Trust accounts excluded for 1931 and subse-

Year	Receipts					
	Customs (including tonnage tax)	Internal revenue		Other receipts [2]	Total receipts [3]	Net receipts [4]
		Income and profits taxes	Other			
1789-91	$4, 399, 473			$19, 440	$4, 418, 913	$4, 418, 913
1792	3, 443, 071		$208, 943	17, 946	3, 669, 960	3, 669, 960
1793	4, 255, 307		337, 706	59, 910	4, 652, 923	4, 652, 923
1794	4, 801, 065		274, 090	356, 750	5, 431, 905	5, 431, 905
1795	5, 588, 461		337, 755	188, 318	6, 114, 534	6, 114, 534
1796	6, 567, 988		475, 290	1, 334, 252	8, 377, 530	8, 377, 530
1797	7, 549, 650		575, 491	563, 640	8, 688, 781	8, 688, 781
1798	7, 106, 062		644, 358	150, 076	7, 900, 496	7, 900, 496
1799	6, 610, 449		779, 136	157, 228	7, 546, 813	7, 546, 813
1800	9, 080, 933		809, 396	958, 420	10, 848, 749	10, 848, 749
1801	10, 750, 779		1, 048, 033	1, 136, 519	12, 935, 331	12, 935, 331
1802	12, 438, 236		621, 899	1, 935, 659	14, 995, 794	14, 995, 794
1803	10, 479, 418		215, 180	369, 500	11, 064, 098	11, 064, 098
1804	11, 098, 565		50, 941	676, 801	11, 826, 307	11, 826, 307
1805	12, 936, 487		21, 747	602, 459	13, 560, 693	13, 560, 693
1806	14, 667, 698		20, 101	872, 132	15, 559, 931	15, 559, 931
1807	15, 845, 522		13, 051	539, 446	16, 398, 019	16, 398, 019
1808	16, 363, 551		8, 211	688, 900	17, 060, 662	17, 060, 662
1809	7, 296, 021		4, 044	473, 408	7, 773, 473	7, 773, 473
1810	8, 583, 309		7, 431	793, 475	9, 384, 215	9, 384, 215
1811	13, 313, 223		2, 296	1, 108, 010	14, 423, 529	14, 423, 529
1812	8, 958, 778		4, 903	837, 452	9, 801, 133	9, 801, 133
1813	13, 224, 623		4, 755	1, 111, 032	14, 340, 410	14, 340, 410
1814	5, 998, 772		1, 662, 985	3, 519, 868	11, 181, 625	11, 181, 625
1815	7, 282, 942		4, 678, 059	3, 768, 023	15, 729, 024	15, 729, 024
1816	36, 306, 875		5, 124, 708	6, 246, 088	47, 677, 671	47, 677, 671
1817	26, 283, 348		2, 678, 101	4, 137, 601	33, 099, 050	33, 099, 050
1818	17, 176, 385		955, 270	3, 453, 516	21, 585, 171	21, 585, 171
1819	20, 283, 609		229, 594	4, 090, 172	24, 603, 375	24, 603, 375
1820	15, 005, 612		106, 261	2, 768, 797	17, 880, 670	17, 880, 670
1821	13, 004, 447		69, 028	1, 499, 905	14, 573, 380	14, 573, 380
1822	17, 589, 762		67, 666	2, 575, 000	20, 232, 428	20, 232, 428
1823	19, 088, 433		34, 242	1, 417, 991	20, 540, 666	20, 540, 666
1824	17, 878, 326		34, 663	1, 468, 224	19, 381, 213	19, 381, 213
1825	20, 098, 713		25, 771	1, 716, 374	21, 840, 858	21, 840, 858
1826	23, 341, 332		21, 590	1, 897, 512	25, 260, 434	25, 260, 434
1827	19, 712, 283		19, 886	3, 234, 195	22, 966, 364	22, 966, 364
1828	23, 205, 524		17, 452	1, 540, 654	24, 763, 630	24, 763, 630
1829	22, 681, 966		14, 503	2, 131, 158	24, 827, 627	24, 827, 627
1830	21, 922, 391		12, 161	2, 909, 564	24, 844, 116	24, 844, 116
1831	24, 224, 442		6, 934	4, 295, 445	28, 526, 821	28, 526, 821
1832	28, 465, 237		11, 631	3, 388, 693	31, 865, 561	31, 865, 561
1833	29, 032, 509		2, 759	4, 913, 159	33, 948, 427	33, 948, 427
1834	16, 214, 957		4, 196	5, 572, 783	21, 791, 936	21, 791, 936
1835	19, 391, 311		10, 459	16, 028, 317	35, 430, 087	35, 430, 087
1836	23, 409, 941		370	27, 416, 485	50, 826, 796	50, 826, 796
1837	11, 169, 290		5, 494	13, 779, 369	24, 954, 153	24, 954, 153
1838	16, 158, 800		2, 467	10, 141, 295	26, 302, 562	26, 302, 562
1839	23, 137, 925		2, 553	8, 342, 271	31, 482, 749	31, 482, 749
1840	13, 499, 502		1, 682	5, 978, 931	19, 480, 115	19, 480, 115
1841	14, 487, 217		3, 261	2, 369, 682	16, 860, 160	16, 860, 160
1842	18, 187, 909		495	1, 787, 794	19, 976, 198	19, 976, 198
1843 [1]	7, 046, 844		103	1, 255, 755	8, 302, 702	8, 302, 702
1844	26, 183, 571		1, 777	3, 136, 026	29, 321, 374	29, 321, 374
1845	27, 528, 113		3, 517	2, 438, 476	29, 970, 106	29, 970, 106
1846	26, 712, 668		2, 897	2, 984, 402	29, 699, 967	29, 699, 967
1847	23, 747, 865		375	2, 747, 529	26, 495, 769	26, 495, 769
1848	31, 757, 071		375	3, 978, 333	35, 735, 779	35, 735, 779
1849	28, 346, 739			2, 861, 404	31, 208, 143	31, 208, 143
1850	39, 668, 686			3, 934, 753	43, 603, 439	43, 603, 439
1851	49, 017, 568			3, 541, 736	52, 559, 304	52, 559, 304
1852	47, 339, 327			2, 507, 489	49, 846, 816	49, 846, 816
1853	58, 931, 866			2, 655, 188	61, 587, 054	61, 587, 054
1854	64, 224, 190			9, 576, 151	73, 800, 341	73, 800, 341
1855	53, 025, 794			12, 324, 781	65, 350, 575	65, 350, 575
1856	64, 022, 863			10, 033, 836	74, 056, 699	74, 056, 699

Footnotes at end of table.

EXPENDITURES

fiscal years 1789–1950 [1]

sequent years, see p. 443. General, special, emergency, and trust accounts combined from 1789 through quent years. For explanation of accounts, see p. 444]

Expenditures					
Department of the Army (formerly War Department)[5][6]	Department of the Navy[5]	Interest on the public debt	All other[7]	Total expenditures[3]	Surplus, or deficit (−)
$632,804	$570	$2,349,437	$1,286,216	$4,269,027	$149,886
1,100,702	53	3,201,628	777,149	5,079,532	−1,409,572
1,130,249	----------------	2,772,242	579,822	4,482,313	170,610
2,639,098	61,409	3,490,293	800,039	6,990,839	−1,558,934
2,480,910	410,562	3,189,151	1,459,186	7,539,809	−1,425,275
1,260,264	274,784	3,195,055	996,883	5,726,986	2,650,544
1,039,403	382,632	3,300,043	1,411,556	6,133,634	2,555,147
2,009,522	1,381,348	3,053,281	1,232,353	7,676,504	223,992
2,466,947	2,858,082	3,186,288	1,155,138	9,666,455	−2,119,642
2,560,879	3,448,716	3,374,705	1,401,775	10,786,075	62,674
1,672,944	2,111,424	4,412,913	1,197,301	9,394,582	3,540,749
1,179,148	915,562	4,125,039	1,642,369	7,862,118	7,133,676
822,056	1,215,231	3,848,828	1,965,538	7,851,653	3,212,445
875,424	1,189,833	4,266,583	2,387,602	8,719,442	3,106,865
712,781	1,597,500	4,148,999	4,046,954	10,506,234	3,054,459
1,224,355	1,649,641	3,723,408	3,206,213	9,803,617	5,756,314
1,288,686	1,722,064	3,369,578	1,973,823	8,354,151	8,043,868
2,900,834	1,884,068	3,428,153	1,719,437	9,932,492	7,128,170
3,345,772	2,427,759	2,866,075	1,641,142	10,280,748	−2,507,275
2,294,324	1,654,244	2,845,428	1,362,514	8,156,510	1,227,705
2,032,828	1,965,566	2,465,733	1,594,210	8,058,337	6,365,192
11,817,798	3,959,365	2,451,273	2,052,335	20,280,771	−10,479,638
19,652,013	6,446,600	3,599,455	1,983,784	31,681,852	−17,341,442
20,350,807	7,311,291	4,593,239	2,465,589	34,720,926	−23,539,301
14,794,294	8,660,000	5,754,569	3,499,276	32,708,139	−16,979,115
16,012,097	3,908,278	7,213,259	3,453,057	30,586,691	17,090,980
8,004,237	3,314,598	6,389,210	4,135,775	21,843,820	11,255,230
5,622,715	2,953,695	6,016,447	5,232,264	19,825,121	1,760,050
6,506,300	3,847,640	5,163,538	5,946,332	21,463,810	3,139,565
2,630,392	4,387,990	5,126,097	6,116,148	18,260,627	−379,957
4,461,292	3,319,243	5,087,274	2,942,944	15,810,753	−1,237,373
3,111,981	2,224,459	5,172,578	4,491,202	15,000,220	5,232,208
3,096,924	2,503,766	4,922,685	4,183,465	14,706,840	5,833,826
3,340,940	2,904,582	4,996,562	9,084,624	20,326,708	−945,495
3,659,914	3,049,084	4,366,769	4,781,462	15,857,229	5,983,629
3,943,194	4,218,902	3,973,481	4,900,220	17,035,797	8,224,637
3,938,978	4,263,877	3,486,072	4,450,241	16,139,168	6,827,196
4,145,545	3,918,786	3,098,801	5,231,711	16,394,843	8,368,787
4,724,291	3,308,745	2,542,843	4,627,454	15,203,333	9,624,294
4,767,129	3,239,429	1,913,533	5,222,975	15,143,066	9,701,050
4,841,836	3,856,183	1,383,583	5,166,049	15,247,651	13,279,170
5,446,035	3,956,370	772,562	7,113,983	17,288,950	14,576,611
6,704,019	3,901,357	303,797	12,108,379	23,017,552	10,930,875
5,696,189	3,956,260	202,153	8,772,967	18,627,569	3,164,367
5,759,157	3,864,939	57,863	7,890,854	17,572,813	17,857,274
12,169,227	5,807,718	----------------	12,891,219	30,868,164	19,958,632
13,682,734	6,646,915	----------------	16,913,847	37,243,496	−12,289,343
12,897,224	6,131,596	14,997	14,821,242	33,865,059	−7,562,497
8,916,996	6,182,294	399,834	11,400,004	26,899,128	4,583,621
7,097,070	6,113,897	174,598	10,932,014	24,317,579	−4,837,464
8,805,565	6,001,077	284,978	11,474,253	26,565,873	−9,705,713
6,611,887	8,397,243	773,550	9,423,081	25,205,761	−5,229,563
2,957,300	3,727,711	523,595	4,649,469	11,858,075	−3,555,373
5,179,220	6,498,199	1,833,867	8,826,285	22,337,571	6,983,803
5,752,644	6,297,245	1,040,032	9,847,487	22,937,408	7,032,698
10,792,867	6,454,947	842,723	9,676,388	27,766,925	1,933,042
38,305,520	7,900,636	1,119,215	9,956,041	57,281,412	−30,785,643
25,501,963	9,408,476	2,390,825	8,075,962	45,377,226	−9,641,447
14,852,966	9,786,706	3,565,578	16,846,407	45,051,657	−13,843,514
9,400,239	7,904,709	3,782,331	18,456,213	39,543,492	4,059,947
11,811,793	9,005,931	3,696,721	23,194,572	47,709,017	4,850,287
8,225,247	8,952,801	4,000,298	23,016,573	44,194,919	5,651,897
9,947,291	10,918,781	3,665,833	23,652,206	48,184,111	13,402,943
11,733,629	10,798,586	3,071,017	32,441,630	58,044,862	15,755,479
14,773,826	13,312,024	2,314,375	29,342,443	59,742,668	5,607,907
16,948,197	14,091,781	1,953,822	36,577,226	69,571,026	4,485,673

TABLE 2.—*Receipts and expenditures,*

Year	Receipts					
	Customs (including tonnage tax)	Internal revenue		Other receipts [2]	Total receipts [3]	Net receipts [4]
		Income and profits taxes	Other			
1857	$63, 875, 905			$5, 089, 408	$68, 965, 313	$68, 965, 313
1858	41, 789, 621			4, 865, 745	46, 655, 366	46, 655, 366
1859	49, 565, 824			3, 920, 641	53, 486, 465	53, 486, 465
1860	53, 187, 512			2, 877, 096	56, 064, 608	56, 064, 608
1861	39, 582, 126			1, 927, 805	41, 509, 931	41, 509, 931
1862	49, 056, 398			2, 931, 058	51, 987, 456	51, 987, 456
1863	69, 059, 642	$2, 741, 858	$34, 898, 930	5, 996, 861	112, 697, 291	112, 697, 291
1864	102, 316, 153	20, 294, 732	89, 446, 402	52, 569, 484	264, 626, 771	264, 626, 771
1865	84, 928, 261	60, 979, 329	148, 484, 886	39, 322, 129	333, 714, 605	333, 714, 605
1866	179, 046, 652	72, 982, 159	236, 244, 654	69, 759, 155	558, 032, 620	558, 032, 620
1867	176, 417, 811	66, 014, 429	200, 013, 108	48, 188, 662	490, 634, 010	490, 634, 010
1868	164, 464, 600	41, 455, 598	149, 631, 991	50, 085, 894	405, 638, 083	405, 638, 083
1869	180, 048, 427	34, 791, 856	123, 564, 605	32, 538, 859	370, 943, 747	370, 943, 747
1870	194, 538, 374	37, 775, 874	147, 123, 882	31, 817, 347	411, 255, 477	411, 255, 477
1871	206, 270, 408	19, 162, 651	123, 935, 503	33, 955, 383	383, 323, 945	383, 323, 945
1872	216, 370, 287	14, 436, 862	116, 205, 316	27, 094, 403	374, 106, 868	374, 106, 868
1873	188, 089, 523	5, 062, 312	108, 667, 002	31, 919, 368	333, 738, 205	333, 738, 205
1874	163, 103, 834	139, 472	102, 270, 313	39, 465, 137	304, 978, 756	304, 978, 756
1875	157, 167, 722	233	110, 007, 261	20, 824, 835	288, 000, 051	288, 000, 051
1876	148, 071, 985	588	116, 700, 144	29, 323, 148	294, 095, 865	294, 095, 865
1877	130, 956, 493	98	118, 630, 310	31, 819, 518	281, 406, 419	281, 406, 419
1878	130, 170, 680		110, 581, 625	17, 011, 574	257, 763, 879	257, 763, 879
1879	137, 250, 048		113, 561, 611	23, 015, 526	273, 827, 185	273, 827, 185
1880	186, 522, 064		124, 009, 374	22, 995, 173	333, 526, 611	333, 526, 611
1881	198, 159, 676	3, 022	135, 261, 364	27, 358, 231	360, 782, 293	360, 782, 293
1882	220, 410, 730		146, 497, 596	36, 616, 924	403, 525, 250	403, 525, 250
1883	214, 706, 497		144, 720, 369	38, 860, 716	398, 287, 582	398, 287, 582
1884	195, 067, 490	55, 628	121, 530, 445	31, 866, 307	348, 519, 870	348, 519, 870
1885	181, 471, 939		112, 498, 726	29, 720, 041	323, 690, 706	323, 690. 706
1886	192, 905, 023		116, 805, 936	26, 728, 767	336, 439, 726	336, 439, 726
1887	217, 286, 893		118, 823, 391	35, 292, 993	371, 403, 277	371, 403, 277
1888	219, 091, 174		124, 296, 872	35, 878, 029	379, 266, 075	379, 266, 075
1889	223, 832, 742		130, 881, 514	32, 335, 803	387, 050, 059	387, 050, 059
1890	229, 668, 585		142, 606, 706	30, 805, 693	403, 080, 984	403, 080, 984
1891	219, 522, 205		145, 686, 250	27, 403, 992	392, 612, 447	392, 612, 447
1892	177, 452, 964		153, 971, 072	23, 513, 748	354, 937, 784	354, 937, 784
1893	203, 355, 017		161, 027, 624	21, 436, 988	385, 819, 629	385, 819, 629
1894	131, 818, 531		147, 111, 233	27, 425, 552	306, 355, 316	306, 355, 316
1895	152, 158, 617	77, 131	143, 344, 541	29, 149, 130	324, 729, 419	324, 729, 419
1896	160, 021, 752		146, 762, 865	31, 357, 830	338, 142, 447	338, 142, 447
1897	176, 554, 127		146, 688, 574	24, 479, 004	347, 721, 705	347, 721, 705
1898	149, 575, 062		170, 900, 642	84, 845, 631	405, 321, 335	405, 321, 335
1899	206, 128, 482		273, 437, 162	36, 394, 977	515, 960, 621	515, 960, 621
1900	233, 164, 871		295, 327, 927	38, 748, 054	567, 240, 852	567, 240, 852
1901	238, 585, 456		307, 180, 664	41, 919, 218	587, 685, 338	587, 685, 338
1902	254, 444, 708		271, 880, 122	36, 153, 403	562, 478, 233	562, 478, 233
1903	284, 479, 582		230, 810, 124	46, 591, 016	561, 880, 722	561, 880, 722
1904	261, 274, 565		232, 904, 119	46, 908, 401	541, 087, 085	541, 087, 085
1905	261, 798, 857		234, 095, 741	48, 380, 087	544, 274, 685	544, 274, 685
1906	300, 251, 878		249, 150, 213	45, 582, 355	594, 984, 446	594, 984, 446
1907	332, 233, 363		269, 666, 773	63, 960, 250	665, 860, 386	665, 860, 386
1908	286, 113, 130		251, 711, 127	64, 037, 650	601, 861, 907	601, 861, 907
1909	300, 711, 934		246, 212, 644	57, 395, 920	604, 320, 498	604, 320, 498
1910	333, 683, 445	20, 951, 781	268, 981, 738	51, 894, 751	675, 511, 715	675, 511, 715
1911	314, 497, 071	33, 516, 977	289, 012, 224	64, 806, 639	701, 832, 911	701, 832, 911
1912	311, 321, 672	28, 583, 304	293, 028, 896	59, 675, 332	692, 609, 204	692, 609, 204
1913	318, 891, 396	35, 006, 300	309, 410, 666	60, 802, 868	724, 111, 230	724, 111, 230
1914	292, 320, 014	71, 381, 275	308, 659, 733	62, 312, 145	734, 673, 167	734, 673, 167
1915	209, 786, 672	80, 201, 759	335, 467, 887	72, 454, 509	697, 910, 827	697, 910, 827
1916	213, 185, 846	124, 937, 253	387, 764, 776	56, 646, 673	782, 534, 548	782, 534, 548
1917	225, 962, 393	359, 681, 228	449, 684, 980	88, 996, 194	1, 124, 324, 795	1, 124, 324, 795
1918	179, 998, 385	2, 314, 006, 292	872, 028, 020	298, 550, 168	3, 664, 582, 865	3, 664, 582, 865
1919	184, 457, 867	3, 018, 783, 687	1, 296, 501, 292	652, 514, 290	5, 152, 257, 136	5, 152, 257, 136
1920	322, 902, 650	3, 944, 949, 288	1, 460, 082, 287	966, 631, 164	6, 694, 565, 389	6, 694, 565, 389
1921	308, 564, 391	3, 206, 046, 158	1, 390, 379, 823	719, 942, 589	5, 624, 932, 961	5, 624, 932, 961
1922	356, 443, 387	2, 068, 128, 193	1, 145, 125, 064	539, 407, 507	4, 109, 104, 151	4, 109, 104, 151
1923	561, 928, 867	1, 678, 607, 428	945, 865, 333	820, 733, 853	4, 007, 135, 481	4, 007, 135, 481
1924	545, 637, 504	1, 842, 144, 418	953, 012, 618	671, 250, 162	4, 012, 044, 702	4, 012, 044, 702

Footnotes at end of table.

fiscal years 1789–1950 [1]—Continued

Expenditures					Surplus, or deficit (−) [8]
Department of the Army (formerly War Department) [5,6]	Department of the Navy [5]	Interest on the public debt	All other [7,8]	Total expenditures [3,8]	
$19,261,774	$12,747,977	$1,678,265	$34,107,692	$67,795,708	$1,169,605
25,485,383	13,984,551	1,567,056	33,148,280	74,185,270	−27,529,904
23,243,823	14,642,990	2,638,464	28,545,700	69,070,977	−15,584,512
16,409,767	11,514,965	3,177,315	32,028,551	63,130,598	−7,065,990
22,981,150	12,420,888	4,000,174	27,144,433	66,546,645	−25,036,714
394,368,407	42,668,277	13,190,325	24,534,810	474,761,819	−422,774,363
599,298,601	63,221,964	24,729,847	27,490,313	714,740,725	−602,043,434
690,791,843	85,725,995	53,685,422	35,119,382	865,322,642	−600,695,871
1,031,323,361	122,612,945	77,397,712	66,221,206	1,297,555,224	−963,840,619
284,449,702	43,324,118	133,067,742	59,967,855	520,809,417	37,223,203
95,224,415	31,034,011	143,781,592	87,502,657	357,542,675	133,091,335
123,246,648	25,775,503	140,424,046	87,894,088	377,340,285	28,297,798
78,501,991	20,000,758	130,694,243	93,668,286	322,865,278	48,078,469
57,655,676	21,780,230	129,235,498	100,982,157	309,653,561	101,601,916
35,799,992	19,431,027	125,576,566	111,369,603	292,177,188	91,146,757
35,372,157	21,249,810	117,357,840	103,538,156	277,517,963	96,588,905
46,323,138	23,526,257	104,750,688	115,745,162	290,345,245	43,392,960
42,313,927	30,932,587	107,119,815	122,267,544	302,633,873	2,344,883
41,120,646	21,497,626	103,093,545	108,911,576	274,623,393	13,376,658
38,070,889	18,963,310	100,243,271	107,823,615	265,101,085	28,994,780
37,082,736	14,959,935	97,124,512	92,167,292	241,334,475	40,071,944
32,154,148	17,365,301	102,500,875	84,944,003	236,964,327	20,799,552
40,425,661	15,125,127	105,327,949	106,069,147	266,947,884	6,879,301
38,116,916	13,536,985	95,757,575	120,231,482	267,642,958	65,883,653
40,466,461	15,686,672	82,508,741	122,051,014	260,712,888	100,069,405
43,570,494	15,032,046	71,077,207	128,301,693	257,981,440	145,543,810
48,911,383	15,283,437	59,160,131	142,053,187	265,408,138	132,879,444
39,429,603	17,292,601	54,578,379	132,825,661	244,126,244	104,393,626
42,670,578	16,021,080	51,386,256	150,149,021	260,226,935	63,463,771
34,324,153	13,907,888	50,580,146	143,670,952	242,483,139	93,956,587
38,561,026	15,141,127	47,741,577	166,488,451	267,932,181	103,471,096
38,522,436	16,926,438	44,715,007	167,760,920	267,924,801	111,341,274
44,435,271	21,378,809	41,001,484	192,473,414	299,288,978	87,761,081
44,582,838	22,006,206	36,099,284	215,352,383	318,040,711	85,040,273
48,720,065	26,113,896	37,547,135	253,392,808	365,773,904	26,838,543
46,895,456	29,174,139	23,378,116	245,575,620	345,023,331	9,914,453
49,641,773	30,136,084	27,264,392	276,435,704	383,477,953	2,341,676
54,567,930	31,701,294	27,841,406	253,414,651	367,525,281	−61,169,965
51,804,759	28,797,796	30,978,030	244,614,713	356,195,298	−31,465,879
50,830,921	27,147,732	35,385,029	238,815,764	352,179,446	−14,036,999
48,950,268	34,561,546	37,791,110	244,471,235	365,774,159	−18,052,454
91,992,000	58,823,985	37,585,056	254,967,542	443,368,583	−38,047,248
229,841,254	63,942,104	39,896,925	271,391,896	605,072,179	−89,111,558
134,774,768	55,953,078	40,160,333	289,972,668	520,860,847	46,380,005
144,615,697	60,506,978	32,342,979	287,151,271	524,616,925	63,068,413
112,272,216	67,803,128	29,108,045	276,050,860	485,234,249	77,243,984
118,629,505	82,618,034	28,556,349	287,202,239	517,006,127	44,874,595
165,199,911	102,956,102	24,646,490	290,857,397	583,659,900	−42,572,815
126,093,894	117,550,308	24,590,944	299,043,768	567,278,914	−23,004,229
137,326,066	110,474,264	24,308,576	298,093,372	570,202,278	24,782,168
149,775,084	97,128,469	24,481,158	307,744,131	579,128,842	86,731,544
175,840,453	118,037,097	21,426,138	343,892,632	659,196,320	−57,334,413
192,486,904	115,546,011	21,803,836	363,907,134	693,743,885	−89,423,387
189,823,379	123,173,717	21,342,979	359,276,990	693,617,065	−18,105,350
197,199,491	119,937,644	21,311,334	352,753,043	691,201,512	10,631,399
184,122,793	135,591,956	22,616,300	347,550,285	689,881,334	2,727,870
202,128,711	133,262,862	22,899,108	366,221,282	724,511,963	−400,733
208,349,746	139,682,186	22,863,957	364,185,542	735,081,431	−408,264
202,160,134	141,835,654	22,902,897	393,688,117	760,586,802	−62,675,975
183,176,439	153,853,567	22,900,869	374,125,327	734,056,202	48,478,346
377,940,870	239,632,757	24,742,702	1,335,365,422	1,977,681,751	−853,356,956
4,869,955,286	1,278,840,487	189,743,277	6,358,163,421	12,696,702,471	−9,032,119,606
9,009,075,789	2,002,310,785	619,215,569	6,884,277,812	18,514,879,955	−13,362,622,819
1,621,953,095	736,021,456	1,020,251,622	3,025,117,668	6,403,343,841	291,221,548
1,118,076,423	650,373,836	999,144,731	2,348,332,700	5,115,927,690	509,005,271
457,756,139	476,775,194	991,000,759	1,447,075,808	3,372,607,900	736,496,251
397,050,596	333,201,362	1,055,923,690	1,508,451,881	3,294,627,529	712,507,952
357,016,878	332,249,137	940,602,913	1,418,809,037	3,048,677,965	963,366,737

TABLE 2.—*Receipts and expenditures,*

Year	Receipts					
	Customs (including tonnage tax)[9]	Internal revenue		Other receipts [2]	Total receipts [3]	Net receipts [4]
		Income and profits taxes	Other			
1925	$547, 561, 226	$1, 760, 537, 824	$828, 638, 068	$643, 411, 567	$3, 780, 148, 685	$3, 780, 148, 685
1926	579, 430, 093	1, 982, 040, 088	855, 599, 289	545, 686, 220	3, 962, 755, 690	3, 962, 755, 690
1927	605, 499, 983	2, 224, 992, 800	644, 421, 542	654, 480, 116	4, 129, 394, 441	4, 129, 394, 441
1928	568, 986, 188	2, 173, 952, 557	621, 018, 666	678, 390, 745	4, 042, 348, 156	4, 042, 348, 156
1929	602, 262, 786	2, 330, 711, 823	607, 307, 549	492, 968, 067	4, 033, 250, 225	4, 033, 250, 225
1930	587, 000, 903	2, 410, 986, 978	628, 308, 036	551, 645, 785	4, 177, 941, 702	4, 177, 941, 702
1931	378, 354, 005	1, 860, 394, 295	569, 386, 721	381, 503, 611	3, 189, 638, 632	3, 115, 556, 923
1932	327, 754, 969	1, 057, 335, 853	503, 670, 481	116, 964, 134	2, 005, 725, 437	1, 923, 913, 117
1933	250, 750, 251	746, 206, 445	858, 217, 512	224, 522, 534	2, 079, 696, 742	2, 021, 212, 943
1934	313, 434, 302	817, 961, 481	1, 822, 642, 347	161, 515, 919	3, 115, 554, 050	3, 064, 267, 912
1935	343, 353, 034	1, 099, 118, 638	2, 178, 571, 390	179, 424, 141	3, 800, 467, 202	3, 729, 913, 845
1936	386, 811, 594	1, 426, 575, 434	2, 086, 276, 174	216, 293, 413	4, 115, 956, 615	4, 068, 936, 689
1937	486, 356, 599	2, 163, 413, 817	2, 433, 726, 286	210, 093, 535	5, 293, 590, 237	4, 978, 600, 695
1938	359, 187, 249	2, 640, 284, 711	3, 034, 033, 726	208, 155, 541	6, 241, 661, 227	r 5, 761, 623, 749
1939	318, 837, 311	2, 188, 757, 289	2, 972, 463, 558	187, 765, 468	5, 667, 823, 626	5, 103, 396, 943
1940	348, 590, 636	2, 125, 324, 635	3, 177, 809, 353	241, 643, 315	5, 893, 367, 939	5, 264, 663, 044
1941	391, 870, 013	3, 469, 637, 849	3, 892, 037, 133	242, 066, 585	7, 995, 611, 580	7, 227, 281, 383
1942	388, 948, 427	7, 960, 464, 973	5, 032, 652, 915	294, 614, 145	13, 676, 680, 460	12, 696, 286, 084
1943	324, 290, 778	16, 093, 668, 781	6, 050, 300, 218	934, 062, 619	23, 402, 322, 396	22, 201, 501, 787
1944	431, 252, 168	34, 654, 851, 852	7, 030, 135, 478	3, 324, 809, 903	45, 441, 049, 402	43, 891, 672, 699
1945	354, 775, 542	35, 173, 051, 373	8, 728, 950, 555	3, 493, 528, 901	47, 750, 306, 371	44, 761, 609, 047
1946	435, 475, 072	30, 884, 796, 016	9, 425, 537, 282	3, 492, 326, 920	44, 238, 135, 290	40, 026, 888, 964
1947	494, 078, 260	29, 305, 568, 454	10, 073, 840, 241	4, 634, 701, 652	44, 508, 188, 607	40, 042, 606, 290
1948 [11]	421, 723, 028	31, 170, 968, 403	10, 682, 516, 849	3, 823, 599, 033	46, 098, 807, 314	42, 210, 770, 493
1949 [11]	384, 484, 796	29, 482, 283, 759	10, 825, 001, 116	2, 081, 735, 850	42, 773, 505, 520	38, 245, 667, 810
1950	422, 650, 329	28, 262, 671, 097	11, 185, 936, 012	1, 439, 370, 414	41, 310, 627, 852	37, 044, 733, 557

NOTE.—For postal receipts and expenditures, see table 10.

r Revised.

[1] From 1789 to 1842 the fiscal year ended Dec. 31; from 1844 to date, on June 30. Figures for 1843 are for a half year, Jan. 1 to June 30.

[2] Comprises railroad unemployment insurance contributions, proceeds of Government-owned securities, Panama Canal tolls, etc., proceeds from sales of surplus property (act Oct. 3, 1944), deposits resulting from renegotiation of war contracts (see table 5), seigniorage, and other miscellaneous.

[3] Effective Jan. 3, 1949, amounts refunded by the Government, principally for the overpayment of taxes, are being reported as deductions from total receipts rather than as expenditures. Also, effective July 1, 1948, payments to the Treasury, principally by wholly owned Government corporations for retirement of capital stock and for disposition of earnings, have been excluded in reporting both budget receipts and expenditures. Neither of these changes affects the size of the budget surplus or deficit. Prior year figures, beginning with the fiscal year 1931, have been adjusted accordingly for comparative purposes. The amounts that have been adjusted on account of refunds of receipts and capital transfers for the fiscal years 1931 through 1948 are as follows:

	Refunds of receipts	*Capital transfers*		*Refunds of receipts*	*Capital transfers*
1931	$74, 081, 709	----------	1940	$78, 704, 895	$43, 756, 731
1932	81, 812, 320	----------	1941	80, 189, 469	299, 741, 000
1933	58, 483, 799	----------	1942	84, 775, 537	18, 000, 000
1934	51, 286, 138	----------	1943	70, 325, 408	9, 815, 514
1935	70, 553, 357	----------	1944	257, 254, 269	----------
1936	47, 019, 926	----------	1945	1, 678, 777, 924	16, 167, 609
1937	49, 989, 542	$250, 000	1946	2, 973, 027, 879	37, 881, 965
1938	r 93, 037, 478	----------	1947	3, 006, 090, 396	210, 136, 503
1939	61, 426, 683	----------	1948	2, 271, 874, 777	262, 896, 807

[4] Net receipts equal total receipts less (a) appropriations to Federal old-age and survivors insurance trust fund beginning with the fiscal year 1937 and (b) refunds of receipts beginning with the fiscal year 1931.

fiscal years 1789–1950 [1]—Continued

Expenditures						Surplus, or deficit (—)[9]
Department of the Army (formerly War Department)[5 6]	Department of the Navy [5]	Department of the Air Force [10]	Interest on the public debt	All other [7 8]	Total expenditures [3 8]	
$370, 980, 708	$346, 142, 001	--------------	$881, 806, 662	$1, 464, 175, 961	$3, 063, 105, 332	$717, 043, 353
364, 089, 945	312, 743, 410	--------------	831, 937, 700	1, 588, 840, 768	3, 097, 611, 823	865, 143, 867
369, 114, 122	318, 909, 096	--------------	787, 019, 578	1, 498, 986, 878	2, 974, 029, 674	1, 155, 364, 766
400, 989, 683	331, 335, 492	--------------	731, 764, 476	1, 639, 175, 204	3, 103, 264, 855	939, 083, 301
425, 947, 194	364, 561, 544	--------------	678, 330, 400	1, 830, 020, 348	3, 298, 859, 486	734, 390, 739
464, 853, 515	374, 165, 639	--------------	659, 347, 613	1, 941, 902, 117	3, 440, 268, 884	737, 672, 818
r 486, 141, 754	r 353, 768, 185	--------------	611, 559, 704	r 2, 125, 964, 360	3, 577, 434, 003	—461, 877, 080
476, 305, 311	357, 517, 834	--------------	599, 276, 631	3, 226, 103, 049	4, 659, 202, 825	—2, 735, 289, 708
434, 620, 860	349, 372, 794	--------------	689, 365, 106	3, 149, 506, 267	4, 622, 865, 028	—2, 601, 652, 085
408, 586, 783	296, 927, 490	--------------	756, 617, 127	5, 231, 768, 454	6, 693, 899, 854	—3, 629, 631, 943
487, 995, 220	436, 265, 532	--------------	820, 926, 353	4, 775, 778, 841	6, 520, 965, 945	—2, 791, 052, 100
618, 587, 184	528, 882, 143	--------------	749, 396, 802	6, 596, 619, 790	8, 493, 485, 919	—4, 424, 549, 230
628, 104, 285	556, 674, 066	--------------	866, 384, 331	5, 704, 858, 728	7, 756, 021. 409	—2, 777, 420, 714
644, 263, 842	596, 129, 739	--------------	926, 280, 714	r 4, 771, 566, 052	r 6, 938, 240, 348	—1, 176, 616, 598
695, 256, 481	672, 722, 327	--------------	940, 539, 764	6, 657, 036, 411	8, 965, 554, 983	—3, 862, 158, 040
907, 160, 151	891, 484, 523	--------------	1, 040, 935, 697	6, 343, 101, 833	9, 182, 682, 204	—3, 918, 019, 161
3, 938, 943, 048	2, 313, 057, 956	--------------	1, 110, 692, 812	6, 023, 859, 926	13, 386, 553, 742	—6, 159, 272, 358
14, 325, 508, 098	8, 579, 588, 976	--------------	1, 260, 085, 336	10, 021, 346, 406	34, 186, 528, 816	—21, 490, 242, 732
42, 525, 562, 523	20, 888, 349, 026	--------------	1, 808, 160, 396	14, 399, 860, 208	79, 621, 932, 152	—57, 420, 430, 365
49, 438, 330, 158	26, 537, 633, 877	--------------	2, 608, 979, 806	16, 730, 121, 400	95, 315, 065, 241	—51, 423, 392, 541
50, 490, 101, 935	30, 047, 152, 135	--------------	3, 616, 686, 048	14, 548, 585, 054	98, 702, 525, 172	—53, 940, 916, 126
27, 986, 769, 041	r 15,164,412, 379	--------------	4, 721, 957, 683	r 12,829,920, 470	60, 703, 059, 573	—20, 676, 170, 609
9, 172, 138, 869	5, 597, 203, 036	--------------	4, 957, 922, 484	19, 561, 554, 240	39, 288, 818, 630	753, 787, 660
7, 698, 556, 403	4, 284, 619, 125	--------------	5, 211, 101, 865	16, 597, 023, 255	33, 791, 300, 649	8, 419, 469, 844
r 7, 862, 397, 097	r 4, 434, 705, 920	$1, 690, 460, 724	5, 339, 396, 336	r 20,730,147, 780	40, 057, 107, 858	—1, 811, 440, 048
5, 789, 467, 599	4, 129, 545, 653	3, 520, 632, 580	5, 749, 913, 064	20, 977, 277, 019	40, 166, 835, 915	—3, 122, 102, 357

[5] Excludes civil expenditures under War and Navy Departments in Washington through 1915. Subsequent to 1915 includes all expenditures made by the Department of the Army (including rivers and harbors and Panama Canal) and the Department of the Navy.

[6] Title was changed pursuant to act of July 26, 1947. Figures for Department of the Army include expenditures of Department of the Air Force from funds made available prior to fiscal year 1949. Expenditures for Office of the Secretary of Defense are included in "All other."

[7] Includes civil expenditures under War and Navy Departments in Washington through 1915; expenditures of Office of Secretary of Defense; unavailable funds charged off under act of June 3, 1922 (42 Stat. 1592); and expenditures for "Government corporations (wholly owned), etc. (net)".

[8] The practice of including statutory debt retirements in budget expenditures was discontinued effective with fiscal year 1948. Such expenditures are not included in this table, nor does the "Surplus or deficit" take into account such expenditures. Table 25 shows details of statutory debt retirements.

[9] Beginning with 1932, tonnage tax has been covered into Treasury as miscellaneous receipts included in "Other receipts."

[10] Expenditures for the Department of the Air Force formerly included under Department of the Army. See table 3, footnote 8.

[11] Sec. 114 (f) of the Economic Cooperation Act of 1948, approved Apr. 3, 1948, required that the sum of $3,000,000,000 be transferred to a trust fund entitled "Foreign Economic Cooperation Trust Fund" and "considered as expended during the fiscal year 1948, for the purpose of reporting governmental expenditures." The effect of this was to charge the budget in the fiscal year 1948 for expenditures made in the fiscal year 1949, with consequent effect on the budget surplus or deficit of those years. This bookkeeping transaction had no effect on the actual timing of either receipts or expenditures. In order to simplify comparison of figures between years, the transactions shown in this table do not take into account the transfer of $3,000,000,000 in the fiscal year 1948 to the Foreign Economic Cooperation trust fund; expenditures of $3,000,000,000 during the fiscal year 1949 from the Foreign Economic Cooperation trust fund are treated as budget expenditures in this table. If effect is given to sec. 114 (f) of the Economic Cooperation Act of 1948, the budget results for the fiscal years 1948 and 1949 would be as follows:

	Fiscal year 1948	*Fiscal year 1949*
Budget receipts	$42, 210, 770, 493	$38, 245, 667, 810
Budget expenditures	36, 791, 300, 649	37, 057, 107, 858
Budget surplus	5, 419, 469, 844	1, 188, 559, 952

TABLE 3.—*Budget receipts and expenditures, in detail, monthly for fiscal year 1950 and totals for 1949 and 1950*

[On basis of daily Treasury statements, see p. 443]

Receipts	Fiscal year 1950						
	July 1949	August 1949	September 1949	October 1949	November 1949	December 1949	January 1950
Internal revenue:							
Income tax:							
Withheld by employers	$553,904,682.08	$1,160,518,218.93	$656,782,324.06	$563,819,972.82	$1,133,684,460.00	$694,511,706.83	$588,155,065.11
Other	654,634,735.37	407,040,298.20	3,236,580,149.32	496,472,028.49	355,076,446.79	2,519,823,084.46	1,956,713,869.98
Miscellaneous internal revenue	653,281,334.44	748,719,948.14	713,646,774.92	753,420,436.69	721,591,905.31	720,099,455.05	645,179,746.75
Social security taxes:							
Employment taxes	57,549,149.16	380,605,697.14	7,242,326.50	62,382,404.33	336,888,825.57	5,460,543.15	46,787,582.63
Tax on employers of 8 or more	4,588,569.53	13,827,065.46	1,023,996.12	2,321,956.28	13,661,924.81	885,323.05	19,685,064.46
Taxes upon carriers and their employees	2,695,862.44	9,688,892.56	135,970,806.16	721,609.74	5,109,300.90	132,784,374.58	947,942.82
Railroad unemployment insurance contributions for administrative expenses		14,052.68	2,421,766.23	14,731.91	39,294.00	1,894,486.29	368,510.02
Customs	24,751,567.62	31,686,832.17	32,694,884.06	35,272,858.46	36,918,223.79	35,020,507.88	36,658,004.86
Surplus property (act Oct. 3, 1944):							
Proceeds from sales	15,564,545.28	44,748,150.98	33,214,652.49	11,349,698.35	11,290,702.23	20,161,942.23	36,816,359.80
Other	10,178.90	36.00	88,527.94	486.63	13,173.45	3,910.83	35,131.87
Unclassified	1,085,279.51	[a] 1,550,926.42	930,556.39	1,432.01	[a] 1,454.52	670.78	[a] 389.54
Other miscellaneous receipts:							
Proceeds of Government-owned securities:							
Principal—foreign obligations							
Interest—foreign obligations							
Other	38,827,524.67	51,971,704.84	5,197,755.41	[a] 40,906,802.52	22,854,661.89	[1] 76,369,094.84	[1] 52,221,953.65
Panama Canal tolls, etc	2,178,589.74	2,141,752.47	2,137,483.57	2,354,205.93	2,194,752.67	1,953,711.01	2,921,409.76
Seigniorage	193,939.39	1,449,822.17	2,120,630.37	1,092,490.74	3,364,468.16	2,006,275.63	2,104,362.52
Other	52,217,492.54	65,834,422.77	55,044,261.10	104,634,619.00	84,238,085.47	44,168,482.12	91,625,961.21
Total budget receipts	2,061,483,450.67	2,916,695,968.09	4,885,096,894.64	1,992,952,128.86	2,726,924,770.52	4,255,143,568.73	3,480,220,575.90
Deduct:							
Appropriation to Federal old-age and survivors insurance trust fund [2]	57,549,149.16	380,605,697.14	7,242,326.50	62,382,404.33	336,888,825.57	5,460,543.15	46,787,582.63
Refunds of receipts:							
Customs refunds and drawbacks	995,092.08	978,969.42	1,475,255.66	1,503,006.57	1,566,618.65	1,206,942.24	1,169,969.16
Internal revenue:							
Excess profits tax refund bonds	[b] 2,037.05	[b] 65,185.13	[b] 247,616.71	[b] 522,403.35	[b] 98,917.63	[b] 39,375.98	[b] 6,359.43
Income and other taxes	55,375,704.22	56,196,506.65	43,550,711.68	47,607,962.71	43,385,486.74	57,263,919.10	65,204,266.27
Moneys erroneously received and covered	118,203.44	25,724.41	59,039.48	155,149.45	81,592.64	140,357.17	146,178.70
Under renegotiated contracts	987,183.68	211,321.22	568,977.43	334,547.76	608,546.10	15,871.07	832,637.69
Unclassified	1,505.69	1,527.44			1.20	112,821.92	[b] 112,823.12
Net budget receipts	1,946,458,649.45	2,478,741,406.94	4,832,448,200.60	1,881,491,461.39	2,344,492,617.25	4,190,982,490.06	3,366,199,124.00

Receipts	Fiscal year 1950					Total fiscal year 1950	Total fiscal year 1949
	February 1950	March 1950	April 1950	May 1950	June 1950		
Internal revenue:							
Income tax:							
Withheld by employers	$1, 309, 782, 553. 47	$773, 720, 230. 62	$478, 895, 569. 13	$1, 342, 273, 782. 60	$817, 142, 997. 97	$10,073,191, 563. 62	$9, 841, 541, 180. 09
Other	1, 032, 302, 201. 46	3, 654, 897, 666. 32	787, 915, 552. 69	378, 921, 984. 34	2, 709, 101, 515. 67	18, 189, 479, 533. 09	19, 640, 742, 578. 56
Miscellaneous internal revenue	598, 667, 119. 63	701, 362, 672. 53	629, 391, 551. 36	703, 638, 637. 57	714, 070, 694. 45	8, 303, 070, 276. 84	8, 348, 022, 991. 46
Social security taxes:							
Employment taxes	397, 530, 460. 01	229, 491, 421. 02	85, 657, 166. 48	274, 447, 099. 76	222, 345, 129. 75	2, 106, 387, 805. 50	1, 690, 295, 704. 58
Tax on employers of 8 or more	141, 160, 519. 52	9, 460, 825. 28	3, 692, 419. 49	14, 274, 859. 44	1, 723, 206. 57	226, 305, 730. 01	222, 849, 695, 27
Taxes upon carriers and their employees	4, 871, 480. 26	123, 100, 373. 47	3, 229, 039. 08	5, 881, 331. 38	125, 171, 186. 56	550, 172, 199. 95	563, 832, 724. 48
Railroad unemployment insurance contributions for administrative expenses	81, 436. 09	2, 101, 358. 13	3, 065. 88	78, 887. 90	2, 108, 826. 17	9, 126, 415. 39	9, 739, 295. 34
Customs	34, 643, 834. 47	42, 695, 872. 25	34, 034, 280. 85	38, 206, 236. 07	40, 067, 226. 09	422, 650, 328. 57	384, 484, 795. 66
Surplus property (act Oct 3, 1944):							
Proceeds from sales	7, 986, 336. 57	23, 167, 402. 76	21, 994, 828. 61	11, 624, 853. 13	25, 169, 350. 01	263, 088, 822. 44	589, 438, 107. 03
Other	15, 776. 28	13, 527. 97	1, 107. 53	8, 239. 58	4, 128. 50	[a] 194, 225. 48	105, 027. 00
Unclassified	[a] 65, 328. 02	65, 717. 56	----------	453, 150. 52	[a] 453, 150. 52	465, 557. 75	[a] 465, 030. 66
Other miscellaneous receipts:							
Proceeds of Government-owned securities:							
Principal—foreign obligations	----------	----------	----------	----------	----------	----------	117, 922. 18
Interest—foreign obligations	----------	----------	----------	----------	----------	----------	312, 152. 95
Other	16, 716, 787. 26	10, 743, 000. 00	7, 968, 891. 49	9, 577, 983. 85	35, 105, 023. 84	286, 647, 579. 22	[3] 249, 518, 692. 65
Panama Canal tolls, etc	1, 873, 857. 76	2, 512, 023. 08	1, 851, 690. 22	2, 932, 134. 68	2, 136, 170. 00	27, 187, 780. 89	23, 413, 206. 92
Seigniorage	2, 684, 393. 09	2, 270, 900. 42	1, 798, 022. 69	2, 266, 947. 91	2, 073, 351. 14	23, 425, 604. 23	45, 902, 659. 84
Other	58, 948, 976. 99	46, 888, 320. 94	35, 073, 970. 79	110, 790, 087. 65	79, 769, 748. 27	829, 234, 428. 85	1, 163, 653, 817. 06
Total budget receipts	3, 607, 200, 404. 84	5, 622, 491, 312. 35	2, 091, 507, 156. 29	2, 895, 376, 216. 47	4, 775, 535, 404. 47	41, 310, 627, 851. 83	42, 773, 505, 520. 41
Deduct:							
Appropriation to Federal old-age and survivors insurance trust fund [2]	397, 530, 460. 01	229, 491, 421. 02	85, 657, 166. 48	274, 447, 099. 76	222, 345, 129. 75	2, 106, 387, 805. 50	1, 690, 295, 704. 58
Refunds of receipts:							
Customs refunds and drawbacks	1, 094, 167. 15	1, 691, 652. 96	1, 433, 502. 69	1, 409, 797. 75	1, 566, 159. 82	16, 091, 134. 15	17, 173, 186. 25
Internal revenue:							
Excess profits tax refund bonds	[b] 11, 904. 11	[b] 26, 885. 21	[b] 4, 553. 14	[b] 344, 348. 09	[b] 205, 785. 52	[b] 1, 575, 371. 35	[b] 4, 139, 477. 16
Income and other taxes	236, 036, 772. 51	571, 221, 705. 48	514, 663, 853. 30	299, 147, 539. 39	147, 370, 693. 49	2, 137, 031, 321. 54	2, 821, 144, 790. 21
Moneys erroneously received and covered	232, 100. 54	253, 256. 75	111, 509. 52	252, 778. 59	597, 113. 81	2, 173, 004. 50	1, 325, 000. 02
Under renegotiated contracts	697, 740. 44	36, 233. 13	1, 385, 444. 75	58, 704. 41	46, 365. 28	5, 783, 572. 96	2, 040, 977. 53
Unclassified	----------	----------	----------	----------	[b] 205. 97	2, 827. 16	[b] 2, 471. 13
Net budget receipts	2, 971, 621, 068. 30	4, 819, 823, 928. 22	1, 488, 260, 232. 69	2, 320, 404, 644. 66	4, 403, 809, 733. 81	37, 044, 733, 557. 37	38, 245, 667, 810. 11

Footnotes at end of table.

TABLE 3.—*Budget receipts and expenditures, in detail, monthly for fiscal year 1950 and totals for 1949 and 1950*—Continued

Expenditures [4]	Fiscal year 1950						
	July 1949	August 1949	September 1949	October 1949	November 1949	December 1949	January 1950
Legislative establishment	$4,119,928.39	$5,658,137.18	$5,029,289.14	$5,435,053.02	$7,208,221.06	$5,443,892.28	$5,007,359.13
The Judiciary	2,023,343.38	1,855,290.69	1,734,017.03	1,870,788.87	1,933,865.01	2,144,001.15	2,240,774.29
Agriculture Department:							
Farmers' Home Administration:							
Disaster loans and grants	1,060,794.11	1,578,330.70	1,013,587.48	1,586,123.27	958,760.16	2,150,997.95	3,816,866.76
Farmers' crop loans, etc				[c] 3.78			
Farm housing program					38,861.99	241,173.20	545,289.66
Farm tenancy	67,732.46	75,397.47	95,711.77	115,866.07	28,964.45	4,772,197.66	3,154.00
Loans, rehabilitation, and other	1,689,566.35	5,473,669.69	1,541,490.22	[c] 3,348,521.41	[c] 2,923,713.27	[5] 51,314,376.90	[5] 17,345,739.26
Other	454,838.87	1,976,965.00	2,457,773.43	1,862,958.72	1,869,232.67	1,880,400.11	1,791,528.53
Unclassified							147.23
Production and Marketing Administration:							
Commodity Credit Corporation	[c] 25,815,323.07	233,155,245.13	408,859,048.48	110,394,288.17	146,162,772.47	172,262,282.83	164,234,027.27
Administration of Sugar Act of 1937	106,453.39	49,497.72	1,205,794.59	15,407,189.71	280,673.20	5,561,706.98	12,379,189.57
Conservation and use of agricultural land resources	18,383,351.56	9,438,849.86	7,262,805.95	9,792,002.16	9,511,524.10	13,591,000.71	11,539,065.14
Exportation and domestic consumption of agricultural commodities	4,057,015.01	13,957,113.68	6,388,791.48	25,822,387.97	11,459,478.19	14,105,630.02	36,126,844.18
Local administration, sec. 388, Agricultural Adjustment Act of 1938	3,553,412.07	6,091,758.64	6,585,096.94	6,405,525.00	3,377,299.35	6,002,437.23	[c] 3,784,474.39
National-State expenses, sec. 392, Agricultural Adjustment Act of 1938	1,122,309.94	1,122,427.61	1,169,686.19	1,028,115.20	452,512.82	966,103.20	1,149,446.27
Parity Payments and Price Adjustment Act of 1938	12.75	22,816.42	9,397.95	[c] 425.07	[c] 185.36	665.07	20.88
Salaries and expenses, Marketing Service	644,081.48	873,884.60	1,096,482.78	965,196.26	974,039.04	1,101,245.59	973,445.02
Other	31,731.56	25,146.82	9,615.31	39,209.36	13,235.24	18,261.40	54,045.97
Unclassified	[c] 14,991.77	61,200.00			[c] 3,810.72	3,810.72	
Rural Electrification Administration:							
Loans	24,075,485.36	30,541,622.19	31,560,893.49	24,743,355.25	22,350,215.31	27,500,029.18	20,531,171.52
Other	448,689.98	535,684.41	705,664.11	492,883.79	468,193.79	523,170.82	526,013.50
Farm Credit Administration and agencies:							
Crop loans							
Federal Farm Mortgage Corporation	[c] 1,883,708.94	[c] 1,329,326.32	[c] 1,520,691.33	[c] 1,663,979.13	[c] 2,073,909.88	[c] 1,945,551.12	[c] 1,828,063.14
Production credit corporations	1,729.32		[c] 59.51	[c] 38,580.27	38,703.11	[c] 28,357.42	[c] 597,035.57
Other	208,160.96	99,971.20	742,770.59	463,852.38	341,160.09	302,820.82	[c] 114,541.90
Federal Crop Insurance Act:							
Administrative expenses	303,926.76	347,665.15	302,931.46	378,724.82	296,705.49	634,075.52	249,680.70
Federal Crop Insurance Corporation	[c] 288,256.65	583,137.72	52,090.04	713,222.29	1,041,095.77	261,490.97	501,204.28
Forest roads and trails	1,137,000.72	1,044,614.19	1,339,937.01	1,217,166.12	1,018,547.27	1,069,193.23	913,879.42

Expenditures [4]	Fiscal year 1950					Total fiscal year 1950	Total fiscal year 1949
	February 1950	March 1950	April 1950	May 1950	June 1950		
Legislative establishment	$3,522,382.12	$4,726,942.56	$2,084,871.49	$3,647,848.59	$4,144,762.59	$56,028,687.55	$46,344,587.84
The Judiciary	1,766,054.01	2,326,905.44	1,988,595.77	2,107,353.06	2,196,512.45	24,187,501.15	20,751,049.32
Agriculture Department:							
Farmers' Home Administration:							
Disaster loans and grants	8,224,326.00	8,032,263.43	2,984,736.36	1,547,547.55	799,694.08	33,754,027.85	2,880,943.09
Farmers' crop loans, etc.	-----	-----	-----	-----	-----	c 3.78	c 3,559.26
Farm housing program	863,646.33	2,047,295.46	2,441,185.24	3,463,523.55	4,725,225.48	14,366,200.91	-----
Farm tenancy	32,295.00	24,502.23	37,413.30	317,934.67	28,387.90	5,599,556.98	1,619,444.34
Loans, rehabilitation, and other	15,863,444.16	9,898,373.96	3,954,063.52	3,073,143.18	2,221,824.00	106,103,456.56	120,360,111.54
Other	1,842,616.05	2,623,518.69	1,844,813.12	1,888,300.67	1,839,034.23	22,331,980.09	c 58,646.93
Unclassified	c 147.23	-----	-----	-----	-----	-----	c 12,233.59
Production and Marketing Administration:							
Commodity Credit Corporation	28,821,958.53	c 17,644,880.60	91,475,680.16	347,463,293.72	53,974,132.29	1,713,342,525.38	1,627,919,484.02
Administration of Sugar Act of 1937	10,401,371.59	5,909,608.64	4,324,706.68	2,470,888.98	1,425,811.86	59,522,892.91	56,009,104.06
Conservation and use of agricultural land resources	9,596,574.47	23,426,053.16	35,373,892.49	42,857,614.47	21,626,467.40	212,399,201.47	152,800,995.91
Exportation and domestic consumption of agricultural commodities	12,077,134.39	10,168,903.87	21,672,586.66	9,009,905.03	14,258,233.82	179,104,024.30	150,380,410.30
Local administration, sec. 388, Agricultural Adjustment Act of 1938	2,393,282.02	2,614,280.56	2,891,113.62	c 1,656,378.57	9,213,834.17	43,687,186.64	26,798,925.35
National-State expenses, sec. 392, Agricultural Adjustment Act of 1938	1,121,452.11	c 785,374.11	1,156,533.42	1,194,859.78	1,251,269.28	10,949,341.71	7,407,145.01
Parity Payments and Price Adjustment Act of 1938	c 569.29	392.64	c 93.92	c 92.56	c 120.16	31,819.35	73,265.49
Salaries and expenses, Marketing Service	254,832.46	1,116,880.70	763,734.95	784,004.85	851,071.35	10,398,899.08	9,982,583.08
Other	46,158.10	37,622.15	30,059.30	c 54,155.72	7,843.76	258,773.25	c 192,729.04
Unclassified	c 300.00	308.32	c 8.32	-----	-----	46,208.23	c 46,154.47
Rural Electrification Administration:							
Loans	15,278,866.79	28,441,707.35	16,703,056.28	21,767,789.23	23,164,460.30	286,658,652.25	324,810,865.39
Other	522,182.32	797,906.89	561,597.24	635,967.85	586,930.81	6,804,885.51	5,824,630.08
Farm Credit Administration and agencies:							
Crop loans	-----	-----	-----	-----	-----	-----	793.79
Federal Farm Mortgage Corporation	c 1,144,633.38	c 1,783,766.67	c 1,170,495.43	c 1,347,045.66	c 1,349,263.10	c 19,040,434.10	c 26,380,311.70
Production credit corporations	c 736,223.48	c 14,192.15	c 447,390.52	c 760,365.30	c 1,380,064.12	c 3,961,835.91	c 35,301,006.52
Other	129,623.83	303,374.20	155,321.70	199,987.41	c 296,106.16	2,536,395.12	3,930,951.45
Federal Crop Insurance Act:							
Administrative expenses	266,548.70	348,373.80	294,929.83	937,602.46	326,980.65	4,688,145.34	3,991,332.42
Federal Crop Insurance Corporation	74,929.26	c 224,934.29	c 29,490.42	c 82,941.35	c 604,490.66	1,997,056.96	c 8,243,396.15
Forest roads and trails	850,274.38	514,807.63	1,200,057.29	3,832,611.34	1,224,662.81	15,362,751.41	25,234,028.90

Footnotes at end of table.

TABLE 3.—*Budget receipts and expenditures, in detail, monthly for fiscal year 1950 and totals for 1949 and 1950*—Continued

Expenditures [4]	Fiscal year 1950						
	July 1949	August 1949	September 1949	October 1949	November 1949	December 1949	January 1950
Agriculture Department—Continued							
Foreign aid and relief:							
Assistance to Greece and Turkey	[c] $4,490.16	---	---	$6.67	$12.25	---	---
China Aid Act of 1948	393,955.47	[c] $6,769.25	$884,882.62	[c] 622.49	3,821.41	[c] $535.57	$932.81
Foreign Aid Act of 1947	491.62	167.00	502.51	---	[c] 10,724.76	---	2.55
Relief to people of countries devastated by war	---	---	---	---	[c] 260.00	---	---
Payments for United Nations relief and rehabilitation	---	---	---	---	---	---	---
Surplus property disposal	42,904.23	2,648.02	34.21	[c] 134.09	74,302.21	123,314.72	33,341.43
Other	36,142,343.19	21,934,568.77	25,151,745.57	47,004,371.93	17,089,701.52	10,117,575.51	48,823,418.31
Unclassified	[c] 69,491.76	[c] 447.01	447.01	[c] 779.72	2,590.44	444.98	[c] 2,443.25
Atomic Energy Commission	50,280,390.49	36,258,274.44	40,939,137.87	43,561,683.28	37,737,707.25	46,078,415.23	39,894,931.34
Civil Service Commission:							
Employees' retirement funds (United States share):							
Alaska Railroad retirement fund	---	215,000.00	---	---	---	---	---
Canal Zone retirement fund	---	999,000.00	---	---	---	---	---
Civil service retirement fund	---	301,290,728.00	---	---	---	---	---
Other	1,485,598.09	1,912,917.22	3,842,508.75	1,454,528.93	1,411,368.56	1,432,078.00	2,057,327.46
Commerce Department:							
Civil aeronautics	13,130,810.98	15,950,046.38	17,936,158.37	14,758,951.11	14,791,447.06	14,004,643.10	12,948,226.61
Maritime activities: [6]							
Liquidation War Shipping Administration obligations	694,550.84	479,109.30	1,456,445.82	710,603.28	372,733.46	289,445.32	1,098,891.49
Payments for United Nations relief and rehabilitation	[c] 1,592.80	---	---	---	---	---	---
Other	5,728,143.06	7,292,880.09	6,073,492.15	3,366,919.30	6,941,764.05	5,459,609.23	6,841,857.96
Unclassified	[c] 18,166.03	4,108.00	---	---	---	---	---
Public roads:							
Assistance to Greece and Turkey	41,004.06	9,194.77	3,552.71	75,501.79	114,870.88	5,165.95	[c] 130,505.63
Other	45,393,655.36	53,300,160.92	58,881,220.46	44,861,918.75	54,773,756.23	43,313,846.61	37,448,323.50
Unclassified	[c] 518.16	[c] 1.99	1.99	---	25.40	[c] 25.40	---
Armed Forces Leave Act of 1946	---	---	63,977.38	---	3,206.21	88.08	---
Surplus property disposal	---	100.03	---	---	---	---	---
Other	6,025,147.48	8,485,311.93	10,504,677.79	6,955,912.11	8,490,719.77	4,912,012.27	6,428,246.95
Unclassified	---	[c] 60.49	60.49	---	[c] 25.40	25.40	[c] 46.06
Defense Department:							
Office of the Secretary of Defense:							
Retired pay—military services [7]	---	---	7,237,145.42	14,190,616.41	14,993,182.45	21,745,077.72	9,534,583.71
Other	460,960.76	519,880.56	1,179,682.27	124,925.17	187,277.94	2,574,414.95	827,797.25
Air Force [8]	155,124,310.53	205,422,728.16	278,666,312.01	329,174,179.72	293,662,859.48	350,971,754.91	304,570,215.98

Expenditures [4]	Fiscal year 1950					Total fiscal year 1950	Total fiscal year 1949
	February 1950	March 1950	April 1950	May 1950	June 1950		
Agriculture Department—Continued							
Foreign aid and relief:							
Assistance to Greece and Turkey			$596.02			[c] $3,875.22	$1,698,896.52
China Aid Act of 1948	$4,376.50	$1,895.97		$116,236.93	$1,030,516.94	2,428,691.34	60,671,383.21
Foreign Aid Act of 1947	847.11	[c] 17,324.23				[c] 26,038.20	13,289,940.40
Relief to people of countries devastated by war	266.00	1,202.49				1,208.49	1,012,022.59
Payments for United Nations relief and rehabilitation							[c] 97,634.62
Surplus property disposal		96,640.67	27,881.70	48,574.88	35,657.03	485,165.01	782,510.89
Other	17,723,242.78	51,938,999.30	31,731,120.20	20,033,020.91	24,028,018.54	351,718,126.53	235,841,024.65
Unclassified	487.55	[c] 300.00			[c] 66.21	[c] 69,557.97	139,739.62
Atomic Energy Commission	42,089,769.46	38,054,174.68	45,416,022.12	49,090,849.72	55,063,468.20	524,464,824.08	647,331,951.17
Civil Service Commission:							
Employees' retirement funds (United States share):							
Alaska Railroad retirement fund						215,000.00	217,000.00
Canal Zone retirement fund						999,000.00	1,177,000.00
Civil service retirement fund						301,290,728.00	224,000,000.00
Other	1,463,831.60	1,484,169.95	1,524,122.08	1,468,274.20	1,402,547.74	20,939,272.58	18,650,021.25
Commerce Department:							
Civil aeronautics	11,245,692.07	14,765,734.55	11,672,091.68	11,729,188.11	12,974,958.64	165,907,948.66	154,158,204.27
Maritime activities: [6]							
Liquidation War Shipping Administration obligations	958,267.11	351,519.53	2,933,982.34	225,586.67	525,369.80	10,096,504.96	37,254,720.42
Payments for United Nations relief and rehabilitation						[c] 1,592.80	7,310,051.28
Other	7,011,370.90	9,481,850.47	10,060,593.15	4,863,583.63	10,507,694.81	83,629,758.80	98,931,774.95
Unclassified	.10	[c] .10			123.84	[c] 13,934.19	14,058.03
Public roads:							
Assistance to Greece and Turkey	16,045.50	2,228.73	7,283.20	2,502.89	3,211.83	150,056.68	1,712,151.83
Other	22,339,438.91	26,384,711.64	24,147,607.63	32,183,143.72	42,477,703.47	485,505,487.20	435,188,879.50
Unclassified						[c] 518.16	518.16
Armed Forces Leave Act of 1946						67,271.67	
Surplus property disposal		5.00			245.03	350.06	34,678.07
Other	7,565,991.93	11,171,702.65	14,004,819.30	23,281,639.99	17,433,008.41	125,259,190.58	84,521,210.41
Unclassified	46.06						[c] 27.10
Defense Department:							
Office of the Secretary of Defense:							
Retired pay—military services [7]	16,907,086.28	22,122,247.89	8,816,557.35	17,300,398.09	16,905,653.75	149,752,549.07	
Other	1,618,459.62	735,568.75	777,179.80	755,509.09	1,008,279.31	10,769,935.47	4,937,692.98
Air Force [8]	296,875,152.21	292,988,323.68	311,274,877.56	348,558,852.74	338,835,568.00	3,506,125,134.98	1,690,460,724.36

Footnotes at end of table.

TABLE 3.—*Budget receipts and expenditures, in detail, monthly for fiscal year 1950 and totals for 1949 and 1950*—Continued

Expenditures [4]	Fiscal year 1950						
	July 1949	August 1949	September 1949	October 1949	November 1949	December 1949	January 1950
Defense Department—Continued							
Army:							
Military functions:							
Armed Forces Leave Act of 1946: [9]							
Bonds issued	$10,200.00	$7,300.00	$13,350.00	$16,450.00	$1,625.00	$11,225.00	[c] $2,475.00
Cash payments	8,162.00	9,987.00	10,683.00	8,254.00	16,408.00	11,412.00	10,242.00
Assistance to Greece and Turkey	30,536,908.37	5,465,574.46	13,505,724.61	16,778,899.35	[c] 3,512,912.40	5,886,266.90	[c] 12,915,436.38
Care and handling of surplus property overseas	720,301.05	745,899.68	846,806.02	1,122,313.46	698,349.73	339,917.87	478,944.73
China Aid Act of 1948		38,303.83	23,434.44	49,732.11		[c] 23,434.44	94.33
Foreign Aid Act of 1947		26,195.99	[c] 3,231.09	142.32	4,771.12	633.24	199.62
Payments for United Nations relief and rehabilitation							
Relief to people of countries devastated by war		[c] 7,312.97	4,021.38	[c] 139.84	3,640.01	515.45	[c] 3,258.90
Surplus property disposal	[c] 10,607.22	[c] 3,404.09	10,607.22				
Other	457,236,428.28	513,371,586.70	328,920,768.30	227,338,064.40	325,832,712.60	316,098,053.88	333,250,106.80
Civil functions:							
Agricultural commodities and raw materials for occupied areas (revolving fund)	9,696,987.82	3,405,537.55	[c] 100,852.63	4,150,106.82	2,051,442.26	60,689.57	118,840.51
Government and relief in occupied areas	103,471,937.34	82,069,844.43	114,536,855.32	95,894,745.39	65,505,220.84	51,555,725.36	37,843,609.33
Panama Canal	2,583,546.66	2,053,529.85	1,601,022.59	2,074,558.83	1,581,691.63	1,551,368.56	2,655,181.77
River and harbor work and flood control	67,674,049.91	69,635,331.42	74,347,985.17	69,858,373.06	72,556,085.57	66,702,467.88	58,037,021.90
Other	4,219,172.70	1,897,375.62	2,829,473.46	2,419,631.80	2,830,938.40	1,474,911.30	1,920,559.07
Unclassified	1,878,082.20	[c] 315,804.47	2,255.15	827.45	[c] 221.00	49.72	[c] 513.18
Navy:							
Armed Forces Leave Act of 1946: [6]							
Bonds issued	5,200.00	8,650.00	7,425.00	3,825.00	4,300.00	6,375.00	4,375.00
Cash payments	923.31	2,958.77	983.15	1,251.76	2,273.25	1,264.17	757.85
Assistance to Greece and Turkey	2,367,347.26	541,305.02	1,610,757.33	537,943.78	1,120,776.97	2,696,869.28	1,074,123.15
Care and handling of surplus property overseas	50,122.42		52,030.62		39,773.49	1,222.18	
Payments for United Nations relief and rehabilitation	889.90						
Other	357,994,183.65	398,864,149.49	354,218,512.62	377,606,524.55	375,671,413.26	366,970,514.15	356,568,183.44
Unclassified	[c] 1,645,344.49	1,507,132.61			[c] 3,000.00	3,000.00	

Expenditures [4]	Fiscal year 1950					Total fiscal year 1950	Total fiscal year 1949
	February 1950	March 1950	April 1950	May 1950	June 1950		
Defense Department—Continued							
Army:							
Military functions:							
Armed Forces Leave Act of 1946: [9]							
Bonds issued	$5,525.00	$5,800.00	$5,125.00	[c] $5,100.00	[c] $2,025.00	$67,000.00	$4,849,625.00
Cash payments	4,628.00	9,563.00	4,075.00	1,889.00	18,805.00	114,108.00	1,785,782.00
Assistance to Greece and Turkey	7,409,704.01	5,278,680.74	6,502,640.77	21,379,175.89	4,944,571.24	101,259,797.56	246,323,965.98
Care and handling of surplus property overseas	463,716.01	51,699.28	[c] 15,009.23	126,750.92	1,008,730.71	6,588,420.23	5,147,994.53
China Aid Act of 1948	1,985.59	682.34	[c] 423.73	427.12	30,318.53	121,120.12	
Foreign Aid Act of 1947	[c] 592.02	[c] 30.00	1,272.52		126.75	29,488.45	23,478,115.79
Payments for United Nations relief and rehabilitation							13,925,357.75
Relief to people of countries devastated by war	26.28	160.00	[c] 3.48	16.64	1,738.87	[c] 596.56	3,362,425.15
Surplus property disposal						[c] 3,404.09	[c] 10,425.34
Other	295,954,182.77	408,744,883.05	298,061,183.18	267,343,009.01	291,577,539.57	4,063,728,518.54	5,346,469,804.57
Civil functions:							
Agricultural commodities and raw materials for occupied areas (revolving fund)	[c] 314,879.67	6,064,305.77	11,831,903.02	[c] 18,886,625.26	[c] 28,583,777.28	[c] 10,506,321.52	7,339,119.65
Government and relief in occupied areas	32,790,413.95	30,449,474.88	45,990,333.97	53,119,505.52	50,672,317.40	763,899,983.73	1,321,446,664.54
Panama Canal	1,476,955.75	1,228,307.87	2,438,377.39	1,679,461.60	1,971,374.53	22,895,377.03	23,791,785.97
River and harbor work and flood control	41,550,596.08	54,362,776.04	51,883,352.24	42,293,332.88	60,827,769.97	729,729,142.12	675,631,678.14
Other	1,721,973.40	1,308,798.13	1,729,223.93	1,108,206.04	1,344,242.73	24,804,506.58	70,303,126.84
Unclassified	452.07	11.39			[c] 327.74	1,564,811.59	[c] 169,170.90
Navy:							
Armed Forces Leave Act of 1946: [9]							
Bonds issued	5,475.00	8,475.00	9,525.00	5,250.00	11,950.00	80,825.00	2,530,175.00
Cash payments	6,248.72	43,162.66	38,457.40	65,947.04	19,611.78	183,839.86	582,138.36
Assistance to Greece and Turkey	1,563,242.85	1,263,869.47	136,395.24	1,625,953.64	658,544.60	15,197,128.59	15,353,855.72
Care and handling of surplus property overseas						143,148.71	215,634.93
Payments for United Nations relief and rehabilitation						889.90	111,126.78
Other	295,539,594.32	286,675,264.27	306,088,203.99	331,912,241.87	301,558,109.19	4,109,666,894.80	4,411,899,878.80
Unclassified	[c] 333.00	[c] 271,310.57	381,376.79	[c] 109,733.22		[c] 138,211.88	145,343.92

Footnotes at end of table.

TABLE 3.—*Budget receipts and expenditures, in detail, monthly for fiscal year 1950 and totals for 1949 and 1950*—Continued

Expenditures [4]	Fiscal year 1950						
	July 1949	August 1949	September 1949	October 1949	November 1949	December 1949	January 1950
Economic Cooperation Administration:							
Economic Cooperation Act:[10]							
Agriculture Department	$86,830,658.13	$37,154,087.47	$18,516,650.14	$24,832,942.63	$36,189,043.00	$20,544,198.62	$11,383,935.85
Commerce Department	15,357.10	20,213.60	258,019.68	413,166.19	964,711.28	737,758.86	630,595.92
Defense Department:							
Army	936,452.20	9,398,332.52	4,638,314.79	7,488,656.73	5,559,955.19	4,138,252.36	6,614,308.36
Navy	[c] 16,704.33		[c] 5,149.61			[c] 46,559.24	
Economic Cooperation Administration	265,743,186.02	200,487,975.24	290,454,171.93	227,240,416.71	237,132,683.60	242,129,658.21	246,956,331.47
Export-Import Bank of Washington:							
Loans		71,450,038.08					
Payments under guarantees	15,920.53	7,057.62	[c] 10,707.52	16,608.90	126,341.66	264,501.45	[c] 1,475.64
Federal Security Agency	1,882.29	9,099.41	4,864.38	14,777.35	5,191.07	15,679.72	32,500.57
General Services Administration	92,759.18	643,554.65	69,910.48	36,653.57	73,931.02	70,923.86	104,114.01
Labor Department	11,403.50	3,335.57	750.00				
Post Office Department					700,000.00	8,288,029.00	
State Department	[c] 1,939.12				190,256.00	115.38	
Treasury Department							
Unclassified					[c] 700,000.00	[c] 160,597.10	860,597.10
Assistance to Greece and Turkey	295,971.44		830,655.90	560,431.06			
China Aid Act of 1948	900,430.32	1,065,360.97	71,194.49	[c] 6,647,992.13	[c] 3,372,464.13	[c] 1,982,529.95	[c] 685,720.80
Foreign Aid Act of 1947	[c] 135,064.85	[c] 829.86	[c] 91,841.17	[c] 15,739.29			[c] 337,237.90
Relief to people of countries devastated by war	[c] 16,701.07	7,416.57	3,173.85		367.18	2,054.71	
Other	496,837.10	488,228.36	200,947.02	5,524,493.83	5,204,463.29	2,323,147.00	1,433,683.34
Unclassified			[c] 8.36	8.36			
Executive Office of the President:							
Bureau of the Budget	275,929.69	321,959.86	236,269.25	265,161.52	244,963.52	244,992.31	353,231.07
Executive proper	135,230.48	162,751.11	123,811.87	119,732.25	127,317.37	190,037.29	138,950.45
Office for Emergency Management	2,273.85	33,914.09	10,239.37	[c] 410.93	7.00	339.11	15,970.19
Relief to people of countries devastated by war							
Other	196,673.73	484,572.72	376,938.65	480,184.31	447,042.77	[c] 1,222,996.42	208,097.23
Unclassified	20,467,477.78	[c] 20,466,813.65	7,999,532.00	[c] 8,000,008.36			
Export-Import Bank of Washington	[c] 23,182,819.54	4,578,693.53	5,627,112.90	6,367,708.33	4,810,175.50	6,567,381.22	[c] 19,904,686.60
Federal Security Agency:							
Social Security Administration:[11]							
Administrative expenses	12,788.49	186.40	3,167.46	[c] 6.34	1,003.39	280.48	[c] 9.74
Grants to States (social security)	116,552,051.83	132,291,625.15	50,581,817.44	118,322,772.02	92,427,875.88	78,144,073.66	107,371,352.87
Other	3,868,417.06	430,076.62	299,095.05	302,321.14	195,562.66	327,312.65	422,903.89
Unclassified	[c] 16,891,638.67	16,887,382.91				4.45	[c] 4.45
Assistance to Greece and Turkey	744.48	1,451.90	163.81	1,360.03	43.00		80.57
Office of Education	5,279,657.27	9,286,000.60	93,969.09	1,602,664.02	287,574.07	535,657.77	11,769,896.15
Payments for United Nations relief and rehabilitation		1,099.98					

Expenditures [4]	Fiscal year 1950 February 1950	March 1950	April 1950	May 1950	June 1950	Total fiscal year 1950	Total fiscal year 1949
Economic Cooperation Administration:							
Economic Cooperation Act: [10]							
Agriculture Department	$37,394,372.67	$42,615,668.25	$15,367,161.10	$21,802,560.03	$20,560,251.02	$373,191,528.91	$629,284,383.26
Commerce Department	145,765.28	353,018.84	218,924.71	305,894.34	137,903.22	4,201,329.02	61,256.63
Defense Department:							
Army	6,582,806.00	2,419,296.74	4,902,731.04	2,798,674.65	2,404,298.92	57,882,079.50	118,721,247.65
Navy	[c] 12,097.67	[c] 8,718.57		[c] 18,208.57		[c] 107,437.99	3,867,766.56
Economic Cooperation Administration	177,971,200.71	232,178,932.84	242,331,782.72	276,244,815.93	258,941,758.30	2,897,812,913.68	2,494,037,269.82
Export-Import Bank of Washington:							
Loans	36,479,000.00	39,900,000.00		18,000,000.00	16,203,011.09	182,032,049.17	781,946,950.83
Payments under guarantees	11,705.88	20,319.48	13,563.11	50,255.29	3,561.77	517,652.53	1,636.29
Federal Security Agency	6,869.39	8,854.84	21,208.99	8,058.70	15,183.17	144,169.88	31,401.50
General Services Administration	172,010.57	87,355.99	36,586.39	98,974.91	7,602.97	1,494,377.60	140,102.41
Labor Department			1,988.05	3,392.28	9,166.66	30,036.06	34,510.93
Post Office Department		[c] 1,500,000.00			[c] 1,750,000.00	5,738,029.00	9,960,000.00
State Department	[c] 115.38				310,000.00	498,316.88	510,214.21
Treasury Department							4,805,810.79
Unclassified							
Assistance to Greece and Turkey	1,140,974.46	737,210.06			257,107.51	3,822,350.43	2,114,508.45
China Aid Act of 1948	[c] 724,703.54	[c] 486,287.62	[c] 1,179,823.21	580,181.95	385,298.50	[c] 12,077,055.15	110,455,611.10
Foreign Aid Act of 1947	[c] 184,189.02	[c] 79,923.75	[c] 25,693.65			[c] 870,519.49	13,844,138.32
Relief to people of countries devastated by war			1,805.74	[c] 35.11	[c] 6,745.40	[c] 8,663.53	3,453,491.84
Other	211,205.69	299,418.59	601,373.33	740,624.83	20,582,193.01	38,106,615.39	1,789,810.05
Unclassified							[c] 75,000.00
Executive Office of the President:							
Bureau of the Budget	195,338.45	298,286.89	257,351.84	272,365.50	398,131.09	3,363,980.99	3,266,299.09
Executive proper	143,996.18	137,464.84	136,947.75	133,185.36	193,856.96	1,743,281.91	1,452,765.99
Office for Emergency Management	[c] 96.44	4,281.71	[c] 2.96	[c] 25.40	16,846.69	83,336.28	4,424,790.31
Relief to people of countries devastated by war		[c] 14.81				[c] 14.81	27,590.64
Other	201,233.07	276,579.00	226,890.14	492,989.37	569,730.91	2,737,935.48	3,382,193.48
Unclassified						187.77	642.78
Export-Import Bank of Washington	19,047,431.15	3,164,861.22	5,795,618.93	14,607,747.88	17,544,841.42	45,024,065.94	[c] 60,371,519.39
Federal Security Agency:							
Social Security Administration: [11]							
Administrative expenses	105.00		[c] 2.33	18.77	3,552.03	21,083.61	465,053.26
Grants to States (social security)	94,869,946.08	72,190,921.83	115,459,077.22	61,284,393.56	106,691,230.90	1,146,187,138.44	944,364,528.29
Other	298,427.16	331,009.41	300,772.18	260,083.56	348,783.46	7,384,764.84	6,736,586.87
Unclassified						[c] 4,255.76	4,255.76
Assistance to Greece and Turkey	23.40	9.20	65.30	[c] 15,841.05		[c] 11,899.36	87,862.65
Office of Education	269,920.20	195,106.47	2,007,537.96	1,733,541.54	462,024.36	33,523,549.50	33,632,971.47
Payments for United Nations relief and rehabilitation					60.24	1,160.22	419.45

Footnotes at end of table.

TABLE 3.—*Budget receipts and expenditures, in detail, monthly for fiscal year 1950 and totals for 1949 and 1950*—Continued

Expenditures [4]	Fiscal year 1950						
	July 1949	August 1949	September 1949	October 1949	November 1949	December 1949	January 1950
Federal Security Agency—Continued							
Public Health Service	$16,915,190.20	$23,523,567.41	$9,980,607.51	$20,086,643.22	$16,285,838.39	$15,550,910.32	$18,473,428.14
Surplus property disposal	7,359.16	917.28	714.58	c 3.24	44,940.73	4,184.95	766.39
Other	5,202,844.20	1,138,420.38	1,657,442.98	4,268,663.95	2,274,084.09	2,315,926.99	6,880,618.14
Unclassified	4,245.08	26.06	c 15.38			c 4.45	4.45
General Services Administration: [12]							
Assistance to Greece and Turkey	76,636.90	10,433.88	3,758.52	7,031.95	841.82	6,813.31	1,333.17
Bureau of Community Facilities	599,660.04	222,257.94	183,173.00	193,862.80	328,655.04	235,328.09	138,581.89
China Aid Act of 1948	2.00	c 2.00			301,222.01	3,018,237.40	695,078.81
Foreign Aid Act of 1947	c 85.78	24.74					c 42.42
General Supply Fund	1,136,598.14	4,940,939.05	c 1,269,005.76	2,016,959.77	c 1,175,445.08	570,852.97	c 2,887,154.28
Payments for United Nations relief and rehabilitation	52,970.90	c 52,921.40		c 656.07		13.35	
Public buildings construction	654,358.23	614,138.42	1,241,970.33	1,142,161.67	1,339,200.11	1,416,063.88	1,301,794.70
Relief to people of countries devastated by war		c 12.00				c 5.72	5.72
Strategic and critical materials	51,564,979.88	38,497,988.44	44,039,346.65	44,798,858.25	37,031,483.86	29,620,143.22	33,757,860.51
Operating expenses	10,116,981.98	11,826,186.15	11,684,864.70	8,567,276.69	7,455,033.12	7,566,410.65	7,201,277.47
Other	c 3,908,849.10	1,511,222.10	c 769,520.82	324,638.00	3,889,321.86	3,381,843.17	1,856,943.09
Unclassified	c 3,309,534.72	3,314,534.72		c 11.66	11.66	c 112,823.12	112,823.12
Housing and Home Finance Agency:							
Office of Administrator:							
Slum clearance program, loans							
Surplus property disposal							
Other	85,428.09	77,430.16	134,361.99	81,803.38	105,260.61	141,656.90	152,656.62
Federal Housing Administration	c 4,418,321.07	c 1,796,756.94	3,500,983.28	c 4,419,396.12	11,883,923.41	c 4,730,125.68	c 3,459,019.94
Home Loan Bank Board:							
Home Owners' Loan Corporation	c 11,005,379.65	c 12,891,135.91	c 12,725,367.71	c 15,577,494.15	c 21,091,706.62	c 23,432,967.02	c 28,657,484.48
Other	690,176.67	58,034.88	c 39,536.42	c 95,547.71	c 174,577.75	c 107,537.35	312,370.78
Public Housing Administration:							
Annual contributions (low-rent housing)		595,588.51	431,279.67				
Veterans' housing	309,302.33	117,461.28	47,095.87	c 561,539.05	c 367,725.17	c 545,701.51	c 624,855.55
Other	2,067,594.52	2,713,072.41	4,434,942.96	c 7,030,680.75	c 3,752,256.75	2,494,960.05	c 4,662,161.20
Unclassified	1,039.85						
Interior Department:							
Bureau of Reclamation	22,386,124.36	25,106,636.84	30,651,131.75	24,905,381.73	36,319,619.35	16,486,252.69	25,652,045.34
Surplus property disposal	27,044.35	c 3,205.37	5,264.44	376.53	1,007.34		
Other	21,253,864.37	25,898,708.37	24,863,737.04	31,319,179.99	33,973,863.69	21,510,157.85	19,804,893.67
Unclassified	c 12,260.37	10,773.29	c 1,926.91	c 159,529.37	c 9,467,988.51	9,629,262.82	c 58,713.75
Justice Department	10,888,519.84	9,317,140.31	13,139,796.61	9,635,184.13	10,756,832.13	10,654,137.37	10,670,195.48

Expenditures [4]	Fiscal year 1950					Total fiscal year 1950	Total fiscal year 1949
	February 1950	March 1950	April 1950	May 1950	June 1950		
Federal Security Agency—Continued							
Public Health Service	$15,493,006.45	$13,717,497.11	$19,436,964.37	$15,334,857.14	$15,500,725.66	$200,299,235.92	$138,713,230.19
Surplus property disposal	677.00	255.41	184.18	21.19	757.71	60,775.34	211,135.10
Other	1,794,438.96	2,207,134.98	5,878,905.07	2,138,879.39	6,975,088.37	42,732,447.50	31,587,948.96
Unclassified	[c] .10	16.10	[c] 16.00	---	---	4,255.76	[c] 4,376.01
General Services Administration: [12]							
Assistance to Greece and Turkey	931.92	1,104.28	19.32	8,643.35	5.00	117,553.42	9,656,905.58
Bureau of Community Facilities	230,938.06	3,158,579.17	3,220,712.48	1,372,841.87	4,070.03	9,888,660.41	20,009,651.13
China Aid Act of 1948	212,165.93	196.82	12,184.00	---	---	4,239,084.97	100,575.07
Foreign Aid Act of 1947	---	---	---	---	1,476.76	1,373.30	1,478,002.50
General Supply Fund	[c] 79,312.01	[c] 1,237,459.25	[c] 259,263.78	1,422,295.99	[c] 3,080,089.64	99,916.12	[c] 2,227,466.51
Payments for United Nations relief and rehabilitation	---	12.02	---	---	412.85	[c] 168.35	[c] 439,507.00
Public buildings construction	1,535,565.55	2,006,059.14	1,901,678.37	2,709,857.24	3,156,199.04	19,019,046.68	7,929,458.05
Relief to people of countries devastated by war	[c] 5.72	---	---	[c] 5.72	---	[c] 23.44	2,405,515.01
Strategic and critical materials	22,083,607.29	32,266,285.42	31,485,869.96	34,537,549.31	39,249,283.85	438,933,256.64	298,589,627.47
Operating expenses	6,071,131.21	8,747,578.63	6,112,367.25	8,633,291.40	7,160,288.41	101,142,687.66	153,159,575.26
Other	1,642,174.04	2,302,731.25	1,604,911.03	1,589,552.14	1,496,875.97	14,921,842.73	20,961,894.30
Unclassified	---	---	---	---	---	5,000.00	[c] 3,929.27
Housing and Home Finance Agency:							
Office of Administrator:							
Slum clearance program, loans	---	---	---	16,281.00	---	16,281.00	---
Surplus property disposal	---	---	---	---	---	---	3,820.22
Other	373,185.34	281,223.06	316,756.98	496,511.76	101,580.66	2,347,855.55	1,078,443.58
Federal Housing Administration	11,391,189.63	1,401,125.09	[c] 2,344,081.73	[c] 3,229,827.29	[c] 293,443.29	3,486,249.35	7,669,055.79
Home Loan Bank Board:							
Home Owners' Loan Corporation	[c] 24,418,540.38	[c] 32,288,124.79	[c] 24,794,749.20	[c] 21,594,223.42	[c] 18,854,447.38	[c] 247,331,620.71	[c] 117,495,370.70
Other	[c] 145,017.35	[c] 413,434.76	569,603.26	74,965.70	[c] 28,809,847.51	[c] 28,080,347.56	463,755.45
Public Housing Administration:							
Annual contributions (low-rent housing)	---	---	---	---	---	1,026,868.18	3,382,855.62
Veterans' housing	[c] 777,858.90	206,499.86	[c] 346,205.11	[c] 337,938.42	[c] 117,306.72	[c] 2,998,771.09	4,796,059.22
Other	[c] 1,005,851.63	2,309,232.55	[c] 1,768,998.54	782,217.97	5,250,661.82	1,832,733.41	44,098,602.79
Unclassified	---	---	---	---	[c] 28.62	1,011.23	1,517.82
Interior Department:							
Bureau of Reclamation	18,142,493.24	23,229,518.19	22,506,478.21	27,734,618.24	26,878,944.00	299,999,243.94	247,445,580.18
Surplus property disposal	---	15.39	---	---	1,429.60	31,932.28	114,786.29
Other	16,524,161.26	23,444,692.70	16,802,661.27	19,226,530.57	21,652,777.98	276,275,228.76	243,268,015.46
Unclassified	58,573.75	130.00	10.00	---	---	[c] 1,669.05	1,908.57
Justice Department	10,730,120.73	14,631,042.24	10,629,896.47	10,054,138.92	9,942,512.51	131,049,516.74	128,480,395.57

Footnotes at end of table.

TABLE 3.—*Budget receipts and expenditures, in detail, monthly for fiscal year 1950 and totals for 1949 and 1950*—Continued

Expenditures [4]	Fiscal year 1950						
	July 1949	August 1949	September 1949	October 1949	November 1949	December 1949	January 1950
Korean aid:							
Commerce Department			$22,037.93	$18,176.04	$36,455.00	$20,901.16	$27,755.08
Defense Department:							
Army						221,729.54	500,377.13
Economic Cooperation Administration		$213,250.47	160,500.58	234,235.83	209,174.42	214,768.55	647,908.67
General Services Administration				5,489,400.00	387,820.11	603,886.99	8,176,022.93
Interior Department							
Post Office Department							
State Department							
Labor Department: [11]							
Bureau of Employment Security	$36,148,387.53	747,554.41	9,774,347.26	31,698,290.98	16,721,768.66	4,644,468.42	39,528,778.11
Other	3,258,743.82	3,580,655.13	3,127,016.79	3,004,420.91	2,853,254.94	3,404,144.05	3,521,756.45
Unclassified			11.19	[e] 11.19			
Mutual defense assistance:							
Defense Department:							
Office of Secretary							
Air Force							706.26
Army							8,374.94
Navy							23,271.44
State Department							
Unclassified							
Post Office Department (deficiency):							
Current year	(13)	35,000,000.00	75,000,000.00		75,000,000.00		75,000,000.00
Prior years	[13] 486,304.94	24,000,000.00	[e] 52,716.79		59,909.90		
Railroad Retirement Board:							
Railroad retirement account	386,000,000.00	23,000,000.00		77,000,000.00			37,287,140.00
Acquisition of service and compensation data		26.00					
Administrative expenses	494,929.48	122,210.88	10,412.60	3,076.93	55,980.30	[e] 372.77	102,320.14
Railroad unemployment insurance administration fund	224,331.28	763,353.96	475,304.85	415,352.27	834,163.83	568,706.43	361,224.96
Railroad unemployment insurance administration fund (transfers to unemployment trust fund)	3,937,873.00						
Reconstruction Finance Corporation	75,130,115.02	70,700,278.20	65,445,245.62	59,411,998.85	73,079,127.36	38,437,722.51	74,412,270.13
State Department:							
Foreign service retirement fund	2,187,000.00						
Foreign aid and relief:							
Assistance to Greece and Turkey	[e] 107,938.76	152,457.34	3,553.76	40,827.51	30,085.71	[e] 343,992.43	58,555.23
China Aid Act of 1948						306,279.00	140,547.39
Foreign Aid Act of 1947							

Expenditures [4]	Fiscal year 1950					Total fiscal year 1950	Total fiscal year 1949
	February 1950	March 1950	April 1950	May 1950	June 1950		
Korean aid:							
Commerce Department	$52,375.70	$12,395.75	$26,232.25	$38,106.20	$30,406.18	$284,841.29	
Defense Department:							
Army	582,939.90	1,054,142.82	1,327,942.56	168,718.25	277,470.74	4,133,320.94	
Economic Cooperation Administration	2,240,782.10	2,332,733.31	1,507,931.89	2,581,196.81	2,352,977.24	12,695,459.87	
General Services Administration	1,055,161.41	1,651,854.73	1,903,079.72	2,474,542.19	880,750.02	22,622,518.10	
Interior Department				3,124.68	3,077.30	6,201.98	
Post Office Department		10,000.00				10,000.00	
State Department		2,674.17	3,189.26	988.49	700.58	7,552.50	
Labor Department: [11]							
Bureau of Employment Security	4,922,355.87	1,975,398.52	5,015,837.71	15,433,976.85	47,393,795.32	214,004,959.64	$148,958,686.21
Other	3,560,479.37	4,185,175.04	4,229,243.55	3,964,038.98	5,068,551.38	43,757,480.41	30,350,409.68
Unclassified							
Mutual defense assistance:							
Defense Department:							
Office of Secretary	19,313.88	974.90		4,016.14	15,679.26	39,984.18	
Air Force	5,535.11	10,843.79	299,805.05	596,570.47	13,593,983.86	14,507,444.54	
Army	197,876.07	1,292,429.88	3,599,824.18	11,274,115.14	6,787,626.38	23,160,246.59	
Navy	[c] 3,160.66	69,064.81	1,057,245.23	1,654,817.30	1,717,338.17	4,518,576.29	
State Department			1,419.18	48,839.06	2,065,740.49	2,115,998.73	
Unclassified					[c] 224.82	[c] 224.82	
Post Office Department (deficiency):							
Current year		50,000,000.00	100,000,000.00		147,999,995.00	557,999,995.00	526,000,000.00
Prior years					10,020,553.00	34,514,051.05	[c] 1,702,737.90
Railroad Retirement Board:							
Railroad retirement account	500,000.00	45,580.00	59,000,000.00			582,832,720.00	574,459,000.00
Acquisition of service and compensation data						26.00	
Administrative expenses			318.93	[c] 29.75	[c] 41.53	788,805.21	4,332,763.90
Railroad unemployment insurance administration fund	1,107,137.05	400,416.27	438,897.40	987,504.99	325,150.23	6,901,543.52	5,873,664.54
Railroad unemployment insurance administration fund (transfers to unemployment trust fund)					1,500,000.00	5,437,873.00	8,967,357.00
Reconstruction Finance Corporation	55,616,954.98	29,419,314.80	19,361,035.72	25,454,762.83	2,387,582.92	588,856,408.94	314,388,065.57
State Department:							
Foreign Service retirement fund						2,187,000.00	2,150,000.00
Foreign aid and relief:							
Assistance to Greece and Turkey	23,055.58	92,374.92	49,113.59	[c] 19,885.37	201,642.53	179,849.61	2,329,397.32
China Aid Act of 1948	498,083.43	199,869.22	170,126.55	169,593.17	34,245.95	1,518,744.71	5,000.00
Foreign Aid Act of 1947							23,042,901.18

Footnotes at end of table.

TABLE 3.—*Budget receipts and expenditures, in detail, monthly for fiscal year 1950 and totals for 1949 and 1950*—Continued

Expenditures [4]	Fiscal year 1950						
	July 1949	August 1949	September 1949	October 1949	November 1949	December 1949	January 1950
State Department—Continued							
Foreign aid and relief—Continued							
International Children's Emergency Fund	----------	$1,142,326.65	$28,508.30	$771,428.57	----------	$43,714.28	$5,210,926.25
Relief to people of countries devastated by war	c $888.66	c 245.63	c 3,622.03	----------	$23.70	----------	354.94
Payments for United Nations relief and rehabilitation	----------	----------	----------	----------	----------	----------	----------
Surplus property disposal [14]	51,415.00	32,772.03	c 109,359.63	47,240.55	9,674.20	c 4,339.96	1,434.59
United Nations headquarters, loan for construction and furnishing	----------	3,049,000.00	3,500,000.00	4,600,000.00	----------	----------	5,278,300.00
Other	44,709,961.34	34,571,437.58	15,422,710.66	46,024,310.29	18,356,198.33	12,831,803.67	31,060,255.81
Unclassified	c 671.43	----------	c 8,000,449.50	8,000,449.50	----------	c 44,400.00	44,400.00
Tennessee Valley Authority	2,273,136.21	2,797,068.61	1,336,688.60	2,210,041.41	1,955,073.78	1,055,851.82	1,575,281.95
Treasury Department:							
Interest on the public debt: [15]							
Public issues	301,872,942.48	124,221,650.68	543,207,995.83	253,856,128.46	304,599,731.51	997,776,164.00	263,564,190.67
Special issues [16]	19,849,465.83	663,759.95	980,779.53	1,579,801.82	992,654.78	9,955,179.09	199,223,401.07
China Aid Act of 1948	----------	----------	----------	----------	----------	----------	----------
Claims and judgments, various agencies [17]	9,639,900.25	3,333,203.24	3,529,742.40	21,464,615.33	6,984,195.99	3,379,813.57	5,005,617.54
Coast Guard:							
Armed Forces Leave Act of 1946: [9]							
Bonds issued	----------	----------	c 450.00	----------	----------	c 250.00	c 100.00
Cash payments	173.99	801.95	972.88	86.46	c 2.50	c 9.28	1,457.77
Other	12,120,541.85	11,744,054.44	11,440,668.72	10,520,632.20	14,935,805.26	11,928,926.50	13,287,091.72
Interest on refunds of receipts	7,629,956.29	4,952,301.71	6,585,733.96	9,197,808.67	7,428,628.04	10,341,517.62	8,678,197.50
Other	29,630,515.18	35,529,439.27	28,876,115.44	26,642,009.70	25,388,802.68	27,942,098.64	28,630,760.79
Unclassified	c 66,107.26	267,365.52	838.36	c 4.00	2.80	4,773.14	c 4,771.94
Veterans' Administration:							
National service life insurance fund	4,708,616.09	3,879,224.42	418,325,084.49	7,604,149.85	6,797,009.45	c 26,549,179.05	7,469,187.58
Benefits under Servicemen's Readjustment Act	232,169,352.84	233,113,294.70	179,113,267.10	244,008,861.93	279,678,180.69	248,008,572.67	235,337,357.68
Pensions and compensations	175,979,303.02	181,923,957.90	178,080,192.10	182,698,787.02	181,999,485.48	184,813,070.86	193,294,099.21
Other	81,094,720.75	103,344,078.38	83,219,259.28	77,319,911.70	78,417,357.86	82,498,801.44	80,289,904.54
Unclassified	c 4,051.87	549.32	c 556.58	----------	----------	----------	11.23
Other agencies:							
Independent offices and commissions:							
General Accounting Office	2,754,763.03	3,885,660.73	2,576,178.63	2,685,763.21	2,664,636.12	2,688,906.72	3,999,872.43
Interstate Commerce Commission	862,388.03	1,219,157.28	866,317.12	847,064.93	861,102.31	1,259,042.85	912,397.04
National Advisory Committee for Aeronautics	3,566,005.07	4,181,843.83	5,090,467.84	4,188,039.57	3,877,232.30	4,026,616.74	4,247,526.66

Expenditures[1]	Fiscal year 1950					Total fiscal year 1950	Total fiscal year 1949
	February 1950	March 1950	April 1950	May 1950	June 1950		
State Department—Continued							
Foreign aid and relief—Continued							
International Children's Emergency Fund	$284,017.05		$1,926,621.84	$668,571.43	$1,689,428.56	$11,765,542.93	$25,491,691.46
Relief to people of countries devastated by war					5,308.92	931.24	43,579.36
Payments for United Nations relief and rehabilitation							4,288,551.46
Surplus property disposal [14]	727.08	$1,413.83	1,825.28	60.61	20.81	32,884.39	920,179.42
United Nations headquarters, loan for construction and furnishing		5,400,000.00			4,400,000.00	26,227,300.00	11,465,934.51
Other	13,656,284.70	17,383,028.98	33,511,637.92	12,162,585.09	17,428,387.42	297,118,601.79	262,168,079.58
Unclassified			c 367,834.61	367,834.61	310.69	c 360.74	c 22,942.23
Tennessee Valley Authority	1,534,207.68	c 1,243,405.25	c 908,893.04	1,594,393.12	3,575,768.45	17,755,213.34	29,274,390.51
Treasury Department:							
Interest on the public debt: [15]							
Public issues	145,321,894.56	615,921,577.80	173,509,764.78	131,508,853.77	1,013,123,984.43	4,868,484,878.97	4,521,888,466.81
Special issues [16]	15,739,018.52	20,482,554.71	10,133,156.77	4,086,218.33	597,742,194.53	881,428,184.93	817,507,869.00
China Aid Act of 1948							125,000,000.00
Claims and judgments, various agencies [17]	4,937,077.62	4,569,738.25	1,569,674.55	2,760,450.24	2,749,733.69	69,923,762.67	1,747,477.46
Coast Guard:							
Armed Forces Leave Act of 1946: [9]							
Bonds issued				c 75.00	75.00	c 800.00	110,475.00
Cash payments	247.86	151.79	864.71	c 141.50	c 98.75	4,505.38	21,950.41
Other	11,449,429.24	12,459,082.83	8,596,956.14	13,629,041.40	12,447,167.40	144,559,397.70	136,030,864.23
Interest on refunds of receipts	6,001,837.42	8,081,452.41	7,472,494.64	8,939,198.40	7,344,345.62	92,653,472.28	86,896,641.68
Other	29,566,428.80	41,329,786.11	29,177,113.34	29,726,860.42	29,932,006.87	362,371,937.24	395,568,810.64
Unclassified		c 34.75	c 105.00	139.75		202,096.62	c 202,645.80
Veterans' Administration:							
National service life insurance fund	7,642,728.38	10,451,082.69	9,560,030.83	16,159,569.06	6,704,015.10	472,751,518.89	86,978,987.20
Benefits under Servicemen's Readjustment Act	227,117,967.80	271,985,750.44	230,172,978.41	228,666,972.37	188,960,855.57	2,798,333,412.20	3,393,016,140.65
Pensions and compensations	188,850,329.88	191,617,036.89	188,533,071.22	188,585,337.70	187,432,847.81	2,223,807,519.09	2,319,600,920.41
Other	78,042,375.00	114,397,209.29	80,541,703.47	80,940,335.01	82,233,738.53	1,022,339,395.25	1,078,672,724.12
Unclassified	c 11.23		139.75	c 139.75	5.75	c 4,053.38	3,298.41
Other agencies:							
Independent offices and commissions:							
General Accounting Office	2,670,773.47	2,744,896.21	2,681,932.01	2,717,083.96	2,725,705.49	34,796,172.01	35,213,573.42
Interstate Commerce Commission	859,535.19	909,623.95	893,107.17	912,290.94	1,250,417.17	11,652,443.98	11,283,863.27
National Advisory Committee for Aeronautics	4,479,441.90	5,384,471.44	4,488,946.76	5,244,627.44	5,679,149.24	54,454,368.79	50,106,832.64

Footnotes at end of table.

TABLE 3.—*Budget receipts and expenditures, in detail, monthly for fiscal year 1950 and totals for 1949 and 1950*—Continued

Expenditures [4]	Fiscal year 1950						
	July 1949	August 1949	September 1949	October 1949	November 1949	December 1949	January 1950
Other agencies—Continued							
Independent offices and commissions—Con.							
Selective Service System	$1,798,818.43	$575,767.23	$1,354,708.01	$1,374,991.07	$682,152.17	$714,440.50	$628,403.60
Other	13,641,048.78	25,375,543.43	30,660,605.58	21,897,238.58	15,031,848.51	20,426,881.16	17,947,278.75
District of Columbia (Federal contributions)	12,000,000.00						
Post Office Department:							
China Aid Act of 1948							
Other (excluding deficiencies and expenditures from postal revenues)	[c]39,164.50	41,751.20	855,682.29	18,484.53	15,835.17	751,581.24	15,242.10
Adjustment for disbursing officers' checks outstanding	198.10	3,445.82	4,581.96	[c]45.74	4.35	2,988.12	[c]55.40
Unclassified	[c]299,950.66	302,470.50	[c]3,652.07		700,000.00	[c]700,000.00	
Total budget expenditures	3,434,111,642.18	3,584,562,493.04	3,995,295,606.49	3,111,085,114.74	3,127,088,923.36	3,722,269,967.40	3,322,546,128.75
Budget surplus, or deficit (−)	−1,487,652,992.73	−1,105,821,086.10	837,152,594.11	−1,229,593,653.35	−782,596,306.11	468,712,522.66	43,652,995.25

[a] Counter-entry receipts (deduct).
[b] Counter-entry (add).
[c] Excess of credits (deduct).
[1] Includes $49,903,074.56 adjustment in December 1949 and $2,255,767.27 adjustment in January 1950 on account of Farmers' Home Administration loan collections, treated during the period July 1–December 31, 1949, as reductions in expenditures of Farmers' Home Administration.
[2] Represents appropriations equal to "Social security—employment taxes" collected and deposited as provided under sec. 201 (a) of the Social Security Act Amendments of 1939.
[3] Includes $20,677,589.31 on account of retirement of capital stock, Federal Deposit Insurance Corporation.
[4] Expenditures are "net," after allowance for reimbursements to appropriations, receipts of revolving fund appropriations, and receipts credited to disbursing accounts of corporations and agencies having authority to use collections without formal covering into the Treasury. When such credits exceed expenditures the items are indicated by the prefix "c." Sales and redemptions in the market of obligations of Government corporations are shown in table 4.
[5] See footnote 1.
[6] Reorganization Plan No. 21, effective May 24, 1950, abolished the United States Maritime Commission and transferred its functions to the Department of Commerce.
[7] Included under applicable services prior to fiscal year 1950.
[8] Certain expenditures on behalf of the Department of the Air Force which are still being made out of appropriations to the Department of the Army are included in the expenditures of the latter Department.
[9] Administrative expenses in carrying out provisions of act are included under "Other."
[10] Expenditures for 1949 include $3,000,000,000 expended from Foreign Economic Cooperation trust fund.

Expenditures [4]	Fiscal year 1950					Total fiscal year 1950	Total fiscal year 1949
	February 1950	March 1950	April 1950	May 1950	June 1950		
Other agencies—Continued							
Independent offices and commissions—Con.							
Selective Service System	$627, 193. 76	$586, 067. 12	$549, 458. 34	$602, 588. 43	$809, 788. 81	$10, 304, 377. 47	$15, 703, 705. 11
Other	16, 443, 132. 37	16, 153, 165. 61	11, 483, 567. 12	13, 125, 102. 93	6, 707, 771. 80	208, 893, 184. 62	221, 628, 906. 87
District of Columbia (Federal contributions)						12, 000, 000. 00	12, 000, 000. 00
Post Office Department:							
China Aid Act of 1948							40, 000. 00
Other (excluding deficiencies and expenditures from postal revenues)	181, 156. 15	881, 474. 71	12, 940. 03	27, 189. 58	1, 263, 810. 34	4, 025, 982. 84	6, 882, 826. 62
Adjustment for disbursing officers' checks outstanding	[c] 16. 87	6, 220. 21		[c] 115. 50		17, 205. 05	88, 416. 65
Unclassified	[c] 152. 64	152. 64				[c] 1, 132. 23	1, 454. 70
Total budget expenditures	2, 495, 930, 783. 08	3, 269, 068, 101. 70	2, 846, 746, 360. 35	2, 962, 230. 803, 41	4, 295, 899, 990. 32	40, 166, 835. 914. 82	40, 057, 107, 857. 79
Budget surplus, or deficit (−)	475, 690, 285. 22	1, 550, 755, 826. 52	−1,358,486,127. 66	−641, 826, 158. 75	107, 909, 743. 49	−3,122,102,357. 45	−1, 811, 440, 047. 68

[11] Pursuant to the President's Reorganization Plan No. 2, effective August 19, 1949, the United States Employment Service was transferred from "Federal Security Agency: Social Security Administration" to "Labor Department."

[12] Effective January 1, 1950, certain administrative functions of the General Services Administration were consolidated pursuant to section 106 of Public Law 152, approved June 30, 1949, and appropriated funds relating to such functions were transferred to and combined in one operating account. Accordingly, the classification has been revised to show the rearrangement of functions.

[13] Revised to adjust classification.

[14] Does not include expenditures from direct appropriations for expenses of disposal in foreign areas.

[15] Commencing November 1, 1949, interest on the public debt is reported as an expenditure when such interest becomes due and payable, as distinguished from the previous practice of showing the expenditure on the basis of interest paid by the Treasury of the United States. In order to take care of the transition in the basis of reporting, the expenditures for interest in 1950 will represent not only the interest which becomes due and payable during that year but also the interest for prior years which had not yet been presented as of June 30, 1949, for payment by the Treasurer of the United States, amounting to $224,576,576,25.

[16] The accounts for which special issues are held are shown in the Monthly Public Debt Statement, appearing on pages 5, 8, and 9 of the *Daily Statement of the United States Treasury*, for the first business day of each month. Some of such accounts also hold marketable obligations, the interest on which is included in public issues on the line above.

[17] Represents judgments, and damage claims not payable under Tort Claims Act, effective June 1949, which for prior year periods are included with expenditures of the department or agency involved.

TABLE 4.—*Trust accounts, etc., receipts and expenditures, in detail, monthly for fiscal year 1950 and totals for 1949 and 1950*

[On basis of daily Treasury statements, see p. 443]

Receipts	Fiscal year 1950						
	July 1949	August 1949	September 1949	October 1949	November 1949	December 1949	January 1950
Federal employees' retirement funds:							
Civil service retirement fund: [1]							
Deductions from salaries and other receipts	$23,985,579.84	$29,493,559.07	$28,516,817.51	$32,859,338.42	$28,886,097.24	$28,963,039.72	$30,688,710.63
District of Columbia and Government corporations contributions	1,779,000.00						13,002.00
Interest and profits on investments	45,986.30	144,657.53	74,282.70	355,472.70	516,465.10	537,611.30	465,270.96
Transfers from Comptroller of the Currency retirement fund							
Transfers from general fund (U. S. share)		302,504,728.00					
Foreign service retirement fund:							
Deductions from salaries and other receipts	57,051.39	39,516.12	57,977.25	53,411.40	40,246.74	76,987.06	64,145.70
Interest and profits on investments	219.18	409.86	791.78	897.53	1,120.00	1,487.67	2,780.93
Transfers from general fund (U. S. share)	2,187,000.00						
Unclassified	293.85	3,135.81	[a] 2,333.52	915.90	3,588.90	[a] 4,289.94	343.51
Federal old-age and survivors insurance trust fund:							
Appropriations [2]	57,549,149.16	380,605,697.14	7,242,326.50	62,382,404.33	336,888,825.57	5,460,543.15	46,787,582.63
Interest and profits on investments	82,286.01		10,956,828.13	200,951.09		16,125,552.60	96,939,573.94
Transfers from general fund	3,604,000.00						
Railroad retirement account:							
Interest on investments	48,369.86	106,931.50	166,438.35	236,597.26	284,794.52	356,383.56	423,945.21
Transfers from general fund	386,000,000.00	23,000,000.00		77,000,000.00			37,287,140.00
Unemployment trust fund:							
Deposits by States	37,488,672.11	233,581,174.49	13,547,076.26	31,110,489.14	224,953,771.51	15,712,481.10	36,829,350.33
Interest on investments	85,461.96	136,277.18	4,526,146.86	687,391.29	217,985.73	7,661,439.94	72,777,027.94
Railroad unemployment insurance account:							
Deposits by Railroad Retirement Board	1,363.11	19,765.91	205,953.45	22,616.85	58,985.17	2,842,302.45	14,591.40
Transfers from railroad unemployment insurance administration fund	3,937,873.00						
Veterans' life insurance funds:							
Government life insurance fund:							
Interest and profits on investments		224,767.13	17,979.45	13,808.22	23,780.82	36,917.81	44,828.77
Premiums and other receipts	3,774,339.09	3,517,123.82	3,711,071.12	3,375,768.98	3,193,832.58	3,137,757.61	3,700,329.11
National service life insurance fund:							
Interest on investments						317,589.04	7,553,506.87
Premiums and other receipts	27,660,049.04	30,905,577.09	27,558,098.89	27,668,418.66	27,244,111.11	31,496,293.54	40,329,682.51
Transfers from general fund	4,708,616.09	3,879,224.42	418,325,084.49	7,604,149.85	6,797,009.45	[a] 26,549,179.05	7,469,187.58

Receipts	Fiscal year 1950					Total fiscal year 1950	Total fiscal year 1949
	February 1950	March 1950	April 1950	May 1950	June 1950		
Federal employees' retirement funds:							
Civil service retirement fund: [1]							
Deductions from salaries and other receipts	$29,569,656.79	$30,109,036.87	$29,553,588.14	$32,641,914.89	$32,485,793.95	$357,753,133.07	$325,581,265.25
District of Columbia and Government corporations contributions	212,150.64					2,004,152.64	2,032,000.00
Interest and profits on investments	515,068.49	585,205.48	746,061.64	874,118.15	138,313,983.78	143,174,184.13	123,482,331.69
Transfers from Comptroller of the Currency retirement fund							453,996.45
Transfers from general fund (U. S. share)						302,504,728.00	225,394,000.00
Foreign service retirement fund:							
Deductions from salaries and other receipts	69,123.78	65,173.07	51,085.17	56,970.48	56,224.71	687,912.87	751,682.48
Interest and profits on investments	1,225.86	877.81	3,287.67	2,516.16	638,194.65	653,809.10	560,337.10
Transfers from general fund (U. S. share)						2,187,000.00	2,150,000.00
Unclassified	[a] 694.27	1,441.39	[a] 1,759.65	[a] 516.37	13,511.24	13,636.85	
Federal old-age and survivors insurance trust fund:							
Appropriations [2]	397,530,460.01	229,491,421.02	85,657,166.48	274,447,099.76	222,345,129.75	2,106,337,805.50	1,690,295,704.58
Interest and profits on investments		10,870,694.71			121,602,552.94	256,778,439.42	230,194,240.15
Transfers from general fund						3,604,000.00	3,279,400.00
Railroad retirement account:							
Interest on investments	481,808.22	558,205.49	617,136.99	697,315.07	58,223,178.11	62,201,104.14	50,942,876.72
Transfers from general fund	500,000.00	45,580.00	59,000,000.00			582,832,720.00	574,459,000.00
Unemployment trust fund:							
Deposits by States	169,534,825.39	13,677,553.57	31,449,226.74	280,436,764.96	10,473,346.06	1,098,794,731.66	984,031,147.22
Interest on investments	148,221.68	4,669,873.41	661,215.45	131,198.20	75,364,293.89	167,066,533.53	180,100,362.60
Railroad unemployment insurance account:							
Deposits by Railroad Retirement Board	122,164.16	2,798,033.11	359,796.61	118,516.13	3,164,023.15	9,728,111.50	76,805.86
Transfers from railroad unemployment insurance administration fund					1,500,000.00	5,437,873.00	8,967,357.00
Veterans' life insurance funds:							
Government life insurance fund:							
Interest and profits on investments	62,136.99	58,493.15	53,123.29	43,869.86	43,949,643.83	44,529,349.32	44,917,705.49
Premiums and other receipts	3,927,003.63	3,985,234.15	3,068,620.68	3,712,171.32	3,784,710.47	42,887,962.56	47,231,247.16
National service life insurance fund:							
Interest on investments	14,498,547.98	18,501,780.85	7,920,410.97	2,126,342.49	154,036,276.06	204,954,454.26	210,289,645.90
Premiums and other receipts	34,181,721.90	40,455,799.96	34,275,649.00	35,183,828.75	41,692,106.71	398,651,337.16	392,782,902.58
Transfers from general fund	7,642,728.38	10,451,082.69	9,560,030.83	16,159,569.06	6,704,015.10	472,751,518.89	86,978,987.20

Footnotes at end of table.

TABLE 4.—*Trust accounts, etc., receipts and expenditures, in detail, monthly for fiscal year 1950 and totals for 1949 and 1950*—Continued

Receipts and expenditures	Fiscal year 1950						
	July 1949	August 1949	September 1949	October 1949	November 1949	December 1949	January 1950
RECEIPTS							
Other trust accounts:							
Adjusted service certificate fund:							
Interest on loans and investments		$988.49	$1,402.74	$1,517.81	$1,541.24	$1,671.78	$213,280.00
District of Columbia:							
Revenues from taxes, etc	$4,598,408.72	3,151,816.36	13,112,014.02	21,033,529.98	5,905,293.71	5,536,060.78	7,597,786.82
Transfers from general fund (U. S. share)	12,000,000.00						
Indian tribal funds	724,050.57	1,918,315.28	875,646.11	1,327,427.59	1,589,932.96	1,178,222.29	1,241,352.67
Insular possessions	498.28	727.21	466.62	594.28	737.96	468.39	377.42
Other	11,361,045.15	22,947,932.90	20,885,319.63	19,473,933.18	22,443,286.87	21,118,372.02	22,085,533.98
Increment resulting from reduction in the weight of the gold dollar	16,834.86	2,598.61	8,517.45	5,614.81	6,048.10	4,022.32	8,526.21
Seigniorage [3]						1,363,333.34	
Unclassified	6,646,037.50	[a] 4,234,322.72	1,752.17	[a] 148,591.52	132,445.17	650,071.62	[a] 693,413.14
Total receipts	588,342,185.07	1,031,950,601.20	549,789,657.96	285,266,657.75	659,189,900.45	116,025,140.10	411,844,443.98
EXPENDITURES							
Federal employees' retirement funds:							
Civil service retirement fund: [1]							
Annuities and refunds	19,052,924.26	21,278,999.61	19,749,929.44	21,308,003.41	21,468,263.37	24,702,813.55	24,128,327.35
Investments	17,113,000.00	304,338,728.00	9,497,272.00	2,872,500.00	11,490,000.00	175,000.00	11,012,500.00
Foreign service retirement fund:							
Annuities and refunds	96,258.60	86,366.53	103,807.11	89,424.80	86,663.53	98,960.85	118,257.83
Investments	2,135,000.00	[b] 49,000.00	[b] 55,000.00	[b] 42,000.00	[b] 51,000.00	[b] 24,000.00	[b] 87,000.00
Unclassified			5.00	[c] 5.00			
Federal old-age and survivors insurance trust fund:							
Administrative expenses:							
Salaries and expenses, Bureau of Old-Age and Survivors Insurance	3,882,732.25	4,314,500.37	3,328,095.55	3,371,491.56	3,262,090.13	3,281,997.92	4,665,312.30
Reimbursements to general fund [4]	1,157,262.25	657,782.33	1,157,262.26	1,077,751.31	1,077,751.31	1,077,751.31	1,234,793.87
Benefit payments	55,859,435.03	57,036,548.24	57,929,477.76	58,110,444.68	58,648,708.65	59,895,014.84	60,665,750.19
Investments	[b] 57,000,000.00		315,000,000.00	[b] 30,000,000.00		[5] 269,323,421.35	[5] 40,003,042.40
Railroad retirement account:							
Administrative expenses		511,983.69	306,574.80	486,694.22	146,917.59	448,187.03	631,664.95
Benefit payments	23,931,502.31	24,238,297.01	24,345,802.42	24,755,982.46	24,571,792.85	24,952,937.73	24,652,380.44
Investments	361,200,000.00	[b] 1,000,000.00	[b] 24,000,000.00	51,800,000.00	[b] 24,000,000.00	[b] 25,000,000.00	11,000,000.00

Receipts and expenditures	Fiscal year 1950					Total fiscal year 1950	Total fiscal year 1949
	February 1950	March 1950	April 1950	May 1950	June 1950		
RECEIPTS							
Other trust accounts:							
Adjusted service certificate fund:							
Interest on loans and investments	$177.53	$738.08	$520.55	$668.49	$860.27	$223,366.98	$233,629.65
District of Columbia:							
Revenues from taxes, etc.	4,120,214.58	19,295,689.02	16,449,557.73	9,211,806.31	7,585,469.20	117,597,647.23	91,981,700.30
Transfers from general fund (U. S. share)						12,000,000.00	12,000,000.00
Indian tribal funds	1,247,310.04	1,088,829.83	5,834,523.05	879,177.78	1,639,407.45	19,544,195.62	22,428,065.82
Insular possessions	435.61	445.07	316.27	464.47	376.03	5,907.61	5,817.23
Other	20,386,511.93	33,084,884.20	19,411,590.00	16,200,543.34	22,267,688.41	251,666,641.61	406,372,618.85
Increment resulting from reduction in the weight of the gold dollar	12,112.64	6,002.42	2,682.07	3,312.88	6,172.47	82,444.84	105,437.02
Seigniorage [3]					28,924.24	1,392,257.58	
Unclassified	[a] 148,657.93	282,944.18	[a] 82,660.58	7,811.13	[a] 1,776,150.70	637,265.18	[a] 3,653,593.20
Total receipts	684,614,254.03	420,085,019.53	304,591,169.10	672,935,463.31	944,099,731.77	6,668,734,224.25	5,714,426,671.10
EXPENDITURES							
Federal employees' retirement funds:							
Civil service retirement fund: [1]							
Annuities and refunds	22,665,079.43	22,464,054.41	23,135,984.85	23,733,120.77	23,602,526.05	267,290,026.50	220,739,297.73
Investments	10,435,000.00	11,210,000.00	7,184,000.00	9,900,000.00	145,250,000.00	540,478,000.00	444,942,000.00
Foreign service retirement fund:							
Annuities and refunds	93,935.60	92,929.80	102,041.49	91,949.91	102,234.30	1,162,830.35	1,116,891.94
Investments	[b] 22,000.00	8,000.00	[b] 56,000.00	[b] 27,000.00	623,000.00	2,353,000.00	2,410,000.00
Unclassified							
Federal old-age and survivors insurance trust fund:							
Administrative expenses:							
Salaries and expenses, Bureau of Old-Age and Survivors Insurance	3,349,662.08	3,349,885.01	3,369,934.97	3,463,377.67	3,491,453.11	43,130,532.92	39,687,364.47
Reimbursements to general fund [4]	1,234,793.87	1,234,793.87	1,266,920.77	1,266,920.77	1,266,920.77	13,710,704.69	13,777,510.64
Benefit payments	61,989,668.46	63,611,554.81	64,044,695.17	64,700,835.99	64,774,345.42	727,266,479.24	607,036,339.93
Investments	130,000,000.00	249,917,616.58	130,000,000.00	58,000,000.00	[5] 308,908,315.37	1,414,152,395.70	1,293,890,968.99
Railroad retirement account:							
Administrative expenses	386,189.93	342,271.91	348,679.55	406,263.04	437,101.00	4,452,527.71	
Benefit payments	24,959,276.47	25,554,256.69	25,713,134.00	26,188,783.34	26,046,578.49	299,910,724.21	278,202,192.04
Investments	[b] 24,500,000.00	[b] 25,500,000.00	32,200,000.00	[b] 26,000,000.00	31,400,000.00	337,600,000.00	345,500,000.00

Footnotes at end of table.

TABLE 4.—*Trust accounts, etc., receipts and expenditures, in detail, monthly for fiscal year 1950 and totals for 1949 and 1950*—Continued

Expenditures	Fiscal year 1950						
	July 1949	August 1949	September 1949	October 1949	November 1949	December 1949	January 1950
Unemployment trust fund:							
Investments	[b] $105,000,000.00	$47,000,000.00	[b][5] $140,007,311.02	[b] $114,000,000.00	$37,000,000.00	[b][5] $167,026,651.09	[b] $80,000,000.00
Railroad unemployment insurance account:							
Benefit payments	7,494,349.56	11,363,511.44	11,673,012.15	15,867,275.25	20,133,132.05	15,369,967.15	15,357,016.96
Transfer to railroad unemployment insurance contributions for administrative expenses [6]	----------	----------	2,285,608.94	----------	----------	----------	358,792.58
State accounts:							
Withdrawals by States	150,325,000.00	164,030,000.00	164,280,000.00	128,405,000.00	147,740,000.00	171,825,000.00	187,667,000.00
Veterans' life insurance funds:							
Government life insurance fund:							
Benefits and refunds	7,093,104.82	5,160,718.64	45,860,247.26	6,480,232.23	5,973,569.11	5,497,923.35	5,657,445.41
Investments	----------	[b] 42,000,000.00	[b] 2,500,000.00	[b] 1,500,000.00	[b] 2,000,000.00	[b] 2,500,000.00	[b] 2,500,000.00
National service life insurance fund:							
Benefits and refunds	28,695,543.24	29,864,196.50	28,949,180.24	29,425,075.22	29,272,273.73	29,260,713.30	30,050,462.14
Investments	5,000,000.00	3,000,000.00	418,000,000.00	5,000,000.00	----------	[b] 23,000,000.00	[b] 432,500,000.00
Special dividends	----------	----------	----------	----------	----------	----------	449,590,182.07
Other trust accounts:							
Adjusted service certificate fund:							
Investments	----------	[b] 41,000.00	[b] 50,000.00	[b] 50,000.00	[b] 45,000.00	[b] 45,000.00	213,000.00
Other	42,164.18	39,808.61	48,531.68	43,076.06	29,762.08	48,713.87	47,341.71
District of Columbia	13,165,897.43	9,293,088.69	10,380,204.08	13,749,358.07	6,898,951.91	8,971,922.60	11,769,889.99
Indian tribal funds	516,839.68	2,460,968.66	3,735,463.61	726,986.47	914,873.33	1,952,568.34	676,798.65
Mutual defense assistance trust fund:							
Defense Department:							
Air Force	----------	----------	----------	----------	----------	----------	----------
Navy	----------	----------	----------	----------	----------	----------	----------
Other	12,588,618.36	20,952,323.90	13,488,137.78	12,475,658.67	13,082,774.25	12,979,171.11	29,679,396.80
Chargeable against increment on gold—melting losses, etc	154.34	----------	87.13	----------	370.91	----------	----------
Unclassified	139.91	[c] 97.67	542.93	[c] 590.26	[c] 7,655.94	7,644.94	11.00
Special deposits (net):							
District of Columbia	[c] 68,867.99	65,996.50	114,315.29	[c] 102,180.13	185,830.46	21,124.18	[c] 12,400.98
Government corporations (partially owned)	[c] 53,197,448.90	10,464,904.03	[c] 27,187,349.35	93,106,057.82	[c] 4,967,525.66	[c] 16,818,441.12	[c] 16,252,230.12
Indian tribal funds	784,002.52	116,723.42	[c] 706,309.24	[c] 890,754.43	[c] 859,731.64	[c] 167,927.06	[c] 342,271.05
Other	16,442,699.54	14,444,569.22	16,426,142.37	21,018,376.33	11,521,645.04	[c] 6,650,406.91	10,991,782.42
Unclassified	[c] 81.56	[c] 38.42	----------	----------	----------	----------	----------
Subtotal	511,310,229.83	687,629,879.30	952,153,730.19	343,583,858.74	361,574,457.06	388,658,407.24	388,477,246.91

Expenditures	Fiscal year 1950					Total fiscal year 1950	Total fiscal year 1949
	February 1950	March 1950	April 1950	May 1950	June 1950		
Unemployment trust fund:							
Investments	[b] $21,000,000.00	[b][5] $177,007,395.23	[b] $110,000,000.00	$137,000,000.00	[b][5] $31,026,966.44	[b] $724,068,323.78	[b] $160,066,792.60
Railroad unemployment insurance account:							
Benefit payments	12,088,185.43	15,024,830.31	8,125,007.42	6,184,092.53	5,223,348.22	143,903,728.47	76,978,245.28
Transfer to railroad unemployment insurance contributions for administrative expenses [6]	------	------	------	------	------	2,644,401.52	9,693,797.02
State accounts:							
Withdrawals by States	163,245,000.00	202,208,000.00	134,775,000.00	141,000,000.00	123,500,000.00	1,879,000,000.00	1,227,115,000.00
Veterans' life insurance funds:							
Government life insurance fund:							
Benefits and refunds	5,968,161.25	6,368,238.46	5,733,462.64	6,218,482.48	7,628,852.97	113,640,438.62	61,330,803.73
Investments	[b] 3,000,000.00	[b] 2,500,000.00	[b] 2,000,000.00	[b] 1,500,000.00	35,500,000.00	[b] 26,500,000.00	31,500,000.00
National service life insurance fund:							
Benefits and refunds	30,004,833.86	30,706,057.30	29,361,504.20	30,804,534.11	28,522,660.32	354,917,034.16	348,131,930.69
Investments	[b] 753,000,000.00	[b] 853,000,000.00	[b] 332,000,000.00	[b] 81,000,000.00	97,959,000.00	[b] 1,945,541,000.00	353,000,000.00
Special dividends	787,708,922.67	886,683,947.98	344,735,661.93	94,612,012.37	69,657,783.18	2,632,988,510.20	------
Other trust accounts:							
Adjusted service certificate fund:							
Investments	[b] 45,000.00	[b] 100,000.00	[b] 50,000.00	[b] 50,000.00	[b] 50,000.00	[b] 313,000.00	[b] 237,000.00
Other	59,727.26	66,067.74	54,734.05	51,478.02	41,075.34	572,480.60	640,670.97
District of Columbia	8,780,616.44	10,218,643.43	11,072,777.94	8,640,962.78	10,551,326.96	123,493,640.32	107,487,830.83
Indian tribal funds	1,247,551.17	1,717,667.18	1,320,207.84	1,172,664.35	1,292,940.71	17,735,529.99	13,513,281.51
Mutual defense assistance trust fund:							
Defense Department:							
Air Force	------	------	------	------	[c] 1,400.00	[c] 1,400.00	------
Navy	------	------	1,546.48	65.92	54,549.00	56,161.40	------
Other	29,774,459.85	14,535,703.49	11,943,453.10	19,741,821.47	36,584,391.52	227,825,910.30	404,429,593.58
Chargeable against increment on gold—melting losses, etc	------	------	------	------	------	612.38	551.12
Unclassified	152.64	[c] 160.96	9.54	[c] 1.22	------	[c] 5.09	1,770.17
Special deposits (net):							
District of Columbia	[c] 19,469.29	66,083.11	[c] 220,439.36	271,664.01	38,330.36	339,986.16	[c] 49,127.87
Government corporations (partially owned)	3,257,333.91	[c] 11,209,470.19	6,924,318.19	3,417,715.48	[c] 32,036,809.55	[c] 44,498,945.46	[c] 7,674,003.27
Indian tribal funds	1,133,235.41	[c] 476,271.56	[c] 668,417.92	[c] 591,063.72	[c] 282,129.07	[c] 2,950,914.34	[c] 1,391,612.64
Other	4,936,400.59	34,361,995.14	[c] 14,443,181.70	[c] 3,672,010.13	37,696,031.47	143,074,043.38	422,992,575.24
Unclassified	------	------	------	------	------	[c] 119.98	120.98
Subtotal	501,731,717.03	509,949,299.28	381,975,035.15	524,026,669.94	996,755,459.50	6,547,825,990.17	6,134,700,200.48

Footnotes at end of table.

TABLE 4.—*Trust accounts, etc., receipts and expenditures, in detail, monthly for fiscal year 1950 and totals for 1949 and 1950*—Continued

Expenditures	Fiscal year 1950						
	July 1949	August 1949	September 1949	October 1949	November 1949	December 1949	January 1950
Sales and redemptions of obligations of Government corporations, etc., in the market (net):							
Guaranteed by the United States:							
Commodity Credit Corporation	$1,555,902.20	[c] $1,389,753.57	[c] $1,224,894.20	$1,763,479.90	[c] $1,175,658.71	[c] $369,327.51	$1,296,501.49
Federal Farm Mortgage Corporation	50,300.00	32,400.00	31,300.00	32,100.00	28,700.00	22,000.00	43,800.00
Federal Housing Administration	108,850.00	[c] 440,200.00	[c] 1,078,000.00	[c] 155,400.00	[c] 539,550.00	[c] 138,250.00	1,341,850.00
Home Owners' Loan Corporation	47,550.00	118,950.00	103,725.00	37,525.00	40,625.00	42,575.00	57,325.00
Public Housing Administration						1,000.00	
Not guaranteed by the United States:							
Federal home loan banks	45,540,000.00	1,215,000.00	3,970,000.00	230,000.00	35,000.00		18,835,000.00
Federal land banks	24,700.00	900.00	26,000.00	[c] 70,032,500.00	297,500.00	67,600.00	108,900.00
Home Owners' Loan Corporation	1,175.00	2,450.00	175.00	75.00	50.00	750.00	200.00
Subtotal	47,328,477.20	[c] 460,253.57	1,828,305.80	[c] 68,124,720.10	[c] 1,313,333.71	[c] 373,652.51	21,683,576.49
Total expenditures	558,638,707.03	687,169,625.73	953,982,035.99	275,459,138.64	360,261,123.35	388,284,754.73	410,160,823.40
Excess of receipts, or expenditures (−)	29,703,478.04	344,780,975.47	−404,192,378.03	9,807,519.11	298,928,777.10	−272,259,614.63	1,683,620.58
Clearing account for outstanding checks and interest coupons, and telegraphic reports from Federal Reserve Banks: [7]							
Excess of receipts (credits), or expenditures (charges) (−)	218,195,220.79	−133,214,201.50	20,333,191.67	159,784,755.79	−35,724,834.21	−87,679,819.44	589,498,571.98

Expenditures	Fiscal year 1950					Total fiscal year 1950	Total fiscal year 1949
	February 1950	March 1950	April 1950	May 1950	June 1950		
Sales and redemptions of obligations of Government corporations, etc., in the market (net):							
Guaranteed by the United States:							
Commodity Credit Corporation	$645, 580. 15	$3, 578, 552. 17	$2, 436, 205. 45	$1, 726, 352. 99	$634, 033. 25	$9, 476, 973. 61	$30, 794, 560. 89
Federal Farm Mortgage Corporation	11, 400. 00	25, 100. 00	23, 600. 00	18, 300. 00	27, 500. 00	346, 500. 00	549, 900. 00
Federal Housing Administration	[c] 712, 150. 00	[c] 271, 650. 00	[c] 588, 150. 00	[c] 74, 550. 00	[c] 145, 200. 00	[c] 2, 692, 400. 00	14, 111, 100. 00
Home Owners' Loan Corporation	34, 075. 00	55, 450. 00	31, 325. 00	43, 525. 00	27, 650. 00	640, 300. 00	728, 850. 00
Public Housing Administration						1, 000. 00	1, 000. 00
Not guaranteed by the United States:							
Federal home loan banks	13, 265, 000. 00	40, 000. 00		15, 000. 00		83, 145, 000. 00	22, 422, 000. 00
Federal land banks	14, 700. 00	12, 700. 00	162, 300. 00	60, 100. 00	103, 900. 00	[c] 69, 153, 200. 00	5, 844, 200. 00
Home Owner's Loan Corporation	300. 00		300. 00	1, 200. 00	25. 00	6, 700. 00	8, 225. 00
Subtotal	13, 258, 905. 15	3, 440, 152. 17	2, 065, 580. 45	1, 789, 927. 99	647, 908. 25	21, 770, 873. 61	74, 459, 835. 89
Total expenditures	514, 990, 622. 18	513, 389, 451. 45	384, 040, 615. 60	525, 816, 597. 93	997, 403, 367. 75	6, 569, 596, 863. 78	6, 209, 160, 036. 37
Excess of receipts, or expenditures (−)	169, 623, 631. 85	−93, 304, 431. 92	−79, 449, 446. 50	147, 118, 865. 38	−53, 303, 635. 98	99, 137, 360. 47	−494, 733, 365. 27
Clearing account for outstanding checks and interest coupons, and telegraphic reports from Federal Reserve Banks: [7]							
Excess of receipts (credits), or expenditures (charges) (−)	−11, 134, 403. 21	121, 956, 070. 00	24, 722, 307. 90	−375, 671, 886. 30	−8, 408, 087. 22	482, 656, 886. 25	366, 441, 900. 21

[a] Counter-entry receipts (deduct).
[b] Excess of redemptions (deduct).
[c] Excess of credits (deduct).
[1] Includes transactions of the Alaska Railroad and Canal Zone retirement funds which were abolished and combined with the civil service retirement fund by Public Law 180, approved July 21, 1949.
[2] Represents appropriations equal to "Social security—employment taxes" collected and deposited as provided under sec. 201 (a) of the Social Security Act Amendments of 1939.
[3] This item of seigniorage represents the difference between the cost value and the monetary value of silver bullion revalued and held to secure the silver certificates issued on account of silver acquired under the Silver Purchase Act of 1934.
[4] Represents reimbursement for certain administrative expenses met out of general fund appropriations.
[5] Reduced by repayments on account of accrued interest or premium purchased.
[6] Represents transfer from the railroad unemployment insurance account to railroad unemployment insurance contributions for administrative expenses, to adjust funds available for administrative expenses on account of retroactive credits taken by contributors under act approved June 23, 1948, as amended (45 U. S. C. 358 (a)).
[7] This clearing account for outstanding checks, outstanding unpaid interest on the public debt, and telegraphic reports, is used to enable the Treasurer to classify expenditures immediately upon the receipt of advice concerning the issuance of checks by the various disbursing officers of the Treasury Department and advice relating to interest on the public debt becoming due and payable, and also to enable the Treasurer to reflect transactions in cash assets on the basis of telegraphic reports received from Federal Reserve Banks. When the Bank transcripts are received, the items involved are cleared from this account.

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TABLE 5.—*Budget receipts and expenditures, by major classifications,*[1, 2] *fiscal years 1942–50*

[In millions of dollars. On basis of daily Treasury statements, see p. 443]

Classification	1942	1943	1944	1945	1946	1947	1948	1949	1950
RECEIPTS									
Internal revenue:									
Income and profits taxes:									
Withheld by employers	-------	-------	8,393	10,289	9,392	10,013	11,436	9,842	10,073
Other	7,960	16,094	26,262	24,884	21,493	19,292	19,735	19,641	18,189
Subtotal	7,960	16,094	34,655	35,173	30,885	29,306	31,171	29,482	28,263
Employment taxes:									
Old-age insurance	896	1,130	1,292	1,310	1,238	1,459	1,616	1,690	2,106
Unemployment insurance	120	158	180	185	180	185	208	223	226
Railroad retirement	170	209	267	285	283	380	557	564	550
Subtotal	1,186	1,498	1,739	1,780	1,701	2,024	2,381	2,477	2,883
Miscellaneous internal revenue	3,847	4,553	5,291	6,949	7,725	8,049	8,301	8,348	8,303
Total internal revenue	12,993	22,144	41,685	43,902	40,310	39,379	41,853	40,307	39,449
Railroad unemployment insurance contributions	8	10	12	13	13	14	15	10	9
Customs	389	324	431	355	435	494	422	384	423
Other:									
Renegotiation of war contracts [3]	-------	558	2,235	2,041	1,063	279	162	56	27
Surplus property	-------	-------	-------	101	501	2,886	1,929	589	264
Other [2]	286	366	1,077	1,338	1,915	1,456	1,719	1,426	1,140
Total budget receipts [2]	13,677	23,402	45,441	47,750	44,238	44,508	46,099	42,774	41,311
Less:									
Appropriations to Federal old-age and survivors insurance trust fund [4]	896	1,130	1,292	1,310	1,238	1,459	1,616	1,690	2,106
Refunds of receipts [2 5]	85	70	257	1,679	2,973	3,006	2,272	2,838	2,160
Net receipts [2]	12,696	22,202	43,892	44,762	40,027	40,043	42,211	38,246	37,045
EXPENDITURES									
National defense and related activities:									
Department of the Army [6]	14,070	42,265	49,242	50,337	27,800	6,911	6,046	5,417	4,090
Department of the Navy [6]	8,580	20,888	26,538	30,047	15,161	4,998	4,171	4,412	4,110
Department of the Air Force [6]	-------	-------	-------	-------	-------	-------	-------	1,690	3,506
Payments under Armed Forces Leave Act	-------	-------	-------	-------	-------	1,986	270	10	1
U. S. Maritime Commission [7]	929	2,776	3,812	3,227	694	271	277	136	-------
United Nations Relief and Rehabilitation Administration	-------	-------	-------	114	664	1,501	268	25	(*)
Surplus property disposal agencies	-------	-------	-------	-------	106	442	325	98	7
R. F. C. and affiliates [8]	2,255	3,189	2,682	472	328	138	-------	-------	-------
Strategic and critical materials	-------	-------	-------	-------	-------	11	99	299	439
Other [9]	2,432	6,180	7,447	6,305	4,117	554	44	71	225
Subtotal	28,266	75,297	89,720	90,501	48,870	16,812	11,500	12,158	12,378
International finance and aid:									
Bretton Woods Agreements Act	-------	-------	-------	-------	159	1,426	-------	-------	-------
Export-Import Bank of Washington	-------	-------	-------	-------	568	938	465	−60	45
Credit to United Kingdom	-------	-------	-------	-------	-------	2,050	1,700	-------	-------
Greek-Turkish assistance	-------	-------	-------	-------	-------	-------	161	279	121
Government and relief in occupied countries	-------	-------	-------	-------	-------	514	881	r 1,333	753
Economic Cooperation Act [10]	-------	-------	-------	-------	-------	-------	134	4,043	3,523
Mutual defense assistance	-------	-------	-------	-------	-------	-------	-------	-------	44
Other	-------	-------	-------	-------	-------	-------	803	420	170
Subtotal [10]	-------	-------	-------	-------	727	4,928	4,143	r 6,016	4,657

Footnotes at end of table.

TABLE 5.—*Budget receipts and expenditures, by major classifications,*[1,2] *fiscal years 1942–50*—Continued

[In millions of dollars]

Classification	1942	1943	1944	1945	1946	1947	1948	1949	1950
EXPENDITURES—Continued									
Interest on the public debt [11]	1,260	1,808	2,609	3,617	4,722	4,958	5,211	5,339	5,750
Veterans' Administration	556	602	730	2,060	4,253	7,259	6,469	6,878	6,517
Other expenditures:									
Aid to agriculture [12]	1,385	585	696	969	−203	1,226	782	r 2,656	2,984
Social security program [13]	656	732	798	807	845	1,066	1,619	1,696	1,967
Public works [14]	673	535	425	313	359	690	1,126	1,520	1,577
Housing and home finance	−201	−354	−360	−307	−246	129	−68	−56	−270
Direct and work relief [15]	970	299	17	(*)	-------	-------	-------	-------	-------
Atomic Energy Commission	-------	-------	-------	-------	-------	159	456	647	524
Miscellaneous [16]	622	118	679	742	1,378	2,062	2,553	3,201	4,081
Subtotal	4,105	1,914	2,256	2,525	2,133	5,332	6,467	r 9,666	10,865
Total budget expenditures [1,2]	34,187	79,622	95,315	98,703	60,703	39,289	33,791	40,057	40,167
Budget surplus, or deficit (−)	−21,490	−57,420	−51,423	−53,941	−20,676	754	8,419	−1,811	−3,122

NOTE.—More detail on current expenditures is shown in table 3.

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* Less than $500,000.

[1] Expenditures exclude amounts for public debt retirement which are chargeable to the sinking fund, etc., under special provisions of law. Expenditures include transfers to trust accounts and net expenditures of wholly owned Government corporations, etc., under appropriate classifications, except payments to the Treasury as explained in footnote 2.

[2] Amounts refunded by Government are reported as deductions from total receipts. Both receipts and expenditures exclude payments to the Treasury, principally by wholly owned Government corporations for retirement of capital stock and for disposition of earnings. (See also table 2, footnote 3.)

[3] Includes so-called voluntary returns.

[4] Represents appropriations equal to "Social security—employment taxes" collected and deposited as provided under section 201 (a) of the Social Security Act Amendments of 1939.

[5] Excludes interest on refunds, which is included under "Other expenditures: Miscellaneous."

[6] Department of the Army expenditures include those on behalf of Department of the Air Force which are made out of appropriations to Department of the Army, but exclude, principally, expenditures for government and relief in occupied areas, Greek-Turkish assistance, UNRRA, surplus property disposal overseas, other international finance and aid, payments under Armed Forces Leave Act, river and harbor work and flood control, and Panama Canal. (See also footnotes 14 and 16.) Department of the Navy expenditures exclude, principally, those for Greek-Turkish assistance, payments under Armed Forces Leave Act, surplus property disposal overseas, and UNRRA.

[7] Effective Sept. 1, 1946, expenditures of War Shipping Administration are included with expenditures of U. S. Maritime Commission. In 1950 all expenditures for the Commission are included under "Other expenditures: Miscellaneous."

[8] Expenditures of Reconstruction Finance Corporation and affiliates for activities other than national defense and related activities are included under "Other expenditures: Miscellaneous." National defense and related activities expenditures for 1948 and thereafter are not segregated from other expenditures.

[9] Beginning July 1, 1946, consists of expenditures for Office of Selective Service Records and National Advisory Committee for Aeronautics; beginning March 1948, expenditures for Office of Secretary of Defense also are included.

[10] To simplify comparison of figures, transactions relating to the Foreign Economic Cooperation trust fund, established under section 114 (f) of the Economic Cooperation Act of 1948 (62 Stat. 150) have been consolidated with budget expenditures.

[11] Commencing Nov. 1, 1949, interest on the public debt is reported as an expenditure when such interest becomes due and payable, as distinguished from the previous practice of showing the expenditure on the basis of interest paid by the Treasurer of the United States.

[12] Comprises Department of Agriculture expenditures, except those for UNRRA, surplus property disposal, other national defense and related activities prior to July 1947; international finance and aid; and forest roads and trails, included under "Public works" in this table.

[13] Comprises budget expenditures under Social Security, Railroad Retirement, and Railroad Unemployment Insurance Acts.

[14] Consists of expenditures for the following: Public roads, except assistance to Greece and Turkey; public buildings, consisting of construction only, beginning with July 1949; and Bureau of Community Facilities (these three categories of expenditures having been under the Federal Works Agency until it was abolished by Public Law 162, approved June 30, 1949); Bureau of Reclamation; Tennessee Valley Authority; river and harbor work and flood control under the Department of the Army; and forest roads and trails under the Department of Agriculture. Prior to July 1949, included all other Federal Works Agency expenditures except those included under national defense and related activities.

[15] Comprises expenditures of Civil Works Administration, Work Projects Administration, National Youth Administration, and Civilian Conservation Corps.

[16] Includes expenditures for executive departments not included elsewhere (including interest on refunds) and for legislative and judicial functions; Government contributions to Federal employees' retirement; Civil Aeronautics; Panama Canal, except war expenditures; Post Office deficiency; and other miscellaneous.

TABLE 6.—*Trust accounts, etc., receipts and expenditures, by major classifications, fiscal years 1942–50*

[In millions of dollars. On basis of daily Treasury statements, see p. 443]

Classification	1942	1943	1944	1945	1946	1947	1948	1949	1950
RECEIPTS									
Federal old-age and survivors insurance trust fund [1]	967	1,218	1,395	1,434	1,386	1,623	1,807	1,924	2,367
Railroad retirement account	144	221	273	324	312	323	797	625	645
Unemployment trust fund	1,244	1,399	1,567	1,508	1,280	1,289	1,313	1,173	1,281
National service life insurance fund	46	316	905	2,127	2,351	1,504	740	690	1,076
Government life insurance fund	92	90	94	97	103	134	90	92	87
Government employees' retirement funds [2]	222	374	501	557	614	578	594	680	809
Adjusted service certificate fund	1	1	1	10	1	1	−6	(*)	(*)
Miscellaneous [3]	503	336	351	1,028	1,666	792	1,179	529	403
Total receipts [4]	3,218	3,954	5,085	7,086	7,712	6,244	6,515	5,714	6,669
EXPENDITURES									
Investments by principal accounts:									
Federal old-age and survivors insurance trust fund	821	1,035	1,172	1,137	1,002	1,194	1,194	1,294	1,414
Railroad retirement account	18	86	140	182	156	148	569	346	338
Unemployment trust fund	866	1,228	1,503	1,437	102	443	446	−160	−724
National service life insurance fund	35	314	862	1,974	2,053	1,234	461	353	−1,946
Government life insurance fund	47	61	60	73	47	60	32	32	−26
Government employees' retirement funds [2]	140	280	393	399	309	282	363	447	543
Adjusted service certificate fund	−1	(*)	−1	−2	−2	(*)	−6	(*)	(*)
Subtotal investments	1,925	3,004	4,129	5,200	3,668	3,362	3,060	2,311	−402
Other expenditures:									
Federal old-age and survivors insurance trust fund [1]	137	177	217	267	358	466	559	661	784
Railroad retirement account	126	130	134	141	152	173	222	278	304
Unemployment trust fund	377	176	61	71	1,146	869	859	1,314	2,026
National service life insurance fund	1	6	31	128	280	282	302	348	2,988
Government life insurance fund	45	30	34	25	50	67	70	61	114
Government employees' retirement funds [2]	78	85	103	151	267	323	244	222	268
Adjusted service certificate fund	2	1	2	11	4	1	1	1	1
Miscellaneous [5]	459	259	231	417	1,570	1,072	1,233	525	369
Special deposit accounts (net)	−129	−271	−508	−1,669	647	372	367	414	96
Redemption, or sale (−), of securities of Government corporations, etc., in the market (net):									
Guaranteed	1,809	599	2,683	1,276	160	387	16	46	8
Not guaranteed	(*)	95	190	277	−66	−28	−123	28	14
Subtotal other expenditures [5]	2,905	1,287	3,178	1,094	4,568	3,985	3,750	3,898	6,971
Total expenditures [6]	4,830	4,292	7,307	6,294	8,236	7,347	6,810	6,209	6,570
Net receipts, or expenditures (−) [4]	−1,613	−338	−2,222	791	−524	−1,103	−294	−495	99

* Less than $500,000.

[1] Figures are stated in accordance with classifications in daily Treasury statement beginning Dec. 1, 1947. Reimbursements for those administrative expenses which are not paid directly from Federal old-age and survivors insurance trust fund (cost of collecting employment taxes, etc.) are classified as trust fund expenditures rather than as deductions from trust fund receipts.

[2] Consists of Alaska Railroad, Canal Zone, civil service, and foreign service retirement funds.

[3] Comprises District of Columbia, Indian tribal funds, insular possessions, increment resulting from reduction in weight of gold dollar, seigniorage on silver, etc.

[4] Does not include transactions under the Foreign Economic Cooperation trust fund. See table 1, footnote 7.

[5] Comprises District of Columbia, Indian tribal funds, mutual defense assistance, expenditures chargeable against increment on gold, etc.

[6] See footnote 1.

TABLE 7.—*Internal revenue collections, by tax sources, fiscal years 1929–50* [1]

[In thousands of dollars. On basis of reports of collections, see p. 444]

Fiscal year	Income and profits taxes							Miscellaneous internal revenue taxes		
	Individual taxes			Corporation taxes						
	Withheld by employers [2]	Other	Total individual taxes	Income [3]	Excess profits [4]	Total corporation taxes	Total income and profits taxes	Capital stock	Estate	Gift
1929	-----	1,095,541	1,095,541	1,235,733	-----	1,235,733	2,331,274	5,956	61,897	-----
1930	-----	1,146,845	1,146,845	1,263,414	-----	1,263,414	2,410,259	47	64,770	-----
1931	-----	833,648	833,648	1,026,393	-----	1,026,393	1,860,040	-----	48,078	-----
1932	-----	427,191	427,191	629,566	-----	629,566	1,056,757	-----	47,422	-----
1933	-----	352,574	352,574	394,218	-----	394,218	746,791	-----	29,693	4,617
1934	-----	419,509	419,509	397,516	2,631	400,146	819,656	80,168	103,985	9,153
1935	-----	527,113	527,113	572,115	6,560	578,675	1,105,788	91,508	140,441	71,671
1936	-----	674,416	674,416	738,521	14,509	753,030	1,427,446	94,943	218,781	160,059
1937	-----	1,091,741	1,091,741	1,056,909	31,178	1,088,087	2,179,828	137,499	281,636	23,912
1938	-----	1,286,312	1,286,312	1,299,932	42,786	1,342,718	2,629,030	139,349	382,175	34,699
1939	-----	1,028,834	1,028,834	1,122,541	33,740	1,156,281	2,185,114	127,203	332,280	28,436
1940	-----	982,017	982,017	1,120,582	27,010	1,147,592	2,129,609	132,739	330,886	29,185
1941	-----	1,417,655	1,417,655	1,851,988	201,481	2,053,469	3,471,124	166,653	355,194	51,864
1942	-----	3,262,800	3,262,800	3,069,273	1,674,810	4,744,083	8,006,884	281,900	340,323	92,217
1943	686,015	5,943,917	6,629,932	4,520,852	5,148,104	9,668,956	16,298,888	328,795	414,531	32,965
1944	7,823,435	10,437,570	18,261,005	5,284,146	9,482,651	14,766,796	33,027,802	380,702	473,466	37,745
1945	10,264,219	8,770,094	19,034,313	4,879,715	11,147,497	16,027,213	35,061,526	371,999	596,137	46,918
1946	9,857,589	8,846,947	18,704,536	4,639,949	7,913,653	12,553,602	31,258,138	352,121	629,601	47,232
1947	9,842,282	9,501,015	19,343,297	6,055,096	3,621,661	9,676,757	29,020,054	1,597	708,794	70,497
1948	11,533,577	9,464,204	20,997,781	9,851,500	322,910	10,174,410	31,172,191	1,723	822,380	76,965
1949	10,055,502	7,996,320	18,051,822	11,342,644	211,025	11,553,669	29,605,491	6,138	735,781	60,757
1950	9,888,976	7,264,332	17,153,308	10,759,586	94,765	10,854,351	28,007,659	266	657,441	48,785

Footnotes at end of table.

TABLE 7.—*Internal revenue collections, by tax sources, fiscal years 1929–50* [1]—Continued

[In thousands of dollars]

Fiscal year	Miscellaneous internal revenue taxes—Continued													
	Liquor taxes					Tobacco taxes				Stamp taxes				
	Distilled spirits	Fermented malt liquors	Wines	Other, including special taxes	Total liquor taxes	Cigarettes	Cigars	Other	Total tobacco taxes, etc.	Bonds, issues of capital stock, deeds of conveyance, etc.[5]	Transfers of capital stock and similar interest sales	All other	Total stamp taxes
1929	11, 590		293	894	12, 777	342, 034	22, 872	69, 539	434, 445	17, 868	37, 596	8, 709	64, 174
1930	10, 718		239	738	11, 695	359, 881	21, 443	69, 015	450, 339	22, 611	46, 698	8, 419	77, 729
1931	9, 579		228	625	10, 432	358, 961	18, 296	67, 019	444, 277	14, 757	25, 520	6, 676	46, 954
1932	7, 907		187	610	8, 704	317, 565	14, 434	66, 580	398, 579	9, 199	17, 696	5, 346	32, 241
1933	6, 745	33, 090	290	3, 050	43, 174	328, 440	11, 479	62, 821	402, 739	16, 035	33, 188	8, 115	57, 338
1934	68, 468	163, 271	3, 411	23, 762	258, 911	350, 299	11, 806	63, 063	425, 169	16, 259	38, 066	12, 255	66, 580
1935	165, 539	211, 214	6, 780	27, 393	410, 926	385, 472	11, 439	61, 865	458, 776	17, 935	15, 747	9, 451	43, 133
1936	222, 210	244, 581	8, 968	29, 484	505, 243	425, 502	11, 984	63, 299	500, 785	28, 163	33, 055	7, 772	68, 990
1937	273, 635	277, 455	5, 991	36, 750	593, 831	476, 043	13, 063	62, 816	551, 923	28, 652	31, 351	9, 917	69, 919
1938	259, 780	269, 347	5, 892	32, 651	567, 669	493, 452	12, 479	61, 846	567, 777	20, 084	18, 355	7, 794	46, 233
1939	283, 401	259, 696	6, 395	38, 113	587, 605	504, 050	12, 544	63, 190	579, 784	19, 366	17, 064	4, 652	41, 083
1940	317, 553	264, 574	8, 060	33, 878	624, 064	533, 057	12, 552	62, 464	608, 073	18, 145	15, 528	5, 008	38, 681
1941	428, 462	316, 737	11, 423	63, 247	819, 869	616, 756	13, 151	67, 805	697, 712	22, 073	12, 176	4, 808	39, 057
1942	574, 250	366, 159	23, 986	83, 770	1, 048, 165	704, 949	14, 292	61, 551	780, 792	22, 875	13, 028	5, 798	41, 702
1943	781, 707	455, 634	33, 663	152, 476	1, 423, 480	835, 260	23, 172	65, 425	923, 857	21, 766	15, 585	7, 805	45, 155
1944	898, 706	559, 152	34, 095	126, 091	1, 618, 045	904, 046	30, 259	54, 178	988, 483	26, 243	17, 096	7, 460	50, 800
1945	1, 484, 303	638, 682	47, 391	139, 487	2, 309, 864	836, 753	36, 678	58, 714	932, 145	33, 157	24, 852	7, 518	65, 528
1946	1, 746, 577	650, 824	60, 844	67, 917	2, 526, 162	1, 072, 971	41, 454	51, 094	1, 165, 519	47, 393	30, 369	9, 915	87, 676
1947	1, 685, 362	661, 418	57, 196	70, 780	2, 474, 756	1, 145, 268	48, 354	44, 146	1, 237, 768	49, 106	21, 963	8, 909	79, 978
1948	1, 436, 226	697, 097	60, 962	61, 035	2, 255, 320	1, 208, 204	46, 752	45, 325	1, 300, 280	50, 771	20, 374	8, 321	79, 466
1949	1, 397, 949	686, 368	65, 782	60, 504	2, 210, 601	1, 232, 735	45, 590	43, 550	1, 321, 875	46, 667	17, 910	8, 251	72, 828
1950	1, 421, 893	667, 411	72, 601	57, 291	2, 219, 196	1, 242, 851	42, 170	43, 443	1, 328, 464	50, 156	23, 823	10, 669	84, 648

Fiscal year	Miscellaneous internal revenue taxes—Continued												
	Manufacturers' excise taxes [6]												
	Gasoline	Lubricating oils	Passenger automobiles and motorcycles	Automobile trucks	Parts and accessories for automobiles	Tires and tubes	Electrical energy	Refrigerators, air conditioners, etc.	Radio receiving sets, phonographs, phonograph records	Musical instruments	Jewelry	Furs	Toilet preparations
1929	----	----	----	----	----	----	----	----	----	----	----	----	----
1930	----	----	----	----	----	----	----	----	----	----	----	----	----
1931	----	----	----	----	----	----	----	----	----	----	----	----	----
1932	----	----	----	----	----	----	----	----	----	----	----	----	----
1933	124, 929	16, 233	12, 574	1, 654	3, 597	14, 980	28, 563	2, 112	2, 207	----	3, 068	7, 546	9, 603
1934	202, 575	25, 255	32, 527	5, 048	5, 696	27, 630	33, 134	5, 526	3, 157	----	4, 669	7, 655	10, 813
1935	161, 532	27, 800	38, 003	6, 158	6, 456	26, 638	32, 577	6, 664	3, 625	----	2, 010	2, 676	12, 644
1936	177, 340	27, 103	48, 201	7, 000	7, 110	32, 208	33, 575	7, 939	5, 075	----	3, 111	3, 321	13, 302
1937	196, 533	31, 463	65, 265	9, 031	10, 086	40, 819	35, 975	9, 913	6, 754	----	728	5, 920	18, 319
1938	203, 648	31, 565	43, 365	6, 697	7, 989	31, 567	38, 455	8, 829	5, 849	----	398	5, 342	16, 337
1939	207, 019	30, 497	42, 723	6, 008	7, 935	34, 819	39, 859	6, 958	4, 834	----	84	368	11, 531
1940	226, 187	31, 233	59, 351	7, 866	10, 630	41, 555	42, 339	9, 954	6, 080	----	64	160	7, 758
1941	343, 021	38, 221	81, 403	10, 747	13, 084	51, 054	47, 021	13, 279	6, 935	----	19	64	6, 684
1942	369, 587	46, 432	77, 172	18, 361	28, 088	64, 811	49, 978	16, 246	20, 113	2, 325	38	46	3, 552
1943	288, 786	43, 318	1, 424	4, 230	20, 478	18, 345	48, 705	5, 966	7, 377	1, 280	4	37	438
1944	271, 217	52, 473	1, 222	3, 247	31, 551	40, 334	51, 239	2, 406	5, 292	633	4	14	80
1945	405, 563	92, 865	2, 558	20, 847	49, 440	75, 257	57, 004	1, 637	6, 769	927	10	5	20
1946	405, 695	74, 602	25, 893	37, 144	68, 871	118, 092	59, 112	9, 229	17, 287	2, 839	(*)	15	10
1947	433, 676	82, 015	204, 680	62, 099	99, 932	174, 927	63, 014	37, 352	72, 348	10, 151	(*)	14	3
1948	478, 638	80, 887	270, 958	91, 963	122, 951	159, 284	69, 701	58, 473	74, 799	10, 573	(7)	(7)	(7)
1949	503, 647	81, 760	332, 812	136, 797	120, 138	150, 899	79, 347	77, 833	55, 642	9, 293	(7)	(7)	(7)
1950	526, 732	77, 610	452, 066	123, 630	88, 733	151, 795	85, 704	64, 316	47, 853	8, 865	(7)	(7)	(7)

Footnotes at end of table.

TABLE 7.—*Internal revenue collections, by tax sources, fiscal years 1929–50* [1]—Continued

[In thousands of dollars]

Fiscal year	Miscellaneous internal revenue taxes—Continued												
	Manufacturers' excise taxes—Continued			Retailers' excise taxes					Miscellaneous taxes				
												Admissions	
	Luggage	All other	Total manufacturers' excise taxes	Jewelry	Furs	Toilet preparations	Luggage, handbags, wallets	Total retailers' excise taxes	Telephone, telegraph, etc., including local service	Transportation of persons	Transportation of property	General admissions	Cabarets
1929		5,712	5,712									5,419	664
1930		2,665	2,665									3,519	712
1931		138	138									2,271	508
1932		87	87									1,460	399
1933		16,534	243,600						14,565			14,771	750
1934		21,606	385,291						19,251			14,019	595
1935		15,362	342,145						19,741			14,426	954
1936		17,431	382,716						21,098			15,773	1,339
1937		19,777	450,581						24,570			18,185	1,555
1938		17,111	417,152						23,977			19,284	1,517
1939		4,340	396,975						24,094			18,029	1,442
1940		3,975	447,152						26,368			20,265	1,623
1941		5,842	617,373						27,331			68,620	2,343
1942	2,834	72,316	771,898	41,501	19,744	18,922		80,167	75,023	21,379		107,633	7,400
1943	5,682	58,676	504,746	88,366	44,223	32,677		165,266	158,161	87,132	82,556	138,054	16,397
1944	4,777	38,974	503,462	113,373	58,726	44,790	8,343	225,232	231,474	153,683	215,488	178,563	26,726
1945	6	69,602	782,511	184,220	79,418	86,615	73,851	424,105	341,587	234,182	221,088	300,589	56,877
1946	15	103,867	922,671	223,342	91,706	95,574	81,423	492,046	380,082	226,750	220,121	343,191	72,077
1947	49	185,135	1,425,395	236,615	97,481	95,542	84,588	514,227	417,691	244,003	275,701	392,873	63,350
1948	(*)	231,008	1,649,234	217,899	79,539	91,852	80,632	469,923	468,776	246,323	317,203	385,101	53,527
1949	(*)	223,363	1,771,533	210,688	61,946	93,969	82,607	449,211	535,910	251,389	337,030	385,844	48,857
1950	(*)	208,750	1,836,053	190,820	45,781	94,995	77,532	409,128	559,620	228,738	321,193	371,244	41,453

Fiscal year	Miscellaneous internal revenue taxes—Continued					Employment taxes			Agricultural adjustment taxes	Grand total
	Miscellaneous taxes—Continued				Total miscellaneous internal revenue	Social security	Railroad retirement	Total employment taxes		
	Club dues and initiation fees	Sugar	All other [8]	Total miscellaneous taxes						
1929	11,245	----------	5,492	22,820	607,780	----------	----------	----------	----------	2,939,054
1930	12,521	----------	5,891	22,642	629,887	----------	----------	----------	----------	3,040,146
1931	11,478	----------	4,053	18,310	568,188	----------	----------	----------	----------	2,428,229
1932	9,205	----------	2,876	13,939	500,972	----------	----------	----------	----------	1,557,729
1933	6,679	----------	55,122	91,886	873,048	----------	----------	----------	----------	1,619,839
1934	5,986	----------	112,052	151,902	1,481,160	----------	----------	----------	371,423	2,672,239
1935	5,784	----------	50,276	91,181	1,649,781	----------	----------	----------	510,746	3,266,315
1936	6,091	----------	28,695	72,997	2,004,513	----------	48	48	62,323	3,494,331
1937	6,288	----------	28,836	79,433	2,188,735	265,458	287	265,745	----------	4,634,308
1938	6,551	30,569	35,206	117,104	2,272,158	593,185	149,476	742,660	----------	5,643,848
1939	6,217	65,414	28,260	143,456	2,236,821	631,002	109,427	740,429	----------	5,162,364
1940	6,335	68,145	26,125	148,861	2,359,641	711,473	122,048	833,521	----------	5,322,771
1941	6,583	74,835	27,121	206,832	2,954,553	787,985	137,871	925,856	----------	7,351,534
1942	6,792	68,230	114,049	400,505	3,837,670	1,014,953	170,409	1,185,362	----------	13,029,915
1943	6,520	53,552	189,963	732,335	4,571,131	1,287,554	211,151	1,498,705	----------	22,368,724
1944	9,182	68,789	191,497	1,075,402	5,353,336	1,473,361	265,011	1,738,372	----------	40,119,510
1945	14,160	73,294	188,652	1,430,428	6,959,634	1,494,420	284,758	1,779,177	----------	43,800,338
1946	18,899	56,732	172,077	1,489,929	7,712,956	1,416,570	284,258	1,700,828	----------	40,671,922
1947	23,299	59,152	74,773	1,550,842	8,063,854	1,644,810	379,555	2,024,365	----------	39,108,273
1948	25,499	71,247	88,035	1,655,711	8,311,003	1,821,229	560,113	2,381,342	----------	41,864,536
1949	27,790	76,174	89,799	1,752,792	8,381,515	1,913,379	562,734	2,476,113	----------	40,463,119
1950	28,740	71,188	98,732	1,720,908	8,304,892	2,096,537	548,038	2,644,575	----------	38,957,126

NOTE.—Figures in this table, which are on a collection basis, differ generally from figures on the daily Treasury statement basis because the latter are compiled from daily reports from depositaries and offices holding Government funds, whereas collection basis figures are compiled from reports received from collectors of internal revenue. Beginning with the fiscal year 1950, there are included with the latter, on a collection basis, deposits of withheld taxes made directly with depositaries. Amounts reported by collectors and depositaries do not coincide usually because collections made in the last few days of the fiscal year are not deposited until after its close and because certain withheld taxes are paid directly into designated Federal depositaries. Figures in this table agree in most instances with those on the warrants-issued basis in the annual Treasury publication, the *Combined Statement of Receipts, Expenditures and Balances of the United States Government*, with the exception of certain withheld income taxes received by Federal Reserve Banks and not cleared by collectors of internal revenue. Further explanation of bases of figures appears on p. 443.

Specific differences between this table and the other statements occur as follows. Individual income taxes on the collection basis and in the Combined Statement include collections from the Victory tax, which also was a withholding tax; but the daily Treasury statement includes Victory tax receipts under "Income tax: Other." Another difference is that collections of "Miscellaneous internal revenue" include taxes collected on firearms, shells, and cartridges under section 3407 of the Internal Revenue Code; whereas these collections and also the collections of the hydraulic mining tax are shown in the daily Treasury statement first as "Miscellaneous internal revenue" but subsequently they are transferred into special accounts under "Miscellaneous receipts." They are shown in the Combined Statement as "Miscellaneous receipts." The figures in this table for 1935 and subsequent years, with the exception mentioned in footnote 3, exclude collections for credit to specified trust accounts for certain island possessions, etc. These trust account collections are shown in the appropriate trust accounts in the daily Treasury statement and in the Combined Statement.

Beginning with 1948 the figures for repealed taxes except those shown separately in this table have been placed under "Miscellaneous taxes: All other."

*Less than $500.

[1] For figures for 1863-1915, see 1929 annual report, p. 419; and for 1916-28, see 1947 annual report, p. 310.

[2] Includes collections from Victory tax.

[3] Includes income tax on Alaska Railroad except for 1935, 1936, and 1937, when these collections were credited to trust accounts.

[4] Includes unjust enrichment tax through 1947.

[5] Originally schedule A, act of Oct. 22, 1914; includes also foreign insurance policies and passage tickets (the latter repealed Apr. 1, 1947).

[6] Includes taxes on sales under act of Oct. 22, 1914; manufacturers', consumers', and dealers' excise taxes under war revenue and subsequent acts; and for 1932 and subsequent years, manufacturers' excise taxes under act of 1932, as amended. Soft drink taxes are included under "Miscellaneous taxes: All other."

[7] Included under "Miscellaneous taxes: All other."

[8] Includes collections from sources other than the miscellaneous taxes shown, and also (a) certain delinquent taxes collected under repealed laws, except automobile taxes for 1929 and 1930 which are included under "Manufacturers' excise taxes: All other," and capital stock taxes for 1929 and 1930 which are shown under "Capital stock"; (b) internal revenue collected through customs offices for 1929-33; subsequently such collections are included with "Distilled spirits"; (c) dividends and soft drink taxes; (d) taxes paid by manufacturers of and dealers in adulterated and process or renovated butter, mixed flour, and filled cheese; and (e) repealed taxes not separately shown.

TABLE 8.—*Customs collections* [1] *and refunds, fiscal years 1949 and 1950*

[On basis of accounts of Bureau of Customs]

	1949	1950	Percentage increase, or decrease (−)
Collections:			
Duties:			
Consumption entries	$254, 682, 273	$285, 199, 335	12. 0
Warehouse withdrawals	115, 639, 652	126, 643, 448	9. 5
Mail entries	2, 029, 405	2, 244, 742	10. 6
Baggage entries	1, 053, 758	980, 559	−6. 9
Informal entries	1, 790, 308	1, 954, 192	9. 2
Appraisement entries	248, 999	303, 069	21. 7
Increased and additional duties	7, 739, 752	6, 936, 099	−10. 4
Withheld duties	115, 732	145, 978	26. 1
Other duties	838, 792	660, 965	−21. 2
Total duties	384, 138, 671	425, 068, 387	10. 7
Miscellaneous:			
Violations of customs laws	1, 041, 470	864, 102	−17. 0
Navigation fines	51, 145	34, 545	−32. 5
Storage and related charges	126, 889	116, 165	−8. 5
Tonnage tax	2, 549, 256	2, 332, 778	−8. 5
Fees	340, 074	337, 194	−. 8
Recoveries	3, 774	15, 519	311. 2
Sale of Government property	127, 642	80, 421	−37. 0
All other customs receipts	91, 826	42, 677	−53. 5
Total miscellaneous	4, 332, 076	3, 823, 401	−11. 7
Total customs collections	388, 470, 747	428, 891, 788	10. 4
Refunds:			
Excessive duties	7, 357, 466	7, 750, 508	5. 3
Drawback payments	9, 537, 577	8, 234, 783	−13. 7
Other	59, 088	46, 640	−21. 1
Total refunds	16, 954, 131	16, 031, 931	−5. 4

NOTE.—Additional customs statistics will be found in tables 82 through 95.

[1] Excludes customs duties of Puerto Rico, which are deposited to the credit of the Government of Puerto Rico, but includes fines and other minor collections of Puerto Rico.

TABLE 9.—*Amounts deposited by the Federal Reserve Banks in the Treasury as miscellaneous receipts representing interest charges on Federal Reserve notes, fiscal years 1948–50*

Federal Reserve Bank	Fiscal year 1948	Fiscal year 1949	Fiscal year 1950
Boston	$6, 700, 507. 33	$12, 456, 620. 50	$12, 891, 827. 59
New York	24, 286, 055. 55	44, 689, 397. 82	45, 615, 875. 75
Philadelphia	7, 369, 832. 86	13, 529, 144. 71	13, 361, 806. 33
Cleveland	9, 575, 478. 48	17, 906, 917. 56	17, 855, 373. 22
Richmond	6, 457, 451. 97	12, 125, 675. 35	12, 168, 313. 53
Atlanta	5, 215, 864. 57	9, 499, 611. 97	10, 435, 742. 72
Chicago	13, 278, 254. 09	26, 742, 689. 97	28, 652, 829. 15
St. Louis	5, 124, 016. 79	10, 087, 837. 53	10, 235, 201. 54
Minneapolis	2, 925, 636. 35	5, 760, 361. 06	6, 139, 097. 66
Kansas City	4, 910, 008. 48	8, 775, 734. 20	9, 183, 715. 66
Dallas	4, 305, 735. 21	8, 363, 120. 55	8, 303, 111. 20
San Francisco	9, 632, 717. 19	17, 082, 969. 89	17, 032, 136. 47
Total	99, 781, 558. 87	187, 020, 081. 11	191, 875, 030. 82

TABLE 10.—*Postal receipts and expenditures, fiscal years 1911–50* [1]

Year	As reported by the Post Office Department				Treasury accounts	
	Postal revenues	Postal expenditures [2]		Surplus, or deficit (−)	Surplus revenue paid into Treasury [4]	Grants from Treasury to cover postal deficiencies [5]
		Extraordinary expenditures as reported under act of June 9, 1930 [3]	Other			
1911	$237, 879, 824		$237, 660, 705	$219, 118		$133, 784
1912	246, 744, 016		248, 529, 539	−1, 785, 523		1, 568, 195
1913	266, 619, 526		262, 108, 875	4, 510, 651		1, 027, 369
1914	287, 934, 566		283, 558, 103	4, 376, 463	$3, 800, 000	
1915	287, 248, 165		298, 581, 474	−11, 333, 309	3, 500, 000	6, 636, 593
1916	312, 057, 689		306, 228, 453	5, 829, 236		5, 500, 000
1917	329, 726, 116		319, 889, 904	9, 836, 212	5, 200, 000	
1918	388, 975, 962		324, 849, 188	64, 126, 774	48, 630, 701	2, 221, 095
1919	436, 239, 126		362, 504, 274	73, 734, 852	89, 906, 000	343, 511
1920	437, 150, 212		[7] 418, 722, 295	18, 427, 917	5, 213, 000	[6] 114, 854
1921	463, 491, 275		[7] 619, 634, 948	−156, 143, 673		[6] 130, 128, 458
1922	484, 853, 541		[7] 545, 662, 241	−60, 808, 700	81, 494	[6] 64, 346, 235
1923	532, 827, 925		556, 893, 129	−24, 065, 204		32, 526, 915
1924	572, 948, 778		587, 412, 755	−14, 463, 976		12, 638, 850
1925	599, 591, 478		639, 336, 505	−39, 745, 027		23, 216, 784
1926	659, 819, 801		679, 792, 180	−19, 972, 379		39, 506, 490
1927	683, 121, 989		714, 628, 189	−31, 506, 201		27, 263, 191
1928	693, 633, 921		725, 755, 017	−32, 121, 096		32, 080, 202
1929	696, 947, 578		782, 408, 754	−85, 461, 176		94, 699, 744
1930	705, 484, 098	$39, 669, 718	764, 030, 368	−98, 215, 987		91, 714, 451
1931	656, 463, 383	48, 047, 308	754, 482, 265	−146, 066, 190		145, 643, 613
1932	588, 171, 923	53, 304, 423	740, 418, 111	−205, 550, 611		202, 876, 341
1933	587, 631, 364	61, 691, 287	638, 314, 969	−112, 374, 892		117, 380, 192
1934	586, 733, 166	66, 623, 130	564, 143, 871	−44, 033, 835		52, 003, 296
1935	630, 795, 302	69, 537, 252	627, 066, 001	−65, 807, 951		63, 970, 405
1936	665, 343, 356	68, 585, 283	685, 074, 398	−88, 316, 324		86, 038, 862
1937	726, 201, 110	51, 587, 336	721, 228, 506	−46, 614, 732		41, 896, 945
1938	728, 634, 051	42, 799, 687	729, 645, 920	−43, 811, 556		44, 258, 861
1939	745, 955, 075	48, 540, 273	736, 106, 665	−38, 691, 863		41, 237, 263
1940	766, 948, 627	53, 331, 172	754, 401, 694	−40, 784, 239		40, 870, 336
1941	812, 827, 736	58, 837, 470	778, 108, 078	−24, 117, 812		30, 064, 048
1942	859, 817, 491	73, 916, 128	800, 040, 400	−14, 139, 037		18, 308, 869
1943	966, 227, 289	122, 343, 916	830, 191, 463	13, 691, 909		14, 620, 875
1944	1, 112, 877, 174	126, 639, 650	942, 345, 968	43, 891, 556	1, 000, 000	[7] −28, 999, 995
1945	1, 314, 240, 132	116, 198, 782	1, 028, 902, 402	169, 138, 948	188, 102, 579	649, 769
1946	1, 224, 572, 173	100, 246, 983	1, 253, 406, 696	−129, 081, 506		160, 572, 098
1947	1, 299, 141, 041	92, 198, 225	1, 412, 600, 531	−205, 657, 715	12, 000, 000	241, 787, 174
1948	1, 410, 971, 284	96, 222, 339	1, 591, 583, 096	−276, 834, 152		310, 213, 451
1949	1, 571, 851, 202	120, 118, 663	2, 029, 203, 465	−577, 470, 926		524, 297, 262
1950	1, 677, 486, 967	119, 960, 324	2, 102, 988, 758	−545, 462, 114		592, 514, 046

[1] For figures from 1789 through 1910, see Secretary's annual report for 1946, p. 419.

[2] Postal expenditures include adjusted losses, etc.—postal funds and expenditures from postal balances, but are exclusive of departmental expenditures in Washington, D. C., to the close of fiscal year 1922, and amounts transferred to the civil service retirement and disability fund, fiscal years 1921 to 1926, inclusive. For 1927 and subsequent years salary deductions are included in "Postal expenditures," the deductions having been paid to and deposited by disbursing clerks for credit of the retirement fund.

[3] See explanation in exhibit 38.

[4] On basis of warrants issued for 1914 and 1915, and on basis of daily Treasury statements from 1916 to date.

[5] On basis of warrants issued prior to 1922 and on basis of daily Treasury statements for 1922 and thereafter. Represents advances from the general fund of the Treasury to the Postmaster General to meet deficiencies in the postal revenues. These figures do not include any allowances for offsets on account of extraordinary expenditures or the cost of free mailings contributing to the deficiency of postal revenues certified to the Secretary of the Treasury by the Postmaster General pursuant to the act of Congress approved June 9, 1930. Excludes amounts transferred to the civil service retirement and disability fund under act of May 22, 1920 (41 Stat. 614), and amendments thereto on account of salary deductions of 2½ percent, as follows: 1921, $6,519,683.59; 1922, $7,899,006.28; 1923, $8,284,081.00; 1924, $8,679,658.60; 1925, $10,266,977.00; and 1926, $10,472,-289.59. See note 2. Actual advances from general fund are reduced by repayments from prior year advances which are carried to surplus.

[6] Exclusive of general fund payments from the appropriation "Additional compensation, Postal Service" under authority of the act approved Nov. 8, 1919, in the amounts of $35,698,400, $1,374,015, and $6,700 for 1920, 1921, and 1922, respectively.

[7] Repayment of unexpended portion of prior years' advances.

PUBLIC DEBT, GUARANTEED OBLIGATIONS, ETC.

Outstanding public debt, guaranteed obligations, etc.

TABLE 11.—*Principal of the public debt, 1790–1950* [1]

[On basis of Public Debt accounts from 1790 through 1919, and on basis of daily Treasury statements from 1920 to date, see p. 443 [1]]

Date	Total gross debt	Date	Total gross debt	Date	Total gross debt
December 31—		December 31—		December 31—	
1790	$75,463,477	1812	$55,962,828	1833	$4,760,082
1791	77,227,925	1813	81,487,846	1834	37,733
1792	80,358,634	1814	99,833,660	1835	37,513
1793	78,427,405	1815	127,334,934	1836	336,958
1794	80,747,587	1816	123,491,965	1837	3,308,124
1795	83,762,172	1817	103,466,634	1838	10,434,221
1796	82,064,479	1818	95,529,648	1839	3,573,344
1797	79,228,529	1819	91,015,566	1840	5,250,876
1798	78,408,670	1820	89,987,428	1841	13,594,481
1799	82,976,294	1821	93,546,677	1842	20,201,226
1800	83,038,051	1822	90,875,877	June 30—	
1801	80,712,632	1823	90,269,778	1843	32,742,922
1802	77,054,686	1824	83,788,433	1844	23,461,653
1803	86,427,121	1825	81,054,060	1845	15,925,303
1804	82,312,151	1826	73,987,357	1846	15,550,203
1805	75,723,271	1827	67,475,044	1847	38,826,535
1806	69,218,399	1828	58,421,414	1848	47,044,862
1807	65,196,318	1829	48,565,407	1849	63,061,859
1808	57,023,192	1830	39,123,192	1850	63,452,774
1809	53,173,218	1831	24,322,235	1851	68,304,796
1810	48,005,588	1832	7,001,699	1852	66,199,342
1811	45,209,738				

June 30	Interest-bearing [2]	Matured	Noninterest-bearing [3]	Total gross debt	Gross debt per capita
1853	$59,642,412	$162,249		$59,804,661	$2.32
1854	42,044,517	199,248		42,243,765	1.59
1855	35,418,001	170,498		35,588,499	1.30
1856	31,805,180	168,901		31,974,081	1.13
1857	28,503,377	197,998		28,701,375	.99
1858	44,743,256	170,168		44,913,424	1.50
1859	58,333,156	165,225		58,498,381	1.91
1860	64,683,256	160,575		64,843,831	2.06
1861	90,423,292	159,125		90,582,417	2.80
1862	365,356,045	230,520	$158,591,390	524,177,955	15.79
1863	707,834,255	171,970	411,767,456	1,119,773,681	32.91
1864	1,360,026,914	366,629	455,437,271	1,815,830,814	52.08
1865	2,217,709,407	2,129,425	458,090,180	2,677,929,012	75.01
1866	2,322,116,330	4,435,865	429,211,734	2,755,763,929	75.42
1867	2,238,954,794	1,739,108	409,474,321	2,650,168,223	70.91
1868	2,191,326,130	1,246,334	390,873,992	2,583,446,456	67.61
1869	2,151,495,065	5,112,034	388,503,491	2,545,110,590	65.17
1870	2,035,881,095	3,569,664	397,002,510	2,436,453,269	61.06
1871	1,920,696,750	1,948,902	399,406,489	2,322,052,141	56.72
1872	1,800,794,100	7,926,547	401,270,191	2,209,990,838	52.65
1873	1,696,483,950	51,929,460	402,796,935	2,151,210,345	50.02
1874	1,724,930,750	3,216,340	431,785,640	2,159,932,730	49.05
1875	1,708,676,300	11,425,570	436,174,779	2,156,276,649	47.84
1876	1,696,685,450	3,902,170	430,258,158	2,130,845,778	46.22
1877	1,697,888,500	16,648,610	393,222,793	2,107,759,903	44.71
1878	1,780,735,650	5,594,070	373,088,595	2,159,418,315	44.82
1879	1,887,716,110	37,015,380	374,181,153	2,298,912,643	46.72
1880	1,709,993,100	7,621,205	373,294,567	2,090,908,872	41.60
1881	1,625,567,750	6,723,615	386,994,363	2,019,285,728	39.18
1882	1,449,810,400	16,260,555	390,844,689	1,856,915,644	35.16
1883	1,324,229,150	7,831,165	389,898,603	1,721,958,918	31.83
1884	1,212,563,850	19,655,955	393,087,639	1,625,307,444	29.35
1885	1,182,150,950	4,100,745	392,299,474	1,578,551,169	27.86
1886	1,132,014,100	9,704,195	413,941,255	1,555,659,550	26.85
1887	1,007,692,350	6,114,915	451,678,029	1,465,485,294	24.75
1888	936,522,500	2,495,845	445,613,311	1,384,631,656	22.89
1889	815,853,990	1,911,235	431,705,286	1,249,470,511	20.23
1890	711,313,110	1,815,555	409,267,919	1,122,396,584	17.80
1891	610,529,120	1,614,705	393,662,736	1,005,806,561	15.63
1892	585,029,330	2,785,875	380,403,636	968,218,841	14.74
1893	585,037,100	2,094,060	374,300,606	961,431,766	14.36
1894	635,041,890	1,851,240	380,004,687	1,016,897,817	14.89
1895	716,202,060	1,721,590	378,989,470	1,096,913,120	15.76
1896	847,363,890	1,636,890	373,728,570	1,222,729,350	17.25

Footnotes at end of table.

TABLE 11.—*Principal of the public debt, 1790–1950* [1]—Continued

June 30	Interest-bearing [2]	Matured	Noninterest-bearing [3]	Total gross debt	Gross debt per capita
1897	$847,365,130	$1,346,880	$378,081,703	$1,226,793,713	$16.99
1898	847,367,470	1,262,680	384,112,913	1,232,743,063	16.77
1899	1,046,048,750	1,218,300	389,433,654	1,436,700,704	19.21
1900	1,023,478,860	1,176,320	238,761,733	1,263,416,913	16.60
1901	987,141,040	1,415,620	233,015,585	1,221,572,245	15.74
1902	931,070,340	1,280,860	245,680,157	1,178,031,357	14.88
1903	914,541,410	1,205,090	243,659,413	1,159,405,913	14.38
1904	895,157,440	1,970,920	239,130,656	1,136,259,016	13.83
1905	895,158,340	1,370,245	235,828,510	1,132,357,095	13.51
1906	895,159,140	1,128,135	246,235,695	1,142,522,970	13.37
1907	894,834,280	1,086,815	251,257,098	1,147,178,193	13.19
1908	897,503,990	4,130,015	276,056,398	1,177,690,403	13.28
1909	913,317,490	2,883,855	232,114,027	1,148,315,372	12.69
1910	913,317,490	2,124,895	231,497,584	1,146,939,969	12.41
1911	915,353,190	1,879,830	236,751,917	1,153,984,937	12.29
1912	963,776,770	1,760,450	228,301,285	1,193,838,505	12.52
1913	965,706,610	1,659,550	225,681,585	1,193,047,745	12.27
1914	967,953,310	1,552,560	218,729,530	1,188,235,400	11.99
1915	969,759,090	1,507,260	219,997,718	1,191,264,068	11.85
1916	971,562,590	1,473,100	252,109,878	1,225,145,568	12.02
1917	2,712,549,477	14,232,230	248,836,878	2,975,618,585	28.77
1918	11,985,882,436	20,242,550	237,503,733	12,243,628,719	117.11
1919	25,234,496,274	11,109,370	236,428,775	25,482,034,419	242.54
1920	24,062,500,285	6,745,237	230,075,945	24,299,321,467	228.23
1921	23,738,900,085	10,688,160	227,862,308	23,977,450,553	220.91
1922	22,710,338,105	25,250,880	227,792,723	22,963,381,708	208.65
1923	22,007,043,612	98,738,910	243,924,844	22,349,707,365	199.64
1924	20,981,242,042	30,278,200	239,292,747	21,250,812,989	186.23
1925	20,210,906,915	30,258,980	275,027,993	20,516,193,888	177.12
1926	19,383,770,860	13,359,900	246,085,555	19,643,216,315	167.32
1927	18,252,664,666	14,718,585	244,523,681	18,511,906,932	155.51
1928	17,317,694,182	45,335,060	241,263,959	17,604,293,201	146.09
1929	16,638,941,379	50,749,199	241,397,905	16,931,088,484	139.04
1930	15,921,892,350	31,716,870	231,700,611	16,185,309,831	131.51
1931	16,519,588,640	51,819,095	229,873,756	16,801,281,492	135.45
1932	19,161,273,540	60,079,385	265,649,519	19,487,002,444	156.10
1933	22,157,643,120	65,911,170	315,118,270	22,538,672,560	179.48
1934	26,480,487,870	54,266,830	518,386,714	27,053,141,414	214.07
1935	27,645,241,089	230,662,155	824,989,381	28,700,892,625	225.55
1936	32,988,790,135	169,363,395	620,389,964	33,778,543,494	263.79
1937	35,800,109,418	118,529,815	505,974,499	36,424,613,732	282.75
1938	36,575,925,880	141,362,460	447,451,975	37,164,740,315	286.27
1939	39,885,969,732	142,283,140	411,279,539	40,439,532,411	308.98
1940	42,376,495,928	204,591,190	386,443,919	42,967,531,038	325.59
1941	48,387,399,539	204,999,860	369,044,137	48,961,443,536	367.57
1942	71,968,418,098	98,299,730	355,727,288	72,422,445,116	537.80
1943	135,380,305,795	140,500,090	1,175,284,445	136,696,090,330	1,001.46
1944	199,543,355,301	200,851,160	1,259,180,760	201,003,387,221	1,455.67
1945	256,356,615,818	268,667,135	2,056,904,457	258,682,187,410	1,853.21
1946	268,110,872,218	376,406,860	934,820,095	269,422,099,173	1,907.62
1947	255,113,412,039	230,913,536	2,942,057,534	258,286,383,109	1,793.23
1948	250,063,348,379	279,751,730	1,949,146,403	252,292,246,513	1,721.30
1949	250,761,636,723	244,757,458	1,763,965,680	252,770,359,860	r 1,694.00
1950	255,209,353,372	264,770,705	1,883,228,274	257,357,352,351	1,696.97

r Revised in accordance with Bureau of the Census estimated population for continental United States as of July 1.

[1] The outstanding principal of the public debt for the years 1790-1852, except for 1835, are taken from the annual report of the Secretary for 1909; the 1835 figure is taken from the annual reports of the Secretary for 1834-35, pp. 504 and 629. The detailed figures for 1790-1852 are not available on a basis comparable to those of subsequent years. Figures for 1853-85 are taken from the "Statement of Receipts and Expenditures of the Government from 1855 to 1885 and Principal of Public Debt from 1791 to 1885," compiled from the official records of the Register's office. From 1886-1919 the figures are taken from the monthly debt statements and revised figures published in the annual reports of the Secretary of the Treasury. From 1920 to date, the figures are taken from the Statement of the Public Debt published in the daily Treasury statements. From 1790-1842 the fiscal year ended December 31; and from 1843 to date the fiscal year ended June 30.

[2] Exclusive of the bonds issued to the Pacific railways (provision having been made by law to secure the Treasury against both principal and interest) and the Navy pension fund (which was in no sense a debt, the principal being the property of the United States).

[3] Includes old demand notes; United States notes (gold reserve deducted since 1900); postal currency and fractional currency less the amounts officially estimated to have been destroyed; deposits held by the Treasury for the retirement of Federal Reserve Bank notes, and for national bank notes of national banks failed, in liquidation, and reducing circulation, which prior to 1890 were not included in the published debt statements; and also special notes of U. S. issued to International Bank for Reconstruction and Development and International Monetary Fund. Does not include gold, silver, or currency certificates, or Treasury notes of 1890 for redemption of which an exact equivalent of the respective kinds of money or bullion was held in the Treasury.

TABLE 12.—*Public debt and guaranteed obligations, June 30, 1934–50*

June 30	Gross public debt	Guaranteed obligations held outside the Treasury [1]			Total gross public debt and guaranteed obligations	
		Interest-bearing	Matured	Total	Total	Per capita [2]
1934	$27,053,141,414	$680,767,817		$680,767,817	$27,733,909,231	$219.46
1935	28,700,892,625	4,122,684,692		4,122,684,692	32,823,577,316	257.95
1936	33,778,543,494	4,718,033,242		4,718,033,242	38,496,576,735	300.63
1937	36,424,613,732	4,664,594,533	$10,000	4,664,604,533	41,089,218,265	318.95
1938	37,164,740,315	4,852,559,151	232,500	4,852,791,651	42,017,531,967	323.65
1939	40,439,532,411	5,450,012,899	821,200	5,450,834,099	45,890,366,510	350.63
1940	42,967,531,038	5,497,556,555	31,514,100	5,529,070,655	48,496,601,693	367.48
1941	48,961,443,536	6,359,619,105	10,633,475	6,370,252,580	55,331,696,116	415.39
1942	72,422,445,116	4,548,529,255	19,730,375	4,568,259,630	76,990,704,746	571.72
1943	136,696,090,330	4,091,686,621	8,256,425	4,099,943,046	140,796,033,376	1,031.50
1944	201,003,387,221	1,515,638,626	107,430,675	1,623,069,301	202,626,456,522	1,467.43
1945	258,682,187,410	409,091,867	24,066,525	433,158,392	259,115,345,802	1,856.31
1946	269,422,099,173	466,671,984	9,712,875	476,384,859	269,898,484,033	1,910.99
1947	258,286,383,109	83,212,285	6,307,900	89,520,185	258,375,903,294	1,793.85
1948	252,292,246,513	68,768,043	4,692,775	73,460,818	252,365,707,331	1,721.80
1949	252,770,359,860	23,862,383	3,413,025	27,275,408	252,797,635,268	r 1,694.18
1950	257,357,352,351	17,077,809	2,425,225	19,503,034	257,376,855,385	1,697.10

NOTE.—Gross public debt on basis of daily Treasury statements. Guaranteed obligations from 1934 through 1939 on basis of Public Debt accounts, and for 1940 and subsequent years on basis of daily Treasury statements.

r Revised in accordance with Bureau of the Census estimated population for continental United States as of July 1.

[1] Consists of obligations issued by certain Government corporations and credit agencies, obligations which are guaranteed by the United States as to both principal and interest. They were first authorized in 1932, but no such obligations were outstanding at the end of the fiscal years 1932 and 1933.

[2] Based on Bureau of the Census estimated population for continental United States as of July 1 of each year.

TABLE 13.—*Public debt, by security classes, June 30, 1940–50*

[In millions of dollars. On basis of daily Treasury statements, see p. 443]

Class	June 30, 1940	June 30, 1941	June 30, 1942	June 30, 1943	June 30, 1944	June 30, 1945	June 30, 1946	June 30, 1947	June 30, 1948	June 30, 1949	June 30, 1950
Interest-bearing:											
Public issues:											
Marketable issues:											
Treasury bills	1,302	1,603	2,508	11,864	14,734	17,041	17,039	15,775	13,757	11,536	13,533
Certificates of indebtedness	----	----	3,096	16,561	28,822	34,136	34,804	25,296	22,588	29,427	18,418
Treasury notes	6,383	5,698	6,689	9,168	17,405	23,497	18,261	8,142	11,375	3,596	20,404
Treasury bonds:											
Bank-eligible	26,555	30,215	37,202	48,809	58,083	69,693	65,864	69,686	62,826	60,789	53,159
Bank-restricted [1]	----	----	882	8,711	21,161	36,756	53,459	49,636	49,636	49,636	49,636
Panama Canal loan bonds	50	50	50	50	50	50	50	50	50	50	50
Conversion bonds of 1946–47	29	29	29	29	29	29	13	----	----	----	----
Postal savings bonds	118	117	117	117	117	117	117	116	114	112	110
Total marketable issues	34,436	37,713	50,573	95,310	140,401	181,319	189,606	168,702	160,346	155,147	155,310
Nonmarketable issues:											
Treasury notes—tax series and savings series	----	----	3,015	7,495	9,557	10,136	6,711	5,560	4,394	4,860	8,472
United States savings bonds	2,905	4,314	10,188	21,256	34,606	45,586	49,035	51,367	53,274	56,260	57,536
Depositary bonds	----	----	79	226	474	505	427	325	316	369	285
Armed forces leave bonds	----	----	----	----	----	----	----	1,793	563	396	297
Treasury bonds—investment series	----	----	----	----	----	----	----	----	959	954	954
Adjusted service bonds of 1945	261	241	229	222	217	----	----	----	----	----	----
Total nonmarketable issues	3,166	4,555	13,510	29,200	44,855	56,226	56,173	59,045	59,506	62,839	67,544
Total public issues	37,602	42,267	64,083	124,509	185,256	237,545	245,779	227,747	219,852	217,986	222,853
Special issues:											
Adjusted service certificate fund (certificates)	11	19	18	18	17	14	12	12	6	6	5
Alaska Railroad retirement fund (notes)	1	1	1	2	2	2	2	3	3	3	(2)
Canal Zone Postal Savings System (notes)	----	----	1	2	4	4	4	4	3	3	2
Canal Zone retirement fund (notes)	4	5	7	8	9	10	11	12	13	14	(2)
Civil service retirement fund (notes) [3]	550	645	783	1,060	1,451	1,848	2,155	2,435	2,795	3,238	3,801
Farm tenant mortgage insurance fund (notes)	----	----	----	----	----	----	----	----	1	1	1
Federal Deposit Insurance Corporation (notes)	56	90	95	103	98	97	120	408	549	666	808
Federal home loan bank (notes)	----	----	----	----	----	----	----	----	37	117	119
Federal old-age and survivors insurance trust fund (certificates)	----	----	----	----	380	1,648	3,401	5,995	7,709	9,003	10,418
Federal old-age and survivors insurance trust fund (notes)	325	1,328	2,610	4,044	4,386	3,660	2,509	1,109	----	----	----

Footnotes at end of table.

TABLE 13.—*Public debt, by security classes, June 30, 1940–50*—Continued

[In millions of dollars]

Class	June 30, 1940	June 30, 1941	June 30, 1942	June 30, 1943	June 30, 1944	June 30, 1945	June 30, 1946	June 30, 1947	June 30, 1948	June 30, 1949	June 30, 1950
Interest-bearing—Continued											
Special issues—Continued											
Federal Savings and Loan Insurance Corporation (notes)		5	5	106	27	37	49	62	74	95	79
Foreign service retirement fund (notes)	4	5	5	6	7	8	9	10	12	14	17
Government life insurance fund (adjusted service bonds)	500	500	500	500	500	500					
Government life insurance fund (certificates)						86	682	1,254	1,286	1,318	1,292
Government life insurance fund (notes)	24	31	37	38	2	2	2				
Mutual mortgage insurance fund (notes)								14	4		
National service life insurance fund (notes)		3	39	352	1,213	3,187	5,240	6,474	6,935	7,288	5,342
Old-age reserve account (notes)	1,413	1,053	524								
Postal Savings System (notes)	97	88	55	197	264	461	779	1,624	1,909	1,949	1,799
Railroad retirement account (notes)	79	74	92	178	319	501	657	806	1,374	1,720	2,058
Unemployment trust fund (certificates)	1,710	2,273	3,114	4,257	5,610	6,747	6,699	7,142	7,500	7,340	6,616
War housing insurance fund (notes)								3			
Total special issues	4,775	6,120	7,885	10,871	14,287	18,812	22,332	27,366	30,211	32,776	32,356
Total interest-bearing debt	42,376	48,387	71,968	135,380	199,543	256,357	268,111	255,113	250,063	250,762	255,209
Matured debt on which interest has ceased	205	205	98	141	201	269	376	231	280	245	265
Debt bearing no interest:											
Special notes of the United States:											
International Bank for Reconstruction and Development series								416	66	41	
International Monetary Fund series								1,724	1,161	1,063	1,270
United States savings stamps [4]				213	197	178	96	70	58	52	49
Excess profits tax refund bonds					134	1,028	58	19	9	5	3
United States notes (less gold reserve)	191	191	191	191	191	191	191	191	191	191	191
Deposits for retirement of national bank and Federal Reserve Bank notes	190	173	159	766	732	655	584	517	459	407	365
Other debt bearing no interest	5	6	6	6	6	6	6	6	6	6	6
Total debt bearing no interest	386	369	356	1,175	1,259	2,057	935	2,942	1,949	1,764	1,883
Total gross debt	42,968	48,961	72,422	136,696	201,003	258,682	269,422	258,286	252,292	252,770	257,357

NOTE.—For information on composition of public debt beginning June 30, 1916, see 1947 annual report, p. 361.

[1] For explanation, see table 115, footnote 5.
[2] See footnote 3.
[3] Includes special issues transferred from Canal Zone retirement fund and Alaska Railroad retirement fund pursuant to Public Law 180, 81st Congress, approved July 21, 1949.
[4] Sales of these stamps commenced May 1, 1941, as a special defense series of postal savings stamps, which were obligations of Postal Savings System. Beginning Oct. 1, 1942, this special series was replaced by a Treasury issue of United States war savings stamps, and all outstanding stamps became public debt obligations.

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TABLE 14.—*Guaranteed obligations held outside the Treasury,*[1] *classified by issuing Government corporations and other business-type activities, June 30, 1940–50*

[Face amount, in thousands of dollars]

Agency	June 30, 1940	June 30, 1941	June 30, 1942	June 30, 1943	June 30, 1944	June 30, 1945	June 30, 1946	June 30, 1947	June 30, 1948	June 30, 1949	June 30, 1950
UNMATURED OBLIGATIONS											
Commodity Credit Corporation (notes, etc.)	406, 794	696, 252	701, 054	480, 065	561, 202	375, 161	424, 147	45, 002	41, 703	10, 909	1, 432
Federal Farm Mortgage Corporation (bonds)	1, 269, 388	1, 269, 388	929, 764	929, 764	----------	----------	----------	----------	----------	----------	----------
Federal Housing Administration:											
Mutual mortgage insurance fund (debentures)	5, 477	8, 049	8, 620	8, 797	8, 518	8, 347	8, 370	7, 497	7, 445	7, 480	7, 673
Housing insurance fund (debentures)	2, 024	9, 304	12, 844	14, 662	13, 043	9, 538	7, 038	5, 938	5, 938	3, 938	3, 440
War housing insurance fund (debentures)	----------	----------	----------	----------	1, 972	16, 045	27, 117	24, 775	13, 682	1, 536	4, 532
Public Housing Administration [2] (notes)	114, 157	226, 256	114, 157	114, 157	----------	----------	----------	----------	----------	----------	----------
Home Owners' Loan Corporation (bonds)	2, 603, 360	2, 408, 921	1, 562, 839	1, 533, 482	754, 904	----------	----------	----------	----------	----------	----------
Reconstruction Finance Corporation (notes)	1, 096, 357	1, 741, 449	1, 219, 251	1, 010, 760	176, 000	----------	----------	----------	----------	----------	----------
Total unmatured obligations	5, 497, 557	6, 359, 619	4, 548, 529	4, 091, 687	1, 515, 639	409, 092	466, 672	83, 212	68, 768	23, 862	17, 078
MATURED OBLIGATIONS											
Commodity Credit Corporation	----------	----------	42	137	7	82	----------	----------	----------	----------	----------
Federal Farm Mortgage Corporation	354	142	13, 977	1, 959	42, 913	7, 830	3, 714	2, 425	1, 738	1, 188	841
Federal Housing Administration:											
Mutual mortgage insurance fund	----------	26	13	16	17	----------	----------	----------	----------	----------	----------
Public Housing Administration [2]	----------	----------	5	----------	66	8	2	2	2	1	----------
Home Owners' Loan Corporation	31, 161	10, 466	5, 292	5, 863	64, 251	16, 128	5, 988	3, 878	2, 953	2, 224	1, 584
Reconstruction Finance Corporation	----------	----------	401	281	176	19	8	3	----------	----------	----------
Total matured obligations	31, 514	10, 633	19, 730	8, 256	107, 431	24, 067	9, 713	6, 308	4, 693	3, 413	2, 425
Total, based on guarantees	5, 529, 071	6, 370, 253	4, 568, 260	4, 099, 943	1, 623, 069	433, 158	476, 385	89, 520	73, 461	27, 275	19, 503

NOTE.—Figures on basis of daily Treasury statements. For reconciliation to basis of Public Debt accounts for 1950, see table 16.

[1] For obligations held by Treasury and reflected in the public debt, see table 64.

[2] Pursuant to Reorganization Plan No. 3 of 1947, which became law on July 27, 1947, name changed from Federal Public Housing Authority to Public Housing Administration.

TABLE 15.—*Contingent liabilities, June 30, 1940–50* [1]

[Face amount, in thousands of dollars]

	June 30, 1940	June 30, 1941	June 30, 1942	June 30, 1943	June 30, 1944	June 30, 1945	June 30, 1946	June 30, 1947	June 30, 1948	June 30, 1949	June 30, 1950
ON CREDIT OF THE UNITED STATES											
U. S. Postal Savings System (funds due depositors)	1,293,504	1,309,447	1,481,865	1,468,021	1,905,864	2,458,558	3,013,502	3,374,809	3,434,802	3,327,630	3,168,686
Canal Zone Postal Savings System (funds due depositors)	2,238	3,153	5,772	7,551	8,548	9,446	9,782	9,846	9,371	9,171	8,914
Tennessee Valley Authority [2] (bonds)	8,300	8,300	8,300	8,300	6,300	6,300	2,000				
Total, based on credit of the United States	1,304,043	1,320,900	1,495,936	1,483,873	1,920,712	2,474,304	3,025,283	3,384,655	3,444,173	3,336,801	3,177,600
OTHER OBLIGATIONS											
Federal Reserve System (Federal Reserve notes)	5,188,054	6,714,688	9,361,095	13,487,909	18,176,122	22,190,211	23,316,334	23,406,827	23,054,407	22,753,616	22,315,103

NOTE.—Figures through 1942 on basis of Public Debt accounts, and for 1943 and subsequent years on basis of daily Treasury statements.

[1] Does not include contingent liability on guaranteed and insured loans to veterans which, as of Dec. 31, 1949, amounted to $3,890,400,000; also does not include contingent liability on war production and contract termination guaranteed loans of the Department of the Army which, as of May 31, 1950, amounted to $669,016.88.

[2] Bonds held by Reconstruction Finance Corporation.

TABLE 16.—*Summary of public debt and guaranteed obligations by security classes, June 30, 1950*

Class of security	Computed rate of interest [1]	Amount outstanding on basis of Public Debt accounts	Net adjustment to basis of daily Treasury statement [2]	Amount outstanding on basis of daily Treasury statement
PUBLIC DEBT				
Interest-bearing debt:				
Public issues:				
Marketable obligations:	*Percent*			
Treasury bills	[3] 1.187	$13,532,988,000.00		$13,532,988,000.00
Certificates of indebtedness	1.163	18,418,074,000.00		18,418,074,000.00
Treasury notes	1.344	20,403,523,000.00		20,403,523,000.00
Treasury bonds	2.322	102,795,259,500.00	+$1,500.00	102,795,261,000.00
Other bonds	2.656	159,698,900.00		159,698,900.00
Total marketable obligations	1.958	155,309,543,400.00	+1,500.00	155,309,544,900.00

Nonmarketable obligations:				
Treasury savings notes	1.383	8,462,008,600.00	+10,296,300.00	8,472,304,900.00
United States savings bonds	2.748	57,419,136,219.49	+117,166,427.39	57,536,302,646.88
Depositary bonds	2.000	284,502,500.00		284,502,500.00
Armed forces leave bonds	2.500	296,499,250.00	+640,175.00	297,139,425.00
Treasury bonds, investment series	2.500	953,525,000.00		953,525,000.00
Total nonmarketable obligations	2.569	67,415,671,569.49	+128,102,902.39	67,543,774,471.88
Total public issues	2.143	222,725,214,969.49	+128,104,402.39	222,853,319,371.88
Special issues:				
Adjusted service certificate fund	4.000	5,250,000.00		5,250,000.00
Canal Zone Postal savings system	2.000	2,500,000.00		2,500,000.00
Civil service retirement fund [4]	3.997	3,800,578,000.00		3,800,578,000.00
Farm tenant mortgage insurance fund	2.000	1,000,000.00		1,000,000.00
Federal Deposit Insurance Corporation	2.000	808,000,000.00		808,000,000.00
Federal home loan banks	1.691	118,800,000.00		118,800,000.00
Federal old-age and survivors insurance trust fund	2.125	10,418,000,000.00		10,418,000,000.00
Federal Savings and Loan Insurance Corporation	2.000	78,812,000.00		78,812,000.00
Foreign service retirement fund	3.979	16,850,000.00		16,850,000.00
Government life insurance fund	3.500	1,291,500,000.00		1,291,500,000.00
National service life insurance fund	3.000	5,342,144,000.00		5,342,144,000.00
Postal Savings System	2.000	1,799,000,000.00		1,799,000,000.00
Railroad retirement account	3.000	2,057,600,000.00		2,057,600,000.00
Unemployment trust fund	2.125	6,616,000,000.00		6,616,000,000.00
Total special issues	2.589	32,356,034,000.00		32,356,034,000.00
Total interest-bearing debt	2.200	255,081,248,969.49	+128,104,402.39	255,209,353,371.88
Matured debt on which interest has ceased		391,559,910.26	−126,789,205.50	264,770,704.76
Debt bearing no interest:				
International Monetary Fund series		1,270,000,000.00		1,270,000,000.00
Other		613,341,462.64	−113,188.24	613,228,274.40
Total gross public debt		257,356,150,342.39	+1,202,008.65	257,357,352,351.04
GUARANTEED OBLIGATIONS HELD OUTSIDE THE TREASURY				
Interest-bearing debt:				
Commodity Credit Corporation	1.456	201,302.79	+1,230,619.95	1,431,922.74
Federal Housing Administration	2.796	15,645,886.23		15,645,886.23
Total interest-bearing guaranteed debt	2.684	15,847,189.02	+1,230,619.95	17,077,808.97
Matured debt on which interest has ceased		2,418,825.00	+6,400.00	2,425,225.00
Total guaranteed obligations held outside the Treasury		18,266,014.02	+1,237,019.95	[5] 19,503,033.97
Total gross public debt and guaranteed obligations		257,374,416,356.41	+2,439,028.60	257,376,855,385.01

[1] Based on daily Treasury statement.
[2] Adjustment is occasioned by items in transit on June 30, 1950, not shown in daily Treasury statement.
[3] Computed on true discount basis.
[4] Includes special issues transferred from Canal Zone and Alaska Railroad retirement funds, pursuant to Public Law 180, 81st Congress, approved July 21, 1949.
[5] For details see table 18.

TABLE 17.—*Description of public debt issues outstanding June 30, 1950*

[On basis of Public Debt accounts,[12] see p. 443]

Title of loan and rate of interest	Authorizing act	Tax status	Date of loan	When redeemable or payable	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding
INTEREST-BEARING DEBT									
Public issues									
Marketable:									
Treasury bills (maturity value), series maturing and approximate yield to maturity (%):[5]									
July 6, 1950 .... 1.148	(1)	(a)	Apr. 6, 1950	July 6, 1950		$99.710 Cash	$775,350,000.00		$901,759,000.00
						Exchange	126,409,000.00		
July 13, 1950 .... 1.160	(1)	(a)	Apr. 13, 1950	July 13, 1950		99.707 Cash	859,046,000.00		1,001,609,000.00
						Exchange	142,563,000.00		
July 20, 1950 .... 1.162	(1)	(a)	Apr. 20, 1950	July 20, 1950		99.706 Cash	682,376,000.00		1,001,540,000.00
						Exchange	319,164,000.00		
July 27, 1950 .... 1.166	(1)	(a)	Apr. 27, 1950	July 27, 1950		99.705 Cash	665,518,000.00		1,000,032,000.00
						Exchange	334,514,000.00		
Aug. 3, 1950 .... 1.166	(1)	(a)	May 4, 1950	Aug. 3, 1950	Sold at a discount; payable at par on maturity.	99.705 Cash	716,721,000.00		1,102,229,000.00
						Exchange	385,508,000.00		
Aug. 10, 1950 .... 1.166	(1)	(a)	May 11, 1950	Aug. 10, 1950		99.705 Cash	705,274,000.00		1,102,803,000.00
						Exchange	397,529,000.00		
Aug. 17, 1950 .... 1.165	(1)	(a)	May 18, 1950	Aug. 17, 1950		99.705 Cash	625,458,000.00		1,103,862,000.00
						Exchange	478,404,000.00		
Aug. 24, 1950 .... 1.167	(1)	(a)	May 25, 1950	Aug. 24, 1950		99.705 Cash	804,916,000.00		1,102,992,000.00
						Exchange	298,076,000.00		
Aug. 31, 1950 .... 1.168	(1)	(a)	June 1, 1950	Aug. 31, 1950		99.705 Cash	662,906,000.00		1,103,908,000.00
						Exchange	441,002,000.00		

Sept. 7, 1950 .... 1.179	(1)	(a)	June 8, 1950	Sept. 7, 1950	Sold at a discount; payable at par on maturity.	99.702 Cash	742,726,000.00		1,102,096,000.00
						Exchange	359,370,000.00		
Sept. 14, 1950 .... 1.176	(1)	(a)	June 15, 1950	Sept. 14, 1950		99.703 Cash	753,733,000.00		1,003,875,000.00
						Exchange	250,142,000.00		
Sept. 21, 1950 .... 1.174	(1)	(a)	June 22, 1950	Sept. 21, 1950		99.703 Cash	606,677,000.00		1,002,829,000.00
						Exchange	396,152,000.00		
Sept. 28, 1950 .... 1.172	(1)	(a)	June 29, 1950	Sept. 28, 1950		99.704 Cash	706,781,000.00		1,003,454,000.00
						Exchange	296,673,000.00		
Total Treasury bills							13,532,988,000.00		13,532,988,000.00
Certificates of indebtedness:									
1¼% Series F-1950	(1)	(b)	July 1, 1949	July 1, 1950	July 1, 1950	Exchange at par	5,601,025,000.00		5,601,025,000.00
1⅛% Series G-1950	(1)	(b)	Sept. 15, 1949	Sept. 15, 1950	Sept. 15, 1950	do	1,196,794,000.00		1,196,794,000.00
1⅛% Series H-1950	(1)	(b)	Oct. 1, 1949	Oct. 1, 1950	Oct. 1, 1950	do	6,247,587,000.00		6,247,587,000.00
1⅛% Series A-1951	(1)	(b)	Jan. 1, 1950	Jan. 1, 1951	Jan. 1, 1951	do	5,372,668,000.00		5,372,668,000.00
Total certificates of indebtedness.							18,418,074,000.00		18,418,074,000.00
Treasury notes:									
1¼% Series A-1951	(1)	(b)	Feb. 1, 1950	Oct. 1, 1951	Apr. 1, Oct. 1	Exchange at par	1,918,367,000.00		1,918,367,000.00
1¼% Series B-1951	(1)	(b)	Mar. 1, 1950	July 1, 1951	Jan. 1, July 1	do	2,741,130,000.00		2,741,130,000.00
1¼% Series C-1951	(1)	(b)	Apr. 1, 1950	July 1, 1951	Jan. 1, July 1	do	886,286,000.00		886,286,000.00
1¼% Series D-1951	(1)	(b)	June 1, 1950	July 1, 1951	July 1, 1951	do	4,817,592,000.00		4,817,592,000.00
1⅜% Series A-1954	(1)	(b)	Dec. 15, 1949	Mar. 15, 1954	Mar. 15, Sept. 15	do	4,675,069,000.00		4,675,069,000.00
1½% Series A-1955	(1)	(b)	Mar. 15, 1950	Mar. 15, 1955	Mar. 15, Sept. 15	do	5,365,079,000.00		5,365,079,000.00
Total Treasury notes							20,403,523,000.00		20,403,523,000.00
Treasury bonds:									
2½% of 1950-52	(1)	(c)	Sept. 15, 1938	Called for redemption on Sept. 15, 1950.	Mar. and Sept. 15	Par	461,690,100.00		
						Exchange at par	404,707,100.00		
						Exchange at $102.50.	319,444,500.00		
							1,185,841,700.00	$500.00	1,185,841,200.00
2% of 1950-52 (dated Apr. 15, 1943).	(1)	(b)	Apr. 15, 1943	do	do	Par	4,939,261,000.00	4,000.00	4,939,257,000.00
1½% of 1950	(1)	(b)	June 1, 1945	On Dec. 15, 1950	June and Dec. 15	Par	2,635,441,500.00	3,500.00	2,635,435,000.00
2¾% of 1951-54	(1)	(c)	June 15, 1936	On and after June 15, 1951; on June 15, 1954.	do	Par	670,846,550.00		
						Exchange at par	955,841,600.00		
							1,626,688,150.00	2,000.00	1,626,686,150.00
3% of 1951-55	(1)	(c)	Sept. 15, 1931	On and after Sept. 15, 1951; on Sept. 15, 1955.	Mar. and Sept. 15	Par	800,424,000.00	44,995,000.00	755,429,000.00

Footnotes at end of table.

TABLE 17.—*Description of public debt issues outstanding June 30, 1950*—Continued

Title of loan and rate of interest	Authorizing act	Tax status	Date of loan	When redeemable or payable	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding
INTEREST-BEARING DEBT—Continued									
Public issues—Continued									
Marketable—Continued									
Treasury bonds—Con.									
2% of 1951–53	(1)	(*b*)	Sept. 15, 1943	On and after Sept. 15, 1951; on Sept. 15, 1953.	Mar. and Sept. 15	Par	$6,884,359,000.00		
						Exchange at par	1,101,903,500.00		
							7,986,262,500.00	$2,000.00	$7,986,260,500.00
2¼% of 1951–53	(1)	(*c*)	Dec. 22, 1939	On and after Dec. 15, 1951; on Dec. 15, 1953.	June and Dec. 15	Par	100,000,000.00		
						Exchange at par	1,018,051,100.00		
							1,118,051,100.00		1,118,051,100.00
2% of 1951–55	(1)	(*b*)	Dec. 15, 1941	On and after Dec. 15, 1951; on Dec. 15, 1955.	do	Par	532,687,950.00	22,275,500.00	510,412,450.00
2½% of 1952–54	(1)	(*b*)	Mar. 31, 1941	On and after Mar. 15, 1952; on Mar. 15, 1954.	Mar. and Sept. 15	Par	576,145,150.00		
						Exchange at par	447,423,200.00		
							1,023,568,350.00		1,023,568,350.00
2¼% of 1952–55	(1)	(*b*)	Feb. 25, 1942	On and after June 15, 1952; on June 15, 1955.	June and Dec. 15	Par	1,510,795,300.00	10,014,000.00	1,500,781,300.00
2% of 1952–54 (dated June 26, 1944).	(1)	(*b*)	June 26, 1944	On and after June 15, 1952; on June 15, 1954.	do	Par	5,825,482,000.00	3,000.00	5,825,479,000.00
2% of 1952–54 (dated Dec. 1, 1944).	(1)	(*b*)	Dec. 1, 1944	On and after Dec. 15, 1952; on Dec. 15, 1954.	do	Par	7,922,077,000.00		
						Exchange at par	739,900,500.00		
							8,661,977,500.00	4,000.00	8,661,973,500.00
2% of 1953–55	(1)	(*c*)	Oct. 7, 1940	On and after June 15, 1953; on June 15, 1955.	June and Dec. 15	Exchange at par	724,677,900.00		724,677,900.00
2¼% of 1954–56	(1)	(*c*)	July 22, 1940	On and after June 15, 1954; on June 15, 1956.	do	Par	680,692,350.00		680,692,350.00

2⅞% of 1955-60	(1)	(c)	Mar. 15, 1935	On and after Mar. 15, 1955; on Mar. 15, 1960.	Mar. and Sept. 15	Exchange at par and $100.50.	2, 304, 429, 200. 00		
						$101.59375	101, 971, 000. 00		
						$101.56250	106, 541, 000. 00		
						$100.78125	98, 215, 000. 00		
							2, 611, 156, 200. 00	65, 050. 00	2, 611, 091, 150. 00
2½% of 1956-58	(1)	(b)	June 2, 1941	On and after Mar. 15, 1956; on Mar. 15, 1958.	do	Par	661, 750, 800. 00		
						Exchange at par	786, 996, 850. 00		
							1, 448, 747, 650. 00	1, 000. 00	1, 448, 746, 650. 00
2¾% of 1956-59	(1)	(c)	Sept. 15, 1936	On and after Sept. 15, 1956; on Sept. 15, 1959.	do	Par	981, 848, 050. 00	22, 000. 00	981, 826, 050. 00
2¼% of 1956-59	(1)	(b)	Feb. 1, 1944	On and after Sept. 15, 1956; on Sept. 15, 1959.[6]	do	Par	3, 727, 687, 000. 00		
						Exchange at par	94, 871, 500. 00		
							3, 822, 558, 500. 00	500. 00	3, 822, 558, 000. 00
2¾% of 1958-63	(1)	(c)	June 15, 1938	On and after June 15, 1958; on June 15, 1963.	June and Dec. 15	Exchange at par	918, 780, 600. 00		918, 780, 600. 00
2¼% of 1959-62 (dated June 1, 1945).	(1)	(b)	June 1, 1945	On and after June 15, 1959; on June 15, 1962.[6]	do	Par	5, 284, 068, 500. 00	10, 000. 00	5, 284, 058, 500. 00
2¼% of 1959-62 (dated Nov. 15, 1945).	(1)	(b)	Nov. 15, 1945	On and after Dec. 15, 1959; on Dec. 15, 1962.[6]	do	Par	3, 469, 671, 000. 00	32, 000. 00	3, 469, 639, 000. 00
2¾% of 1960-65	(1)	(c)	Dec. 15, 1938	On and after Dec. 15, 1960; on Dec. 15, 1965.	do	Par	402, 892, 800. 00		
						Exchange at par	188, 196, 700. 00		
						Exchange at $102.375.	894, 295, 600. 00		
							1, 485, 385, 100. 00	1, 000. 00	1, 485, 384, 100. 00
2½% of 1962-67	(1)	(b)	May 5, 1942	On and after June 15, 1962; on June 15, 1967.[6]	do	Par	2, 118, 164, 500. 00	17, 000. 00	2, 118, 147, 500. 00
2½% of 1963-68	(1)	(b)	Dec. 1, 1942	On and after Dec. 15, 1963; on Dec. 15, 1968.[6]	do	Par	2, 830, 914, 000. 00	61, 500. 00	2, 830, 852, 500. 00
2½% of 1964-69 (dated Apr. 15, 1943).	(1)	(b)	Apr. 15, 1943	On and after June 15, 1964; on June 15, 1969.[6]	do	Par	3, 761, 904, 000. 00	553, 500. 00	3, 761, 350, 500. 00

Footnotes at end of table.

TABLE 17.—*Description of public debt issues outstanding June 30, 1950*—Continued

Title of loan and rate of interest	Authorizing act	Tax status	Date of loan	When redeemable or payable	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding
INTEREST-BEARING DEBT—Continued									
Public issues—Continued									
Marketable—Continued									
Treasury bonds—Con.									
2½% of 1964–69 (dated Sept. 15, 1943).	(1)	(b)	Sept. 15, 1943	On and after Dec. 15, 1964; on Dec. 15, 1969.[6]	June and Dec. 15	Par	$3,778,754,000.00		
						Exchange at par	59,444,000.00		
							3,838,198,000.00	$63,000.00	$3,838,135,000.00
2½% of 1965–70	(1)	(b)	Feb. 1, 1944	On and after Mar. 15, 1965; on Mar. 15, 1970.[6]	Mar. and Sept. 15	Par	5,120,861,500.00		
						Exchange at par	76,533,000.00		
							5,197,394,500.00	201,000.00	5,197,193,500.00
2½% of 1966–71	(1)	(b)	Dec. 1, 1944	On and after Mar. 15, 1966; on Mar. 15, 1971.[6]	do	Par	3,447,511,500.00		
						Exchange at par	33,353,500.00		
							3,480,865,000.00	20,500.00	3,480,844,500.00
2½% of 1967–72 (dated June 1, 1945).	(1)	(b)	June 1, 1945	On and after June 15, 1967; on June 15, 1972.[6]	June and Dec. 15	Par	7,967,261,000.00	21,500.00	7,967,239,500.00
2½% of 1967–72 (dated Oct. 20, 1941).	(1)	(b)	Oct. 20, 1941	On and after Sept. 15, 1967; on Sept. 15, 1972.	Mar. and Sept. 15	Par	2,527,073,950.00		
						Exchange at par	188,971,200.00		
							2,716,045,150.00	12,500.00	2,716,032,650.00
2½% of 1967–72 (dated Nov 15, 1945).	(1)	(b)	Nov. 15, 1945	On and after Dec. 15, 1967; on Dec. 15, 1972.[6]	June and Dec. 15	Par	11,688,868,500.00	33,500.00	11,688,835,000.00
Total Treasury bonds.							102,873,681,550.00	78,422,050.00	102,795,259,500.00

Other bonds:									
3% Panama Canal loan of 1961.	(3)	(*d*)	June 1, 1911	On June 1, 1961	Mar., June, Sept., and Dec. 1.	$102.582	50, 000, 000. 00	200, 000. 00	49, 800, 000. 00
2½% Postal savings bonds (39th to 49th series).	(3)	(*d*)	July 1, 1930 and Jan. 1, July 1, 1931–35.	1 year from date of issue; 20 years from date of issue.	Jan. and July 1	Par	109, 904, 220. 00	5, 320. 00	109, 898, 900. 00
Total other bonds							159, 904, 220. 00	205, 320. 00	159, 698, 900. 00
Total marketable							155, 388, 170, 770. 00	78, 627, 370. 00	155, 309, 543, 400. 00
Nonmarketable:									
Treasury savings notes, series and approximate yield if held to maturity (%):			First day of each month:	Redeemable in payment of Federal income, estate, or gift taxes after one full calendar month has elapsed between month notes were purchased and month in which tendered for taxes. Notes of Series C are redeemable for cash at the option of owner during and after the sixth calendar month and notes of Series D during and after the fourth calendar month after the month of issue as shown on the face of each note.	Interest is payable with principal at time of redemption. No interest is payable if note is inscribed in the name of a bank that accepts demand deposits unless note is acquired by such bank through forfeiture of a loan.				
C-1950—1.07	(1)	(*b*)	July–Dec. 1947.			Par	1, 313, 681, 100. 00	1, 096, 920, 600. 00	216, 760, 500. 00
C-1951—1.07	(1)	(*b*)	Jan.–Aug. 1948.			Par	980, 796, 500. 00	779, 706, 300. 00	201, 090, 200. 00
D-1951—1.40	(1)	(*b*)	Sept.–Dec. 1948.			Par	2, 062, 588, 300. 00	660, 127, 500. 00	1, 402, 460, 800. 00
D-1952—1.40	(1)	(*b*)	Jan.–Dec. 1949.			Par	6, 005, 222, 800. 00	1, 156, 649, 100. 00	4, 848, 573, 700. 00
D-1953—1.40	(1)	(*b*)	Jan.–June 1950.			Par	1, 886, 254, 500. 00	93, 131, 100. 00	1, 793, 123, 400. 00
Total Treasury savings notes.							12, 248, 543, 200. 00	3, 786, 534, 600. 00	8, 462, 008, 600. 00

Footnotes at end of table.

TABLE 17.—*Description of public debt issues outstanding June 30, 1950*—Continued

Title of loan and rate of interest	Authorizing act	Tax status	Date of loan	When redeemable or payable	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding
INTEREST-BEARING DEBT—Continued									
Public issues—Continued									
Nonmarketable—Continued									
United States savings bonds, series and approximate yield to maturity (%): [7]			First day of each month:						
D-1940—2.90	(1)	(c)	July-Dec. 1940	After 60 days from issue date, on demand at option of owner; 10 years from issue date.	Sold at a discount; payable at par on maturity.	$75.00	$444, 949, 395. 75	$116, 648, 288. 25	$328, 301, 107. 50
D-1941—2.90	(1)	(c)	Jan. and Feb. 1941.	do	do	$75.00	421, 572, 236. 75	86, 951, 236. 25	334, 621, 000. 50
D-1941—2.90	(1)	(b)	Mar. and Apr. 1941.	do	do	$75.00	145, 331, 067. 00	39, 140, 090. 00	106, 190, 977. 00
Total Series D							1, 011, 852, 699. 50	242, 739, 614. 50	769, 113, 085. 00
E-1941—2.90	(1)	(b)	May-Dec. 1941	do	do	$75.00	1, 604, 451, 421. 55	488, 961, 633. 55	1, 115, 489, 788. 00
E-1942—2.90	(1)	(b)	Jan.-Dec. 1942	do	do	$75.00	7, 066, 888, 555. 50	3, 127, 594, 911. 00	3, 939, 293, 644. 50
E-1943—2.90	(1)	(b)	Jan.-Dec. 1943	do	do	$75.00	11. 362, 995, 536. 92	5, 886, 965, 376. 69	5, 476, 030, 160. 23
E-1944—2.90	(1)	(b)	Jan.-Dec. 1944	do	do	$75.00	13, 158, 696, 016. 55	7, 069, 254, 050. 57	6, 089, 441, 965. 98
E-1945—2.90	(1)	(b)	Jan.-Dec. 1945	do	do	$75.00	10. 254, 623, 668. 03	5, 382, 007, 213. 51	4, 872, 616, 454. 52
E-1946—2.90	(1)	(b)	Jan.-Dec. 1946	do	do	$75.00	4, 492, 370. 261. 77	1, 979, 823, 915. 91	2, 512, 546, 345. 86
E-1947—2.90	(1)	(b)	Jan.-Dec. 1947	do	do	$75.00	4, 145, 451, 592. 04	1. 502, 048, 885. 33	2, 643, 402, 706. 71
E-1948—2.90	(1)	(b)	Jan.-Dec. 1948	do	do	$75.00	4, 255, 271, 446. 36	1, 275, 676, 488. 39	2, 979, 594, 957. 97
E-1949—2.90	(1)	(b)	Jan.-Dec. 1949	do	do	$75.00	4, 182, 168, 303. 56	928, 128, 050. 27	3, 254, 040, 253. 29
E-1950—2.90	(1)	(b)	Jan.-June 1950	do	do	$75.00	1, 805, 613, 567. 50	121, 092, 840, 00	1, 684, 520, 727. 50
Total Series E							62, 328, 530, 369. 78	27, 761, 553, 365. 22	34, 566, 977, 004. 56
F-1941—2.53	(1)	(b)	May-Dec. 1941	After 6 months from issue date, on demand at option of owner on 1 month's notice; 12 years from issue date.	Sold at a discount; payable at par, on maturity.	$74.00	270, 907, 183. 95	72, 502, 096. 09	198, 405, 087. 86

F-1942—2.53	(1)	(b)	Jan.-Dec. 1942	do	do	$74.00	737, 329, 157. 02	237, 192, 213. 90	500, 136, 943. 12
F-1943—2.53	(1)	(b)	Jan.-Dec. 1943	do	do	$74.00	806, 901, 890. 69	277, 581, 293. 80	529, 320, 596. 89
F-1944—2.53	(1)	(b)	Jan.-Dec. 1944	do	do	$74.00	841, 741, 734. 86	234, 444, 255. 31	607, 297, 479. 55
F-1945—2.53	(1)	(b)	Jan.-Dec. 1945	do	do	$74.00	630, 922, 471. 02	143, 823, 537. 41	487, 098, 933. 61
F-1946—2.53	(1)	(b)	Jan.-Dec. 1946	do	do	$74.00	340, 629, 029. 16	75, 822, 741. 80	264, 806, 287. 36
F-1947—2.53	(1)	(b)	Jan.-Dec. 1947	do	do	$74.00	346, 791, 211. 79	59, 229, 720. 74	287, 561, 491. 05
F-1948—2.53	(1)	(b)	Jan.-Dec. 1948	do	do	$74.00	495, 394, 337. 52	31, 650, 316. 95	463, 744, 020. 57
F-1949—2.53	(1)	(b)	Jan.-Dec. 1949	do	do	$74.00	237, 721, 279. 55	8, 332, 614. 80	229, 388, 664. 75
F-1950—2.53	(1)	(b)	Jan.-June 1950	do	do	$74.00	130, 004, 772. 50	109, 039. 00	129, 895, 733. 50
Total Series F							4, 838, 343, 068. 06	1, 140, 687, 829. 80	3, 697, 655, 238. 26
G-1941—2.50	(1)	(b)	May-Dec. 1941	do	Semiannually	Par	1, 277, 267, 800. 00	233, 994, 700. 00	1, 043, 273, 100. 00
G-1942—2.50	(1)	(b)	Jan.-Dec. 1942	do	do	Par	2, 493, 045, 200. 00	513, 616, 600. 00	1, 979, 428, 600. 00
G-1943—2.50	(1)	(b)	Jan.-Dec. 1943	do	do	Par	2, 598, 128, 500. 00	562, 841, 700. 00	2, 035, 286, 800. 00
G-1944—2.50	(1)	(b)	Jan.-Dec. 1944	do	do	Par	2, 894, 068, 000. 00	533, 197, 200. 00	2, 360, 870, 800. 00
G-1945—2.50	(1)	(b)	Jan.-Dec. 1945	do	do	Par	2, 542, 312, 900. 00	396, 798, 500. 00	2, 145, 514, 400. 00
G-1946—2.50	(1)	(b)	Jan.-Dec. 1946	do	do	Par	2, 663, 891, 200. 00	378, 859, 900. 00	2, 285, 031, 300. 00
G-1947—2.50	(1)	(b)	Jan.-Dec. 1947	do	do	Par	2, 247, 337, 700. 00	258, 167, 200. 00	1, 989, 170, 500. 00
G-1948—2.50	(1)	(b)	Jan.-Dec. 1948	do	do	Par	2, 542, 026, 700. 00	125, 644, 300. 00	2, 416, 382, 400. 00
G-1949—2.50	(1)	(b)	Jan.-Dec. 1949	do	do	Par	1, 432, 965, 300. 00	40, 447, 900. 00	1, 392, 517, 400. 00
G-1950—2.50	(1)	(b)	Jan.-June 1950	do	do	Par	793, 877, 700. 00	530, 800. 00	793, 346, 900. 00
Total Series G							21, 484, 921, 000. 00	3, 044, 098, 800. 00	18, 440, 822, 200. 00
Unclassified sales and redemptions.							95, 311, 473. 60	150, 742, 781. 93	[8] 55, 431, 308. 33
Total United States savings bonds.							89, 758, 958, 610. 94	32, 339, 822, 391. 45	57, 419, 136, 219. 49
Depositary bonds:									
2% First Series	(1)	(b)	Various dates from June 28, 1941.	At any time upon 30 to 60 days' notice, on demand at option of owner; 12 years from issue date.	June and Dec. 1	Par	731, 609, 750. 00	447, 107, 250. 00	284, 502, 500. 00

Footnotes at end of table.

TABLE 17.—*Description of public debt issues outstanding June 30, 1950*—Continued

Title of loan and rate of interest	Authorizing act	Tax status	Date of loan	When redeemable or payable	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding
INTEREST-BEARING DEBT—Continued									
Public issues—Continued									
Nonmarketable—Continued									
Armed forces leave bonds:									
Series 1945	(1)	(*e*)	July 1, 1945	Upon death of holder or at any time in payment of premiums or in payment of the difference in reserve in case of conversion to insurance on another plan or in payment of a policy loan made prior to July 31, 1946, on a United States Government life insurance policy or a national service life insurance policy; 5 years from date of issue.	Interest with principal is paid at time of redemption.	Par	$66,461,550.00	$57,585,325.00	$8,876,225.00
			Oct. 1, 1945			Par	261,498,450.00	225,258,625.00	36,239,825.00
Series 1946	(1)	(*e*)	Jan. 1, 1946			Par	886,207,650.00	755,674,775.00	130,532,875.00
			Apr. 1, 1946			Par	428,795,325.00	363,824,300.00	64,971,025.00
			July 1, 1946			Par	154,392,750.00	131,157,625.00	23,235,125.00
			Oct. 1, 1946			Par	182,174,975.00	146,257,200.00	35,917,775.00
Unclassified redemptions.								3,273,600.00	[8] 3,273,600.00
Total armed forces leave bonds.							1,979,530,700.00	1,683,031,450.00	296,499,250.00
Treasury bonds, investment series:									
2½% Series A-1965	(1)	(*b*)	Oct. 1, 1947	On and after Apr. 1, 1948, on demand at option of owner on 1 month's notice; on Oct. 1, 1965.	Apr. 1, Oct. 1	Par	969,960,000.00	16,435,000.00	953,525,000.00

Total nonmarketable obligations							105,688,602,260.94	38,272,930,691.45	67,415,671,569.49
Total public issues							261,076,773,030.94	38,351,558,061.45	222,725,214,969.49
Special issues									
Adjusted service certificate fund; 4% Series 1951 (certificates).	(1)	(f)	Jan. 1, 1950	On demand; on Jan. 1, 1951.	Jan. 1	Par	5,545,000.00	295,000.00	5,250,000.00
Canal Zone Postal Savings System (notes):			Various dates from:	Redeemable after 1 year from date of issue and payable on June 30:					
2% Series 1952	(1)	(f)	June 30, 1947	1952	June 30, Dec. 31	Par	1,250,000.00		1,250,000.00
2% Series 1953	(1)	(f)	June 30, 1948	1953	do	Par	750,000.00		750,000.00
2% Series 1954	(1)	(f)	July 25, 1949	1954	do	Par	500,000.00		500,000.00
Civil service retirement fund (notes):			Various dates from June 30:	Redeemable after 1 year from date of issue and payable on June 30:					
4% Series 1951	(1)	(f)	1946	1951	June 30	Par	484,157,000.00		484,157,000.00
4% Series 1952	(1)	(f)	1947	1952	do	Par	709,084,000.00		709,084,000.00
4% Series 1953	(1)	(f)	1948	1953	do	Par	1,006,723,000.00		1,006,723,000.00
4% Series 1954	(1)	(f)	1949	1954	do	Par	1,185,208,728.00	19,000,728.00	1,166,208,000.00
4% Series 1955	(1)	(f)	June 30, 1950	1955	do	Par	424,076,000.00		424,076,000.00
			Various dates from June 30:						
3% Series 1951	(1)	(f)	1946	1951	do	Par	2,422,000.00		2,422,000.00
3% Series 1952	(1)	(f)	1947	1952	do	Par	2,220,000.00		2,220,000.00
3% Series 1953	(1)	(f)	1948	1953	do	Par	2,415,000.00		2,415,000.00
3% Series 1954	(1)	(f)	1949	1954	do	Par	2,372,000.00		2,372,000.00
3% Series 1955	(1)	(f)	June 30, 1950	1955	do	Par	901,000.00		901,000.00
				Redeemable after 1 year from date of issue and payable on:					
Farm tenant mortgage insurance fund, 2% Series 1952 (notes).	(1)	(f)	Mar. 18, 1948	Dec. 31, 1952	June 30, Dec. 31	Par	1,000,000.00		1,000,000.00
Federal Deposit Insurance Corporation (notes):			Various dates from:						
2% Series 1951	(1)	(f)	Dec. 26, 1946	Dec. 1, 1951	June 1, Dec. 1	Par	516,000,000.00	79,000,000.00	437,000,000.00
2% Series 1952	(1)	(f)	Jan. 19, 1948	Dec. 1, 1952	do	Par	149,000,000.00		149,000,000.00
2% Series 1953	(1)	(f)	Dec. 1, 1948	Dec. 1, 1953	do	Par	139,000,000.00		139,000,000.00
2% Series 1954	(1)	(f)	Dec. 2, 1949	Dec. 1, 1954	do	Par	83,000,000.00		83,000,000.00
Federal home loan banks (notes):									
1½% Series 1952	(1)	(f)	Jan. 30, 1948	June 30, 1952	June 30, Dec. 31	Par	42,800,000.00	39,300,000.00	3,500,000.00
1½% Series 1953	(1)	(f)	July 22, 1948	June 30, 1953	do	Par	75,900,000.00	25,900,000.00	50,000,000.00
1½% Series 1954	(1)	(f)	Aug. 25, 1949	June 30, 1954	do	Par	39,900,000.00	34,000,000.00	5,900,000.00
2% Series 1953	(1)	(f)	Oct. 8, 1948	June 30, 1953	do	Par	50,000,000.00		50,000,000.00
			Various dates from:						
1¼% Series 1953	(1)	(f)	Mar. 31, 1949	June 30, 1953	do	Par	8,500,000.00	3,500,000.00	5,000,000.00
1¼% Series 1954	(1)	(f)	Aug. 25, 1949	June 30, 1954	do	Par	39,150,000.00	34,750,000.00	4,400,000.00

Footnotes at end of table.

TABLE 17.—*Description of public debt issues outstanding June 30, 1950*—Continued

Title of loan and rate of interest	Authorizing act	Tax status	Date of loan	When redeemable or payable	Interest payment date	Average price received (per $100)	Amount issued	Amount retired	Amount outstanding
INTEREST-BEARING DEBT—Continued									
Special issues—Continued									
Federal old-age and survivors insurance trust fund; 2⅛% Series 1951 (certificates).	(1)	(f)	June 30, 1950	On demand; on June 30, 1951.	June 30, Dec. 31	Par	$10,418,000,000.00		$10,418,000,000.00
Federal Savings and Loan Insurance Corporation (notes):			Various dates from June 30:	Redeemable after 1 year from date of issue and payable on June 30:					
2% Series 1952	(1)	(f)	1947	1952	June 30, Dec. 31	Par	18,112,000.00	$15,750,000.00	2,362,000.00
2% Series 1953	(1)	(f)	1948	1953	do	Par	41,000,000.00		41,000,000.00
2% Series 1954	(1)	(f)	1949	1954	do	Par	25,150,000.00		25,150,000.00
2% Series 1955	(1)	(f)	June 30, 1950	1955	do	Par	10,300,000.00		10,300,000.00
Foreign service retirement fund (notes):			Various dates from June 30:	Redeemable after 1 year from date of issue and payable on June 30:					
4% Series 1951	(1)	(f)	1946	1951	June 30	Par	2,371,000.00		2,371,000.00
4% Series 1952	(1)	(f)	1947	1952	do	Par	3,680,000.00		3,680,000.00
4% Series 1953	(1)	(f)	1948	1953	do	Par	4,009,000.00		4,009,000.00
4% Series 1954	(1)	(f)	1949	1954	do	Par	4,260,000.00		4,260,000.00
4% Series 1955	(1)	(f)	June 30, 1950	1955	do	Par	2,182,000.00		2,182,000.00
			Various dates from June 30:						
3% Series 1951	(1)	(f)	1946	1951	do	Par	31,000.00		31,000.00
3% Series 1952	(1)	(f)	1947	1952	do	Par	94,000.00		94,000.00
3% Series 1953	(1)	(f)	1948	1953	do	Par	87,500.00		87,500.00
3% Series 1954	(1)	(f)	1949	1954	do	Par	83,500.00		83,500.00
3% Series 1955	(1)	(f)	June 30, 1950	1955	do	Par	52,000.00		52,000.00
Government life insurance fund, 3½% Series 1951 (certificates).	(1)	(f)	June 30, 1950	On demand; on June 30, 1951.	do	Par	1,291,500,000.00		1,291,500,000.00
National service life insurance fund (notes):			Various dates from June 30:	Redeemable after 1 year from date of issue and payable on June 30:					
3% Series 1951	(1)	(f)	1946	1951	June 30	Par	1,223,000,000.00	534,500,000.00	688,500,000.00
3% Series 1952	(1)	(f)	1947	1952	do	Par	745,485,000.00		745,485,000.00
3% Series 1953	(1)	(f)	1948	1953	do	Par	1,158,700,000.00		1,158,700,000.00
3% Series 1954	(1)	(f)	1949	1954	do	Par	2,597,000,000.00		2,597,000,000.00
3% Series 1955	(1)	(f)	June 30, 1950	1955	do	Par	152,459,000.00		152,459,000.00

Postal Savings System (notes):			Various dates from:						
2% Series 1951	(1)	(f)	July 3, 1946	1951	June 30, Dec. 31	Par	820,000,000.00	135,000,000.00	685,000,000.00
2% Series 1952	(1)	(f)	June 30, 1947	1952	do	Par	890,000,000.00		890,000,000.00
2% Series 1953	(1)	(f)	March 17, 1949	1953	do	Par	100,000,000.00		100,000,000.00
2% Series 1955	(1)	(f)	June 30, 1950	1955	do	Par	124,000,000.00		124,000,000.00
Railroad retirement account (notes):			Various dates from June 30:	Redeemable after 1 year from date of issue and payable on June 30:					
3% Series 1952	(1)	(f)	1947	1952	June 30	Par	778,000,000.00	17,800,000.00	760,200,000.00
3% Series 1953	(1)	(f)	1948	1953	do	Par	609,000,000.00		609,000,000.00
3% Series 1954	(1)	(f)	1949	1954	do	Par	631,000,000.00		631,000,000.00
3% Series 1955	(1)	(f)	June 30, 1950	1955	do	Par	57,400,000.00		57,400,000.00
Unemployment trust fund; 2⅛% Series 1951 (certificates).	(1)	(f)	do	On demand; on June 30, 1951.	June 30, Dec. 31	Par	6,616,000,000.00		6,616,000,000.00
Total special issues							33,294,829,728.00	938,795,728.00	32,356,034,000.00
Total interest-bearing debt.							294,371,602,758.94	39,290,353,789.45	255,081,248,969.49
MATURED DEBT ON WHICH INTEREST HAS CEASED									
Old debt matured—issued prior to Apr. 1, 1917.[9]	(4)								1,381,310.26
2½% Postal savings bonds	(3)								150,400.00
Liberty bonds and Victory notes, at various interest rates.	(4)								9,090,900.00
Treasury bonds, at various interest rates.	(1)								66,128,450.00
Adjusted service bonds of 1945.	(1)								7,153,900.00
Treasury notes, at various interest rates.	(1)								18,081,900.00
Treasury notes, tax series	(1)								1,797,600.00
Treasury savings notes	(1)								34,747,400.00
Certificates of indebtedness, at various interest rates.	(1)								31,475,150.00
Treasury bills	(1)								4,035,000.00
Treasury savings certificate	(1)								114,225.00
United States savings bonds	(1)								209,506,675.00
Armed forces leave bonds	(1)								7,897,000.00
Total matured debt on which interest has ceased.									391,559,910.26

Footnotes at end of table.

TABLE 17.—*Description of public debt issues outstanding June 30, 1950*—Continued

Title of loan	Amount issued	Amount retired	Amount outstanding
DEBT BEARING NO INTEREST			
Special notes of the United States (issued pursuant to the provisions of the Bretton Woods Agreements Act, approved July 31, 1945, and under the authority of and subject to the provisions of the Second Liberty Bond Act, as amended. The notes are nonnegotiable, bear no interest, and are payable on demand):			
International Monetary Fund series			$1, 270, 000, 000. 00
United States savings stamps (Public Debt Act of 1942)			48, 801, 157. 09
Excess profits tax refund bonds (issued under the authority of and subject to the provisions of the Second Liberty Bond Act, as amended, and sections 780–783 of the Internal Revenue Code, as amended. Issued in series depending upon the tax years for which credits are available and in amounts certified to the Secretary of the Treasury by the Commissioner of Internal Revenue. Bear no interest and mature at yearly intervals after the cessation of hostilities, as provided by section 780 (e) of the Internal Revenue Code, as amended, and are redeemable at the option of the owner on or after Jan. 1, 1946):			
First Series			1, 629, 787. 17
Second Series			1, 710, 406. 05
Total			3, 340, 193. 22
Old demand notes (acts of July 17, 1861 (12 Stat. 259); Aug. 5, 1861 (12 Stat. 313); Feb. 12, 1862 (12 Stat. 338). Greatest amount ever authorized to be outstanding, $60,000,000)	[10] $60, 030, 000. 00		52.917.50
Fractional currency (acts of July 17, 1862 (12 Stat. 592); Mar. 3, 1863 (12 Stat. 711); June 30, 1864 (13 Stat. 220). Greatest amount ever authorized to be outstanding, $50,000,000)	[10] 368, 724, 080. 00	[11]	1, 967, 353. 01
Legal tender notes (acts of Feb. 25, 1862 (12 Stat. 345); July 11, 1862 (12 Stat. 532); Mar. 3, 1863 (12 Stat. 710); May 31, 1878 (20 Stat. 87); Mar. 14, 1900 (31 Stat. 45); Mar. 4, 1907 (34 Stat. 1200). Greatest amount ever authorized to be outstanding, $450,000,000)	346, 681, 016. 00		346, 681, 016. 00
Less gold reserve			156, 039, 430. 93
National bank notes (redemption account) (the act of July 14, 1890 (26 Stat. 289), provides that balances standing with the Treasurer of the United States to the respective credits of national banks for deposits made to redeem the circulating notes of such banks and all deposits thereafter received for like purpose shall be covered into the Treasury as a miscellaneous receipt, and the Treasurer of the United States, shall redeem from the general cash in the Treasury the circulating notes of said banks which may come into his possession subject to redemption, * * * and the balance remaining of the deposits so covered shall, at the close of each month, be reported on the monthly public debt statement as debts of the United States bearing no interest. Authorized to be outstanding at one time, indefinite)			364, 817, 338. 50
Thrift and Treasury savings stamps, unclassified sales, etc			3, 720, 918. 25
Total debt bearing no interest			1, 883, 341, 462. 64
Gross debt (including $8,422,755,506.63 debt incurred to finance expenditures of Government corporations for which obligations of such corporations are held by the Treasury)			257, 356, 150, 342. 39
Guaranteed obligations not held by the Treasury			18, 266, 014. 02
Total gross public debt and guaranteed obligations			257, 374. 416, 356. 41

[1] Sept. 24, 1917, as amended.
[2] Aug. 5, 1909, Feb. 4, 1910, and Mar. 2, 1911.
[3] June 25, 1910.
[4] Various.
[5] Treasury bills are noninterest-bearing and are sold on a discount basis on competitive bids for each issue. The average sale price of these series gives an approximate yield on a bank discount basis (360 days a year) as indicated opposite each issue of bills. This yield differs slightly from the yield on a true discount basis (365 days a year) which is shown in summary table 16.
[6] Redeemable, at par and accrued interest, to date of payment, at any time upon the death of the owner at the option of the duly constituted representative of the deceased owner's estate, provided entire proceeds of redemption are applied to payments of the Federal estate taxes due from deceased owner's estate.
[7] Amounts issued and retired for Series D to F, inclusive, include accrued discount; amounts outstanding are stated at current redemption values. Amounts issued, retired, and outstanding for Series G are stated at par value.
[8] Deduct.
[9] For detailed information and amounts outstanding June 30, 1929, see table 24 in annual report for 1929, p. 456.
[10] Includes amounts authorized to be outstanding at present time and amounts issued on deposits including reissues.
[11] After deducting amounts officially estimated to have been lost or irrevocably destroyed.
[12] For summary on basis of daily Treasury statement, see table 16.

TAX EXEMPTIONS:

a Any income derived from Treasury bills, whether interest or gain from their sale or other disposition, does not have any exemption, as such, and loss from the sale or other disposition of any such bills does not have any special treatment, as such, under the Internal Revenue Code or laws amendatory or supplementary thereto. The bills are subject to estate, inheritance, gift, or other excise taxes whether Federal or State, but are exempt from all taxation, now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which the bills are originally sold by the United States is to be considered to be interest.

b Income derived from these securities is subject to all taxes now or hereafter imposed under the Internal Revenue Code or laws amendatory or supplementary thereto. The securities are subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. The following is applicable to savings bonds only: For the purposes of taxation any increment in value of savings bonds represented by the difference between the price paid and the redemption value received (whether at or before maturity) shall be considered as interest.

Attention is invited to Treasury Decision 4550, ruling that bonds, notes, bills, and certificates of indebtedness of the Federal Government or its agencies, and the interest thereon, are not exempt from the gift tax.

c Exempt, both as to principal and interest, from all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority, except (a) estate or inheritance taxes, and (b) graduated additional income taxes, commonly known as surtaxes, and excess profits and war profits taxes, now or hereafter imposed by the United States, upon the income or profits of individuals, partnerships, associations, or corporations. The interest on an amount of bonds authorized by the act approved Sept. 24, 1917, as amended, the principal of which does not exceed in the aggregate $5,000 owned by any individual, partnership, association, or corporation, shall be exempt from the taxes provided for in clause (b) above. The following is applicable to savings bonds only: For the purposes of determining taxes and tax exemptions the increment in value of savings bonds represented by the difference between the price paid and the redemption value received (whether at or before maturity) shall be considered as interest.

d Exempt from the payment of all taxes or duties of the United States, as well as from all taxation in any form by or under State, municipal, or local authority. (The Supreme Court has held that this exemption does not extend to estate or inheritance taxes imposed by Federal or State authority.)

e Interest on these bonds is subject to all taxes now or hereafter imposed under the Internal Revenue Code or laws amendatory or supplementary thereto. Principal is exempt from taxation.

f These issues being investments of various Government funds and payable only for the account of such funds have no present tax liability.

In hands of foreign holders.—Applicable only to securities issued prior to Mar. 1, 1941: Bonds, notes, and certificates of indebtedness of the United States shall, while beneficially owned by a nonresident alien individual, or a foreign corporation, partnership, or association not engaged in business in the United States, be exempt both as to principal and interest from any and all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority.

MEMORANDUM RELATING TO OTHER OBLIGATIONS

Obligations of the United States payable on presentation:	Amount
United States registered interest checks payable	$25, 650, 735. 12
United States interest coupons due and outstanding	105, 584, 225. 82
Interest payable with and accrued discount added to principal of United States securities exclusive of transfer and counter warrant transactions	126, 429, 222. 82
Settlement warrant checks outstanding	398, 077. 13
Total	258, 062, 260. 89

TABLE 18.—*Description of guaranteed obligations held outside the Treasury,*[1] *June 30, 1950*

[On basis of daily Treasury statements, see p. 443]

Title	Tax status	Date of issue	Redeemable (on and after)	Payable	Interest payable	Amount [2]		
						Principal	Interest [3]	Total
UNMATURED OBLIGATIONS								
Commodity Credit Corporation, act of Mar. 8, 1938, as amended:								
1¼% demand obligations	(4)	Various		On demand	Monthly	[5] $251,268.95		
1½% demand obligations	(4)	do		do	do	[5] 1,180,653.79		$1,431,922.74
Federal Housing Administration:								
Mutual mortgage insurance fund, act of June 27, 1934, as amended:								
3% debentures, Series A	(6)	do		(7)	Jan. 1, July 1	7,414,886.23		
2¾% debentures, Series E	(6)	do	(8)	(7)	do	95,050.00		
2¾% debentures, Series E (5th called)	(6)	do	(Called for redemption July 1, 1950)		July 1	163,450.00		
Housing insurance fund, act of June 27, 1934, as amended:								
2¾% debentures, Series D	(9)	do	(8)	(7)	Jan. 1, July 1	2,990,000.00		
2¾% debentures, Series D (7th called)	(9)	do	(Called for redemption July 1, 1950)		July 1	450,000.00		
War housing insurance fund, act of Mar. 28, 1941, as amended:								
2½% debentures, Series H	(4)	do	(8)	10 years after date of debenture.	Jan. 1, July 1	707,400.00		
2½% debentures, Series H (7th called)	(4)	do	(Called for redemption July 1, 1950)		July 1	2,709,750.00		
2½% debentures, Series J	(4)	do	(8)	10 years after date of debenture.	Jan. 1, July 1	181,100.00		
2½% debentures, Series J (1st called)	(4)	do	(Called for redemption July 1, 1950)		July 1	934,250.00		15,645,886.23
Total unmatured obligations						17,077,808.97		17,077,808.97
MATURED OBLIGATIONS								
Commodity Credit Corporation							$11.25	11.25
Federal Farm Mortgage Corporation						841,400.00	100,414.81	941,814.81
Federal Housing Administration							1,897.37	1,897.37
Home Owners' Loan Corporation						1,583,825.00	198,669.90	1,782,494.90
Reconstruction Finance Corporation							19.25	19.25
Total matured obligations						2,425,225.00	301,012.58	[10] 2,726,237.58
Total based on guarantees						[11] 19,503,033.97	301,012.58	19,804,046.55

[1] Obligations listed are unconditionally guaranteed as to principal and interest.
[2] For obligations held by Treasury and reflected in the public debt, see table 65.
[3] Does not include accrued interest.
[4] Income derived from these securities is subject to all Federal taxes, now or hereafter imposed. Securities are subject to surtaxes, estate, inheritance, gift, or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on principal or interest thereof by any State, municipality, or local taxing authority.
[5] Represents drafts and invoices as of May 31, 1950, paid by commercial banks for account of Commodity Credit Corporation.
[6] National Housing Act as amended by National Housing Act Amendments of 1938, approved Feb. 3,1938, reads in part as follows: "Such debentures as are issued in exchange for property covered by mortgages insured under sec. 203 or sec. 207 prior to the date of enactment of the National Housing Act Amendments of 1938 shall be subject only to such Federal, State, and local taxes as the mortgages in exchange for which they are issued would be subject to in the hands of the holder of the debentures. * * * Such debentures as are issued in exchange for property covered by mortgages insured after the date of enactment of the National Housing Act Amendments of 1938 shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority." Under Public Debt Act of 1941 interest upon and gain from sale of debentures shall have no exemption under Federal tax acts now or hereafter enacted, except such debentures as may be issued on contracts entered into prior to Mar. 1, 1941.
[7] Payable 3 years after the first day of July following the maturity date of the mortgage for which each debenture was issued.
[8] Redeemable on any interest day or days, on 3 months' notice.
[9] With reference to debentures issued prior to Mar. 1, 1941, in name of housing insurance fund, the National Housing Act Amendments of 1938, approved Feb. 3, 1938, states that "Such debentures as are issued in exchange for mortgages insured after the date of enactment of the National Housing Act Amendments of 1938 shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority." Under Public Debt Act of 1941 interest upon and gain from sale of debentures shall have no exemption under Federal tax acts now or hereafter enacted, except such debentures as may be issued on contracts entered into prior to Mar. 1, 1941.
[10] Funds have been deposited with Treasurer of the United States for payment of outstanding matured principal and interest.
[11] Amount outstanding on basis of Public Debt accounts is shown in table 16.

TABLE 19.—*Description of contingent liabilities outstanding June 30, 1950* [1]

[On basis of daily Treasury statements, see p. 443]

Title and authorizing act	Tax status	Date of issue	Payable	Interest payable	Rate of interest	Amount		
						Principal	Accrued interest	Total
ON CREDIT OF THE UNITED STATES					Percent			
U. S. Postal Savings System—funds due depositors, act of June 25, 1910, as amended.[2]	(3)	Date of deposit	On demand	(4)	2	$3, 168, 686, 280. 00	$113, 227, 625. 52	[5] $3, 281, 913, 905. 52
Canal Zone Postal Savings System—funds due depositors, act of June 13, 1940.[3]	(3)	do	do	(4)	2	8, 913, 825. 00	270, 250. 29	[6] 9, 184, 075. 29
Total						3, 177, 600, 105. 00	113, 497, 875. 81	3, 291, 097, 980. 81
OTHER OBLIGATIONS								
Federal Reserve notes (face amount), act of Dec. 23, 1913, as amended.[7]								[8] 22, 315, 103, 109. 23

[1] Does not include contingent liability on guaranteed and insured loans to veterans which, as of Dec. 31, 1949, amounted to $3,890,400,000; also does not include contingent liability on war production and contract termination guaranteed loans of the Department of the Army which, as of May 31, 1950, amounted to $669,016.88.

[2] The faith of the United States is solemnly pledged to payment of deposits made in postal savings depository offices with accrued interest thereon.

[3] Under Public Debt Act of 1941, income derived from deposits made subsequent to Mar. 1, 1941, is subject to all Federal taxes.

[4] Interest payable quarterly from first day of month next following date of deposit.

[5] Figures are as of Mar. 31, 1950, the latest available. Offset by cash in designated depository banks amounting to $7,610,892.82; which is secured by the pledge of collateral as provided in the Regulations of the Postal Savings System, having a face value of $7,471,200; cash in possession of System amounting to $162,726,895.83; Government securities with a face value of $3,108,063,090; and other net assets of $8,742,518.42.

[6] Figures are as of May 31, 1950, the latest available. Offset by cash on hand and in depository banks amounting to $457,872.61; Government securities with a face value of $8,850,000; and other assets.

[7] Federal Reserve notes are obligations of the United States and shall be receivable by all national and member banks and Federal Reserve Banks and for all taxes, customs, and other public dues. They are redeemable in lawful money on demand at the Treasury Department, Washington, D. C., or at any Federal Reserve Bank.

[8] Figures are as of May 31, 1950, the latest available. In actual circulation, exclusive of $520,629,555.77 redemption fund deposited in the Treasury and $685,330,985 of their own Federal Reserve notes held by the issuing banks. The collateral security for Federal Reserve notes issued consists of $14,249,000,000 in gold certificates and in credits with the Treasurer of the United States payable in gold certificates, $10,450,000,000 face amount of United States Government securities, and $237,430,000 face amount of commercial paper. Notes issued by a Federal Reserve Bank, are a first lien against the assets of such Bank.

TABLE 20.—*Statutory limitation on the public debt and guaranteed obligations, June 30, 1950*

[In millions of dollars]

PART I. STATUS UNDER LIMITATION, JUNE 30, 1950

	Amount	
Maximum amount of securities which may be outstanding at any one time, under limitations imposed by the Second Liberty Bond Act, as amended (31 U. S. C. 757b)		275,000
Amount of securities outstanding subject to such statutory debt limitation:		
U. S. Government securities issued under the Second Liberty Bond Act, as amended	256,633	
Guaranteed securities (excluding those held by the Treasury)	20	
Total amount of securities outstanding subject to statutory debt limitation		256,652
Balance issuable under limitation		18,348

PART II. APPLICATION OF LIMITATION TO PUBLIC DEBT AND GUARANTEED OBLIGATIONS OUTSTANDING JUNE 30, 1950

Class of security	Subject to statutory debt limitation	Not subject to statutory debt limitation	Total outstanding
Public debt:			
Interest-bearing securities:			
Marketable:			
Treasury bills	13,533		13,533
Certificates of indebtedness	18,418		18,418
Treasury notes	20,404		20,404
Treasury bonds—bank eligible	53,159		53,159
Treasury bonds—bank restricted [1]	49,636		49,636
Postal savings and Panama Canal bonds		160	160
Total marketable	155,150	160	155,310
Nonmarketable:			
U. S. savings bonds (current redemption value)	57,536		57,536
Treasury savings notes	8,472		8,472
Depositary bonds	285		285
Armed forces leave bonds	297		297
Treasury bonds, investment series	954		954
Total nonmarketable	67,544		67,544
Special issues to Government agencies and trust funds	32,356		32,356
Total interest-bearing securities	255,050	160	255,209
Matured securities on which interest has ceased	261	4	265
Debt bearing no interest:			
United States savings stamps	49		49
Excess profits tax refund bonds	3		3
Special notes of the United States:			
International Monetary Fund series	1,270		1,270
International Bank for Reconstruction and Development series			
United States notes (less gold reserve)		191	191
Deposits for retirement of national bank and Federal Reserve Bank notes		365	365
Other debt bearing no interest		6	6
Total debt bearing no interest	1,322	561	1,883
Total public debt	256,633	725	257,357
Guaranteed securities (excluding those held by the Treasury):			
Interest-bearing	17		17
Matured	2		2
Total guaranteed securities	20		20
Total public debt and guaranteed securities	256,652	725	257,377

[1] Issues which commercial banks may not acquire prior to specified dates (with minor exceptions). See table 115, footnote 5.

Operations in the public debt, etc.

TABLE 21.—*Public debt receipts and expenditures, by security classes, monthly for fiscal year 1950 and totals for 1949 and 1950* [1]

[On basis of daily Treasury statements, see p. 443]

Receipts (issues)	Fiscal year 1950						
	July 1949	August 1949	September 1949	October 1949	November 1949	December 1949	January 1950
Public issues:							
Marketable obligations:							
Certificates of indebtedness, special series							
Treasury bills	$2,609,374,000.00	$3,683,297,000.00	$2,963,934,000.00	$2,623,835,000.00	$2,930,715,000.00	$2,997,962,000.00	$2,907,109,000.00
Treasury bonds							
Treasury notes							
Subtotal	2,609,374,000.00	3,683,297,000.00	2,963,934,000.00	2,623,835,000.00	2,930,715,000.00	2,997,962,000.00	2,907,109,000.00
Exchanges:							
Certificates of indebtedness	5,601,447,000.00		1,195,400,000.00	6,248,491,000.00	490,000.00		5,372,668,000.00
Treasury bills	994,288,000.00	319,631,000.00	1,745,124,000.00	980,978,000.00	1,075,689,000.00	1,709,965,000.00	709,500,000.00
Treasury notes						4,653,143,500.00	21,418,500.00
Subtotal	6,595,735,000.00	319,631,000.00	2,940,524,000.00	7,229,469,000.00	1,076,179,000.00	6,363,108,500.00	6,103,586,500.00
Total marketable obligations	9,205,109,000.00	4,002,928,000.00	5,904,458,000.00	9,853,304,000.00	4,006,894,000.00	9,361,070,500.00	9,010,695,500.00
Nonmarketable obligations:							
Adjusted service bonds	4,350.00	10,600.00	2,600.00	8,150.00	5,800.00	7,300.00	7,150.00
Armed forces leave bonds	15,400.00	15,950.00	20,325.00	20,275.00	5,925.00	17,350.00	1,800.00
Depositary bonds	7,914,500.00	5,402,500.00	5,107,000.00	2,641,500.00	2,617,000.00	11,065,000.00	1,631,000.00
Excess profits tax refund bonds							
Special notes of the United States:							
International monetary fund series							
Treasury savings notes	1,095,807,400.00	1,158,778,600.00	496,321,500.00	589,436,700.00	323,814,800.00	515,767,800.00	411,046,500.00
United States savings bonds:							
Issue price	510,541,643.59	449,120,928.77	398,077,804.71	388,208,737.22	383,465,451.16	495,262,046.52	706,854,823.03
Accrued discount	103,511,004.01	70,633,413.73	73,073,921.92	73,790,368.93	77,351,646.90	106,927,331.77	109,242,123.22
United States savings stamps	835,074.95	953,736.57	942,023.40	1,145,477.18	1,247,449.28	1,146,869.22	1,256,002.57
Total nonmarketable obligations	1,718,629,372.55	1,684,915,729.07	973,545,175.03	1,055,251,208.33	788,508,072.34	1,130,193,697.51	1,230,039,398.82
Total public issues	10,923,738,372.55	5,687,843,729.07	6,878,003,175.03	10,908,555,208.33	4,795,402,072.34	10,491,264,197.51	10,240,734,898.82

Receipts (issues)	Fiscal year 1950					Total fiscal year 1950	Total fiscal year 1949
	February 1950	March 1950	April 1950	May 1950	June 1950		
Public issues:							
Marketable obligations:							
Certificates of indebtedness, special series		$108,000,000.00			$105,000,000.00	$213,000,000.00	$220,000,000.00
Treasury bills	$2,748,319,000.00	2,801,667,000.00	$2,982,490,000.00	$2,852,369,000.00	3,472,823,000.00	35,573,894,000.00	30,637,911,000.00
Treasury bonds							
Treasury notes							
Subtotal	2,748,319,000.00	2,909,667,000.00	2,982,490,000.00	2,852,369,000.00	3,577,823,000.00	35,786,894,000.00	30,857,911,000.00
Exchanges:							
Certificates of indebtedness						18,418,496,000.00	29,428,383,000.00
Treasury bills	1,263,395,000.00	1,904,241,000.00	922,650,000.00	1,559,517,000.00	1,743,339,000.00	14,928,317,000.00	18,499,629,000.00
Treasury notes	1,918,872,000.00	4,601,271,000.00	4,391,225,000.00		4,817,593,000.00	20,403,523,000.00	3,595,997,000.00
Subtotal	3,182,267,000.00	6,505,512,000.00	5,313,875,000.00	1,559,517,000.00	6,560,932,000.00	53,750,336,000.00	51,524,009,000.00
Total marketable obligations	5,930,586,000.00	9,415,179,000.00	8,296,365,000.00	4,411,886,000.00	10,138,755,000.00	89,537,230,000.00	82,381,920,000.00
Nonmarketable obligations:							
Adjusted service bonds	9,750.00	6,350.00	4,100.00	8,900.00	4,500.00	79,550.00	113,050.00
Armed forces leave bonds	11,000.00	14,275.00	14,650.00	75.00	10,000.00	147,025.00	7,490,275.00
Depositary bonds	1,037,000.00	2,367,000.00	6,758,000.00	181,500.00	4,030,000.00	50,752,000.00	79,437,500.00
Excess profits tax refund bonds				[a] 730.32	[a] 57.58	[a] 787.90	[a] 864,231.12
Special notes of the United States:							
International monetary fund series		262,000,000.00				262,000,000.00	
Treasury savings notes	229,374,900.00	361,658,300.00	210,534,700.00	273,275,500.00	484,081,200.00	6,149,897,900.00	3,994,193,700.00
United States savings bonds:							
Issue price	581,028,070.95	524,479,344.28	422,535,517.06	415,584,805.20	397,576,689.50	5,672,735,861.99	7,140,994,385.53
Accrued discount	74,205,462.71	86,790,722.98	77,921,693.37	80,406,415.43	111,254,765.47	1,045,108,870.44	926,653,436.62
United States savings stamps	1,116,161.27	1,466,249.23	1,247,539.35	1,280,994.75	1,100,680.91	13,738,258.68	15,471,404.86
Total nonmarketable obligations	886,782,344.93	1,238,782,241.49	719,016,199.78	770,737,460.06	998,057,778.30	13,194,458,678.21	12,163,489,520.89
Total public issues	6,817,368,344.93	10,653,961,241.49	9,015,381,199.78	5,182,623,460.06	11,136,812,778.30	102,731,688,678.21	94,545,409,520.89

Footnotes at end of table.

TABLE 21.—*Public debt receipts and expenditures, by security classes, monthly for fiscal year 1950 and totals for 1949 and 1950* [1]—Continued

Receipts and expenditures	Fiscal year 1950						
	July 1949	August 1949	September 1949	October 1949	November 1949	December 1949	January 1950
RECEIPTS (ISSUES)							
Special issues:							
Adjusted service certificate fund (certificates)							$5,545,000.00
Canal Zone, Postal Savings System (notes)	$500,000.00						
Civil service retirement fund (notes)	34,113,000.00	$328,338,728.00	$28,713,000.00	$26,490,000.00	$38,215,000.00	$28,175,000.00	31,130,000.00
Federal Deposit Insurance Corporation (notes)	49,000,000.00	10,000,000.00				12,000,000.00	54,000,000.00
Federal home loan banks (notes)		1,500,000.00		4,000,000.00	3,000,000.00		6,350,000.00
Federal old-age and survivors insurance trust fund (certificates)			315,000,000.00			270,000,000.00	40,000,000.00
Federal Savings and Loan Insurance Corporation (notes)	1,500,000.00	800,000.00	800,000.00	900,000.00	1,000,000.00	2,300,000.00	2,300,000.00
Foreign Service retirement fund (notes)	2,215,000.00	19,000.00	30,000.00	28,000.00	19,000.00	51,000.00	35,000.00
Government life insurance fund (certificates)							
National service life insurance fund (notes)	5,000,000.00	3,000,000.00	418,000,000.00	5,000,000.00			10,000,000.00
Postal Savings System (notes)							
Railroad retirement account (notes)	390,300,000.00	23,000,000.00		77,000,000.00			36,000,000.00
Unemployment trust fund (certificates)		87,000,000.00			62,000,000.00		72,000,000.00
Total special issues	482,628,000.00	453,657,728.00	762,543,000.00	113,418,000.00	104,234,000.00	312,526,000.00	257,360,000.00
Total public debt receipts	11,406,366,372.55	6,141,501,457.07	7,640,546,175.03	11,021,973,208.33	4,899,636,072.34	10,803,790,197.51	10,498,094,898.82
EXPENDITURES (RETIREMENTS)							
Public issues:							
Marketable obligations:							
Certificates of indebtedness	174,877,500.00	6,397,000.00	4,208,000.00	272,046,000.00	10,287,600.00	39,706,500.00	318,391,000.00
Certificates of indebtedness, special series							
Postal savings bonds	1,091,400.00	25,620.00	19,800.00	5,020.00	9,920.00	6,700.00	1,065,820.00
Treasury bills	2,619,867,000.00	3,093,941,000.00	2,770,610,000.00	2,621,237,000.00	2,927,645,000.00	2,997,681,000.00	2,897,009,000.00
Treasury bonds	4,556,700.00	1,927,800.00	86,075,700.00	4,558,850.00	2,102,850.00	116,468,350.00	27,270,150.00
Treasury notes	902,000.00	710,350.00	443,900.00	211,200.00	295,250.00	454,200.00	690,200.00
Other debt items	58,164.25	37,955.75	61,987.50	61,526.25	132,013.75	45,132.25	22,942.50
Subtotal	2,801,352,764.25	3,103,039,725.75	2,861,419,387.50	2,898,119,596.25	2,940,472,633.75	3,154,361,882.25	3,244,449,112.50

Receipts and expenditures	Fiscal year 1950					Total fiscal year 1950	Total fiscal year 1949
	February 1950	March 1950	April 1950	May 1950	June 1950		
RECEIPTS (ISSUES)							
Special issues:							
Adjusted service certificate fund (certificates)						$5,545,000.00	$5,700,000.00
Canal Zone, Postal Savings System (notes)						500,000.00	
Civil service retirement fund (notes)	$30,435,000.00	$31,210,000.00	$30,184,000.00	$34,400,000.00	$455,817,000.00	1,097,220,728.00	957,231,000.00
Federal Deposit Insurance Corporation (notes)	5,000,000.00				12,000,000.00	142,000,000.00	124,000,000.00
Federal home loan banks (notes)	34,100,000.00	23,800,000.00	6,300,000,00			79,050,000.00	134,400,000.00
Federal old-age and survivors insurance trust fund (certificates)	130,000,000.00	250,000,000.00	130,000,000.00	58,000,000.00	10,623,000,000.00	11,816,000,000.00	10,273,000,000.00
Federal Savings and Loan Insurance Corporation (notes)	700,000.00	500,000.00	300,000.00	1,250,000.00	12,300,000.00	24,650,000.00	31,000,000.00
Foreign Service retirement fund (notes)	25,000.00	38,000.00	44,000.00	43,000.00	2,272,000.00	4,819,000.00	4,055,000.00
Government life insurance fund (certificates)					1,291,500,000.00	1,291,500,000.00	1,318,000,000.00
National service life insurance fund (notes)	20,000,000.00	15,000,000.00	5,000,000.00		152,459,000.00	633,459,000.00	2,254,000,000.00
Postal Savings System (notes)					124,000,000.00	124,000,000.00	100,000,000.00
Railroad retirement account (notes)	500,000.00		57,700,000.00		57,400,000.00	641,900,000.00	620,500,000.00
Unemployment trust fund (certificates)	29,000,000.00			152,000,000.00	6,616,000,000.00	7,018,000,000.00	7,834,000,000.00
Total special issues	249,760,000.00	320,548,000.00	229,528,000.00	245,693,000.00	19,346,748,000.00	22,878,643,728.00	23,655,886,000.00
Total public debt receipts	7,067,128,344.93	10,974,509,241.49	9,244,909,199.78	5,428,316,460.06	30,483,560,778.30	125,610,332,406.21	118,201,295,520.89
EXPENDITURES (RETIREMENTS)							
Public issues:							
Marketable obligations:							
Certificates of indebtedness	75,837,000.00	181,698,000.00	78,540,000.00	6,614,000.00	197,539,000.00	1,366,141,600.00	1,806,267,000.00
Certificates of indebtedness, special series		108,000,000.00			105,000,000.00	213,000,000.00	220,000,000.00
Postal savings bonds	41,940.00	7,500.00	14,900.00	6,000.00	4,600.00	2,299,220.00	2,048,360.00
Treasury bills	2,740,824,000.00	2,802,019,000.00	2,693,927,000.00	2,456,127,000.00	2,962,330,000.00	33,583,217,000.00	32,849,126,000.00
Treasury bonds	6,163,850.00	84,324,000.00	9,201,000.00	5,732,950.00	7,159,550.00	355,541,750.00	652,993,700.00
Treasury notes	405,200.00	269,100.00	84,000,700.00	3,325,500.00	1,663,250.00	93,370,850.00	571,286,950.00
Other debt items	165,164.25	161,357.00	133,715.00	54,798.75	19,484.75	954,242.00	1,183,495.50
Subtotal	2,823,437,154.25	3,176,478,957.00	2,865,817,315.00	2,471,860,248.75	3,273,715,884.75	35,614,524,662.00	36,102,905,505.50

Footnotes at end of table.

TABLE 21.—*Public debt receipts and expenditures, by security classes, monthly for fiscal year 1950 and totals for 1949 and 1950* [1]—Continued

Expenditures (retirements)	Fiscal year 1950						
	July 1949	August 1949	September 1949	October 1949	November 1949	December 1949	January 1950
Public issues—Continued							
Marketable obligations—Continued							
Exchanges:							
Certificates of indebtedness	$5,601,025,000.00			$6,247,587,000.00		$483,775,000.00	$5,372,734,000.00
Treasury bills	994,288,000.00	$319,631,000.00	$1,745,124,000.00	980,978,000.00	$1,075,689,000.00	1,709,965,000.00	709,500,000.00
Treasury bonds	422,000.00		1,195,400,000.00	904,000.00	490,000.00	4,169,368,500.00	21,352,500.00
Treasury notes							
Subtotal	6,595,735,000.00	319,631,000.00	2,940,524,000.00	7,229,469,000.00	1,076,179,000.00	6,363,108,500.00	6,103,586,500.00
Total marketable obligations	9,397,087,764.25	3,422,670,725.75	5,801,943,387.50	10,127,588,596.25	4,016,651,633.75	9,517,470,382.25	9,348,035,612.50
Nonmarketable obligations:							
Adjusted service bonds	155,800.00	217,000.00	172,500.00	148,050.00	145,200.00	145,150.00	146,650.00
Armed forces leave bonds	9,423,175.00	9,499,300.00	8,902,550.00	8,625,100.00	7,822,275.00	7,234,000.00	8,423,975.00
Depositary bonds	619,500.00	5,474,000.00	4,172,000.00	98,500.00	1,593,000.00	5,545,000.00	3,712,500.00
Excess profits tax refund bonds	119,415.95	167,352.44	142,797.64	119,738.51	69,731.25	141,190.48	146,678.41
Special notes of the United States:							
International Bank series		40,785,000.00					
International Monetary Fund series			6,000,000.00	27,000,000.00	22,000,000.00		
Treasury bonds, investment series	40,000.00	50,000.00	25,000.00		25,000.00	150,000.00	25,000.00
Treasury tax and savings notes:							
Cash redemptions	223,543,750.00	75,880,175.00	87,292,650.00	114,291,200.00	121,714,400.00	194,891,200.00	79,866,700.00
Received for taxes	28,876,500.00	21,912,250.00	281,535,850.00	28,042,000.00	20,522,725.00	214,207,850.00	47,857,025.00
United States savings bonds:							
Matured:							
Issue price							163,653,898.00
Accrued discount							54,559,770.50
Unmatured:	[2] 425,287,034.07	[2] 439,020,196.85	[2] 411,076,491.00	[2] 395,617,675.04	[2] 415,494,811.85	[2] 466,273,937.96	
Issue price							344,701,061.00
Accrued discount							18,281,870.54
Unclassified [3]							37,089,119.18
United States savings stamps	1,455,897.50	1,511,243.30	1,144,645.65	1,205,486.05	1,241,683.25	1,191,145.00	1,268,479.20
Total nonmarketable obligations	689,521,072.52	594,516,517.59	800,464,484.29	575,147,749.60	590,628,826.35	889,779,473.44	759,732,726.83
Total public issues	10,086,608,836.77	4,017,187,243.34	6,602,407,871.79	10,702,736,345.85	4,607,280,460.10	10,407,249,855.69	10,107,768,339.33

Expenditures (retirements)	Fiscal year 1950					Total fiscal year 1950	Total fiscal year 1949
	February 1950	March 1950	April 1950	May 1950	June 1950		
Public issues—Continued							
Marketable obligations—Continued							
Exchanges:							
Certificates of indebtedness	$1,918,370,000.00	$2,741,125,000.00	$886,291,000.00		$4,817,592,000.00	$28,068,499,000.00	$20,785,107,000.00
Treasury bills	1,263,395,000.00	1,904,241,000.00	922,650,000.00	$1,559,517,000.00	1,743,339,000.00	14,928,317,000.00	18,499,629,000.00
Treasury bonds	502,000.00	1,860,146,000.00	627,000.00		1,000.00	7,249,213,000.00	1,432,608,000.00
Treasury notes			3,504,307,000.00			3,504,307,000.00	10,806,665,000.00
Subtotal	3,182,267,000.00	6,505,512,000.00	5,313,875,000.00	1,559,517,000.00	6,560,932,000.00	53,750,336,000.00	51,524,009,000.00
Total marketable obligations	6,005,704,154.25	9,681,990,957.00	8,179,692,315.00	4,031,377,248.75	9,834,647,884.75	89,364,860,662.00	87,626,914,505.50
Nonmarketable obligations:							
Adjusted service bonds	155,950.00	150,050.00	131,050.00	149,800.00	129,900.00	1,847,100.00	2,507,750.00
Armed forces leave bonds	7,348,225.00	7,402,975.00	7,275,000.00	6,942,250.00	6,612,200.00	95,511,025.00	171,053,775.00
Depositary bonds	97,867,500.00	4,413,000.00	450,000.00	3,092,500.00	7,794,000.00	134,831,500.00	27,209,500.00
Excess profits tax refund bonds	156,522.75	100,184.89	95,348.40	144,254.11	65,124.60	1,468,339.43	3,205,168.61
Special notes of the United States:							
International Bank series						40,785,000.00	25,000,000.00
International Monetary Fund series						55,000,000.00	98,000,000.00
Treasury bonds, investment series	25,000.00	25,000.00	90,000.00	25,000.00	25,000.00	505,000.00	5,320,000.00
Treasury tax and savings notes:							
Cash redemptions	137,702,650.00	136,653,050.00	85,559,825.00	100,369,250.00	151,917,575.00	1,509,682,425.00	2,078,942,925.00
Received for taxes	12,531,350.00	178,969,925.00	34,715,150.00	14,512,325.00	155,593,550.00	1,039,276,500.00	1,452,602,725.00
United States savings bonds:							
Matured:							
Issue price	94,861,952.00	95,489,437.50	56,195,775.00	51,726,768.75	37,998,281.25		
Accrued discount	31,612,179.50	31,829,812.50	18,731,925.00	17,242,256.25	12,666,093.75		
Unmatured:							
Issue price	308,480,470.25	356,532,388.75	315,132,172.50	378,899,664.75	355,642,631.00	[2] 5,422,086,571.38	[2] 5,067,374,781.20
Accrued discount	16,815,731.88	19,396,685.84	17,451,716.55	21,770,706.67	20,547,912.37		
Unclassified	[a] 33,975,898.17	6,918,096.93	5,131,901.92	[a] 15,313,152.03	29,245,194.68		
United States savings stamps	1,177,231.20	1,827,238.25	1,596,847.90	1,633,038.70	1,615,614.10	16,868,550.10	22,068,085.50
Total nonmarketable obligations	674,758,864.41	839,707,844.66	542,556,712.27	581,194,662.20	779,853,076.75	8,317,862,010.91	8,953,284,710.31
Total public issues	6,680,463,018.66	10,521,698,801.66	8,722,249,027.27	4,612,571,910.95	10,614,500,961.50	97,682,722,672.91	96,580,199,215.81

Footnotes at end of table.

TABLE 21.—*Public debt receipts and expenditures, by security classes, monthly for fiscal year 1950 and totals for 1949 and 1950* [1]—Continued

Expenditures (retirements)	Fiscal year 1950						
	July 1949	August 1949	September 1949	October 1949	November 1949	December 1949	January 1950
Special issues:							
Adjusted service certificate fund (certificates)	----------	$41,000.00	$50,000.00	$50,000.00	$45,000.00	$45,000.00	$5,332,000.00
Canal Zone, Postal Savings System (notes)	$1,000,000.00	----------	----------	----------	----------	----------	----------
Civil service retirement fund (notes)	17,000,000.00	24,000,000.00	19,215,728.00	22,000,000.00	24,000,000.00	28,000,000.00	20,110,000.00
Federal Deposit Insurance Corporation (notes)	----------	----------	----------	----------	----------	----------	----------
Federal home loan banks (notes)	----------	----------	----------	----------	----------	----------	3,750,000.00
Federal old-age and survivors insurance trust fund (certificates)	57,000,000.00	----------	----------	30,000,000.00	----------	----------	----------
Federal Savings and Loan Insurance Corporation (notes)	----------	----------	----------	----------	----------	----------	----------
Foreign service retirement fund (notes)	80,000.00	68,000.00	85,000.00	70,000.00	70,000.00	75,000.00	122,000.00
Government life insurance fund (certificates)	----------	42,000,000.00	2,500,000.00	1,500,000.00	2,000,000.00	2,500,000.00	2,500,000.00
Mutual mortgage insurance fund (notes)	----------	----------	----------	----------	----------	----------	----------
National service life insurance fund (notes)	----------	----------	----------	----------	----------	23,000,000.00	442,500,000.00
Postal Savings System (notes)	----------	15,000,000.00	20,000,000.00	25,000,000.00	10,000,000.00	----------	----------
Railroad retirement account (notes)	29,100,000.00	24,000,000.00	24,000,000.00	25,200,000.00	24,000,000.00	25,000,000.00	25,000,000.00
Unemployment trust fund (certificates)	105,000,000.00	40,000,000.00	140,000,000.00	114,000,000.00	25,000,000.00	167,000,000.00	152,000,000.00
Total special issues	209,180,000.00	145,109,000.00	205,850,728.00	217,820,000.00	85,115,000.00	245,620,000.00	651,314,000.00
Other obligations:							
National and Federal Reserve Bank notes	4,062,630.00	4,228,395.00	4,580,443.00	3,248,000.00	2,967,303.00	2,580,690.00	3,977,583.00
Old demand notes and fractional currency	----------	----------	----------	----------	----------	----------	----------
Total other obligations	4,062,630.00	4,228,395.00	4,580,443.00	3,248,000.00	2,967,303.00	2,580,690.00	3,977,583.00
Total public debt expenditures	10,299,851,466.77	4,166,524,638.34	6,812,839,042.79	10,923,804,345.85	4,695,362,763.10	10,655,450,545.69	10,763,059,922.33
Excess of receipts, or expenditures (—)	1,106,514,905.78	1,974,976,818.73	827,707,132.24	98,168,862.48	204,273,309.24	148,339,651.82	—264,965,023.51

Expenditures (retirements)	Fiscal year 1950					Total fiscal year 1950	Total fiscal year 1949
	February 1950	March 1950	April 1950	May 1950	June 1950		
Special issues:							
Adjusted service certificate fund (certificates)	$45,000.00	$100,000.00	$50,000.00	$50,000.00	$50,000.00	$5,858,000.00	$5,937,000.00
Canal Zone, Postal Savings System (notes)						1,000,000.00	
Civil service retirement fund (notes)	20,000,000.00	20,000,000.00	23,000,000.00	24,500,000.00	310,567,000.00	552,392,728.00	512,289,000.00
Federal Deposit Insurance Corporation (notes)							7,000,000.00
Federal home loan banks (notes)			10,000,000.00	7,000,000.00	56,500,000.00	77,250,000.00	54,800,000.00
Federal old-age and survivors insurance trust fund (certificates)					10,314,000,000.00	10,401,000,000.00	8,979,000,000.00
Federal Savings and Loan Insurance Corporation (notes)			3,000,000.00		38,000,000.00	41,000,000.00	10,300,000.00
Foreign service retirement fund (notes)	47,000.00	30,000.00	100,000.00	70,000.00	1,649,000.00	2,466,000.00	1,645,000.00
Government life insurance fund (certificates)	3,000,000.00	2,500,000.00	2,000,000.00	1,500,000.00	1,256,000,000.00	1,318,000,000.00	1,286,500,000.00
Mutual mortgage insurance fund (notes)							4,000,000.00
National service life insurance fund (notes)	773,000,000.00	868,000,000.00	337,000,000.00	81,000,000.00	54,500,000.00	2,579,000,000.00	1,901,000,000.00
Postal Savings System (notes)	10,000,000.00		15,000,000.00	25,000,000.00	154,000,000.00	274,000,000.00	60,000,000.00
Railroad retirement account (notes)	25,000,000.00	25,500,000.00	25,500,000.00	26,000,000.00	26,000,000.00	304,300,000.00	275,000,000.00
Unemployment trust fund (certificates)	50,000,000.00	177,000,000.00	110,000,000.00	15,000,000.00	6,647,000,000.00	7,742,000,000.00	7,994,000,000.00
Total special issues	881,092,000.00	1,093,130,000.00	525,650,000.00	180,120,000.00	18,858,266,000.00	23,298,266,728.00	21,091,471,000.00
Other obligations:							
National and Federal Reserve Bank notes	2,593,470.00	4,515,430.00	2,588,700.00	3,433,458.00	3,574,200.00	42,350,302.00	51,511,211.00
Old demand notes and fractional currency	212.59					212.59	746.74
Total other obligations	2,593,682.59	4,515,430.00	2,588,700.00	3,433,458.00	3,574,200.00	42,350,514.59	51,511,957.74
Total public debt expenditures	7,564,148,701.25	11,619,344,231.66	9,250,487,727.27	4,796,125,368.95	29,476,341,161.50	121,023,339,915.50	117,723,182,173.55
Excess of receipts, or expenditures (−)	−497,020,356.32	−644,834,990.17	−5,578,527.49	632,191,091.11	1,007,219,616.80	4,586,992,490.71	478,113,347.34

° Counter entry (deduct).
[1] For figures for 1933–37, see annual report for 1937, pp. 334–337, and for later years see corresponding tables in subsequent reports.
[2] Detailed comparative figures not available.
[3] Represents redemptions not yet classified as between matured and unmatured issues.

TABLE 22.—*Changes in public debt issues, fiscal year 1950*

[On basis of Public Debt accounts, see p. 443]

Title	Outstanding June 30, 1949	Issues during year	Redemptions during year	Transferred to matured debt	Outstanding June 30, 1950
INTEREST-BEARING DEBT					
Public issues					
Marketable:					
Treasury bills (maturity value), series maturing:					
July 7, 1949	$901, 630, 000. 00		$901, 630, 000. 00		
July 14, 1949	902, 106, 000. 00		902, 106, 000. 00		
July 21, 1949	903, 512, 000. 00		903, 512, 000. 00		
July 28, 1949	902, 060, 000. 00		902, 060, 000. 00		
Aug. 4, 1949	801, 987, 000. 00		801, 987, 000. 00		
Aug. 11, 1949	900, 331, 000. 00		900, 331, 000. 00		
Aug. 18, 1949	803, 023, 000. 00		803, 020, 000. 00	$3, 000. 00	
Aug. 25, 1949	904, 524, 000. 00		904, 524, 000. 00		
Sept. 1, 1949	901, 161, 000. 00		901, 161, 000. 00		
Sept. 8, 1949	904, 588, 000. 00		904, 538, 000. 00	50, 000. 00	
Sept. 15, 1949	907, 537, 000. 00		907, 537, 000. 00		
Sept. 22, 1949	902, 974, 000. 00		902, 974, 000. 00		
Sept. 29, 1949	900, 763, 000. 00	$200, 000. 00	900, 963, 000. 00		
Oct. 6, 1949		900, 559, 000. 00	900, 559, 000. 00		
Oct. 13, 1949		900, 714, 000. 00	900, 714, 000. 00		
Oct. 20, 1949		901, 722, 000. 00	901, 722, 000. 00		
Oct. 27, 1949		900, 467, 000. 00	900, 467, 000. 00		
Nov. 3, 1949		1, 000, 032, 000. 00	1, 000, 032, 000. 00		
Nov. 10, 1949		1, 001, 642, 000. 00	1, 001, 642, 000. 00		
Nov. 17, 1949		1, 000, 784, 000. 00	1, 000, 781, 000. 00		
Nov. 25, 1949		1, 000, 510, 000. 00	1, 000, 510, 000. 00		
Dec. 1, 1949		1, 001, 578, 000. 00	1, 001, 578, 000. 00		
Dec. 8, 1949		1, 000, 238, 000. 00	1, 000, 238. 000. 00		
Dec. 15, 1949		904, 782, 000. 00	904, 782, 000. 00		
Dec. 22, 1949		900, 828, 000. 00	900, 828, 000. 00		
Dec. 29, 1949		901, 592, 000. 00	901, 592, 000. 00		
Jan. 5, 1950		900, 178, 000. 00	900, 178, 000. 00		
Jan. 12, 1950		900, 776, 000. 00	900, 776, 000. 00		
Jan. 19, 1950		903, 256, 000. 00	903, 256, 000. 00		
Jan. 26, 1950		900, 603, 000. 00	900, 603, 000. 00		
Feb. 2, 1950		1, 000, 827, 000. 00	1, 000, 827, 000. 00		
Feb. 9, 1950		1, 001, 836, 000. 00	1, 001, 756, 000. 00	80, 000. 00	
Feb. 16, 1950		1, 000, 530, 000. 00	1, 000, 530, 000. 00		
Feb. 23, 1950		1, 003, 211, 000. 00	1, 003, 211, 000. 00		
Mar. 2, 1950		1, 000, 772, 000. 00	1, 000, 772, 000. 00		
Mar. 9, 1950		1, 002, 121, 000. 00	1, 002, 118, 000. 00	3. 000. 00	
Mar. 16, 1950		903, 483, 000. 00	903, 477, 000. 00	6, 000. 00	
Mar. 23, 1950		900, 608, 000. 00	899, 669, 000. 00	939, 000. 00	
Mar. 30, 1950		900, 943, 000. 00	900, 844, 000. 00	99, 000. 00	
Apr. 6, 1950		904, 985, 000. 00	904, 975, 000. 00	10, 000. 00	
Apr. 13, 1950		905, 762, 000. 00	905. 726, 000. 00	36, 000. 00	

Apr. 20, 1950		903, 026, 000. 00	902, 982, 000. 00	44, 000. 00	
Apr. 27, 1950		902, 846, 000. 00	902, 846, 000. 00		
May 4, 1950		1, 002, 780, 000. 00	1, 002, 778, 000. 00	2, 000. 00	
May 11, 1950		1, 004, 410, 000. 00	1, 004, 398, 000. 00	12, 000. 00	
May 18, 1950		1, 003, 584, 000. 00	1, 003, 554, 000. 00	30, 000. 00	
May 25, 1950		1, 000, 930, 000. 00	1, 000, 925, 000. 00	5, 000. 00	
June 1, 1950		1, 000, 048, 000. 00	1, 000, 025, 000. 00	23, 000. 00	
June 8, 1950		1, 001, 102, 000. 00	1, 000, 594, 000. 00	508, 000. 00	
June 15, 1950		902, 542, 000. 00	902, 447, 000. 00	95, 000. 00	
June 22, 1950		900, 473, 000. 00	900, 000, 000. 00	473, 000. 00	
June 29, 1950		901, 943, 000. 00	900, 933, 000. 00	1, 010, 000. 00	
July 6, 1950		901, 759, 000. 00			$901, 759, 000. 00
July 13, 1950		1, 001, 609, 000. 00			1, 001, 609, 000. 00
July 20, 1950		1, 001, 540, 000. 00			1, 001, 540, 000. 00
July 27, 1950		1, 000, 032, 000. 00			1, 000, 032, 000. 00
Aug. 3, 1950		1, 102, 229, 000. 00			1, 102, 229, 000. 00
Aug. 10, 1950		1, 102, 803, 000. 00			1, 102, 803, 000. 00
Aug. 17, 1950		1, 103, 862, 000. 00			1, 103, 862, 000. 00
Aug. 24, 1950		1, 102, 992, 000. 00			1, 102, 992, 000. 00
Aug. 31, 1950		1, 103, 908, 000. 00			1, 103, 908, 000. 00
Sept. 7, 1950		1, 102, 096, 000. 00			1, 102, 096, 000. 00
Sept. 14, 1950		1, 003, 875, 000. 00			1, 003, 875, 000. 00
Sept. 21, 1950		1, 002, 829, 000. 00			1, 002, 829, 000. 00
Sept. 28, 1950		1, 003, 454, 000. 00			1, 003, 454, 000. 00
Total Treasury bills	11, 536, 196, 000. 00	50, 502, 211, 000. 00	48, 501, 991, 000. 00	3, 428, 000. 00	13, 532, 988, 000. 00
Certificates of indebtedness:					
1⅛% Series F-1949	5, 782, 890, 000. 00		5, 782, 542, 000. 00	348, 000. 00	
1¼% Series G-1949	6, 535, 161, 000. 00		6, 534, 167, 000. 00	994, 000. 00	
1¼% Series H-1949	519, 153, 000. 00		518, 767, 000. 00	386, 000. 00	
1¼% Series A-1950	5, 694, 596, 000. 00		5, 692, 992, 000. 00	1, 604, 000. 00	
1¼% Series B-1950	1, 993, 250, 000. 00		1, 992, 285, 000. 00	965, 000. 00	
1¼% Series C-1950	2, 921, 536, 000. 00		2, 920, 594, 000. 00	942, 000. 00	
1¼% Series D-1950	962, 544, 000. 00		961, 276, 000. 00	1, 268, 000. 00	
1¼% Series E-1950	5, 018, 451, 000. 00	337, 000. 00	5, 014, 520, 000. 00	4, 268, 000. 00	
1¼% Series F-1950		5, 601, 025, 000. 00			5, 601, 025, 000. 00
1⅛% Series G-1950		1, 196, 794, 000. 00			1, 196, 794, 000. 00
1⅛% Series H-1950		6, 247, 587, 000. 00			6, 247, 587, 000. 00
1⅛% Series A-1951		5, 372, 668, 000. 00			5, 372, 668, 000. 00
Total certificates of indebtedness	29, 427, 581, 000. 00	18, 418, 411, 000. 00	29, 417, 143, 000. 00	10, 775, 000. 00	18, 418, 074, 000. 00
Treasury notes:					
1½% Series A-1950	3, 595, 997, 000. 00		3, 592, 510, 000. 00	3, 487, 000. 00	
1¼% Series A-1951		1, 918, 367, 000. 00			1, 918, 367, 000. 00
1¼% Series B-1951		2, 741, 130, 000. 00			2, 741, 130, 000. 00
1¼% Series C-1951		886, 286, 000. 00			886, 286, 000. 00
1¼% Series D-1951		4, 817, 592, 000. 00			4, 817, 592, 000. 00
1⅜% Series A-1954		4, 675, 069, 000. 00			4, 675, 069, 000. 00
1½% Series A-1955		5, 365, 079, 000. 00			5, 365, 079, 000. 00
Total Treasury notes	3, 595, 997, 000. 00	20, 403, 523, 000. 00	3, 592, 510, 000. 00	3, 487, 000. 00	20, 403, 523, 000. 00

Footnotes at end of table.

TABLE 22.—*Changes in public debt issues, fiscal year 1950*—Continued

Title	Outstanding June 30, 1949	Issues during year	Redemptions during year	Transferred to matured debt	Outstanding June 30, 1950
INTEREST-BEARING DEBT—Continued					
Public issues—Continued					
Marketable—Continued					
Treasury bonds:					
2% of 1949–51 (dated May 15, 1942)	$1,292,443,600.00		$1,290,534,500.00	$1,909,100.00	
2% of 1949–51 (dated July 15, 1942)	2,097,615,100.00		2,091,590,000.00	6,025,100.00	
3⅛% of 1949–52	491,375,100.00		487,270,300.00	4,104,800.00	
2½% of 1949–53	1,786,110,450.00		1,767,285,250.00	18,825,200.00	
2% of 1950–52 (dated Oct. 19, 1942)	1,962,688,300.00		1,947,524,700.00	15,163,600.00	
2½% of 1950–52	1,185,841,200.00				$1,185,841,200.00
2% of 1950–52 (dated Apr. 15, 1943)	4,939,258,500.00		1,500.00		4,939,257,000.00
1½% of 1950	2,635,437,000.00		2,000.00		2,635,435,000.00
2¾% of 1951–54	1,626,686,150.00				1,626,686,150.00
3% of 1951–55	755,429,000.00				755,429,000.00
2% of 1951–53	7,986,260,500.00				7,986,260,500.00
2¼% of 1951–53	1,118,051,100.00				1,118,051,100.00
2% of 1951–55	510,412,950.00		500.00		510,412,450.00
2½% of 1952–54	1,023,568,350.00				1,023,568,350.00
2¼ of 1952–55	1,500,781,300.00				1,500,781,300.00
2% of 1952–54 (dated June 26, 1944)	5,825,480,000.00		1,000.00		5,825,479,000.00
2% of 1952–54 (dated Dec. 1, 1944)	8,661,973,500.00				8,661,973,500.00
2% of 1953–55	724,677,900.00				724,677,900.00
2¼% of 1954–56	680,692,350.00				680,692,350.00
2⅞% of 1955–60	2,611,091,150.00				2,611,091,150.00
2½% of 1956–58	1,448,746,650.00				1,448,746,650.00
2¾% of 1956–59	981,826,050.00				981,826,050.00
2¼% of 1956–59	3,822,558,500.00		500.00		3,822,558,000.00
2¾% of 1958–63	918,780,600.00				918,780,600.00
2¼% of 1959–62 (dated June 1, 1945)	5,284,064,000.00		5,500.00		5,284,058,500.00
2¼% of 1959–62 (dated Nov. 15, 1945)	3,469,644,000.00		5,000.00		3,469,639,000.00
2¾% of 1960–65	1,485,384,600.00		500.00		1,485,384,100.00
2½% of 1962–67	2,118,147,500.00				2,118,147,500.00
2½% of 1963–68	2,830,852,500.00				2,830,852,500.00
2½% of 1964–69 (dated Apr. 15, 1943)	3,761,353,000.00		2,500.00		3,761,350,500.00
2½% of 1964–69 (dated Sept. 15, 1943)	3,838,137,500.00		2,500.00		3,838,135,000.00
2½% of 1965–70	5,197,194,000.00		500.00		5,197,193,500.00
2½% of 1966–71	3,480,844,500.00				3,480,844,500.00
2½% of 1967–72 (dated June 1, 1945)	7,967,241,500.00		2,000.00		7,967,239,500.00
2½% of 1967–72 (dated Oct. 20, 1941)	2,716,033,650.00		1,000.00		2,716,032,650.00
2½% of 1967–72 (dated Nov. 15, 1945)	11,688,841,500.00		6,500.00		11,688,835,000.00
Total Treasury bonds	110,425,523,550.00		7,584,236,250.00	46,027,800.00	102,795,259,500.00

Other bonds:					
3% Panama Canal loan of 1961	49,800,000.00				49,800,000.00
2½% Postal savings bonds (37th to 49th series)	112,236,440.00		2,263,040.00	74,500.00	109,898,900.00
Total other bonds	162,036,440.00		2,263,040.00	74,500.00	159,698,900.00
Total marketable	155,147,333,990.00	89,324,145,000.00	89,098,143,290.00	63,792,300.00	155,309,543,400.00
Nonmarketable:					
Treasury savings notes:					
Series C-1949	485,159,800.00		482,221,900.00	2,937,900.00	
Series C-1950	837,674,400.00		604,536,900.00	16,377,000.00	216,760,500.00
Series C-1951	287,252,500.00		86,162,300.00		201,090,200.00
Series D-1951	1,697,549,000.00		295,088,200.00		1,402,460,800.00
Series D-1952	1,541,667,400.00	4,269,300,700.00	962,394,400.00		4,848,573,700.00
Series D-1953		1,886,254,500.00	93,131,100.00		1,793,123,400.00
Total Treasury savings notes	4,849,303,100.00	6,155,555,200.00	2,523,534,800.00	19,314,900.00	8,462,008,600.00
United States savings bonds: [1]					
Series D-1939	385,390,183.00	7,783,752.00	363,013,760.00	30,160,175.00	
Series D-1940	1,001,893,853.00	41,259,907.00	596,671,402.50	118,181,250.00	328,301,107.50
Series D-1941	435,774,574.00	18,724,137.50	13,686,734.00		440,811,977.50
Total Series D	1,823,058,610.00	67,767,796.50	973,371,896.50	148,341,425.00	769,113,085.00
Series E-1941	1,122,264,926.75	48,235,412.25	55,010,551.00		1,115,489,788.00
Series E-1942	4,021,542,996.12	178,501,094.07	260,750,445.69		3,939,293,644.50
Series E-1943	5,671,202,896.13	226,669,349.27	421,842,085.17		5,476,030,160.23
Series E-1944	6,447,443,584.07	151,038,443.15	509,040,061.24		6,089,441,965.98
Series E-1945	5,165,787,906.89	123,608,650.85	416,780,103.22		4,872,616,454.52
Series E-1946	2,675,917,455.13	65,889,356.67	229,260,465.94		2,512,546,345.86
Series E-1947	2,867,319,043.32	44,871,698.83	268,788,035.44		2,643,402,706.71
Series E-1948	3,354,649,464.40	41,846,739.17	416,901,245.60		2,979,594,957.97
Series E-1949	1,862,194,712.50	2,198,153,944.81	806,308,404.02		3,254,040,253.29
Series E-1950		1,805,613,567.50	121,092,840.00		1,684,520,727.50
Total Series E	33,188,322,985.31	4,884,428,256.57	3,505,774,237.32		34,566,977,004.56
Series F-1941	200,874,278.42	5,893,716.84	8,362,907.40		198,405,087.86
Series F-1942	510,570,256.29	15,375,950.33	25,809,263.50		500,136,943.12
Series F-1943	544,993,073.92	16,835,408.32	32,507,885.35		529,320,596.89
Series F-1944	624,615,633.07	18,600,597.14	35,918,750.66		607,297,479.55
Series F-1945	501,090,373.61	12,780,897.12	26,772,337.12		487,098,933.61
Series F-1946	279,996,363.61	5,215,078.57	20,405,154.82		264,806,287.36
Series F-1947	304,833,968.16	4,040,278.64	21,312,755.75		287,561,491.05
Series F-1948	479,689,197.80	3,720,173.72	19,665,350.95		463,744,020.57
Series F-1949	135,166,124.50	102,531,586.05	8,309,045.80		229,388,664.75
Series F-1950		130,004,772.50	109,039.00		129,895,733.50
Total Series F	3,581,829,269.38	314,998,459.23	199,172,490.35		3,697,655,238.26

Footnotes at end of table.

TABLE 22.—*Changes in public debt issues, fiscal year 1950*—Continued

Title	Outstanding June 30, 1949	Issues during year	Redemptions during year	Transferred to matured debt	Outstanding June 30, 1950
INTEREST-BEARING DEBT—Continued					
Public issues—Continued					
Nonmarketable—Continued					
United States savings bonds [1]—Continued					
Series G-1941	$1, 072, 986, 100. 00		$29, 713, 000. 00		$1, 043, 273, 100. 00
Series G-1942	2, 046, 470, 000. 00		67, 041, 400. 00		1, 979, 428, 600. 00
Series G-1943	2, 114, 235, 200. 00		78, 948, 400. 00		2, 035, 286, 800. 00
Series G-1944	2, 442, 723, 300. 00		81, 852, 500. 00		2, 360, 870, 800. 00
Series G-1945	2, 215, 464, 300. 00	$2, 000. 00	69, 951, 900. 00		2, 145, 514, 400. 00
Series G-1946	2, 375, 751, 000. 00	3, 500. 00	90, 723, 200. 00		2, 285, 031, 300. 00
Series G-1947	2, 078, 100, 100. 00	114, 000. 00	89, 043, 600. 00		1, 989, 170, 500. 00
Series G-1948	2, 489, 995, 300. 00	60, 400. 00	73, 673, 300. 00		2, 416, 382, 400. 00
Series G-1949	773, 747, 700. 00	658, 759, 100. 00	39, 989, 400. 00		1, 392, 517, 400. 00
Series G-1950		793, 877, 700. 00	530, 800. 00		793, 346, 900. 00
Total Series G	17, 609, 473, 000. 00	1, 452, 816, 700. 00	621, 467, 500. 00		18, 440, 822, 200. 00
Unclassified sales and redemptions	[2] 19, 437, 639. 07	[2] 14, 625, 954. 54	21, 367, 714. 72		[2] 55, 431, 308. 33
Total United States savings bonds	56, 183, 246, 225. 62	6, 705, 385, 257. 76	5, 321, 153, 838. 89	$148, 341, 425. 00	57, 419, 136, 219. 49
Depositary bonds:					
First Series	269, 252, 500. 00	48, 439, 000. 00	33, 189, 000. 00		284, 502, 500. 00
Second Series	99, 329, 500. 00	2, 313, 000. 00	101, 642, 500. 00		
Total depositary bonds	368, 582, 000. 00	50, 752, 000. 00	134, 831, 500. 00		284, 502, 500. 00
Armed forces leave bonds:					
Series 1944:					
July 1, 1944	2, 178, 625. 00	2, 150. 00	1, 416, 325. 00	764, 450. 00	
Oct. 1, 1944	2, 382, 350. 00	1, 075. 00	1, 471, 925. 00	911, 500. 00	
Series 1945:					
Jan. 1, 1945	4, 230, 900. 00	4, 200. 00	2, 422, 675. 00	1, 812, 425. 00	
Apr. 1, 1945	3, 923, 025. 00	2, 950. 00	2, 008, 300. 00	1, 917, 675. 00	
July 1, 1945	11, 583, 700. 00	2, 800. 00	2, 710, 275. 00		8, 876, 225. 00
Oct. 1, 1945	47, 547, 900. 00	15, 450. 00	11, 323, 525. 00		36, 239, 825. 00
Series 1946:					
Jan. 1, 1946	169, 242, 125. 00	39, 625. 00	38, 748, 875. 00		130, 532, 875. 00
Apr. 1, 1946	82, 857, 975. 00	19, 350. 00	17, 906, 300. 00		64, 971, 025. 00

July 1, 1946	29,446,975.00	12,250.00	6,224,100.00		23,235,125.00
Oct. 1, 1946	45,554,400.00	33,325.00	9,669,950.00		35,917,775.00
Unclassified issues and redemptions	[2] 3,875,300.00		[2] 601,700.00		[2] 3,273,600.00
Total armed forces leave bonds	395,072,675.00	133,175.00	93,300,550.00	5,406,050.00	296,499,250.00
Treasury bonds, investment series, Series A-1965	954,030,000.00		505,000.00		953,525,000.00
Total nonmarketable	62,750,234,000.62	12,911,825,632.76	8,073,325,688.89	173,062,375.00	67,415,671,569.49
Total public issues	217,897,567,990.62	102,235,970,632.76	97,171,468,978.89	236,854,675.00	222,725,214,969.49
Special issues					
Adjusted service certificate fund, 4% certificates	5,563,000.00	5,545,000.00	5,858,000.00		5,250,000.00
Canal Zone Postal Savings System, 2% notes	3,000,000.00	500,000.00	1,000,000.00		2,500,000.00
Civil service retirement fund: [3]					
4% notes	3,246,783,000.00	1,094,399,728.00	550,934,728.00		3,790,248,000.00
3% notes	8,967,000.00	2,821,000.00	1,458,000.00		10,330,000.00
Farm tenant mortgage insurance fund, 2% notes	1,000,000.00				1,000,000.00
Federal Deposit Insurance Corporation, 2% notes	666,000,000.00	142,000,000.00			808,000,000.00
Federal home loan banks:					
1½% notes	58,500,000.00	39,900,000.00	39,000,000.00		59,400,000.00
2% notes	50,000,000.00				50,000,000.00
1¼% notes	8,500,000.00	39,150,000.00	38,250,000.00		9,400,000.00
Federal old-age and survivors insurance trust fund, 2⅛% certificates	9,003,000,000.00	11,816,000,000.00	10,401,000,000.00		10,418,000,000.00
Federal Savings and Loan Insurance Corporation, 2% notes	95,162,000.00	24,650,000.00	41,000,000.00		78,812,000.00
Foreign service retirement fund:					
4% notes	14,228,000.00	4,696,000.00	2,422,000.00		16,502,000.00
3% notes	269,000.00	123,000.00	44,000.00		348,000.00
Government life insurance fund, 3½% certificates	1,318,000,000.00	1,291,500,000.00	1,318,000,000.00		1,291,500,000.00
National service life insurance fund, 3% notes	7,287,685,000.00	633,459,000.00	2,579,000,000.00		5,342,144,000.00
Postal Savings System, 2% notes	1,949,000,000.00	124,000,000.00	274,000,000.00		1,799,000,000.00
Railroad retirement account, 3% notes	1,720,000,000.00	641,900,000.00	304,300,000.00		2,057,600,000.00
Unemployment trust fund, 2⅛% certificates	7,340,000,000.00	7,018,000,000.00	7,742,000,000.00		6,616,000,000.00
Special short-term, ¼% certificates		213,000,000.00	213,000,000.00		
Total special issues	32,775,657,000.00	23,091,643,728.00	23,511,266,728.00		32,356,034,000.00
Total interest-bearing debt	250,673,224,990.62	125,327,614,360.76	120,682,735,706.89	236,854,675.00	255,081,248,969.49

Footnotes at end of table.

TABLE 22.—*Changes in public debt issues, fiscal year 1950*—Continued

Title	Outstanding June 30, 1949	Issues during year	Transferred from interest-bearing debt	Redemptions during year	Outstanding June 30, 1950
MATURED DEBT ON WHICH INTEREST HAS CEASED					
Postal savings bonds, etc.:					
6% Oregon war debt	$2,100.00				$2,100.00
6% Compound interest notes (1864–66) [4]	156,070.00			$20.00	156,050.00
4% Refunded loan of 1907 (refunding)	343,000.00				343,000.00
4% Refunding certificate of 1879	8,140.00				8,140.00
5% 1-year notes of 1863	29,860.00				29,860.00
6% Consols of 1865	54,350.00				54,350.00
6% Consols of 1867	83,650.00				83,650.00
4½% Funded loan of 1891 (refunding)	18,700.00				18,700.00
5% Loan of 1904	13,000.00				13,000.00
3% Loan of 1908–18	99,580.00			580.00	99,000.00
4% Loan of 1925	8,550.00				8,550.00
2½% Postal savings bonds	111,980.00		$74,500.00	36,080.00	150,400.00
2% Consols of 1930	15,250.00			200.00	15,050.00
2% Panama Canal loan of 1916–36	100.00			20.00	80.00
2% Panama Canal loan of 1918–38	20.00				20.00
3% Conversion bonds of 1946	100.00				100.00
3% Conversion bonds of 1947	5,000.00			5,000.00	
All other issues [5]	549,660.26				549,660.26
Total postal savings bonds, etc	1,499,110.26		74,500.00	41,900.00	1,531,710.26
Liberty loan bonds:					
First Liberty loan:					
First 3½'s	1,879,950.00			495,450.00	1,384,500.00
First 4's	106,500.00			3,050.00	103,450.00
First 4¼'s	709,500.00			33,650.00	675,850.00
First-Second 4¼'s	3,350.00				3,350.00
Total	2,699,300.00			532,150.00	2,167,150.00
Second Liberty loan:					
Second 4's	394,450.00			15,900.00	378,550.00
Second 4¼'s	459,400.00			12,500.00	446,900.00
Total	853,850.00			28,400.00	825,450.00
Third Liberty loan 4¼'s	1,413,950.00			35,250.00	1,378,700.00
Fourth Liberty loan 4¼'s	4,597,500.00			333,750.00	4,263,750.00
Total Liberty loan bonds	9,564,600.00			929,550.00	8,635,050.00
Victory notes:					
Victory 3¾'s	800.00				800.00
Victory 4¾'s	462,150.00			7,100.00	455,050.00
Total Victory notes	462,950.00			7,100.00	455,050.00

Treasury bonds:					
3⅜'s of 1940–43	207, 500. 00			17, 400. 00	190, 100. 00
3⅜'s of 1941–43	387, 600. 00			62, 500. 00	325, 100. 00
3¼'s of 1941	161, 450. 00			40, 350. 00	121, 100. 00
3⅜'s of 1943–47	680, 400. 00			170, 400. 00	510, 000. 00
3¼'s of 1943–45	1, 369, 650. 00			282, 200. 00	1, 087, 450. 00
3¼'s of 1944–46	2, 748, 950. 00			623, 100. 00	2, 125, 850. 00
4's of 1944–54	1, 912, 900. 00			607, 000. 00	1, 305, 900. 00
2¾'s of 1945–47	2, 071, 300. 00			568, 150. 00	1, 503, 150. 00
2½'s of 1945	122, 000. 00			38, 700. 00	83, 300. 00
3¾'s of 1946–56	992, 300. 00			328, 900. 00	663, 400. 00
3's of 1946–48	992, 200. 00			265, 300. 00	726, 900. 00
3⅛'s of 1946–49	2, 996, 950. 00			835, 500. 00	2, 161, 450. 00
4¼'s of 1947–52	4, 811, 700. 00			1, 815, 400. 00	2, 996, 300. 00
2's of 1947	127, 800. 00			37, 000. 00	90, 800. 00
2's of 1948–50 (dated Mar. 15, 1941)	898, 100. 00			502, 100. 00	396, 000. 00
2¾'s of 1948–51	2, 910, 400. 00			856, 500. 00	2, 053, 900. 00
1¾'s of 1948	3, 910, 000. 00			2, 158, 500. 00	1, 751, 500. 00
2½'s of 1948	438, 800. 00			196, 900. 00	241, 900. 00
2's of 1948–50 (dated Dec. 8, 1939)	2, 651, 400. 00			2, 005, 250. 00	646, 150. 00
2's of 1949–51 (dated Jan. 15, 1942)	11, 214, 950. 00			10, 094, 550. 00	1, 120, 400. 00
Various (for details, see p. 526)			46, 027, 800. 00		46, 027, 800. 00
Total Treasury bonds	41, 606, 350. 00		46, 027, 800. 00	21, 505, 700. 00	66, 128, 450. 00
3% Adjusted service bonds of 1945	8, 919, 350. 00	$79, 550. 00		1, 845, 000. 00	7, 153, 900. 00
United States savings bonds:					
Series A–1935	4, 541, 450. 00			1, 085, 200. 00	3, 456, 250. 00
Series B–1936	9, 955, 050. 00			3, 063, 775. 00	6, 891, 275. 00
Series C–1937	18, 116, 225. 00	38. 00		7, 389, 113. 00	10, 727, 150. 00
Series C–1938	39, 908, 075. 00	3. 75		20, 786, 228. 75	19, 121, 850. 00
Series D–1939	97, 196, 225. 00	167. 00	30, 160, 175. 00	76, 227, 667. 00	51, 128, 900. 00
Series D–1940			118, 181, 250. 00		118, 181, 250. 00
Total United States savings bonds	169, 717, 025. 00	208. 75	148, 341, 425. 00	108, 551, 983. 75	209, 506, 675. 00
Armed forces leave bonds:					
Series 1943:					
Apr. 1, 1943	416, 975. 00	2, 225. 00		151, 900. 00	267, 300. 00
July 1, 1943	616, 950. 00	1, 975. 00		236, 200. 00	382, 725. 00
Oct. 1, 1943	976, 200. 00	1, 450. 00		389, 475. 00	588, 175. 00
Series 1944:					
Jan. 1, 1944	1, 143, 675. 00	3, 350. 00		497, 025. 00	650, 000. 00
Apr. 1, 1944	1, 185, 300. 00	2, 775. 00		585, 325. 00	602, 750. 00
July 1, 1944			764, 450. 00		764, 450. 00
Oct. 1, 1944			911, 500. 00		911, 500. 00
Series 1945:					
Jan. 1, 1945			1, 812, 425. 00		1, 812, 425. 00
Apr. 1, 1945			1, 917, 675. 00		1, 917, 675. 00
Total armed forces leave bonds	4, 339, 100. 00	11, 775. 00	5, 406, 050. 00	1, 859, 925. 00	7, 897, 000. 00

Footnotes at end of table.

TABLE 22.—*Changes in public debt issues, fiscal year 1950*—Continued

Title	Outstanding June 30, 1949	Issues during year	Transferred from interest-bearing debt	Redemptions during year	Outstanding June 30, 1950
MATURED DEBT ON WHICH INTEREST HAS CEASED—Continued					
Treasury notes:					
Regular series:					
5¾%—A-1924	$16,200.00			$10,000.00	$6,200.00
4⅜%—A-1925	1,000.00				1,000.00
4⅜%—B-1925	27,400.00			100.00	27,300.00
4½%—C-1925	6,300.00				6,300.00
4¾%—A-1926	2,700.00				2,700.00
4¼%—B-1926	6,800.00				6,800.00
4½%—A-1927	8,200.00				8,200.00
4¾%—B-1927	11,000.00				11,000.00
3½%—A-1930-32	81,700.00				81,700.00
3½%—B-1930-32	61,550.00			700.00	60,850.00
3½%—C-1930-32	15,600.00			250.00	15,350.00
3¼%—1932	14,200.00			200.00	14,000.00
3%—A-1934	2,500.00				2,500.00
2⅛%—B-1934	5,000.00				5,000.00
3%—A-1935	7,000.00				7,000.00
1⅝%—B-1935	989,400.00			5,000.00	984,400.00
2½%—C-1935	10,000.00				10,000.00
2½%—D-1935	80,000.00				80,000.00
3¼%—A-1936	52,300.00				52,300.00
2¾%—B-1936	18,100.00				18,100.00
2⅞%—C-1936	14,700.00			100.00	14,600.00
1½%—D-1936	200.00				200.00
1⅛%—E-1936	300.00			300.00	
3¼%—A-1937	109,100.00				109,100.00
3%—B-1937	38,500.00				38,500.00
3%—C-1937	20,000.00				20,000.00
2⅝%—A-1938	8,300.00			1,000.00	7,300.00
2⅞%—B-1938	21,000.00				21,000.00
3%—C-1938	245,000.00				245,000.00
2½%—D-1938	17,000.00			2,350.00	14,650.00
2⅛%—A-1939	37,200.00				37,200.00
1⅜%—B-1939	10,100.00				10,100.00
1½%—C-1939	1,300.00				1,300.00
1⅝%—A-1940	201,300.00			37,150.00	164,150.00
1½%—B-1940	68,100.00			3,000.00	65,100.00
1½%—C-1940	22,000.00				22,000.00
1½%—A-1941	50,500.00			40,000.00	10,500.00
1⅜%—B-1941	3,535,600.00			57,000.00	3,478,600.00
1¼%—C-1941	20,900.00				20,900.00
1¾%—A-1942	38,500.00			500.00	38,000.00

2%—B-1942	2,000.00				2,000.00
1¾%—C-1942	123,000.00				123,000.00
1⅛%—A-1943	29,500.00			6,500.00	23,000.00
1⅛%—B-1943	103,800.00			11,500.00	92,300.00
1%—C-1943	494,400.00			100.00	494,300.00
¾%—D-1943	2,000.00				2,000.00
¾%—A-1944	365,000.00			2,000.00	363,000.00
1%—B-1944	796,100.00			4,000.00	792,100.00
1%—C-1944	88,000.00				88,000.00
¾%—D-1944	29,900.00			1,000.00	28,900.00
¾%—A-1945	2,329,600.00			7,000.00	2,322,600.00
¾%—B-1945	386,800.00			274,700.00	112,100.00
1¼%—C-1945	18,600.00			4,100.00	14,500.00
1%—A-1946	90,600.00			47,100.00	43,500.00
1½%—B-1946	120,400.00			44,200.00	76,200.00
0.90%—C-1946	12,000.00			12,000.00	
0.90%—D-1946	108,000.00			12,000.00	96,000.00
1½%—A-1947	283,500.00			160,000.00	123,500.00
1¼%—B-1947	2,541,000.00			868,000.00	1,673,000.00
1¼%—C-1947	2,347,000.00			917,000.00	1,430,000.00
1½%—A-1948	1,320,000.00			820,000.00	500,000.00
1%—B-1948	608,000.00			398,000.00	210,000.00
1⅛%—A-1949	1,683,000.00			1,417,000.00	266,000.00
1½%—A-1950			$3,487,000.00		3,487,000.00
Tax series:					
A-1943	71,425.00			14,150.00	57,275.00
B-1943	127,200.00			6,800.00	120,400.00
A-1944	136,775.00			42,275.00	94,500.00
B-1944	87,800.00			16,500.00	71,300.00
A-1945	1,901,925.00			447,800.00	1,454,125.00
Savings series:					
C-1945	1,096,000.00			179,000.00	917,000.00
C-1946	4,454,500.00			1,476,600.00	2,977,900.00
C-1947	10,129,900.00			4,636,500.00	5,493,400.00
C-1948	13,360,400.00			8,541,900.00	4,818,500.00
C-1949	10,929,500.00		2,937,900.00	9,703,800.00	4,163,600.00
C-1950			16,377,000.00		16,377,000.00
Total Treasury notes	62,054,175.00		22,801,900.00	30,229,175.00	54,626,900.00
Certificates of indebtedness:					
Tax issues, series:					
4½%—T-10	1,000.00				1,000.00
4¾—TM-1921	500.00				500.00
6%—TJ-1921	1,500.00				1,500.00
6%—TS-1921	1,500.00				1,500.00
6%—TD-1921	2,000.00				2,000.00
5½%—TS-2-1921	1,000.00				1,000.00
5¾%—TM-1922	1,000.00				1,000.00
4½%—TS-2-1922	500.00				500.00
4½%—TD-1922	1,000.00				1,000.00
4¼%—TM-1923	1,000.00				1,000.00
3¾%—TS-1923	500.00				500.00

Footnotes at end of table.

TABLE 22.—*Changes in public debt issues, fiscal year 1950*—Continued

Title	Outstanding June 30, 1949	Issues during year	Transferred from interest-bearing debt	Redemptions during year	Outstanding June 30, 1950
MATURED DEBT ON WHICH INTEREST HAS CEASED—Continued					
Certificates of indebtedness—Continued					
Tax issues, series—Continued					
4½%—TM-1924	$1,000.00				$1,000.00
4%—TM-1925	1,000.00				1,000.00
4½%—TJ-1929	1,100.00				1,100.00
4¾%—TS-1929	1,500.00				1,500.00
4¼%—TD-1929	3,000.00				3,000.00
4¾%—TD-2-1929	1,500.00				1,500.00
5⅛%—TM-1930	13,500.00			$2,000.00	11,500.00
4⅞%—TJ-1930	4,500.00			3,000.00	1,500.00
1⅛%—TS-1932	3,500.00				3,500.00
3%—TS-2-1932	101,000.00				101,000.00
3¾%—TM-1933	22,500.00				22,500.00
2%—First—maturing Mar. 15, 1933	7,650.00			100.00	7,550.00
1½%—TJ-1933	2,500.00				2,500.00
4%—TAG-1933	11,000.00				11,000.00
1¼%—TS-1933	12,000.00				12,000.00
¾%—TD-1933	60,000.00				60,000.00
4¼%—TD-2-1933	34,000.00				34,000.00
¾%—TM-1934	1,000.00			1,000.00	
2¼%—TD-1934	4,500.00			4,500.00	
Loan issues, series:					
4½%—IVA-1918	500.00				500.00
5¼%—G-1920	1,000.00				1,000.00
5½%—H-1921	500.00				500.00
5½%—A-1922	1,000.00				1,000.00
3¾%—A-1933	1,500.00			1,000.00	500.00
⅞%—E-1943	12,000.00			2,000.00	10,000.00
⅞%—A-1944	5,000.00			5,000.00	
⅞%—B-1944	300,000.00			59,000.00	241,000.00
⅞%—D-1944	1,000.00				1,000.00
⅞%—E-1944	813,000.00			98,000.00	715,000.00
⅞%—A-1945	725,000.00			152,000.00	573,000.00
⅞%—B-1945	27,000.00			2,000.00	25,000.00
⅞%—C-1945	519,000.00			199,000.00	320,000.00
⅞%—E-1945	27,000.00			2,000.00	25,000.00
⅞%—F-1945	15,000.00				15,000.00
⅞%—H-1945	984,000.00			242,000.00	742,000.00
⅞%—A-1946	81,000.00			22,000.00	59,000.00
⅞%—B-1946	12,000.00			1,000.00	11,000.00
⅞%—C-1946	3,000.00			2,000.00	1,000.00
⅞%—E-1946	14,424,000.00			1,360,000.00	13,064,000.00
⅞%—G-1946	22,000.00			10,000.00	12,000.00

⅞%—H-1946	60,000.00				60,000.00
⅞%—J-1946	11,000.00			3,000.00	8,000.00
⅞%—K-1946	1,991,000.00			803,000.00	1,188,000.00
⅞%—A-1947	11,000.00			2,000.00	9,000.00
⅞%—B-1947	165,000.00			158,000.00	7,000.00
⅞%—C-1947	82,000.00				82,000.00
⅞%—D-1947	140,000.00			5,000.00	135,000.00
⅞%—E-1947	283,000.00			115,000.00	168,000.00
⅞%—F-1947	140,000.00			38,000.00	102,000.00
⅞%—G-1947	3,000.00			2,000.00	1,000.00
⅞%—H-1947	47,000.00			44,000.00	3,000.00
⅞%—J-1947	189,000.00			176,000.00	13,000.00
⅞%—K-1947	21,000.00				21,000.00
⅞%—L-1947	732,000.00			218,000.00	514,000.00
⅞%—A-1948	68,000.00			35,000.00	33,000.00
⅞%—B-1948	870,000.00			325,000.00	545,000.00
⅞%—C-1948	110,000.00			38,000.00	72,000.00
⅞%—D-1948	137,000.00			116,000.00	21,000.00
⅞%—E-1948	325,000.00			236,000.00	89,000.00
⅞%—F-1948	51,000.00			25,000.00	26,000.00
⅞%—G-1948	54,000.00			52,000.00	2,000.00
⅞%—H-1948	232,000.00			215,000.00	17,000.00
1%—J-1948	126,000.00			61,000.00	65,000.00
1%—K-1948	191,000.00			148,000.00	43,000.00
1⅛%—A-1949	928,000.00			598,000.00	330,000.00
1⅛%—B-1949	1,053,000.00			815,000.00	238,000.00
1⅛%—C-1949	2,159,000.00			1,688,000.00	471,000.00
1⅛%—D-1949	1,120,000.00			929,000.00	191,000.00
1⅛%—E-1949	8,809,000.00			8,668,000.00	141,000.00
Various (for details, see p. 525)			$10,775,000.00		10,775,000.00
Total certificates of indebtedness	38,380,750.00		10,775,000.00	17,680,600.00	31,475,150.00
Treasury bills, series matured:					
May 18, 1932	21,000.00				21,000.00
May 12, 1937	15,000.00				15,000.00
May 31, 1939	100,000.00				100,000.00
Mar. 27, 1940	10,000.00				10,000.00
June 5, 1940	30,000.00				30,000.00
Mar. 26, 1941	1,000.00			1,000.00	
June 18, 1941	20,000.00				20,000.00
Jan. 14, 1942	4,000.00				4,000.00
June 3, 1942	4,000.00			2,000.00	2,000.00
June 10, 1942	38,000.00				38,000.00
Feb. 3, 1943	1,000.00				1,000.00
June 2, 1943	6,000.00				6,000.00
June 9, 1943	30,000.00				30,000.00
June 1, 1944	3,000.00			3,000.00	
June 8, 1944	95,000.00				95,000.00
Aug. 10, 1944	5,000.00				5,000.00
Aug. 31, 1944	5,000.00				5,000.00
June 7, 1945	88,000.00				88,000.00
June 14, 1945	16,000.00				16,000.00

Footnotes at end of table.

TABLE 22.—*Changes in public debt issues, fiscal year 1950*—Continued

Title	Outstanding June 30, 1949	Issues during year	Transferred from interest-bearing debt	Redemptions during year	Outstanding June 30, 1950
MATURED DEBT ON WHICH INTEREST HAS CEASED—Continued					
Treasury bills, series matured—Continued					
Mar. 20, 1947	$56, 000. 00			$20, 000. 00	$36, 000. 00
Dec. 18, 1947	60, 000. 00				60, 000. 00
Jan. 2, 1948	1, 000. 00			1, 000. 00	
Sept. 23, 1948	461, 000. 00			461, 000. 00	
Nov. 12, 1948	10, 000. 00				10, 000. 00
Dec. 9, 1948	15, 000. 00			15, 000. 00	
Dec. 23, 1948	4, 000. 00			4, 000. 00	
Dec. 30, 1948	1, 000. 00			1, 000. 00	
Jan. 13, 1949	68, 000. 00			68, 000. 00	
Jan. 27, 1949	24, 000. 00			24, 000. 00	
Feb. 3, 1949	573, 000. 00			573, 000. 00	
Feb. 17, 1949	15, 000. 00				15, 000. 00
Mar. 3, 1949	47, 000. 00			47, 000. 00	
Mar. 10, 1949	4, 000. 00			4, 000. 00	
Mar. 24, 1949	2, 000. 00			2, 000. 00	
Apr. 7, 1949	4, 000. 00			4, 000. 00	
Apr. 14, 1949	19, 000. 00			19, 000. 00	
Apr. 21, 1949	210, 000. 00			210, 000. 00	
Apr. 28, 1949	90, 000. 00			90, 000. 00	
May 5, 1949	6, 000. 00			6, 000. 00	
May 12, 1949	16, 000. 00			16, 000. 00	
May 19, 1949	259, 000. 00			259, 000. 00	
May 26, 1949	180, 000. 00			180, 000. 00	
June 2, 1949	163, 000. 00			163, 000. 00	
June 9, 1949	12, 000. 00			12, 000. 00	
June 16, 1949	635, 000. 00			635, 000. 00	
June 23, 1949	565, 000. 00			565, 000. 00	
June 30, 1949	8, 139, 000. 00			8, 139, 000. 00	
Various (for details, see p. 524)			$3, 428, 000. 00		3, 428, 000. 00
Total Treasury bills	12, 131, 000. 00		3, 428, 000. 00	11, 524, 000. 00	4, 035, 000. 00

Title	Outstanding June 30, 1949	Issues during year	Transferred from interest-bearing debt	Redemptions during year	Transferred to matured debt	Outstanding June 30, 1950
MATURED DEBT ON WHICH INTEREST HAS CEASED—Continued						
Treasury (war) savings securities:						
Treasury savings certificates:						
Issued Dec. 15, 1921	$21, 500. 00			$225. 00		$21, 275. 00
Issued Sept. 30, 1922	66, 250. 00			950. 00		65, 300. 00

Issued Dec. 1, 1923	27,975.00			325.00		27,650.00
Total Treasury savings certificates	115,725.00			1,500.00		114,225.00
Total matured debt on which interest has ceased	348,790,135.26	$91,533.75	$236,854,675.00	194,176,433.75		391,559,910.26
DEBT BEARING NO INTEREST						
United States savings stamps (including unclassified sales)	51,931,184.69	13,741,517.00		16,871,544.60		48,801,157.09
Excess profits tax refund bonds:						
First series	2,230,234.19	[2] 71.21		600,375.81		1,629,787.17
Second series	2,566,756.62	[2] 716.69		855,633.88		1,710,406.05
Total excess profits tax refund bonds	4,796,990.81	[2] 787.90		1,456,009.69		3,340,193.22
Special notes of the United States:						
International Bank for Reconstruction and Development:						
Series dated Nov. 21, 1946	23,285,000.00			23,285,000.00		
Series dated Feb. 24, 1947	8,750,000.00			8,750,000.00		
Series dated May 23, 1947	8,750,000.00			8,750,000.00		
Total	40,785,000.00			40,785,000.00		
International Monetary Fund:						
Various issue dates	1,063,000,000.00	262,000,000.00		55,000,000.00		1,270,000,000.00
Total special notes of the United States	1,103,785,000.00	262,000,000.00		95,785,000.00		1,270,000,000.00
United States notes (less gold reserve)	190,641,585.07					190,641,585.07
Old demand notes	52,917.50					52,917.50
National and Federal Reserve Bank notes	407,167,640.50			42,350,302.00		364,817,338.50
Fractional currency	1,967,565.60			212.59		1,967,353.01
Thrift and Treasury savings stamps	3,723,392.00			2,473.75		3,720,918.25
Total debt bearing no interest	1,764,066,276.17	275,740,729.10		156,465,542.63		1,883,341,462.64
Total gross public debt	252,786,081,402.05	125,603,446,623.61	236,854,675.00	121,033,377,683.27	$236,854,675.00	257,356,150,342.39

[1] Amounts issued and redeemed for Series D to F bonds include issue price plus accrued discount; amounts outstanding are stated at current redemption value. Amounts issued, retired, and outstanding for Series G bonds are stated at par value.
[2] Deduct.
[3] Includes special issues transferred from Canal Zone retirement fund and Alaska Railroad retirement fund pursuant to Public Law 180, approved July 21, 1949.
[4] Interest compounded.
[5] Represents issues on which there were no transactions during years 1930–50; for amount of each issue outstanding (unchanged since June 30, 1929), see 1929 annual report, p. 478.

TABLE 23.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1949–June 1950* [1]

Date	Issue	Rate of interest [2]	Amount issued [3]	Amount matured, or called or redeemed prior to maturity [4]
1949		*Percent*		
July 1	Postal savings bonds, 37th Series	2½		$1,166,180.00
1	Certificates of indebtedness, Series F-1949:			
	Redeemed in exchange for certificates, Series F-1950	1⅛		5,601,025,000.00
1	Redeemable for cash	1⅛		181,865,000.00
1	Certificates of indebtedness, Series F-1950	1¼	$5,601,025,000.00	
	Treasury bills:			
7	Issued Apr. 7, 1949:			
	Redeemed in exchange for series dated July 7, 1949	1.160		291,893,000.00
	Redeemable for cash			609,737,000.00
7	Maturing Oct. 6, 1949:			
	Issued in exchange for series dated Apr. 7, 1949	1.052	291,893,000.00	
	Issued for cash		608,666,000.00	
14	Issued Apr. 14, 1949:			
	Redeemed in exchange for series dated July 14, 1949	1.153		240,560,000.00
	Redeemable for cash			661,546,000.00
14	Maturing Oct. 13, 1949:			
	Issued in exchange for series dated Apr. 14, 1949	.923	240,560,000.00	
	Issued for cash		660,154,000.00	
21	Issued Apr. 21, 1949:			
	Redeemed in exchange for series dated July 21, 1949	1.157		239,575,000.00
	Redeemable for cash			663,937,000.00
21	Maturing Oct. 20, 1949:			
	Issued in exchange for series dated Apr. 21, 1949	.927	239,575,000.00	
	Issued for cash		662,147,000.00	
28	Issued Apr. 28, 1949:			
	Redeemed in exchange for series dated July 28, 1949	1.156		222,260,000.00
	Redeemable for cash			679,800,000.00
28	Maturing Oct. 27, 1949:			
	Issued in exchange for series dated Apr. 28, 1949	1.017	222,260,000.00	
	Issued for cash		678,207,000.00	
	United States savings bonds:			
31	Series D-1939	2.90	1,580,116.75	59,630,247.50
31	Series D-1940	2.90	7,248,076.50	3,104,055.50
31	Series D-1941	2.90	3,714,623.00	1,090,480.00
31	Series E-1941	2.90	2,962,209.50	4,448,621.00
31	Series E-1942	2.90	20,154,198.75	20,794,788.75
31	Series E-1943	2.90	15,489,908.90	34,644,232.63
31	Series E-1944	2.90	18,295,902.14	43,014,060.47
31	Series E-1945	2.90	9,158,337.33	35,636,313.53
31	Series E-1946	2.90	6,769,261.40	19,756,787.03
31	Series E-1947	2.90	4,019,645.53	23,465,632.25
31	Series E-1948	2.90	4,558,312.83	42,616,895.01
31	Series E-1949	2.90	347,699,602.50	48,068,917.50
31	Series F-1941	2.53	361,510.49	773,239.41
31	Series F-1942	2.53	2,121,316.92	2,511,826.68
31	Series F-1943	2.53	1,400,909.80	3,320,739.55
31	Series F-1944	2.53	3,164,550.19	3,265,085.72
31	Series F-1945	2.53	715,655.04	2,574,249.15
31	Series F-1946	2.53	542,308.89	1,918,205.63
31	Series F-1947	2.53	509,549.98	2,033,488.08
31	Series F-1948	2.53	873,890.82	1,728,307.43
31	Series F-1949	2.53	17,122,138.50	171,643.00
31	Series G-1941	2.50		2,582,600.00
31	Series G-1942	2.50		6,260,200.00
31	Series G-1943	2.50		6,976,200.00
31	Series G-1944	2.50		7,987,300.00
31	Series G-1945	2.50		6,438,100.00
31	Series G-1946	2.50		8,583,400.00
31	Series G-1947	2.50	3,700.00	8,768,100.00
31	Series G-1948	2.50		7,507,400.00
31	Series G-1949	2.50	109,475,400.00	591,000.00
31	Unclassified sales and redemptions		36,111,521.84	10,988,393.25
31	Depositary bonds, First Series	2	6,081,000.00	461,000.00
31	Depositary bonds, Second Series	2	1,833,500.00	158,500.00

Footnotes at end of table.

TABLE 23.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1949–June 1950* [1]—Continued

Date	Issue	Rate of interest [2]	Amount issued [3]	Amount matured, or called or redeemed prior to maturity [4]
	Armed forces leave bonds:			
1949	Series 1944:	*Percent*		
July 31	July 1, 1944	2½	$575.00	$2,203,125.00
31	Oct. 1, 1944	2½	450.00	43,675.00
	Series 1945:			
31	Jan. 1, 1945	2½	150.00	79,300.00
31	Apr. 1, 1945	2½	300.00	85,275.00
31	July 1, 1945	2½	625.00	254,175.00
31	Oct. 1, 1945	2½	4,850.00	1,059,450.00
	Series 1946:			
31	Jan. 1, 1946	2½	4,875.00	3,673,650.00
31	Apr. 1, 1946	2½	2,550.00	1,718,400.00
31	July 1, 1946	2½	2,200.00	604,625.00
31	Oct. 1, 1946	2½	8,875.00	1,096,200.00
31	Unclassified issues and redemptions	2½	[6] 11,875.00	472,150.00
	Treasury savings notes:			
31	Series C-1949	1.07		[5] 116,013,400.00
31	Series C-1950	1.07		13,948,800.00
31	Series C-1951	1.07		7,486,600.00
31	Series D-1951	1.40		48,932,700.00
31	Series D-1952	1.40	1,095,807,400.00	64,633,800.00
31	Miscellaneous			41,000 00
	Total, July		10,922,275,122.60	10,077,580,514.07
	Treasury bills:			
Aug. 4	Issued May 5, 1949:			
	Redeemed in exchange for series dated Aug. 4, 1949	1.147		262,774,000.00
	Redeemable for cash			539,213,000.00
4	Maturing Nov. 3, 1949:			
	Issued in exchange for series dated May 5, 1949	1.032	262,774,000.00	
	Issued for cash		737,258,000.00	
11	Issued May 12, 1949:			
	Redeemed in exchange for series dated Aug. 11, 1949	1.148		22,697,000.00
	Redeemable for cash			877,634,000.00
11	Maturing Nov. 10, 1949:			
	Issued in exchange for series dated May 12, 1949	1.007	22,697,000.00	
	Issued for cash		978,945,000.00	
18	Issued May 19, 1949:			
	Redeemed in exchange for series dated Aug. 18, 1949	1.157		17,900,000.00
	Redeemable for cash			785,123,000.00
18	Maturing Nov. 17, 1949:			
	Issued in exchange for series dated May 19, 1949	1.017	17,900,000.00	
	Issued for cash		982,884,000.00	
25	Issued May 26, 1949:			
	Redeemed in exchange for series dated Aug. 25, 1949	1.159		16,260,000.00
	Redeemable for cash			888,264,000.00
25	Maturing Nov. 25, 1949:			
	Issued in exchange for series dated May 26, 1949	1.031	16,260,000.00	
	Issued for cash		984,250,000.00	
	United States savings bonds:			
31	Series D-1939	2.90	1,229,125.00	[5] 65,446,158.00
31	Series D-1940	2.90	2,840,073.00	3,373,123.00
31	Series D-1941	2.90	3,448,709.50	1,281,972.50
31	Series E-1941	2.90	2,098,906.00	4,979,928.00
31	Series E-1942	2.90	12,234,801.50	23,750,195.50
31	Series E-1943	2.90	12,021,501.30	39,290,584.88
31	Series E-1944	2.90	13,817,642.82	48,501,350.72
31	Series E-1945	2.90	6,689,167.25	40,087,782.91
31	Series E-1946	2.90	5,287,417.05	21,747,390.49
31	Series E-1947	2.90	2,888,715.43	26,514,430.01
31	Series E-1948	2.90	3,512,037.10	45,841,870.11
31	Series E-1949	2.90	367,156,071.25	61,491,041.25
31	Series F-1941	2.53	238,535.05	688,761.94
31	Series F-1942	2.53	1,034,273.56	2,644,884.75
31	Series F-1943	2.53	766,103.42	2,609,206.87
31	Series F-1944	2.53	1,405,291.71	3,184,335.82

Footnotes at end of table.

TABLE 23.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1949–June 1950* [1]—Continued

Date	Issue	Rate of interest [2]	Amount issued [3]	Amount matured, or called or redeemed prior to maturity [4]
1949	United States savings bonds—Continued	*Percent*		
Aug. 31	Series F-1945	2.53	$385,336.07	$2,165,819.94
31	Series F-1946	2.53	369,108.45	1,948,814.73
31	Series F-1947	2.53	282,454.22	1,534,276.08
31	Series F-1948	2.53	143,209.30	1,522,470.11
31	Series F-1949	2.53	18,161,228.00	175,639.00
31	Series G-1941	2.50		2,202,500.00
31	Series G-1942	2.50		5,810,100.00
31	Series G-1943	2.50		6,246,700.00
31	Series G-1944	2.50		7,234,600.00
31	Series G-1945	2.50		6,332,100.00
31	Series G-1946	2.50		7,249,500.00
31	Series G-1947	2.50		7,352,200.00
31	Series G-1948	2.50		6,722,100.00
31	Series G-1949	2.50	114,069,200.00	1,178,500.00
31	Unclassified sales and redemptions		[6] 50,324,566.98	[6] 14,153,084.51
31	Depositary bonds, First Series	2	5,322,000.00	1,347,000.00
31	Depositary bonds, Second Series	2	80,500.00	4,127,000.00
	Armed forces leave bonds:			
	Series 1944:			
31	Oct. 1, 1944	2½	125.00	52,050.00
	Series 1945:			
31	Jan. 1, 1945	2½	50.00	84,050.00
31	Apr. 1, 1945	2½	100.00	76,125.00
31	July 1, 1945	2½	200.00	317,250.00
31	Oct. 1, 1945	2½	1,425.00	1,121,175.00
	Series 1946:			
31	Jan. 1, 1946	2½	2,250.00	3,829,150.00
31	Apr. 1, 1946	2½	675.00	1,798,700.00
31	July 1, 1946	2½	1,650.00	641,525.00
31	Oct. 1, 1946	2½	3,200.00	1,080,250.00
31	Unclassified issues and redemptions	2½	5,750.00	[6] 204,225.00
	Treasury savings notes:			
31	Series C-1949	1.07		[5] 56,859,600.00
31	Series C-1950	1.07		6,118,900.00
31	Series C-1951	1.07		6,254,400.00
31	Series D-1951	1.40		12,130,600.00
31	Series D-1952	1.40	1,158,778,600.00	14,698,400.00
31	Miscellaneous			56,000.00
	Total, August		5,686,918,865.00	3,955,208,202.10
	Treasury bills:			
Sept. 1	Issued June 2, 1949:			
	Redeemed in exchange for series dated Sept. 1, 1949	1.159		365,236,000.00
	Redeemable for cash			535,925,000.00
1	Maturing Dec. 1, 1949:			
	Issued in exchange for series dated June 2, 1949	1.054	365,236,000.00	
	Issued for cash		636,342,000.00	
8	Issued June 9, 1949:			
	Redeemed in exchange for series dated Sept. 8, 1949	1.158		342,495,000.00
	Redeemable for cash			562,093,000.00
8	Maturing Dec. 8, 1949:			
	Issued in exchange for series dated June 9, 1949	1.056	342,495,000.00	
	Issued for cash		657,743,000.00	
15	Issued June 16, 1949:			
	Redeemed in exchange for series dated Sept. 15, 1949	1.158		233,415,000.00
	Redeemable for cash			674,122,000.00
15	Maturing Dec. 15, 1949:			
	Issued in exchange for series dated June 16, 1949	1.059	233,415,000.00	
	Issued for cash		671,367,000.00	
15	Treasury bonds of 1949-51 (dated May 15, 1942):			
	Redeemed in exchange for certificates, Series G-1950	2		1,196,794,000.00
	Redeemable for cash			95,649,600.00
15	Certificates of indebtedness, Series G-1950	1⅛	1,196,794,000.00	

Footnotes at end of table.

TABLE 23.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1949–June 1950* [1]—Continued

Date	Issue	Rate of interest [2]	Amount issued [3]	Amount matured, or called or redeemed prior to maturity [4]
1949	Treasury bills:			
Sept. 22	Issued June 23, 1949:			
	Redeemed in exchange for series dated Sept. 22, 1949	*Percent* 1.158		$418,312,000.00
	Redeemable for cash			484,662,000.00
22	Maturing Dec. 22, 1949:			
	Issued in exchange for series dated June 23, 1949	1.061	$418,312,000.00	
	Issued for cash		482,516,000.00	
29	Issued June 30, 1949:			
	Redeemed in exchange for series dated Sept. 29, 1949	1.158		385,666,000.00
	Redeemable for cash			515,297,000.00
29	Maturing Dec. 29, 1949:			
	Issued in exchange for series dated June 30, 1949	1.076	385,666,000.00	
	Issued for cash		515,926,000.00	
	United States savings bonds:			
30	Series D-1939	2.90	752.492.00	[5] 43,713,447.00
30	Series D-1940	2.90	3,526,226.00	3,244,930.50
30	Series D-1941	2.90	1,033,695.00	1,042,363.50
30	Series E-1941	2.90	2,015,900.25	4,467,528.25
30	Series E-1942	2.90	13,166,300.00	22,012,748.25
30	Series E-1943	2.90	22,856,777.27	35,986,732.27
30	Series E-1944	2.90	6,717,702.13	45,100,318.65
30	Series E-1945	2.90	6,145,084.53	36,493,344.15
30	Series E-1946	2.90	5,078,954.33	20,297,571.39
30	Series E-1947	2.90	2,906,908.57	23,733,832.46
30	Series E-1948	2.90	3,474,016.83	39,815,451.74
30	Series E-1949	2.90	286,460,430.00	62,662,815.00
30	Series F-1941	2.53	237,697.20	580,435.34
30	Series F-1942	2.53	1,202,348.36	1,977,380.55
30	Series F-1943	2.53	2,623,493.71	3,050,541.23
30	Series F-1944	2.53	433,805.71	3,321,472.88
30	Series F-1945	2.53	348,760.77	1,947,809.96
30	Series F-1946	2.53	351,391.90	1,513,151.87
30	Series F-1947	2.53	286,366.19	1,629,923.21
30	Series F-1948	2.53	133,621.70	1,712,976.01
30	Series F-1949	2.53	12,552,324.00	331,205.50
30	Series G-1941	2.50		2,296,600.00
30	Series G-1942	2.50		5,007,900.00
30	Series G-1943	2.50		6,886,000.00
30	Series G-1944	2.50		5,904,300.00
30	Series G-1945	2.50		5,073,100.00
30	Series G-1946	2.50		7,826,400.00
30	Series G-1947	2.50		7,024,300.00
30	Series G-1948	2.50		5,787,400.00
30	Series G-1949	2.50	84,738,600.00	2,018,000.00
30	Unclassified sales and redemptions		14,108,830.18	5,677,636.29
30	Depositary bonds, First Series	2	5,077,000.00	4,088,000.00
30	Depositary bonds, Second Series	2	30,000.00	84,000.00
	Armed forces leave bonds:			
	Series 1944:			
30	Oct. 1, 1944	2½	100.00	51,575.00
	Series 1945:			
30	Jan. 1, 1945	2½	775.00	74,050.00
30	Apr. 1, 1945	2½	800.00	87,875.00
30	July 1, 1945	2½	350.00	267,250.00
30	Oct. 1, 1945	2½	3,200.00	1,111,400.00
	Series 1946:			
30	Jan. 1, 1946	2½	7,575.00	3,819,275.00
30	Apr. 1, 1946	2½	2,700.00	1,871,575.00
30	July 1, 1946	2½	1,125.00	692,175.00
30	Oct. 1, 1946	2½	9,825.00	1,098,225.00
30	Unclassified issues and redemptions	2½	[6] 8,425.00	[6] 602,750.00
	Treasury savings notes:			
30	Series C-1949	1.07		[5] 81,643,700.00
30	Series C-1950	1.07		49,461,300.00
30	Series C-1951	1.07		20,092,900.00
30	Series D-1951	1.40		74,325,100.00
30	Series D-1952	1.40	496,321,500.00	142,009,500.00
30	Miscellaneous			25,500.00
	Total, September		6,878,410,251.63	6,598,004,866.00

Footnotes at end of table.

TABLE 23.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1949–June 1950* [1]—Continued

Date	Issue	Rate of interest [2]	Amount issued [3]	Amount matured, or called or redeemed prior to maturity [4]
1949				
Oct. 1	Certificates of indebtedness, Series G-1949:			
	Redeemed in exchange for certificates, Series H-1950	*Percent* 1¼		$6,247,587,000.00
	Redeemable for cash			287,574,000.00
1	Certificates of indebtedness, Series H-1950	1⅛	$6,247,587,000.00	
	Treasury bills:			
6	Issued July 7, 1949:			
	Redeemed in exchange for series dated Oct. 6, 1949	1.052		403,539,000.00
	Redeemable for cash			497,020,000.00
6	Maturing Jan. 5, 1950:			
	Issued in exchange for series dated July 7, 1949	1.059	403,539,000.00	
	Issued for cash		496,639,000.00	
13	Issued July 14, 1949:			
	Redeemed in exchange for series dated Oct. 13, 1949	.923		261,890,000.00
	Redeemable for cash			638,824,000.00
13	Maturing Jan. 12, 1950:			
	Issued in exchange for series dated July 14, 1949	1.049	261,890,000.00	
	Issued for cash		638,886,000.00	
20	Issued July 21, 1949:			
	Redeemed in exchange for series dated Oct. 20, 1949	.927		82,462,000.00
	Redeemable for cash			819,260,000.00
20	Maturing Jan. 19, 1950:			
	Issued in exchange for series dated July 21, 1949	1.027	82,462,000.00	
	Issued for cash		820,794,000.00	
27	Issued July 28, 1949:			
	Redeemed in exchange for series dated Oct. 27, 1949	1.017		233,087,000.00
	Redeemable for cash			667,380,000.00
27	Maturing Jan. 26, 1950:			
	Issued in exchange for series dated July 28, 1949	1.036	233,087,000.00	
	Issued for cash		667,516,000.00	
	United States savings bonds:			
31	Series D-1939	2.90	891,130.00	[6] 43,407,069.50
31	Series D-1940	2.90	2,319,952.00	3,083,485.00
31	Series D-1941	2.90	1,247,844.50	1,176,627.00
31	Series E-1941	2.90	2,257,237.75	4,447,093.75
31	Series E-1942	2.90	13,534,968.25	21,662,976.51
31	Series E-1943	2.90	24,032,536.90	36,448,400.27
31	Series E-1944	2.90	6,014,286.49	43,659,911.30
31	Series E-1945	2.90	7,260,160.53	35,965,837.83
31	Series E-1946	2.90	5,126,700.15	20,167,786.26
31	Series E-1947	2.90	2,751,309.29	23,373,274.53
31	Series E-1948	2.90	3,193,490.50	37,706,309.10
31	Series E-1949	2.90	290,520,072.50	68,013,708.75
31	Series F-1941	2.53	289,335.14	679,540.09
31	Series F-1942	2.53	1,027,107.85	2,089,473.90
31	Series F-1943	2.53	2,376,038.64	2,594,818.60
31	Series F-1944	2.53	333,076.10	2,607,942.68
31	Series F-1945	2.53	454,329.15	1,911,661.85
31	Series F-1946	2.53	353,225.02	2,088,841.17
31	Series F-1947	2.53	274,619.60	1,913,794.22
31	Series F-1948	2.53	112,985.32	1,678,308.58
31	Series F-1949	2.53	13,546,366.00	617,215.50
31	Series G-1941	2.50		1,957,900.00
31	Series G-1942	2.50		5,336,100.00
31	Series G-1943	2.50		7,430,500.00
31	Series G-1944	2.50		6,508,500.00
31	Series G-1945	2.50		5,386,200.00
31	Series G-1946	2.50		8,099,700.00
31	Series G-1947	2.50	500.00	7,160,600.00
31	Series G-1948	2.50	11,000.00	6,258,100.00
31	Series G-1949	2.50	88,463,200.00	2,305,000.00
31	Unclassified sales and redemptions		[6] 4,393,365.53	[6] 13,054,376.35
31	Depositary bonds, First Series	2	2,574,500.00	33,500.00
31	Depositary bonds, Second Series	2	67,000.00	65,000.00

Footnotes at end of table.

TABLE 23.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1949–June 1950* [1]—Continued

Date	Issue	Rate of interest [2]	Amount issued [3]	Amount matured, or called or redeemed prior to maturity [4]
	Armed forces leave bonds:			
1949	Series 1944:	*Percent*		
Oct. 31	Oct. 1, 1944	2½	$175.00	$2,252,650.00
	Series 1945:			
31	Jan. 1, 1945	2½	950.00	78,675.00
31	Apr. 1, 1945	2½	975.00	84,700.00
31	July 1, 1945	2½	225.00	270,575.00
31	Oct. 1, 1945	2½	3,225.00	1,083,625.00
	Series 1946:			
31	Jan. 1, 1946	2½	8,750.00	3,703,100.00
31	Apr. 1, 1946	2½	2,775.00	1,796,575.00
31	July 1, 1946	2½	2,050.00	651,925.00
31	Oct. 1, 1946	2½	2,000.00	958,575.00
31	Unclassified issues and redemptions	2½	[6] 2,850.00	[6] 482,300.00
	Treasury savings notes:			
31	Series C-1949	1.07		[5] 46,618,800.00
31	Series C-1950	1.07		18,950,300.00
31	Series C-1951	1.07		5,521,200.00
31	Series D-1951	1.40		13,482,200.00
31	Series D-1952	1.40	589,436,700.00	56,581,300.00
31	Miscellaneous			2,500.00
	Total, October		10,906,494,581.15	10,682,958,200.04
	Treasury bills:			
Nov. 3	Issued Aug. 4, 1949:			
	Redeemed in exchange for series dated Nov. 3, 1949	1.032		403,323,000.00
	Redeemable for cash			596,709,000.00
3	Maturing Feb. 2, 1950:			
	Issued in exchange for series dated Aug. 4, 1949	1.063	403,323,000.00	
	Issued for cash		597,504,000.00	
10	Issued Aug. 11, 1949:			
	Redeemed in exchange for series dated Nov. 10, 1949	1.007		315,561,000.00
	Redeemable for cash			686,081,000.00
10	Maturing Feb. 9, 1950:			
	Issued in exchange for series dated Aug. 11, 1949	1.074	315,561,000.00	
	Issued for cash		686,275,000.00	
17	Issued Aug. 18, 1949:			
	Redeemed in exchange for series dated Nov. 17, 1949	1.017		330,871,000.00
	Redeemable for cash			669,913,000.00
17	Maturing Feb. 16, 1950:			
	Issued in exchange for series dated Aug. 18, 1949	1.056	330,871,000.00	
	Issued for cash		669,659,000.00	
25	Issued Aug. 25, 1949:			
	Redeemed in exchange for series dated Nov. 25, 1949	1.031		25,934,000.00
	Redeemable for cash			974,576,000.00
25	Maturing Feb. 23, 1950:			
	Issued in exchange for series dated Aug. 25, 1949	1.052	25,934,000.00	
	Issued for cash		977,277,000.00	
	United States savings bonds:			
30	Series D-1939	2.90	1,081,259.50	[5] 48,913,238.00
30	Series D-1940	2.90	1,986,112.50	3,386,801.50
30	Series D-1941	2.90		999,426.50
30	Series E-1941	2.90	4,448,654.50	4,338,367.00
30	Series E-1942	2.90	14,201,416.26	21,362,738.75
30	Series E-1943	2.90	12,051,712.01	35,236,245.30
30	Series E-1944	2.90	10,018,509.45	41,724,839.45
30	Series E-1945	2.90	17,267,496.14	34,095,891.91
30	Series E-1946	2.90	5,092,308.16	19,157,272.34
30	Series E-1947	2.90	2,516,430.44	22,595,311.52
30	Series E-1948	2.90	3,194,312.63	35,704,441.05
30	Series E-1949	2.90	293,402,492.75	72,277,916.25
30	Series F-1941	2.53	944,858.83	626,522.56
30	Series F-1942	2.53	1,049,802.54	2,336,157.32
30	Series F-1943	2.53	728,697.92	2,310,980.56
30	Series F-1944	2.53	937,182.45	2,168,652.20
30	Series F-1945	2.53	1,236,360.85	2,301,242.07

Footnotes at end of table.

TABLE 23.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1949–June 1950* [1]—Continued

Date	Issue	Rate of interest [2]	Amount issued [3]	Amount matured, or called or redeemed prior to maturity [4]
1949	United States savings bonds—Continued	*Percent*		
Nov. 30	Series F-1946	2.53	$328,008.80	$1,267,271.93
30	Series F-1947	2.53	224,987.12	1,756,670.49
30	Series F-1948	2.53	108,889.30	1,566,511.63
30	Series F-1949	2.53	12,834,504.50	748,880.00
30	Series G-1941	2.50		2,917,600.00
30	Series G-1942	2.50		6,315,700.00
30	Series G-1943	2.50		6,780,700.00
30	Series G-1944	2.50		6,806,900.00
30	Series G-1945	2.50		6,338,400.00
30	Series G-1946	2.50		7,270,200.00
30	Series G-1947	2.50		7,237,900.00
30	Series G-1948	2.50		5,428,200.00
30	Series G-1949	2.50	84,016,100.00	2,811,200.00
30	Unclassified sales and redemptions		[6] 6,853,018.34	6,247,683.52
30	Depositary bonds, First Series	2	2,459,000.00	1,435,000.00
30	Depositary bonds, Second Series	2	158,000.00	158,000.00
	Armed forces leave bonds:			
	Series 1945:			
30	Jan. 1, 1945	2½		69,875.00
30	Apr. 1, 1945	2½		68,500.00
30	July 1, 1945	2½	[7] 600.00	231,800.00
30	Oct. 1, 1945	2½		1,120,575.00
	Series 1946:			
30	Jan. 1, 1946	2½	1,250.00	3,350,450.00
30	Apr. 1, 1946	2½	750.00	1,599,000.00
30	July 1, 1946	2½	550.00	569,000.00
30	Oct. 1, 1946	2½	3,275.00	864,875.00
30	Unclassified redemptions	2½		[6] 795,225.00
	Treasury savings notes:			
30	Series C-1949	1.07		[5] 51,596,900.00
30	Series C-1950	1.07		12,168,300.00
30	Series C-1951	1.07		4,822,000.00
30	Series D-1951	1.40		13,963,400.00
30	Series D-1952	1.40	323,814,800.00	58,567,700.00
30	Miscellaneous			28,000.00
	Total, November		4,793,658,103.31	4,565,816,011.85
	Treasury bills:			
Dec. 1	Issued Sept. 1, 1949:			
	Redeemed in exchange for series dated Dec. 1, 1949	1.054		244,664,000.00
	Redeemable for cash			756,914,000.00
1	Maturing Mar. 2, 1950:			
	Issued in exchange for series dated Sept. 1, 1949	1.108	244,664,000.00	
	Issued for cash		756,108,000.00	
8	Issued Sept. 8, 1949:			
	Redeemed in exchange for series dated Dec. 8, 1949	1.056		360,491,000.00
	Redeemable for cash			639,747,000.00
8	Maturing Mar. 9, 1950:			
	Issued in exchange for series dated Sept. 8, 1949	1.115	360,491,000.00	
	Issued for cash		641,630,000.00	
15	Issued Sept. 15, 1949:			
	Redeemed in exchange for series dated Dec. 15, 1949	1.059		302,115,000.00
	Redeemable for cash			602,667,000.00
15	Maturing Mar. 16, 1950:			
	Issued in exchange for series dated Sept. 15, 1949	1.116	302,115,000.00	
	Issued for cash		601,368,000.00	
15	Certificates of indebtedness, Series H-1949:			
	Redeemed in exchange for Treasury notes, Series A-1954	1¼		483,844,000.00
	Redeemable for cash			35,309,000.00
15	Treasury bonds of 1949-51:			
	Redeemed in exchange for Treasury notes, Series A-1954	2		2,028,015,900.00
	Redeemable for cash			69,599,200.00

Footnotes at end of table.

TABLE 23.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1949–June 1950* [1]—Continued

Date	Issue	Rate of interest [2]	Amount issued [3]	Amount matured, or called or redeemed prior to maturity [4]
1949				
Dec. 15	Treasury bonds of 1949–52:			
	Redeemed in exchange for Treasury notes, Series A–1954	*Percent* 3⅛		$467,315,800.00
	Redeemable for cash			24,059,300.00
15	Treasury bonds of 1949–53:			
	Redeemed in exchange for Treasury notes, Series A–1954	2½		1,695,893,300.00
	Redeemable for cash			90,216,650.00
15	Treasury notes, Series A–1954	1⅜	$4,675,069,000.00	
	Treasury bills:			
22	Issued Sept. 22, 1949:			
	Redeemed in exchange for series dated Dec. 22, 1949	1.061		432,000,000.00
	Redeemable for cash			468,828,000.00
22	Maturing Mar. 23, 1950:			
	Issued in exchange for series dated Sept. 22, 1949	1.087	432,000,000.00	
	Issued for cash		468,608,000.00	
29	Issued Sept. 29, 1949:			
	Redeemed in exchange for series dated Dec. 29, 1949	1.076		370,695,000.00
	Redeemable for cash			530,897,000.00
29	Maturing Mar. 30, 1950:			
	Issued in exchange for series dated Sept. 29, 1949	1.087	370,695,000.00	
	Issued for cash		530,248,000.00	
	United States savings bonds:			
31	Series D–1939	2.90	2,251,335.75	[5] 235,642,622.00
31	Series D–1940	2.90	2,957,890.50	5,244,918.00
31	Series D–1941	2.90	[7] 23,736.50	1,125,438.50
31	Series E–1941	2.90	10,661,050.75	4,705,308.25
31	Series E–1942	2.90	17,399,723.25	21,506,264.00
31	Series E–1943	2.90	12,018,147.40	35,208,546.73
31	Series E–1944	2.90	22,163,467.16	42,110,022.91
31	Series E–1945	2.90	16,601,160.08	34,814,817.19
31	Series E–1946	2.90	6,336,325.60	18,896,368.38
31	Series E–1947	2.90	3,111,578.79	21,885,274.37
31	Series E–1948	2.90	3,939,265.69	33,901,361.44
31	Series E–1949	2.90	297,288,346.00	81,100,432.50
31	Series F–1941	2.53	906,051.03	862,484.95
31	Series F–1942	2.53	1,344,213.08	2,208,571.68
31	Series F–1943	2.53	646,776.91	2,850,096.73
31	Series F–1944	2.53	2,767,528.39	2,716,932.04
31	Series F–1945	2.53	3,026,251.71	2,533,680.55
31	Series F–1946	2.53	434,026.16	1,867,106.34
31	Series F–1947	2.53	275,468.70	1,912,660.06
31	Series F–1948	2.53	152,175.82	1,492,105.40
31	Series F–1949	2.53	15,147,319.00	857,308.50
31	Series G–1941	2.50		3,232,300.00
31	Series G–1942	2.50		6,067,000.00
31	Series G–1943	2.50		6,862,000.00
31	Series G–1944	2.50		7,767,100.00
31	Series G–1945	2.50	500.00	6,470,900.00
31	Series G–1946	2.50		8,445,400.00
31	Series G–1947	2.50		7,940,800.00
31	Series G–1948	2.50	15,000.00	6,227,200.00
31	Series G–1949	2.50	95,476,400.00	3,087,500.00
31	Unclassified sales and redemptions		87,293,113.02	2,690,889.94
31	Depositary bonds, First Series	2	10,961,000.00	5,415,000.00
31	Depositary bonds, Second Series	2	104,000.00	130,000.00
	Armed forces leave bonds:			
	Series 1945:			
31	Jan. 1, 1945	2½	1,125.00	63,000.00
31	Apr. 1, 1945	2½	450.00	59,400.00
31	July 1, 1945	2½	575.00	199,075.00
31	Oct. 1, 1945	2½	2,675.00	905,525.00
	Series 1946:			
31	Jan. 1, 1946	2½	4,500.00	2,907,650.00
31	Apr. 1, 1946	2½	3,075.00	1,356,425.00
31	July 1, 1946	2½	750.00	478,775.00
31	Oct. 1, 1946	2½	1,700.00	761,775.00
31	Unclassified redemptions	2½		102,450.00

Footnotes at end of table.

TABLE 23.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1949–June 1950* [1]—Continued

Date	Issue	Rate of interest [2]	Amount issued [3]	Amount matured, or called or redeemed prior to maturity [4]
1949	Treasury savings notes:	*Percent*		
Dec. 31	Series C-1949	1.07		[5] $143,282,900.00
31	Series C-1950	1.07		40,761,400.00
31	Series C-1951	1.07		16,193,400.00
31	Series D-1951	1.40		68,743,200.00
31	Series D-1952	1.40	$515,767,800.00	164,465,700.00
31	Miscellaneous			151,000.00
	Total, December		10,512,033,028.29	10,661,481,235.46
1950				
Jan. 1	Postal savings bonds, 38th Series	2½		1,171,360.00
1	Certificates of indebtedness, Series A-1950:			
	Redeemed in exchange for certificates, Series A-1951	1¼		5,372,668,000.00
	Redeemable for cash			321,928,000.00
1	Certificates of indebtedness, Series A-1951	1⅛	5,372,668,000.00	
	Treasury bills:			
5	Issued Oct. 6, 1949:			
	Redeemed in exchange for series dated Jan. 5, 1950	1.059		120,202,000.00
	Redeemable for cash			779,976,000.00
5	Maturing Apr. 6, 1950:			
	Issued in exchange for series dated Oct. 6, 1949	1.081	120,202,000.00	
	Issued for cash		784,783,000.00	
12	Issued Oct. 13, 1949:			
	Redeemed in exchange for series dated Jan. 12, 1950	1.049		29,756,000.00
	Redeemable for cash			871,020,000.00
12	Maturing Apr. 13, 1950:			
	Issued in exchange for series dated Oct. 13, 1949	1.076	29,756,000.00	
	Issued for cash		876,006,000.00	
19	Issued Oct. 20, 1949:			
	Redeemed in exchange for series dated Jan. 19, 1950	1.027		287,496,000.00
	Redeemable for cash			615,760,000.00
19	Maturing Apr. 20, 1950:			
	Issued in exchange for series dated Oct. 20, 1949	1.101	287,496,000.00	
	Issued for cash		615,530,000.00	
26	Issued Oct. 27, 1949:			
	Redeemed in exchange for series dated Jan. 26, 1950	1.036		272,046,000.00
	Redeemable for cash			628,557,000.00
26	Maturing Apr. 27, 1950:			
	Issued in exchange for series dated Oct. 27, 1949	1.103	272,046,000.00	
	Issued for cash		630,800,000.00	
	United States savings bonds:			
31	Series D-1940	2.90	7,145,044.00	170,404,118.50
31	Series D-1941	2.90	3,673,328.50	1,115,729.00
31	Series E-1941	2.90	2,900,550.00	4,635,916.25
31	Series E-1942	2.90	19,647,063.25	20,923,354.43
31	Series E-1943	2.90	19,138,215.16	33,071,549.69
31	Series E-1944	2.90	17,731,689.48	40,273,007.98
31	Series E-1945	2.90	8,787,599.03	32,969,123.23
31	Series E-1946	2.90	6,489,991.30	17,610,073.64
31	Series E-1947	2.90	6,282,194.72	20,502,329.66
31	Series E-1948	2.90	4,224,510.54	31,212,767.77
31	Series E-1949	2.90	288,145,261.07	81,923,204.66
31	Series E-1950	2.90	157,393,765.00	2,756.25
31	Series F-1941	2.53	355,032.60	560,095.05
31	Series F-1942	2.53	2,087,293.91	2,220,186.79
31	Series F-1943	2.53	1,347,743.68	2,582,799.08
31	Series F-1944	2.53	3,374,258.30	3,246,998.08
31	Series F-1945	2.53	769,702.84	1,883,429.66
31	Series F-1946	2.53	649,688.34	1,353,418.62
31	Series F-1947	2.53	605,847.97	1,779,405.71
31	Series F-1948	2.53	1,263,575.43	1,621,494.34
31	Series F-1949	2.53	14,249,338.10	1,093,297.15
31	Series F-1950	2.53	18,951,714.50	
31	Series G-1941	2.50		2,226,300.00
31	Series G-1942	2.50		6,407,600.00

Footnotes at end of table.

TABLE 23.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1949–June 1950* [1]—Continued

Date	Issue	Rate of interest [2]	Amount issued [3]	Amount matured, or called or redeemed prior to maturity [4]
1950	United States savings bonds—Continued	*Percent*		
Jan. 31	Series G-1943	2.50		$7,293,600.00
31	Series G-1944	2.50		7,954,100.00
31	Series G-1945	2.50		6,483,000.00
31	Series G-1946	2.50		7,462,000.00
31	Series G-1947	2.50		8,484,200.00
31	Series G-1948	2.50	$7,500.00	6,831,400.00
31	Series G-1949	2.50	91,849,500.00	4,122,100.00
31	Series G-1950	2.50	122,881,500.00	
31	Unclassified sales and redemptions		16,147,953.53	37,089,119.18
31	Depositary bonds, First Series	2	1,591,000.00	3,669,500.00
31	Depositary bonds, Second Series	2	40,000.00	43,000.00
	Armed forces leave bonds:			
	Series 1945:			
31	Jan. 1, 1945	2½	125.00	3,818,900.00
31	Apr. 1, 1945	2½	[7] 225.00	69,450.00
31	July 1, 1945	2½	175.00	217,125.00
31	Oct. 1, 1945	2½	400.00	916,300.00
	Series 1946:			
31	Jan. 1, 1946	2½	700.00	2,981,525.00
31	Apr. 1, 1946	2½	1,250.00	1,457,600.00
31	July 1, 1946	2½	425.00	534,175.00
31	Oct. 1, 1946	2½	[7] 2,300.00	887,225.00
31	Unclassified redemptions	2½		795,375.00
	Treasury savings notes:			
31	Series C-1950	1.07		41,834,200.00
31	Series C-1951	1.07		6,022,400.00
31	Series D-1951	1.40		12,743,800.00
31	Series D-1952	1.40	89,419,600.00	54,175,800.00
31	Series D-1953	1.40	321,626,900.00	31,500.00
31	Miscellaneous			29,000.00
	Total, January		10,218,064,911.25	9,996,145,709.72
Feb. 1	Certificates of indebtedness, Series B-1950:			
	Redeemed in exchange for Treasury notes, Series A-1951	1¼		1,918,367,000.00
	Redeemable for cash			74,883,000.00
1	Treasury notes, Series A-1951	1¼	1,918,367,000.00	
	Treasury bills:			
2	Issued Nov. 3, 1949:			
	Redeemed in exchange for series dated Feb. 2, 1950	1.063		328,740,000.00
	Redeemable for cash			672,087,000.00
2	Maturing May 4, 1950:			
	Issued in exchange for series dated Nov. 3, 1949	1.119	328,740,000.00	
	Issued for cash		674,040,000.00	
9	Issued Nov. 10, 1949:			
	Redeemed in exchange for series dated Feb. 9, 1950	1.074		220,032,000.00
	Redeemable for cash			781,804,000.00
9	Maturing May 11, 1950:			
	Issued in exchange for series dated Nov. 10, 1949	1.119	220,032,000.00	
	Issued for cash		784,378,000.00	
16	Issued Nov. 17, 1949:			
	Redeemed in exchange for series dated Feb. 16, 1950	1.056		435,355,000.00
	Redeemable for cash			565,175,000.00
16	Maturing May 18, 1950:			
	Issued in exchange for series dated Nov. 17, 1949	1.131	435,355,000.00	
	Issued for cash		568,229,000.00	
23	Issued Nov. 25, 1949:			
	Redeemed in exchange for series dated Feb. 23, 1950	1.052		279,268,000.00
	Redeemable for cash			723,943,000.00
23	Maturing May 25, 1950:			
	Issued in exchange for series dated Nov. 25, 1949	1.132	279,268,000.00	
	Issued for cash		721,662,000.00	

Footnotes at end of table.

TABLE 23.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1949–June 1950* [1]—Continued

Date	Issue	Rate of interest [2]	Amount issued [3]	Amount matured, or called or redeemed prior to maturity [4]
1950	United States savings bonds:	*Percent*		
Feb. 28	Series D-1940	2.90	$2,781,802.50	[5] $106,917,429.50
28	Series D-1941	2.90	3,407,169.00	1,136,493.00
28	Series E-1941	2.90	2,039,849.25	4,156,431.50
28	Series E-1942	2.90	11,840,621.13	19,674,966.00
28	Series E-1943	2.90	15,041,556.17	30,515,346.25
28	Series E-1944	2.90	13,320,594.34	37,509,211.70
28	Series E-1945	2.90	6,350,599.65	30,314,058.56
28	Series E-1946	2.90	5,080,189.82	16,531,127.27
28	Series E-1947	2.90	4,312,995.43	19,265,276.02
28	Series E-1948	2.90	3,243,302.07	28,209,156.25
28	Series E-1949	2.90	45,071,068.37	71,810,604.45
28	Series E-1950	2.90	321,884,880.00	38,501.25
28	Series F-1941	2.53	232,374.64	917,599.89
28	Series F-1942	2.53	1,007,564.23	1,962,172.67
28	Series F-1943	2.53	741,582.36	2,578,671.16
28	Series F-1944	2.53	1,478,398.86	3,805,901.41
28	Series F-1945	2.53	412,694.03	2,121,522.18
28	Series F-1946	2.53	440,838.84	1,289,725.36
28	Series F-1947	2.53	335,235.06	1,507,486.21
28	Series F-1948	2.53	196,991.21	1,595,522.80
28	Series F-1949	2.53	1,077,615.00	606,657.20
28	Series F-1950	2.53	33,524,331.00	35,002.00
28	Series G-1941	2.50		2,487,300.00
28	Series G-1942	2.50		5,119,800.00
28	Series G-1943	2.50		4,962,800.00
28	Series G-1944	2.50		6,274,900.00
28	Series G-1945	2.50		5,259,700.00
28	Series G-1946	2.50	2,000.00	7,528,900.00
28	Series G-1947	2.50		6,961,700.00
28	Series G-1948	2.50		5,629,800.00
28	Series G-1949	2.50	5,520,000.00	3,908,900.00
28	Series G-1950	2.50	222,355,200.00	19,400.00
28	Unclassified sales and redemptions		[6] 46,464,249.30	[6] 33,975,898.17
28	Depositary bonds, First Series	2	1,037,000.00	994,500.00
28	Depositary bonds, Second Series	2		96,873,000.00
	Armed forces leave bonds:			
	Series 1945:			
28	Apr. 1, 1945	2½		66,350.00
28	July 1, 1945	2½	150.00	201,500.00
28	Oct. 1, 1945	2½	[7] 425.00	891,475.00
	Series 1946:			
28	Jan. 1, 1946	2½	2,350.00	3,354,175.00
28	Apr. 1, 1946	2½	1,350.00	1,329,450.00
28	July 1, 1946	2½	875.00	466,225.00
28	Oct. 1, 1946	2½	6,325.00	581,100.00
28	Unclassified redemptions	2½		[6] 655,000.00
	Treasury savings notes:			
28	Series C-1950	1.07		[5] 88,581,700.00
28	Series C-1951	1.07		2,655,500.00
28	Series D-1951	1.40		5,822,800.00
28	Series D-1952	1.40	20,316,500.00	50,067,500.00
28	Series D-1953	1.40	209,058,400.00	6,000.00
28	Miscellaneous			28,000.00
	Total, February		6,815,728,728.66	6,647,594,439.46
Mar. 1	Certificates of indebtedness, Series C-1950:			
	Redeemed in exchange for Treasury notes, Series B-1951	1¼		2,741,130,000.00
	Redeemable for cash			180,406,000.00
1	Treasury notes, Series B-1951	1¼	2,741,130,000.00	
	Treasury bills:			
2	Issued Dec. 1, 1949:			
	Redeemed in exchange for series dated Mar. 2, 1950	1.108		464,540,000.00
	Redeemable for cash			536,232,000.00
2	Maturing June 1, 1950:			
	Issued in exchange for series dated Dec. 1, 1949	1.137	464,540,000.00	
	Issued for cash		535,508,000.00	
9	Issued Dec. 8, 1949:			
	Redeemed in exchange for series dated Mar. 9, 1950	1.115		394,317,000.00
	Redeemable for cash			607,804,000.00

Footnotes at end of table.

TABLE 23.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1949–June 1950* [1]—Continued

Date	Issue	Rate of interest [2]	Amount issued [3]	Amount matured, or called or redeemed prior to maturity [4]
1950	Treasury bills—Continued			
Mar. 9	Maturing June 8, 1950:			
	Issued in exchange for series dated Dec. 8, 1949	*Percent* 1.139	$394,317,000.00	
	Issued for cash		606,785,000.00	
15	Treasury bonds of 1950–52:			
	Redeemed in exchange for Treasury notes, Series A-1955	2		$1,860,772,000.00
	Redeemable for cash			101,915,300.00
15	Treasury notes, Series A-1955	1½	1,860,772,000.00	
	Treasury bills:			
16	Issued Dec. 15, 1949:			
	Redeemed in exchange for series dated Mar. 16, 1950	1.116		319,390,000.00
	Redeemable for cash			584,093,000.00
16	Maturing June 15, 1950:			
	Issued in exchange for series dated Dec. 15, 1949	1.131	319,390,000.00	
	Issued for cash		583,152,000.00	
23	Issued Dec. 22, 1949:			
	Redeemed in exchange for series dated Mar. 23, 1950	1.087		389,241,000.00
	Redeemable for cash			511,367,000.00
23	Maturing June 22, 1950:			
	Issued in exchange for series dated Dec. 22, 1949	1.138	389,241,000.00	
	Issued for cash		511,232,000.00	
30	Issued Dec. 29, 1949:			
	Redeemed in exchange for series dated Mar. 30, 1950	1.087		336,753,000.00
	Redeemable for cash			564,190,000.00
30	Maturing June 29, 1950:			
	Issued in exchange for series dated Dec. 29, 1949	1.145	336,753,000.00	
	Issued for cash		565,190,000.00	
	United States savings bonds:			
31	Series D-1940	2.90	3,439,109.50	[5] 115,880,125.00
31	Series D-1941	2.90	1,016,769.00	1,301,621.00
31	Series E-1941	2.90	1,917,266.25	4,494,087.00
31	Series E-1942	2.90	12,684,253.52	22,286,946.00
31	Series E-1943	2.90	35,830,773.17	34,863,528.63
31	Series E-1944	2.90	6,256,036.32	42,779,654.02
31	Series E-1945	2.90	5,761,600.65	34,348,788.09
31	Series E-1946	2.90	4,818,940.82	18,844,323.81
31	Series E-1947	2.90	4,294,635.22	22,747,331.23
31	Series E-1948	2.90	3,011,572.05	32,221,917.44
31	Series E-1949	2.90	12,895,729.30	80,811,355.28
31	Series E-1950	2.90	368,844,130.00	9,088,695.00
31	Series F-1941	2.53	230,602.48	759,879.04
31	Series F-1942	2.53	1,176,266.70	2,145,942.50
31	Series F-1943	2.53	2,586,490.91	2,997,954.12
31	Series F-1944	2.53	439,603.69	2,866,491.73
31	Series F-1945	2.53	362,525.39	2,613,837.02
31	Series F-1946	2.53	424,606.03	2,142,887.90
31	Series F-1947	2.53	340,889.61	2,157,359.95
31	Series F-1948	2.53	188,454.17	1,601,448.53
31	Series F-1949	2.53	51,154.20	511,361.30
31	Series F-1950	2.53	28,461,473.00	48,840.00
31	Series G-1941	2.50		2,310,000.00
31	Series G-1942	2.50		5,435,500.00
31	Series G-1943	2.50		7,028,200.00
31	Series G-1944	2.50		6,337,400.00
31	Series G-1945	2.50		5,241,600.00
31	Series G-1946	2.50		7,304,400.00
31	Series G-1947	2.50	14,500.00	7,928,400.00
31	Series G-1948	2.50		6,027,000.00
31	Series G-1949	2.50	34,400.00	5,204,200.00
31	Series G-1950	2.50	146,310,300.00	12,800.00
31	Unclassified sales and redemptions		[6] 30,117,598.72	6,918,096.93
31	Depositary bonds, First Series	2	2,367,000.00	4,413,000.00
	Armed forces leave bonds:			
	Series 1945:			
31	Apr. 1, 1945	2½	100.00	79,475.00
31	July 1, 1945	2½	150.00	216,750.00
31	Oct. 1, 1945	2½	1,000.00	964,350.00

Footnotes at end of table.

TABLE 23.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1949–June 1950* [1]—Continued

Date	Issue	Rate of interest [2]	Amount issued [3]	Amount matured, or called or redeemed prior to maturity [4]
	Armed forces leave bonds—Continued			
1950	Series 1946:	*Percent*		
Mar. 31	Jan. 1, 1946	2½	$2,950.00	$3,656,850.00
31	Apr. 1, 1946	2½	1,075.00	1,458,375.00
31	July 1, 1946	2½	950.00	507,750.00
31	Oct. 1, 1946	2½	6,875.00	815,475.00
31	Unclassified redemptions	2½		[6] 1,102,500.00
	Treasury savings notes:			
31	Series C-1950	1.07		[5] 105,592,800.00
31	Series C-1951	1.07		6,926,700.00
31	Series D-1951	1.40		21,429,000.00
31	Series D-1952	1.40		145,760,300.00
31	Series D-1953	1.40	361,658,300.00	30,207,900.00
31	Miscellaneous			29,500.00
	Total, March		10,283,322,883.26	10,410,367,996.52
Apr. 1	Certificates of indebtedness, Series D-1950:			
	Redeemed in exchange for Treasury notes, Series C-1951	1¼		886,286,000.00
	Redeemable for cash			76,258,000.00
1	Treasury notes, Series C-1951	1¼	886,286,000.00	
1	Treasury notes, Series A-1950:			
	Redeemed in exchange for Treasury notes, Series A-1955	1⅜		3,504,307,000.00
	Redeemable for cash			91,690,000.00
1	Treasury notes, Series A-1955	1½	3,504,307,000.00	
	Treasury bills:			
6	Issued Jan. 5, 1950:			
	Redeemed in exchange for series dated Apr. 6, 1950	1.081		126,409,000.00
	Redeemable for cash			778,576,000.00
6	Maturing July 6, 1950:			
	Issued in exchange for series dated Jan. 5, 1950	1.148	126,409,000.00	
	Issued for cash		775,350,000.00	
13	Issued Jan. 12, 1950:			
	Redeemed in exchange for series dated Apr. 13, 1950	1.076		142,563,000.00
	Redeemable for cash			763,199,000.00
13	Maturing July 13, 1950:			
	Issued in exchange for series dated Jan. 12, 1950	1.160	142,563,000.00	
	Issued for cash		859,046,000.00	
20	Issued Jan. 19, 1950:			
	Redeemed in exchange for series dated Apr. 20, 1950	1.101		319,164,000.00
	Redeemable for cash			583,862,000.00
20	Maturing July 20, 1950:			
	Issued in exchange for series dated Jan. 19, 1950	1.162	319,164,000.00	
	Issued for cash		682,376,000.00	
27	Issued Jan. 26, 1950:			
	Redeemed in exchange for series dated Apr. 27, 1950	1.103		334,514,000.00
	Redeemable for cash			568,332,000.00
27	Maturing July 27, 1950:			
	Issued in exchange for series dated Jan. 26, 1950	1.166	334,514,000.00	
	Issued for cash		665,518,000.00	
	United States savings bonds:			
30	Series D-1940	2.90	2,223,063.50	[5] 67,446,552.00
30	Series D-1941	2.90	1,223,120.00	1,082,744.50
30	Series E-1941	2.90	2,205,514.00	4,055,280.50
30	Series E-1942	2.90	13,099,888.40	19,521,571.62
30	Series E-1943	2.90	27,767,436.68	31,556,165.38
30	Series E-1944	2.90	65,666,882.19	37,530,497.34
30	Series E-1945	2.90	6,961,555.94	30,274,816.75
30	Series E-1946	2.90	4,891,398.68	16,733,806.04
30	Series E-1947	2.90	3,949,757.06	19,477,926.74
30	Series E-1948	2.90	2,927,446.40	27,909,339.54
30	Series E-1949	2.90	4,437,460.47	61,037,800.70
30	Series E-1950	2.90	319,056,637.50	21,442,331.25
30	Series F-1941	2.53	282,685.65	391,871.80
30	Series F-1942	2.53	995,707.58	1,705,968.51

Footnotes at end of table.

TABLE 23.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1949–June 1950* [1]—Continued

Date	Issue	Rate of interest [2]	Amount issued [3]	Amount matured, or called or redeemed prior to maturity [4]
1950	United States savings bonds—Continued	*Percent*		
Apr. 30	Series F-1943	2.53	$2,315,175.25	$2,550,714.31
30	Series F-1944	2.53	332,934.92	3,008,687.16
30	Series F-1945	2.53	476,702.72	2,113,483.61
30	Series F-1946	2.53	414,955.23	1,390,607.77
30	Series F-1947	2.53	322,321.49	1,526,084.21
30	Series F-1948	2.53	152,803.51	1,614,887.22
30	Series F-1949	2.53	36,144.45	1,075,852.10
30	Series F-1950	2.53	16,594,204.00	
30	Series G-1941	2.50		1,970,500.00
30	Series G-1942	2.50		4,516,800.00
30	Series G-1943	2.50		6,208,500.00
30	Series G-1944	2.50		5,478,800.00
30	Series G-1945	2.50		4,642,400.00
30	Series G-1946	2.50	1,500.00	6,375,200.00
30	Series G-1947	2.50	99,000.00	6,630,000.00
30	Series G-1948	2.50	3,700.00	5,627,600.00
30	Series G-1949	2.50	116,800.00	3,760,700.00
30	Series G-1950	2.50	107,759,600.00	181,600.00
30	Unclassified sales and redemptions		[6] 23,857,179.19	5,131,901.92
30	Depositary bonds, First Series	2	6,758,000.00	450,000.00
	Armed forces leave bonds:			
	Series 1945:			
30	Apr. 1, 1945	2½	100.00	3,283,800.00
30	July 1, 1945	2½	400.00	179,875.00
30	Oct. 1, 1945	2½	700.00	779,400.00
	Series 1946:			
30	Jan. 1, 1946	2½	2,300.00	2,758,900.00
30	Apr. 1, 1946	2½	875.00	1,198,200.00
30	July 1, 1946	2½	1,250.00	390,500.00
30	Oct. 1, 1946	2½	7,600.00	572,650.00
30	Unclassified redemptions	2½		710,900.00
	Treasury savings notes:			
30	Series C-1950	1.07		[5] 50,203,300.00
30	Series C-1951	1.07		2,879,300.00
30	Series D-1951	1.40		6,145,200.00
30	Series D-1952	1.40	[7] 20,407,100.00	49,200,500.00
30	Series D-1953	1.40	230,941,800.00	9,358,800.00
30	Miscellaneous			94,000.00
	Total, April		9,013,296,141.43	8,707,336,315.97
	Treasury bills:			
May 4	Issued Feb. 2, 1950:			
	Redeemed in exchange for series dated May 4, 1950	1.119		385,508,000.00
	Redeemable for cash			617,272,000.00
4	Maturing Aug. 3, 1950:			
	Issued in exchange for series dated Feb. 2, 1950	1.166	385,508,000.00	
	Issued for cash		716,721,000.00	
11	Issued Feb. 9, 1950:			
	Redeemed in exchange for series dated May 11, 1950	1.119		397,529,000.00
	Redeemable for cash			606,881,000.00
11	Maturing Aug. 10, 1950:			
	Issued in exchange for series dated Feb. 9, 1950	1.166	397,529,000.00	
	Issued for cash		705,274,000.00	
18	Issued Feb. 16, 1950:			
	Redeemed in exchange for series dated May 18, 1950	1.131		478,404,000.00
	Redeemable for cash			525,180,000.00
18	Maturing Aug. 17, 1950:			
	Issued in exchange for series dated Feb. 16, 1950	1.165	478,404,000.00	
	Issued for cash		625,458,000.00	
25	Issued Feb. 23, 1950:			
	Redeemed in exchange for series dated May 25, 1950	1.132		298,076,000.00
	Redeemable for cash			702,854,000.00
25	Maturing Aug. 24, 1950:			
	Issued in exchange for series dated Feb. 23, 1950	1.167	298,076,000.00	
	Issued for cash		804,916,000.00	

Footnotes at end of table.

TABLE 23.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1949–June 1950* [1]—Continued

Date	Issue	Rate of interest [2]	Amount issued [3]	Amount matured, or called or redeemed prior to maturity [4]
1950	United States savings bonds:	*Percent*		
May 31	Series D-1940	2.90	$1,926,199.50	[5] $61,991,389.00
31	Series D-1941	2.90	[7] 8,170.00	1,238,306.50
31	Series E-1941	2.90	4,365,403.75	5,061,316.00
31	Series E-1942	2.90	13,805,078.88	24,262,388.13
31	Series E-1943	2.90	14,915,418.14	38,864,207.75
31	Series E-1944	2.90	9,651,348.23	44,794,011.32
31	Series E-1945	2.90	16,789,231.73	36,936,233.24
31	Series E-1946	2.90	4,880,093.20	20,500,281.49
31	Series E-1947	2.90	3,650,485.41	23,719,033.62
31	Series E-1948	2.90	2,935,344.92	33,321,927.89
31	Series E-1949	2.90	1,939,013.95	62,610,832.66
31	Series E-1950	2.90	304,470,411.25	38,156,100.00
31	Series F-1941	2.53	932,818.34	788,601.25
31	Series F-1942	2.53	1,023,262.84	2,043,624.79
31	Series F-1943	2.53	702,476.14	2,600,348.76
31	Series F-1944	2.53	987,078.01	2,364,939.09
31	Series F-1945	2.53	1,319,676.35	2,588,814.52
31	Series F-1946	2.53	397,448.82	1,815,791.93
31	Series F-1947	2.53	263,899.83	1,836,996.98
31	Series F-1948	2.53	138,297.19	1,698,527.25
31	Series F-1949	2.53	54,784.20	1,009,774.25
31	Series F-1950	2.53	16,218,210.00	20,720.00
31	Series G-1941	2.50		2,446,800.00
31	Series G-1942	2.50		6,023,200.00
31	Series G-1943	2.50		6,119,700.00
31	Series G-1944	2.50		6,471,000.00
31	Series G-1945	2.50	1,500.00	6,287,100.00
31	Series G-1946	2.50		7,216,600.00
31	Series G-1947	2.50		7,205,000.00
31	Series G-1948	2.50	6,000.00	5,736,100.00
31	Series G-1949	2.50	10,000.00	5,398,200.00
31	Series G-1950	2.50	94,536,000.00	282,700.00
31	Unclassified sales and redemptions		79,909.95	[6] 15,313,152.03
31	Depositary bonds, First Series	2	181,500.00	3,092,500.00
	Armed forces leave bonds:			
	Series 1945:			
31	July 1, 1945	2½	150.00	198,425.00
31	Oct. 1, 1945	2½	950.00	844,650.00
	Series 1946:			
31	Jan. 1, 1946	2½	1,600.00	2,941,025.00
31	Apr. 1, 1946	2½	950.00	1,425,700.00
31	July 1, 1946	2½	650.00	437,175.00
31	Oct. 1, 1946	2½	[7] 5,200.00	647,850.00
31	Unclassified redemptions	2½		[6] 681,025.00
	Treasury savings notes:			
31	Series C-1950	1.07		[5] 59,905,600.00
31	Series C-1951	1.07		1,752,900.00
31	Series D-1951	1.40		5,540,900.00
31	Series D-1952	1.40		37,264,500.00
31	Series D-1953	1.40	273,275,500.00	9,279,400.00
31	Miscellaneous			26,500.00
	Total, May		5,181,333,320.63	4,580,477,514.39
June 1	Certificates of indebtedness, Series E-1950:			
	Redeemed in exchange for Treasury notes, Series D-1951	1¼		4,817,642,000.00
	Redeemable for cash			201,146,000.00
1	Treasury notes, Series D-1951	1¼	4,817,642,000.00	
	Treasury bills:			
1	Issued Mar. 2, 1950:			
	Redeemed in exchange for series dated June 1, 1950	1.137		441,002,000.00
	Redeemable for cash			559,046,000.00
1	Maturing Aug. 31, 1950:			
	Issued in exchange for series dated Mar. 2, 1950	1.168	441,002,000.00	
	Issued for cash		662,906,000.00	

Footnotes at end of table.

TABLE 23.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1949–June 1950* [1]—Continued

Date	Issue	Rate of interest [2]	Amount issued [3]	Amount matured, or called or redeemed prior to maturity [4]
1950	Treasury bills—Continued			
June 8	Issued Mar. 9, 1950:			
	Redeemed in exchange for series dated June 8, 1950	*Percent* 1.139		$359,370,000.00
	Redeemable for cash			641,732,000.00
8	Maturing Sept. 7, 1950:			
	Issued in exchange for series dated Mar. 9, 1950	1.179	$359,370,000.00	
	Issued for cash		742,726,000.00	
15	Issued Mar. 16, 1950:			
	Redeemed in exchange for series dated June 15, 1950	1.131		250,142,000.00
	Redeemable for cash			652,400,000.00
15	Maturing Sept. 14, 1950:			
	Issued in exchange for series dated Mar. 16, 1950	1.176	250,142,000.00	
	Issued for cash		753,733,000.00	
22	Issued Mar. 23, 1950:			
	Redeemed in exchange for series dated June 22, 1950	1.138		396,152,000.00
	Redeemable for cash			504,321,000.00
22	Maturing Sept. 21, 1950:			
	Issued in exchange for series dated Mar. 23, 1950	1.174	396,152,000.00	
	Issued for cash		606,677,000.00	
29	Issued Mar. 30, 1950:			
	Redeemed in exchange for series dated June 29, 1950	1.145		296,673,000.00
	Redeemable for cash			605,270,000.00
29	Maturing Sept. 28, 1950:			
	Issued in exchange for series dated Mar. 30, 1950	1.172	296,673,000.00	
	Issued for cash		706,781,000.00	
	United States savings bonds:			
30	Series D-1940	2.90	2,892,492.00	[5] 45,378,676.00
30	Series D-1941	2.90	[7] 3,395.50	1,011,816.00
30	Series E-1941	2.90	10,473,839.00	4,934,654.00
30	Series E-1942	2.90	17,149,834.13	22,110,411.00
30	Series E-1943	2.90	16,125,030.67	35,228,356.50
30	Series E-1944	2.90	21,810,947.50	41,342,184.75
30	Series E-1945	2.90	16,287,523.69	34,217,109.41
30	Series E-1946	2.90	6,239,589.26	18,756,818.68
30	Series E-1947	2.90	4,355,830.12	21,472,548.01
30	Series E-1948	2.90	3,818,585.19	30,195,228.85
30	Series E-1949	2.90	3,810,496.62	52,544,479.82
30	Series E-1950	2.90	292,026,361.25	43,901,093.50
30	Series F-1941	2.53	892,619.64	733,876.08
30	Series F-1942	2.53	1,325,922.97	1,960,451.36
30	Series F-1943	2.53	635,865.47	2,461,014.38
30	Series F-1944	2.53	2,977,910.34	3,360,489.85
30	Series F-1945	2.53	3,301,615.75	2,016,786.61
30	Series F-1946	2.53	524,734.87	1,802,710.37
30	Series F-1947	2.53	327,834.11	1,724,610.55
30	Series F-1948	2.53	261,421.74	1,839,634.85
30	Series F-1949	2.53	62,379.65	1,143,490.30
30	Series F-1950	2.53	13,421,750.00	4,477.00
30	Series G-1941	2.50		3,070,300.00
30	Series G-1942	2.50		4,752,900.00
30	Series G-1943	2.50		6,153,700.00
30	Series G-1944	2.50		7,097,500.00
30	Series G-1945	2.50		5,989,000.00
30	Series G-1946	2.50		7,368,000.00
30	Series G-1947	2.50		6,352,000.00
30	Series G-1948	2.50	17,200.00	5,886,300.00
30	Series G-1949	2.50	46,800.00	5,592,900.00
30	Series G-1950	2.50	83,867,700.00	34,300.00
30	Unclassified sales and redemptions		6,180,566.50	29,245,194.68
30	Depositary bonds, First Series	2	4,030,000.00	7,794,000.00

Footnotes at end of table.

TABLE 23.—*Issues, maturities, and redemptions of interest-bearing public debt securities, excluding special issues, July 1949–June 1950*[1]

Date	Issue	Rate of interest[2]	Amount issued[3]	Amount matured, or called or redeemed prior to maturity[4]
1950 June	Armed forces leave bonds:			
	Series 1945:			
30	July 1, 1945	2½	$1,025.00	$178,625.00
30	Oct. 1, 1945	2½	700.00	727,050.00
	Series 1946:			
30	Jan. 1, 1946	2½	2,950.00	2,456,525.00
30	Apr. 1, 1946	2½	1,950.00	1,209,850.00
30	July 1, 1946	2½	650.00	369,475.00
30	Oct. 1, 1946	2½	800.00	531,175.00
30	Unclassified redemptions	2½		598,700.00
	Treasury savings notes:			
30	Series C–1950	1.07		[5] 116,463,100.00
30	Series C–1951	1.07		5,571,300.00
30	Series D–1951	1.40		12,679,800.00
30	Series D–1952	1.40		124,989,700.00
30	Series D–1953	1.40	484,081,200.00	44,378,200.00
30	Miscellaneous			25,500.00
	Total, June		11,030,754,729.97	10,492,552,012.55
	Total, fiscal year 1950		102,242,290,667.18	97,375,523,018.13

[1] On basis of daily Treasury statements, supplemented by special statements on public debt issues, redemptions, and exchanges by Bureau of the Public Debt.
[2] For Treasury bills, average rates on bank discount basis are shown; for United States savings bonds, approximate yield to maturity is shown.
[3] For United States savings bonds of Series D to F not currently on sale, amounts represent accrued discount plus issue price of bonds in adjustment cases; for Series E and F currently on sale, amounts represent issue price plus accrued discount; and for Series G, amounts represent issue price at par.
[4] For United States savings bonds of Series D to F, amounts represent current redemption value (issue price plus accrued discount); and for Series G, amounts represent redemption value at par.
[5] Includes securities of certain issue months which have matured.
[6] Deduct. Represents excess of amounts transferred from unclassified sales and redemptions to sales and redemptions of a designated series over amounts received as unclassified sales and redemptions.
[7] Deduct.

TABLE 24.—*Public debt increases and decreases, and balances in general fund, fiscal years 1916–50*

[In millions of dollars. On basis of daily Treasury statements, see p. 443]

Fiscal year	Public debt outstanding at end of year	Increase, or decrease (−), in public debt during year	Analysis of increase or decrease in public debt: Due to excess of expenditures (+) or receipts (−)	Analysis of increase or decrease in public debt: Resulting increase (+) or decrease (−) in general fund balance	Analysis of increase or decrease in public debt: Decreases due to statutory debt retirements [1]	General fund balance at end of year
1915	1,191.4					158.1
1916	1,225.1	33.8	−48.5	+82.3		240.4
1917	2,975.6	1,750.5	+853.4	+897.1		1,137.5
1918	12,455.2	9,479.6	+9,033.3	+447.5	1.1	1,585.0
1919	25,484.5	13,029.3	+13,370.6	−333.3	8.0	1,251.7
1920	24,299.3	−1,185.2	−212.5	−894.0	78.7	357.7
1921	23,977.5	−321.9	−86.7	+192.0	427.1	549.7
1922	22,963.4	−1,014.1	−313.8	−277.6	422.7	272.1
1923	22,349.7	−613.7	−309.7	+98.8	402.9	370.9
1924	21,250.8	−1,098.9	−505.4	−135.5	458.0	235.4
1925	20,516.2	−734.6	−250.5	−17.6	466.5	217.8
1926	19,643.2	−873.0	−377.8	−7.8	487.4	210.0
1927	18,511.9	−1,131.3	−635.8	+24.1	519.6	234.1
1928	17,604.3	−907.6	−398.8	+31.5	540.3	265.5
1929	16,931.1	−673.2	−184.8	+61.2	549.6	326.7
1930	16,185.3	−745.8	−183.8	−8.1	553.9	318.6
1931	16,801.3	616.0	+902.7	+153.3	440.1	471.9
1932	19,487.0	2,685.7	+3,153.1	−54.7	412.6	417.2
1933	22,538.7	3,051.7	+3,068.3	+445.0	461.6	862.2
1934	27,053.1	4,514.5	+3,154.6	+1,719.7	359.9	2,581.9
1935	28,700.9	1,647.8	+2,961.9	−740.6	573.6	1,841.3
1936	33,778.5	5,077.7	+4,640.7	+840.2	403.2	2,681.5
1937	36,424.6	2,646.1	+2,878.1	−128.0	104.0	2,553.5
1938	37,164.7	740.1	+1,143.1	−337.6	65.5	2,215.9
1939	40,439.5	3,274.8	+2,710.7	+622.3	58.2	2,838.2
1940	42,967.5	2,528.0	+3,604.7	−947.5	129.2	1,890.7
1941	48,961.4	5,993.9	+5,315.7	+742.4	64.3	2,633.2
1942	72,422.4	23,461.0	+23,197.8	+358.0	94.7	2,991.1
1943	136,696.1	64,273.6	+57,761.7	+6,515.4	3.5	9,506.6
1944	201,003.4	64,307.3	+53,645.3	+10,662.0	(*)	20,168.6
1945	258,682.2	57,678.8	+53,149.6	+4,529.2	(*)	24,697.7
1946	269,422.1	10,739.9	+21,199.8	−10,459.8	(*)	14,237.9
1947	258,286.4	−11,135.7	−206.0	−10,929.7		3,308.1
1948	252,292.2	−5,994.1	[1]−6,606.4	+1,623.9	1,011.6	4,932.0
1949	252,770.4	478.1	+1,947.5	−1,461.6	7.8	3,470.4
1950	257,357.4	4,587.0	+2,592.0	+2,046.7	51.7	5,517.1
Total		256,166.1	+259,964.1	+5,359.2	9,157.2	

SUMMARY OF CHANGES IN THE PUBLIC DEBT, FISCAL YEARS 1916–50

[In millions of dollars]

Increase in debt on account of—		
Excess of expenditures in certain years	270,284.6	
Net increase in general fund balance	5,359.2	
		275,643.8
Decrease in debt on account of—		
Statutory debt retirements	9,157.2	
Retirements from surplus receipts in certain years	10,320.6	
		19,477.8
Net increase in debt since June 30, 1915		256,166.1
Public debt:		
As of June 30, 1915	1,191.4	
As of June 30, 1950	257,357.4	
Net increase, as above		256,166.1

*Less than $50,000.

[1] Beginning 1948, statutory debt retirements were not included in budget expenditures in the daily Treasury statement. Such expenditures have been included in this table for comparable purposes.

TABLE 25.—*Statutory debt retirements, fiscal years 1918–50*

[In thousands of dollars. On basis of par amounts and of daily Treasury statements through 1947, and on basis of Public Debt accounts thereafter; see p. 443]

Fiscal year	Cumulative sinking fund	Repayments of foreign debt	Bonds and notes received for estate taxes	Bonds received for loans from Public Works Administration	Franchise tax receipts, Federal Reserve Banks	Payments from net earnings, Federal intermediate credit banks [1]	Commodity Credit Corporation capital repayments	Miscellaneous gifts, forfeitures, etc.	Total
1918					1,134				1,134
1919		7,922	93						8,015
1920		72,670	3,141		2,922			13	78,746
1921	261,100	73,939	26,349		60,724			[2] 5,010	427,123
1922	276,046	64,838	21,085		60,333			393	422,695
1923	284,019	100,893	6,569		10,815			555	402,850
1924	295,987	149,388	8,897		3,635			93	458,000
1925	306,309	159,179	47		114	680		208	466,538
1926	317,092	169,654			59	509		63	487,376
1927	333,528	179,216			818	414		5,578	519,555
1928	354,741	181,804	2		250	369		3,090	540,255
1929	370,277	176,213	20		2,667	266		160	549,604
1930	388,369	160,926	73		4,283	172		61	553,884
1931	391,660	48,246			18	74		85	440,082
1932	412,555		1			21		53	412,630
1933	425,660	33,887			2,037			21	461,605
1934	359,492	357						15	359,864
1935	573,001		1					556	573,558
1936	403,238							1	403,240
1937	103,815	142						14	103,971
1938	65,116	210						139	65,465
1939	48,518	120		8,095		1,501		12	58,246
1940	128,349			134		685		16	129,184
1941	37,011			1,321		548	25,364	16	64,260
1942	75,342			668		315	18,393	5	94,722
1943	3,460							4	3,463
1944	−1							3	2
1945								2	2
1946								4	4
1947								(3)	
1948	746,636			8,028		1,634	45,509	[4] 209,828	1,011,636
1949	7,498					178		[4] 81	7,758
1950	1,815					261	48,943	[4] 690	51,709
Total	6,970,632	1,579,605	66,278	18,248	149,809	7,628	138,209	226,769	9,157,177

[1] Act of Mar. 4, 1923 (42 Stat. 1456, sec. 206 (b)), requiring division of net earnings, was amended by act of May 19, 1932 (47 Stat. 159, sec. 3). Act of Aug. 19, 1937 (50 Stat. 715, sec. 30), provides for franchise tax.

[2] Includes $4,842,066.45 written off the debt Dec. 31, 1920, on account of fractional currency estimated to have been lost or destroyed in circulation.

[3] Beginning with 1947, bonds acquired through gifts, forfeitures, and estate taxes are redeemed prior to maturity from regular public debt receipts.

[4] Represents payments from net earnings, War Damage Corporation.

TABLE 26.—*Cumulative sinking fund, fiscal years 1921–50*

[In millions of dollars. On basis of Public Debt accounts, see p. 443]

Fiscal year	Appropriations	Available for expenditure during year [1]	Debt retired [2]	
			Par amount	Cost (principal)
1921	256.2	256.2	261.3	254.8
1922	273.1	274.5	275.9	274.5
1923	284.1	284.2	284.0	284.1
1924	294.9	294.9	296.0	294.9
1925	306.7	306.7	306.3	306.7
1926	321.2	321.2	317.1	321.2
1927	336.9	336.9	333.5	336.9
1928	355.1	355.1	354.7	355.1
1929	370.2	370.2	370.3	370.2
1930	382.9	382.9	388.4	382.9
1931	392.2	392.2	391.7	392.2
1932	410.9	410.9	412.6	410.9
1933	425.6	425.6	425.7	425.6
1934	438.5	438.5	359.5	359.2
1935	493.8	573.2	573.0	573.0
1936	553.0	553.2	403.3	403.3
1937	572.8	722.7	103.7	103.7
1938	577.6	1,196.5	65.2	65.2
1939	580.9	1,712.2	48.5	48.5
1940	582.0	2,245.6	128.3	128.3
1941	585.8	2,703.2	37.0	37.0
1942	586.9	3,253.1	75.3	75.3
1943	587.8	3,765.6	3.4	3.4
1944	587.6	4,349.7		
1945	587.6	4,937.4		
1946	587.6	5,525.0		
1947	587.6	6,112.6		
1948	603.5	6,716.0	746.6	746.6
1949	619.6	6,589.0	7.5	7.5
1950	619.7	7,201.2	1.8	1.8
Total	14,162.4		6,970.6	6,962.9
Deduct cumulative expenditures	6,962.9			
Unexpended balance	7,199.4			

[1] Amount available each year includes unexpended balance brought forward from prior year.
[2] Net discount on debt retired through June 30, 1950, is $7.7 million.

TABLE 27.—*Transactions on account of the cumulative sinking fund, fiscal year 1950*

[On basis of Public Debt accounts, see p. 443]

Unexpended balance July 1, 1949		$6,581,528,973.52
Appropriation for 1950:		
Initial credit:		
(a) Under the Victory Loan Act (2½% of the aggregate amount of Liberty bonds and Victory notes outstanding on July 1, 1920, less an amount equal to the par amount of any obligation of foreign governments held by the United States on July 1, 1920)	$253,404,864.87	
(b) Under the Emergency Relief and Construction Act of 1932 (2½% of the aggregate amount of expenditures from appropriations made or authorized under this act)	7,860,606.83	
(c) Under the National Industrial Recovery Act (2½% of the aggregate amount of expenditures from appropriations made or authorized under this act)	80,163,742.84	
Total initial credit	341,429,214.54	
Secondary credit (the interest which would have been payable during the fiscal year for which the appropriation is made on the bonds and notes purchased, redeemed, or paid out of the sinking fund during such year or in previous years)	278,289,536.24	619,718,750.78
Total available, 1950		7,201,247,724.30
Securities retired in 1950: 4¼% Treasury bonds of 1947–52		1,815,400.00
Unexpended balance June 30, 1950		7,199,432,324.30

United States savings bonds and Treasury savings notes

TABLE 28.—*Summary of sales and redemptions of savings bonds by series, fiscal years 1935–50 and monthly 1950*

[In millions of dollars. On basis of daily Treasury statements, see p. 443]

Fiscal year or month	Series A–D [1]	Series E	Series F	Series G [2]	Total
	Sales [3] at issue price plus accrued discount				
1935 (Mar. 1–June 30)	62.6				62.6
1936	265.2				265.2
1937	519.7				519.7
1938	504.7				504.7
1939	712.5				712.5
1940	1,150.8				1,150.8
1941	893.0	203.1	66.7	394.6	1,557.4
1942	86.6	3,527.8	435.1	2,032.1	6,081.6
1943	92.1	8,304.4	760.4	2,759.5	11,916.3
1944	96.0	11,938.1	811.1	2,875.6	15,720.9
1945	103.3	11,818.1	698.0	2,658.3	15,277.8
1946	106.0	7,172.7	440.1	2,465.4	10,184.2
1947	107.5	4,823.6	406.8	2,560.8	7,898.7
1948	110.1	4,659.2	362.4	1,907.4	7,039.1
1949	100.7	5,031.9	545.2	2,390.0	8,067.6
1950	67.8	4,887.4	314.1	1,448.5	6,717.8
Total through June 30, 1950	4,978.5	62,366.3	4,839.9	21,492.1	93,676.9
1949—July	12.5	459.1	27.0	115.4	614.1
August	7.5	387.7	21.0	103.5	519.8
September	5.3	361.0	18.5	86.3	471.2
October	4.5	353.2	18.4	85.9	462.0
November	3.1	354.4	19.3	84.0	460.8
December	5.2	468.7	25.3	102.9	602.2
1950—January	10.8	490.0	48.8	266.5	816.1
February	6.2	423.7	36.0	189.4	655.2
March	4.5	440.3	32.8	133.8	611.3
April	3.4	373.9	20.7	102.4	500.5
May	1.9	379.8	22.2	92.0	496.0
June	2.9	395.6	24.0	86.4	508.8
	Redemptions [4] (including redemptions of matured bonds) at current redemption value				
1935 (Mar. 1–June 30)	0.5				0.5
1936	11.2				11.2
1937	36.2				36.2
1938	66.6				66.6
1939	82.0				82.0
1940	114.3				114.3
1941	147.5	(*)	(*)	0.5	148.1
1942	132.7	60.0	2.9	11.8	207.4
1943	88.2	688.6	17.0	54.5	848.3
1944	79.3	2,099.9	57.7	134.0	2,370.9
1945	142.8	3,845.9	89.3	220.4	4,298.4
1946	308.6	5,911.7	149.1	347.7	6,717.1
1947	482.1	4,390.9	203.0	469.0	5,544.9
1948	515.9	3,824.8	206.5	565.7	5,112.9
1949	702.6	3,529.7	216.0	619.0	5,067.4
1950	1,080.6	3,520.9	199.2	621.4	5,422.1
Total through June 30, 1950	3,991.0	27,872.3	1,140.7	3,044.1	36,048.2
1949—July	67.9	283.4	18.3	55.7	425.3
August	74.2	298.1	16.5	50.3	439.0
September	50.9	296.2	16.1	47.8	411.1
October	50.6	278.4	16.2	50.4	395.6
November	55.8	292.7	15.1	51.9	415.5
December	96.1	296.8	17.3	56.1	466.3
1950—January	224.5	320.2	16.3	57.3	618.3
February	129.2	224.0	16.4	48.2	417.8
March	130.1	309.4	17.8	52.8	510.2
April	77.2	274.7	15.4	45.4	412.6
May	71.5	312.9	16.8	53.2	454.3
June	52.8	333.9	17.0	52.3	456.1

* Less than $50,000.

[1] Not issued after Apr. 30, 1941. Sales figures after that date represent accrued discount on outstanding bonds and adjustments. Series A bonds began to mature in March 1945; Series B, in January 1946; Series C–1937, in January 1947; Series C–1938, in January 1948; Series D–1939, in January 1949; and Series D–1940, in January 1950.

[2] Series G is stated at par.

[3] See table 29, footnote 2.

[4] See table 29, footnote 3.

TABLE 29.—*Sales and redemptions of Series E, F, and G savings bonds by series, fiscal years 1941–50 and monthly 1950*

[In millions of dollars]

Fiscal year or month	Sales [1] [2]	Accrued discount	Sales plus accrued discount	Redemptions [3]			Amounts outstanding [6] (interest-bearing)
				Total	Original purchase price [4]	Accrued discount [5]	
			Series E				
1941 (May 1–June 30)	203.1	----------	203.1	(*)	(*)	----------	203.1
1942	3,526.3	1.5	3,527.8	60.0	60.0	(*)	3,670.8
1943	8,271.3	33.1	8,304.4	688.6	688.0	0.6	11,286.6
1944	11,819.7	118.4	11,938.1	2,099.9	2,094.7	5.2	21,124.8
1945	11,553.4	264.8	11,818.1	3,845.9	3,825.5	20.4	29,097.1
1946	6,738.9	433.8	7,172.7	5,911.7	5,842.8	68.9	30,358.2
1947	4,287.3	536.3	4,823.6	4,390.9	4,288.0	102.9	30,791.0
1948	4,026.1	633.1	4,659.2	3,824.8	3,689.0	135.8	31,625.3
1949	4,278.5	753.4	5,031.9	3,529.7	3,367.9	161.9	33,127.4
1950	3,992.9	894.6	4,887.4	3,520.9	3,326.1	194.7	34,494.0
Total through June 30, 1950	58,697.4	3,669.0	62,366.3	27,872.3	27,182.1	690.3	34,494.0
1949—July	377.8	81.3	459.1	283.4	269.0	14.5	33,303.1
August	329.2	58.5	387.7	298.1	282.5	15.5	33,392.7
September	298.9	62.1	361.0	296.2	280.7	15.6	33,457.5
October	289.1	64.1	353.2	278.4	263.6	14.8	33,532.3
November	285.7	68.7	354.4	292.7	277.0	15.7	33,594.0
December	376.5	92.2	468.7	296.8	280.8	16.0	33,765.9
1950—January	402.1	87.9	490.0	320.2	304.5	15.7	33,935.7
February	360.5	63.1	423.7	224.0	209.1	15.0	34,135.3
March	363.7	76.5	440.3	309.4	291.9	17.5	34,266.2
April	304.7	69.1	373.9	274.7	258.8	15.8	34,365.4
May	307.2	72.7	379.8	312.9	292.9	20.0	34,432.4
June	297.4	98.1	395.6	333.9	315.2	18.8	34,494.0
			Series F				
1941 (May 1–June 30)	66.7	----------	66.7	(*)	(*)	----------	66.6
1942	434.9	0.2	435.1	2.9	2.9	(*)	498.9
1943	757.9	2.5	760.4	17.0	17.0	(*)	1,242.3
1944	802.2	8.8	811.1	57.7	57.4	0.3	1,995.7
1945	679.1	18.9	698.0	89.3	88.5	.9	2,604.4
1946	407.3	32.8	440.1	149.1	146.5	2.6	2,895.4
1947	359.7	47.2	406.8	203.0	197.2	5.8	3,099.2
1948	301.2	61.2	362.4	206.5	197.8	8.7	3,255.1
1949	[7] 472.6	72.6	545.2	216.0	204.2	11.8	3,584.3
1950	231.3	82.8	314.1	199.2	185.3	13.9	3,699.2
Total through June 30, 1950	4,512.9	327.0	4,839.9	1,140.7	1,096.8	43.9	3,699.2
1949—July	17.4	9.7	27.0	18.3	17.1	1.2	3,593.0
August	16.4	4.6	21.0	16.5	15.4	1.1	3,597.6
September	12.9	5.6	18.5	16.1	15.0	1.0	3,600.1
October	13.2	5.2	18.4	16.2	15.2	1.0	3,602.3
November	13.8	5.6	19.3	15.1	14.1	1.0	3,606.5
December	15.8	9.5	25.3	17.3	16.1	1.2	3,614.5
1950—January	38.2	10.6	48.8	16.3	15.2	1.2	3,647.0
February	31.1	4.9	36.0	16.4	15.2	1.3	3,666.5
March	27.0	5.8	32.8	17.8	16.5	1.3	3,681.5
April	15.4	5.3	20.7	15.4	14.3	1.1	3,686.8
May	16.4	5.8	22.2	16.8	15.5	1.2	3,692.2
June	13.8	10.2	24.0	17.0	15.8	1.3	3,699.2

Footnotes at end of table.

TABLE 29.—*Sales and redemptions of Series E, F, and G savings bonds by series, fiscal years 1941–50 and monthly 1950*—Continued

[In millions of dollars]

Fiscal year or month	Sales [1] [2]	Accrued discount	Sales plus accrued discount	Redemptions [3]			Amounts outstanding [6] (interest-bearing)
				Total	Original purchase price [4]	Accrued discount [5]	
			Series G				
1941 (May 1–June 30)	394.6		394.6	0.5	0.5		394.0
1942	2,032.1		2,032.1	11.8	11.8		2,414.3
1943	2,759.5		2,759.5	54.5	54.5		5,119.2
1944	2,875.6		2,875.6	134.0	134.0		7,860.8
1945	2,658.3		2,658.3	220.4	220.4		10,298.8
1946	2,465.4		2,465.4	347.7	347.7		12,416.5
1947	2,560.8		2,560.8	469.0	469.0		14,508.3
1948	1,907.4		1,907.4	565.7	565.7		15,850.0
1949	[7] 2,390.0		2,390.0	619.0	619.0		17,620.9
1950	1,448.5		1,448.5	621.4	621.4		18,448.0
Total through June 30, 1950	21,492.1		21,492.1	3,044.1	3,044.1		18,448.0
1949—July	115.4		115.4	55.7	55.7		17,680.6
August	103.5		103.5	50.3	50.3		17,733.8
September	86.3		86.3	47.8	47.8		17,772.3
October	85.9		85.9	50.4	50.4		17,807.8
November	84.0		84.0	51.9	51.9		17,839.9
December	102.9		102.9	56.1	56.1		17,886.7
1950—January	266.5		266.5	57.3	57.3		18,096.0
February	189.4		189.4	48.2	48.2		18,237.2
March	133.8		133.8	52.8	52.8		18,318.1
April	102.4		102.4	45.4	45.4		18,375.1
May	92.0		92.0	53.2	53.2		18,414.0
June	86.4		86.4	52.3	52.3		18,448.0

NOTE.—Details by months from May 1941 for Series E, F, and G bonds (and from May 1935 for Series A–D bonds) will be found in 1943 annual report, p. 604, and in corresponding tables in subsequent reports. Series A–D sales and redemptions will be found in table 28 of this report.

* Less than $50,000.

[1] Includes sales of F and G bonds to commercial banks. During calendar year 1940, commercial banks were permitted to purchase limited amounts of Series F and G bonds for investment of savings deposits (for details as to limitations, see pp. 44 and 47 of 1944 annual report); and they were again permitted to make such purchases from June 18 through June 30, 1945 (see pp. 50 and 51 of 1945 annual report), and from Dec. 3 through Dec. 8, 1945 (see p. 38 of 1946 annual report). See also footnote 7.

[2] Beginning with June 1947, Series E sales include small amounts of unclassified sales consisting of Series E, F, and G. These amounts are substantially less than sales reported as unclassified in daily Treasury statement. The greater part of that item consists of sales for which information is available as to series but not year of issue. On basis of that information such sales are included in this table according to series. Prior to June 1947 it was possible to distribute by series all sales reported as unclassified in daily Treasury statement.

[3] Series E redemptions include small amounts of unclassified Series A–D redemptions beginning with October 1944, and small amounts also of unclassified Series F and G redemptions beginning with June 1947.

[4] Estimated, except for Series G.

[5] Estimated. Figures represent increment in value.

[6] Amounts outstanding are at current redemption values, except Series G bonds which are stated at par. Unclassified bonds shown in daily Treasury statement have been classified by series in this table.

[7] Includes sales to institutional investors from July 1–15, 1948 (Security Loan drive). See 1948 annual report, exhibit 12.

TABLE 30.—*Sales of Series E, F, and G savings bonds by denominations, fiscal years 1941–50 and monthly 1950*

[On basis of daily Treasury statements and reports of sales]

Fiscal year or month	Total all denominations	$10 [1]	$25	$50	$100	$200 [2]	$500	$1,000
	Series E sales, in millions of dollars at issue price							
1941	203.1	-------	14.4	13.3	41.4	-------	40.7	93.4
1942	3,526.3	-------	615.6	341.5	812.7	-------	636.9	1,119.5
1943	8,271.3	-------	2,988.2	1,081.0	1,713.8	-------	1,007.3	1,481.0
1944	11,819.7	-------	4,149.1	1,642.5	2,583.5	-------	1,396.9	2,047.8
1945	11,553.4	69.2	3,927.7	1,724.8	2,406.2	-------	1,325.7	2,099.7
1946	6,738.9	63.8	2,101.3	910.3	1,102.0	196.6	774.3	1,590.6
1947	4,287.3	15.7	860.2	408.6	585.2	120.1	616.7	1,680.8
1948	4,026.1	3.9	677.7	371.3	583.2	122.4	589.2	1,678.3
1949	4,278.5	3.0	738.7	428.4	641.3	137.4	588.4	1,741.3
1950	3,992.9	2.5	734.1	444.0	649.1	137.5	529.7	1,496.0
1949—July	377.8	.2	61.0	36.9	57.1	12.3	53.2	157.1
August	329.2	.2	61.9	36.2	53.0	11.4	44.7	121.9
September	298.9	.2	60.0	35.9	50.9	10.7	39.5	101.5
October	289.1	.2	58.6	34.2	49.2	10.3	38.4	98.2
November	285.7	.4	58.3	35.3	49.7	10.5	37.9	93.7
December	376.5	.3	73.6	45.5	63.9	13.7	48.7	130.7
1950—January	402.1	.2	57.0	35.2	54.6	12.4	53.5	189.1
February	360.5	.2	57.7	35.9	53.6	9.9	47.7	156.6
March	363.7	.2	63.8	40.0	59.3	13.0	47.3	140.2
April	304.7	.2	59.3	35.3	52.3	10.9	39.9	106.9
May	307.2	.1	62.9	38.2	53.5	11.6	39.9	100.9
June	297.4	(*)	59.9	36.3	52.0	11.0	39.1	99.0
	Series E sales, in thousands of pieces							
1941	1,905	-------	767	353	552	-------	108	125
1942	55,967	-------	32,832	9,107	10,837	-------	1,698	1,493
1943	215,709	-------	159,369	28,828	22,851	-------	2,686	1,975
1944	305,986	-------	221,284	43,800	34,447	-------	3,725	2,730
1945	303,116	9,223	209,480	45,995	32,083	-------	3,535	2,800
1946	165,039	8,505	112,071	24,274	14,693	1,311	2,065	2,121
1947	71,356	2,095	45,876	10,896	7,803	801	1,645	2,241
1948	58,971	522	36,146	9,901	7,777	816	1,571	2,238
1949	64,576	394	39,400	11,425	8,550	916	1,569	2,322
1950	64,304	335	39,150	11,841	8,654	917	1,413	1,995
1949—July	5,462	30	3,255	984	761	82	142	209
August	5,351	23	3,299	965	706	76	119	163
September	5,177	28	3,200	958	679	71	105	135
October	5,022	26	3,126	912	656	68	102	131
November	5,057	47	3,111	941	662	70	101	125
December	6,431	42	3,927	1,214	852	91	130	174
1950—January	5,218	31	3,041	940	729	82	143	252
February	5,152	29	3,075	932	714	66	127	209
March	5,687	26	3,404	1,067	791	87	126	187
April	5,152	31	3,160	943	697	72	106	143
May	5,424	18	3,356	1,019	714	77	106	135
June	5,172	5	3,196	967	693	74	104	132

Fiscal year or month	Total all denominations	$25 [3]	$100	$500	$1,000	$5,000	$10,000
	Series F sales, in millions of dollars at issue price						
1941	66.7	-------	0.9	2.0	13.2	12.3	38.3
1942	434.9	1.3	19.6	27.5	123.6	91.7	171.1
1943	757.9	4.0	24.8	40.6	210.1	176.2	308.3
1944	802.2	5.6	24.9	40.9	213.3	162.7	354.8
1945	679.1	5.4	20.0	32.7	167.3	127.5	326.2
1946	407.3	2.3	9.9	16.9	101.3	77.7	199.2
1947	359.7	.8	5.9	11.6	89.0	72.1	180.3
1948	301.2	.6	4.9	10.5	72.0	59.0	154.2
1949 [4]	472.6	.5	4.0	8.0	54.9	51.0	354.2
1950	231.3	.5	3.7	7.1	48.7	37.5	133.8
1949—July	17.4	(*)	.3	.6	4.5	3.3	8.6
August	16.4	(*)	.3	.6	3.9	2.9	8.8
September	12.9	(*)	.3	.5	3.4	2.6	6.1
October	13.2	(*)	.3	.5	3.5	2.4	6.5
November	13.8	(*)	.3	.5	3.7	2.3	6.8
December	15.8	(*)	.3	.6	4.2	2.9	7.8
1950—January	38.2	.1	.4	.8	6.0	5.6	25.3
February	31.1	(*)	.3	.7	4.3	3.5	22.2
March	27.0	(*)	.4	.7	4.7	3.9	17.3
April	15.4	(*)	.3	.5	3.6	2.7	8.2
May	16.4	(*)	.3	.6	3.7	2.6	9.1
June	13.8	(*)	.3	.5	3.1	2.7	7.1

Footnotes at end of table.

TABLE 30.—*Sales of Series E, F, and G savings bonds by denominations, fiscal years 1941–50 and monthly 1950*—Continued

Fiscal year or month	Total all denominations	$25 [3]	$100	$500	$1,000	$5,000	$10,000
	Series F sales, in thousands of pieces						
1941	44		12	6	18	3	5
1942	627	72	265	74	167	25	23
1943	1,032	216	335	110	284	46	42
1944	1,130	303	336	111	288	44	48
1945	955	291	270	88	226	34	44
1946	489	126	133	46	137	21	27
1947	317	43	79	31	120	19	24
1948	260	31	67	28	97	16	21
1949 [4]	239	28	54	22	74	14	48
1950	190	26	50	19	66	10	18
1949—July	16	2	4	2	6	1	1
August	14	2	4	2	5	1	1
September	13	2	4	1	5	1	1
October	13	2	4	1	5	1	1
November	15	2	4	1	5	1	1
December	16	2	4	2	6	1	1
1950—January	24	3	6	2	8	2	3
February	18	2	4	2	6	1	3
March	19	2	5	2	6	1	2
April	14	2	4	1	5	1	1
May	15	2	4	2	5	1	1
June	13	2	4	1	4	1	1
	Series G sales, in millions of dollars at issue price						
1941	394.6		4.8	11.2	82.4	71.8	224.3
1942	2,032.1		50.9	113.0	578.1	406.2	883.8
1943	2,759.5		81.5	188.7	805.7	526.3	1,157.3
1944	2,875.6		108.8	249.6	942.3	520.7	1,054.2
1945	2,658.3		88.5	221.9	844.7	467.6	1,035.6
1946	2,465.4		51.6	162.6	799.7	478.6	973.0
1947	2,560.8		38.7	157.0	849.4	540.2	975.4
1948	1,907.4		31.8	125.4	650.1	403.5	696.5
1949 [4]	2,390.0		25.7	96.1	481.5	295.2	1,491.5
1950	1,448.5		22.5	80.4	420.4	263.0	662.3
1949—July	115.4		2.1	8.3	42.5	24.6	37.8
August	103.5		2.0	7.4	36.3	20.6	37.1
September	86.3		1.8	6.2	29.2	18.6	30.5
October	85.9		1.7	5.9	29.5	17.1	31.8
November	84.0		1.7	5.9	29.8	18.0	28.6
December	102.9		1.9	6.2	33.3	20.5	41.0
1950—January	266.5		2.6	9.3	54.5	37.1	163.1
February	189.4		1.8	7.0	37.0	25.6	118.1
March	133.8		2.0	7.1	38.5	24.7	61.6
April	102.4		1.7	6.0	31.6	20.1	43.0
May	92.0		1.6	5.7	29.6	19.0	36.1
June	86.4		1.6	5.4	28.6	17.2	33.6
	Series G sales, in thousands of pieces						
1941	190		48	22	82	14	22
1942	1,483		509	226	578	81	88
1943	2,219		815	377	806	105	116
1944	2,739		1,088	499	942	104	105
1945	2,371		885	444	845	94	104
1946	1,833		516	325	800	96	97
1947	1,756		387	314	849	108	98
1948	1,370		318	251	650	81	70
1949 [4]	1,139		257	192	482	59	149
1950	925		225	161	420	53	66
1949—July	89		21	17	43	5	4
August	79		20	15	36	4	4
September	66		18	12	29	4	3
October	65		17	12	30	3	3
November	65		17	12	30	4	3
December	73		19	12	33	4	4
1950—January	122		26	19	54	7	16
February	85		18	14	37	5	12
March	83		20	14	38	5	6
April	69		17	12	32	4	4
May	65		16	11	30	4	4
June	62		16	11	29	3	3

NOTE.—Details of amounts of sales by months beginning May 1941 will be found in 1943 annual report, p. 611, and in corresponding tables in subsequent reports.

* Less than $50,000.

[1] Sale of $10 denomination Series E bonds was authorized beginning June 1944 to armed forces only and was discontinued March 31, 1950.

[2] Sale of $200 denomination Series E bonds began in October 1945.

[3] Sale of $25 denomination Series F bonds was authorized in December 1941.

[4] See table 29, footnote 7.

Table 31.—*Redemptions of Series E, F, and G savings bonds by denominations, fiscal years 1941–50 and monthly 1950* [1]

[In thousands of pieces. On basis of daily Treasury statements and reports from Bureau of the Public Debt]

Fiscal year or month	Total all denominations	$10	$25	$50	$160	$200	$500	$1,000
	Series E redemptions							
1941	(*)	-------	(*)	-------	(*)	-------	(*)	(*)
1942	937	-------	568	138	174	-------	29	27
1943	25,430	-------	21,800	2,311	1,117	-------	113	88
1944	77,760	-------	65,506	8,171	3,530	-------	319	234
1945	137,633	1,317	111,061	16,843	7,380	-------	600	431
1946	192,985	6,247	145,094	26,344	13,205	76	1,141	877
1947	123,725	4,109	88,836	17,872	10,713	189	1,105	900
1948	93,438	2,052	65,331	14,302	9,387	246	1,115	1,004
1949	79,646	1,369	54,809	12,623	8,450	284	1,077	1,035
1950	76,109	1,017	52,101	12,346	8,155	334	1,069	1,088
1949—July	6,367	96	4,385	1,028	665	25	85	82
August	6,665	102	4,582	1,082	697	26	89	87
September	6,565	99	4,511	1,060	690	27	89	88
October	6,106	86	4,187	985	653	26	85	84
November	6,410	88	4,419	1,024	674	27	89	89
December	6,750	94	4,712	1,064	680	28	86	86
1950—January	7,010	107	4,854	1,120	732	30	96	100
February	4,710	62	3,208	767	513	22	68	70
March	6,362	75	4,300	1,047	710	31	96	103
April	5,778	65	3,929	951	634	27	84	88
May	6,447	71	4,358	1,065	723	31	97	101
June	6,908	71	4,655	1,151	784	33	104	109

Fiscal year or month	Total all denominations	$25	$100	$500	$1,000	$5,000	$10,000
	Series F redemptions						
1941	(*)	-------	(*)	-------	(*)	(*)	(*)
1942	2	(*)	1	(*)	1	(*)	(*)
1943	19	2	7	2	6	1	1
1944	69	11	22	7	21	4	3
1945	123	27	38	13	35	6	5
1946	230	59	72	23	60	9	7
1947	272	61	84	29	75	12	11
1948	306	79	94	31	80	12	10
1949	321	86	99	31	81	12	11
1950	305	83	95	30	77	11	9
1949—July	29	8	9	2	7	1	1
August	26	8	8	2	7	1	1
September	25	6	8	3	7	1	1
October	24	6	8	3	6	1	1
November	26	8	8	2	6	1	1
December	27	8	8	3	6	1	1
1950—January	25	6	9	2	6	1	1
February	21	5	7	2	6	1	1
March	24	6	8	2	6	1	1
April	24	7	7	2	6	1	1
May	25	7	7	3	6	1	1
June	27	7	8	3	7	1	1
	Series G redemptions						
1941	(*)	-------	(*)	(*)	(*)	(*)	(*)
1942	7	-------	2	1	3	(*)	1
1943	40	-------	15	6	15	2	2
1944	117	-------	46	19	40	6	5
1945	218	-------	90	38	73	9	7
1946	371	-------	155	65	126	15	10
1947	474	-------	188	85	167	20	14
1948	553	-------	198	102	212	24	16
1949	604	-------	213	112	235	27	17
1950	617	-------	211	118	246	27	16
1949—July	54	-------	18	10	21	2	2
August	51	-------	18	10	20	2	1
September	48	-------	16	9	19	2	1
October	52	-------	18	10	20	2	1
November	51	-------	18	10	20	2	1
December	54	-------	18	10	22	2	2
1950—January	53	-------	18	10	21	3	2
February	47	-------	16	9	19	2	1
March	53	-------	18	10	21	2	1
April	46	-------	16	9	19	2	1
May	54	-------	19	11	22	2	1
June	54	-------	18	10	22	2	1

*Less than 500 pieces.

[1] The redemption data presented in previous annual reports have been adjusted in this table so that the totals correspond with the dollar volume of redemptions shown in table 29.

TABLE 32.—*Sales of Series E, F, and G savings bonds by States, fiscal year 1950 and cumulative*

[In thousands of dollars, at issue price. On basis of reports received by Treasury Department, with totals adjusted to basis of daily Treasury statements]

State	Series E bonds		Series F and G bonds	
	Fiscal year 1950	May 1941–June 1950	Fiscal year 1950	May 1941–June 1950
Alabama	29,803	638,100	12,200	189,946
Arizona	13,244	206,449	3,687	57,831
Arkansas	22,626	368,416	7,347	113,326
California	243,855	4,500,612	90,131	1,603,101
Colorado	34,010	468,178	16,618	213,864
Connecticut	48,336	1,000,512	28,803	493,479
Delaware	9,027	136,065	5,430	88,868
District of Columbia	43,524	713,891	15,653	223,341
Florida	44,288	700,710	20,913	282,231
Georgia	37,563	696,602	15,020	231,787
Idaho	8,264	180,465	4,336	58,425
Illinois	359,737	4,498,920	163,554	2,086,708
Indiana	104,138	1,548,769	50,115	624,780
Iowa	124,397	1,529,790	58,948	719,258
Kansas	70,753	899,158	24,893	324,183
Kentucky	40,879	628,523	22,601	326,265
Louisiana	35,515	632,514	11,965	234,340
Maine	13,617	248,234	9,189	149,595
Maryland	41,255	732,888	21,407	374,974
Massachusetts	107,001	1,863,632	81,270	1,261,595
Michigan	197,094	3,020,971	53,419	739,999
Minnesota	87,180	1,259,306	41,046	533,173
Mississippi	20,838	386,204	6,799	127,461
Missouri	119,955	1,525,450	52,461	706,617
Montana	21,162	295,486	6,966	90,247
Nebraska	64,956	762,822	28,318	323,921
Nevada	3,855	67,702	1,828	25,025
New Hampshire	7,487	155,190	5,974	160,729
New Jersey	153,612	2,128,607	55,264	794,615
New Mexico	9,125	135,517	3,157	48,509
New York	476,813	7,061,588	271,812	4,179,985
North Carolina	38,209	743,331	14,964	278,015
North Dakota	24,274	312,087	7,142	106,333
Ohio	230,196	3,498,970	96,532	1,415,683
Oklahoma	53,367	709,859	17,147	199,053
Oregon	33,419	689,314	12,782	202,851
Pennsylvania	321,733	4,443,167	128,713	1,996,781
Rhode Island	17,959	312,616	10,223	187,457
South Carolina	18,768	365,207	6,259	131,025
South Dakota	29,423	334,291	8,876	106,846
Tennessee	36,606	684,320	15,667	251,828
Texas	133,559	2,237,748	46,189	680,572
Utah	11,982	243,266	3,984	54,550
Vermont	3,927	89,736	2,953	55,901
Virginia	54,617	984,089	16,366	324,281
Washington	59,488	1,109,292	20,590	349,266
West Virginia	40,861	524,394	9,827	140,531
Wisconsin	91,776	1,315,106	51,630	681,715
Wyoming	9,003	121,776	2,978	43,566
Alaska		[1] 36,075		[1] 5,349
Canal Zone	3,247	38,466	203	7,295
Hawaii	10,898	283,775	1,885	67,127
Puerto Rico	1,037	40,168	220	14,084
Virgin Islands	49	1,931		843
Other possessions	1,000	4,216	27	978
Sales to commercial banks [2]				1,321,775
Adjustment to daily Treasury statement	+173,578	+588,818	+13,636	+54,085
Total	3,992,870	58,697,360	1,679,857	26,005,075

NOTE.—Sales from May 1941 through June 1946, by months, calendar years, and fiscal years, and cumulative, will be found in the 1943 annual report, pp. 614 and 618, and in corresponding tables in the annual reports for 1944–46. Sales for subsequent fiscal years and cumulative will be found in the annual report for 1947, p. 411, and in corresponding tables in subsequent reports. Redemptions by States for the months of the fiscal year 1946, for the calendar year 1945 and fiscal years 1946–48, and cumulative from October 1944 (the earliest available) will be found in the annual report for 1946, p. 532, and in corresponding tables in subsequent reports. Sales and redemptions by months from July 1946 have been published at intervals in the *Treasury Bulletin* (redemptions were published for the last time in the August 1949 Bulletin).

[1] Sales through March 1947.

[2] State figures exclude sales of Series F and G bonds to commercial banks. Commercial banks were permitted to purchase these bonds under certain conditions (see table 29, footnote 1).

Table 33.—*Percent of savings bonds sold in each year redeemed through each yearly period thereafter, by denominations*

[On basis of Public Debt accounts, see p. 443]

I. SERIES A THROUGH E SAVINGS BONDS

Series and calendar year in which issued	Percent of Series A through E savings bonds redeemed by end of—								
	1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years
	$10 denomination [1]								
E-1944	20	49	63	70	75	78			
E-1945	45	63	71	76	79				
E-1946	52	68	75	80					
E-1947	51	71	79						
E-1948	60	77							
E-1949	61								
Average, Series E issued from June 1, 1944	48	66	72	75	77	78			

Series and calendar year in which issued	1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years
	$25 denomination								
A-1935	10	18	26	31	35	38	40	42	43
B-1936	12	23	30	36	40	42	44	45	47
C-1937	12	22	29	34	37	39	40	42	44
C-1938	10	19	26	30	32	33	35	38	41
D-1939	11	20	24	27	29	31	35	38	41
D-1940	11	16	19	22	25	29	33	36	40
D-1941 and E-1941	4	9	14	19	26	32	37	42	46
E-1942	16	26	34	44	51	57	61	65	
E-1943	26	38	50	58	63	67	71		
E-1944	33	50	59	65	69	72			
E-1945	46	58	65	69	73				
E-1946	46	57	63	67					
E-1947	46	57	63						
E-1948	47	59							
E-1949	49								
Average, Series A-E issued through Dec. 31, 1941	10	18	24	28	32	35	38	40	43
Average, Series E issued from Jan. 1, 1942	38	49	56	61	64	66	66	65	

Series and calendar year in which issued	1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years
	$50 denomination								
A-1935	8	16	23	28	32	36	38	39	40
B-1936	10	20	27	33	37	39	41	42	44
C-1937	10	19	26	31	34	36	37	39	41
C-1938	8	16	23	26	28	30	31	34	36
D-1939	7	15	19	21	24	26	29	31	34
D-1940	7	12	15	17	20	23	26	29	32
D-1941 and E-1941	3	7	11	15	21	26	31	35	38
E-1942	8	16	22	31	38	44	48	52	
E-1943	16	26	37	46	52	56	60		
E-1944	23	39	49	55	60	64			
E-1945	36	49	56	61	65				
E-1946	35	46	53	57					
E-1947	34	46	52						
E-1948	35	47							
E-1949	37								
Average, Series A-E issued through Dec. 31, 1941	8	15	20	24	28	31	33	36	38
Average, Series E issued from Jan. 1, 1942	28	38	45	50	54	55	54	52	

Footnotes at end of table.

TABLE 33.—*Percent of savings bonds sold in each year redeemed through each yearly period thereafter, by denominations*—Continued

I. SERIES A THROUGH E SAVINGS BONDS—Continued

Series and calendar year in which issued	Percent of Series A through E savings bonds redeemed by end of—								
	1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years
	$100 denomination								
A-1935	7	14	21	26	30	33	35	37	38
B-1936	9	18	24	29	34	36	38	39	40
C-1937	9	17	23	28	31	33	35	36	38
C-1938	8	15	21	25	27	28	30	32	34
D-1939	7	14	18	21	23	25	28	30	33
D-1940	7	12	14	17	19	22	26	28	31
D-1941 and E-1941	3	7	10	14	19	24	28	31	35
E-1942	5	10	15	22	29	34	38	42	-----
E-1943	8	15	24	32	38	42	46	-----	-----
E-1944	11	23	32	39	44	48	-----	-----	-----
E-1945	20	31	38	43	48	-----	-----	-----	-----
E-1946	20	30	37	42	-----	-----	-----	-----	-----
E-1947	20	30	36	-----	-----	-----	-----	-----	-----
E-1948	20	30	-----	-----	-----	-----	-----	-----	-----
E-1949	21	-----	-----	-----	-----	-----	-----	-----	-----
Average, Series A-E issued through Dec. 31, 1941	7	14	19	23	26	29	31	33	36
Average, Series E issued from Jan. 1, 1942	16	24	30	36	39	41	42	42	-----
	$200 denomination [2]								
E-1945	6	15	23	28	33	-----	-----	-----	-----
E-1946	12	21	28	33	-----	-----	-----	-----	-----
E-1947	12	21	27	-----	-----	-----	-----	-----	-----
E-1948	12	20	-----	-----	-----	-----	-----	-----	-----
E-1949	12	-----	-----	-----	-----	-----	-----	-----	-----
Average, Series E issued from Oct. 1, 1945	11	19	26	31	33	-----	-----	-----	-----
	$500 denomination								
A-1935	5	11	17	21	25	28	30	32	33
B-1936	7	14	19	24	28	30	32	33	34
C-1937	8	14	19	24	27	29	30	32	34
C-1938	7	13	18	22	24	26	27	29	31
D-1939	6	12	16	19	21	23	25	28	30
D-1940	6	10	13	16	18	21	24	27	29
D-1941 and E-1941	3	7	10	13	18	21	25	28	32
E-1942	4	8	13	19	24	29	33	36	-----
E-1943	5	11	19	26	31	36	39	-----	-----
E-1944	7	17	24	30	35	40	-----	-----	-----
E-1945	11	20	27	32	37	-----	-----	-----	-----
E-1946	11	21	28	34	-----	-----	-----	-----	-----
E-1947	12	21	28	-----	-----	-----	-----	-----	-----
E-1948	12	21	-----	-----	-----	-----	-----	-----	-----
E-1949	12	-----	-----	-----	-----	-----	-----	-----	-----
Average, Series A-E issued through Dec. 31, 1941	6	12	16	20	23	25	28	30	32
Average, Series E issued from Jan. 1, 1942	9	17	23	28	32	35	36	36	-----

Footnotes at end of table.

TABLE 33.—*Percent of savings bonds sold in each year redeemed through each yearly period thereafter, by denominations*—Continued

I. SERIES A THROUGH E SAVINGS BONDS—Continued

Series and calendar year in which issued	Percent of Series A through E savings bonds redeemed by end of—								
	1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years
	$1,000 denomination								
A-1935	4	9	14	17	20	23	25	26	27
B-1936	5	10	14	18	20	22	24	25	26
C-1937	6	10	14	17	19	21	22	24	25
C-1938	4	8	12	15	16	18	19	21	22
D-1939	4	7	11	13	14	16	18	20	22
D-1940	3	7	10	12	14	16	18	20	22
D-1941 and E-1941	3	6	9	11	15	18	21	24	27
E-1942	4	8	12	17	22	26	30	33	------
E-1943	5	11	18	24	29	34	37	------	------
E-1944	7	16	23	29	34	38	------	------	------
E-1945	11	19	26	31	36	------	------	------	------
E-1946	10	19	26	32	------	------	------	------	------
E-1947	11	20	26	------	------	------	------	------	------
E-1948	10	19	------	------	------	------	------	------	------
E-1949	11	------	------	------	------	------	------	------	------
Average, Series A-E issued through Dec. 31, 1941	4	8	12	15	17	19	21	23	24
Average, Series E issued from Jan. 1, 1942	9	16	22	27	30	33	33	33	------

II. SERIES F AND G SAVINGS BONDS

Series and calendar year in which issued	Percent of Series F and G savings bonds redeemed by end of—								
	1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years
	$25 denomination [3]								
F-1941	0	5	11	19	27	39	49	61	77
F-1942	1	4	6	11	15	20	25	29	------
F-1943	3	7	12	18	24	32	38	------	------
F-1944	3	10	16	25	33	41	------	------	------
F-1945	6	14	22	31	39	------	------	------	------
F-1946	5	14	24	33	------	------	------	------	------
F-1947	5	16	27	------	------	------	------	------	------
F-1948	6	19	------	------	------	------	------	------	------
F-1949	8	------	------	------	------	------	------	------	------
Average, Series F issued from May 1, 1941	4	11	17	23	28	33	37	45	77
	$100 denomination								
F-1941 and G-1941	1	4	6	9	13	16	20	24	27
F-1942 and G-1942	1	4	8	12	16	20	24	28	------
F-1943 and G-1943	2	6	11	16	21	26	30	------	------
F-1944 and G-1944	2	8	13	19	24	28	------	------	------
F-1945 and G-1945	4	10	15	21	26	------	------	------	------
F-1946 and G-1946	4	10	15	21	------	------	------	------	------
F-1947 and G-1947	4	11	17	------	------	------	------	------	------
F-1948 and G-1948	4	11	------	------	------	------	------	------	------
F-1949 and G-1949	4	------	------	------	------	------	------	------	------
Average, Series F and G issued from May 1, 1941	3	8	12	16	20	23	25	26	27

Footnotes at end of table.

TABLE 33.—*Percent of savings bonds sold in each year redeemed through each yearly period thereafter, by denominations*—Continued

II. SERIES F AND G SAVINGS BONDS—Continued

Series and calendar year in which issued	Percent of Series F and G savings bonds redeemed by end of—								
	1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years
	$500 denomination								
F-1941 and G-1941	1	3	6	9	12	15	19	22	26
F-1942 and G-1942	1	4	7	11	15	19	23	27	------
F-1943 and G-1943	2	6	10	15	18	24	28	------	------
F-1944 and G-1944	2	7	12	17	22	26	------	------	------
F-1945 and G-1945	3	9	14	19	23	------	------	------	------
F-1946 and G-1946	3	9	15	20	------	------	------	------	------
F-1947 and G-1947	4	10	16	------	------	------	------	------	------
F-1948 and G-1948	4	10	------	------	------	------	------	------	------
F-1949 and G-1949	4	------	------	------	------	------	------	------	------
Average, Series F and G issued from May 1, 1941	3	7	11	15	18	21	23	24	26
	$1,000 denomination								
F-1941 and G-1941	1	3	6	8	11	14	17	20	23
F-1942 and G-1942	1	4	7	11	15	18	22	26	------
F-1943 and G-1943	2	6	10	15	19	23	27	------	------
F-1944 and G-1944	2	7	12	17	21	25	------	------	------
F-1945 and G-1945	3	8	13	18	22	------	------	------	------
F-1946 and G-1946	3	8	13	18	------	------	------	------	------
F-1947 and G-1947	4	10	15	------	------	------	------	------	------
F-1948 and G-1948	4	10	------	------	------	------	------	------	------
F-1949 and G-1949	4	------	------	------	------	------	------	------	------
Average, Series F and G issued from May 1, 1941	3	7	11	14	17	20	22	23	23
	$5,000 denomination								
F-1941 and G-1941	1	3	5	8	10	13	16	19	21
F-1942 and G-1942	1	5	8	12	16	19	23	26	------
F-1943 and G-1943	2	6	11	16	21	25	28	------	------
F-1944 and G-1944	2	7	13	17	22	25	------	------	------
F-1945 and G-1945	3	9	13	18	22	------	------	------	------
F-1946 and G-1946	3	8	13	17	------	------	------	------	------
F-1947 and G-1947	4	9	14	------	------	------	------	------	------
F-1948 and G-1948	4	9	------	------	------	------	------	------	------
F-1949 and G-1949	3	------	------	------	------	------	------	------	------
Average, Series F and G issued from May 1, 1941	3	7	11	15	18	21	22	22	21
	$10,000 denomination								
F-1941 and G-1941	1	3	5	7	9	11	14	16	18
F-1942 and G-1942	1	4	7	10	14	17	19	22	------
F-1943 and G-1943	2	5	9	13	17	20	22	------	------
F-1944 and G-1944	2	4	8	10	13	15	------	------	------
F-1945 and G-1945	2	5	8	10	12	------	------	------	------
F-1946 and G-1946	2	6	9	12	------	------	------	------	------
F-1947 and G-1947	2	6	9	------	------	------	------	------	------
F-1948 and G-1948	1	3	------	------	------	------	------	------	------
F-1949 and G-1949	2	------	------	------	------	------	------	------	------
Average, Series F and G issued from May 1, 1941	2	5	8	10	13	16	18	19	18

NOTE.—The percentages shown in this table are the proportions of the value of the bonds sold in any calendar year which are redeemed before July 1 of the next calendar year and before July 1 of succeeding calendar years. Both sales and redemptions are taken at maturity value. The average percentages shown above are simple averages of the percentages for the applicable annual series.

[1] June 1, 1944, is the earliest issue date for bonds of the $10 denomination. Sale was discontinued Mar. 31, 1950.

[2] Oct. 1, 1945, is the earliest issue date for bonds of the $200 denomination.

[3] Series G savings bonds are not available in denominations of $25.

TABLE 34.—*Sales and redemptions of Treasury notes, tax and savings series, August 1941–June 1950* [1]

[Par values, in millions of dollars. On basis of daily Treasury statements, see p. 443]

Series and period	Sales	Redemptions			Amount outstanding	
		Total	For cash	For taxes	Matured	Interest-bearing
Cumulative Aug. 1, 1941–June 30, 1950:						
Series A, issued Aug. 1, 1941–June 22, 1943	[2] 406.9	405.3	[2] 66.8	338.5	1.6	--------
Series B, issued Aug. 1, 1941–Sept. 12, 1942	4,943.8	4,943.6	[2] 182.4	4,761.3	.2	--------
Series C, issued Sept. 14, 1942–Aug. 31, 1948	[2] 32,437.8	31,984.4	10,666.1	21,318.3	18.7	434.8
Series D, issued Sept. 1, 1948–June 30, 1950	9,948.5	1,910.9	716.8	1,194.2	--------	8,037.5
Total through June 30, 1950	47,737.0	39,244.3	11,632.0	27,612.2	20.5	8,472.3
Series C and D:						
By fiscal years:						
1943	7,546.7	1,082.7	35.6	1,047.2	--------	6,464.0
1944	8,953.7	5,969.9	462.0	5,507.9	--------	9,447.7
1945	7,015.8	6,396.1	542.7	5,853.3	--------	10,067.5
1946	3,525.5	6,872.5	2,601.6	4,270.9	9.0	6,711.5
1947	3,056.6	4,194.0	2,182.4	2,011.6	23.0	5,560.1
1948	2,143.8	3,301.1	1,971.0	1,330.1	32.1	4,393.7
1949	3,994.2	3,530.5	2,078.3	1,452.2	29.3	4,860.2
1950	6,149.9	2,548.4	1,509.3	1,039.1	18.7	8,472.3
By months:						
1949—July	1,095.8	252.4	223.5	28.9	27.9	5,705.0
August	1,158.8	97.7	75.8	21.9	26.2	6,767.7
September	496.3	368.8	87.2	281.5	25.0	6,896.5
October	589.4	142.3	114.3	28.0	23.9	7,344.8
November	323.8	142.2	121.7	20.5	22.8	7,527.5
December	515.8	409.1	194.9	214.2	47.1	7,609.8
1950—January	411.0	127.7	79.8	47.8	34.3	7,906.0
February	229.4	150.2	137.7	12.5	31.3	7,988.3
March	361.7	315.6	136.6	178.9	25.6	8,040.0
April	210.5	120.2	85.5	34.7	23.2	8,132.8
May	273.3	114.9	100.3	14.5	22.1	8,292.3
June	484.1	307.5	151.9	155.6	18.7	8,472.3

[1] All series originally issued as "Treasury notes—tax series." However, designation of Series C was changed to "Treasury savings notes, Series C" on June 23, 1943. For description of all series, see 1943 annual report, p. 533, and p. 503 of this report. Sales and redemptions from inception, August 1, 1941, will be found in 1943 annual report pp. 638 and 640, and in corresponding tables in subsequent reports.

[2] Includes exchanges in connection with the offerings in September 1942 of Series A–1945 and Series C.

Interest on public debt and guaranteed obligations

TABLE 35.—*Amount of interest-bearing public debt outstanding, the computed annual interest charge, and the computed rate of interest, June 30, 1916–50, and at the end of each month during 1950* [1]

[On basis of Public Debt accounts through June 1937, and subsequently on basis of daily Treasury statements, see p. 443]

End of fiscal year or month	Interest-bearing debt [2]	Computed annual interest charge	Computed rate of interest
June 30—			*Percent*
1916	$971,562,590	$23,084,635	2.376
1917	2,712,549,476	83,625,482	3.120
1918	11,985,882,436	468,618,544	3.910
1919	25,234,496,273	1,054,204,509	4.178
1920	24,061,095,361	1,016,592,219	4.225
1921	23,737,352,080	1,029,917,903	4.339
1922	22,711,035,587	962,896,535	4.240
1923	22,007,590,754	927,331,341	4.214
1924	20,981,586,429	876,960,673	4.180
1925	20,210,906,251	829,680,044	4.105
1926	19,383,770,860	793,423,952	4.093
1927	18,250,943,965	722,675,553	3.960
1928	17,317,695,096	671,353,112	3.877
1929	16,638,941,379	656,654,311	3.946
1930	15,921,892,350	606,031,831	3.807
1931	16,519,588,640	588,987,438	3.566
1932	19,161,273,540	671,604,676	3.505
1933	22,157,643,120	742,175,955	3.350
1934	26,480,487,920	842,301,133	3.181
1935	27,645,229,826	750,677,802	2.716
1936	32,755,631,770	838,002,053	2.559
1937	35,802,586,915	924,347,089	2.582
1938	36,575,925,880	947,084,058	2.589
1939	39,885,969,732	1,036,937,397	2.600
1940	42,376,495,928	1,094,619,914	2.583
1941	48,387,399,539	1,218,238,845	2.518
1942	71,968,418,098	1,644,476,360	2.285
1943	135,380,305,795	2,678,779,036	1.979
1944	199,543,355,301	3,849,254,656	1.929
1945	256,356,615,818	4,963,730,414	1.936
1946	268,110,872,218	5,350,772,231	1.996
1947	255,113,412,039	5,374,409,074	2.107
1948	250,063,348,379	5,455,475,791	2.182
1949	250,761,636,723	5,605,929,714	2.236
1950	255,209,353,372	5,612,676,516	2.200
End of month—			
1949—July	251,880,401,331	5,631,137,193	2.236
August	253,920,620,722	5,661,505,589	2.230
September	254,756,364,380	5,665,926,112	2.224
October	254,876,402,761	5,663,339,376	2.222
November	255,123,853,852	5,669,280,518	2.222
December	255,019,386,145	5,629,040,053	2.208
1950—January	254,868,759,847	5,618,965,529	2.205
February	254,406,077,136	5,606,442,143	2.204
March	253,505,619,023	5,574,131,688	2.199
April	253,516,288,848	5,577,342,242	2.200
May	254,182,717,654	5,587,935,021	2.199
June	255,209,353,372	5,612,676,516	2.200

[1] For monthly data back to June 30, 1916, see annual reports for 1929, p. 509; for 1936, p. 442; and corresponding tables in subsequent reports.

[2] Interest-bearing debt includes discount on Treasury bills from June 30, 1930, the amount being deducted from interest-bearing debt before calculation of average interest rate. Savings bonds of Series A–F are included in interest-bearing debt at their current redemption value from March 1935. Treasury tax and savings notes, beginning August 1941, are included at face amount. Face value of savings bonds and tax and savings notes of any yearly series maturing from month to month which are not currently presented for retirement is shown as interest-bearing debt until all bonds or notes of yearly series have matured. Thereafter, total amount outstanding is shown as matured debt upon which interest has ceased. In computing average rate of interest, the rates used for both savings bonds and tax and savings notes are based upon annual yield on such obligations if held to maturity.

TABLE 36.—*Interest on the public debt becoming due and payable, by security classes, fiscal years 1948–50*

[In millions of dollars. On basis of Public Debt accounts, see p. 443]

Class of security	1948	1949	1950
Public issues:			
Marketable obligations:			
Treasury bills [1]	132.1	139.2	110.1
Certificates of indebtedness	201.3	229.6	360.6
Treasury notes	86.8	140.9	49.4
Treasury bonds	2,729.4	2,585.4	2,490.3
Postal savings bonds	2.9	2.8	2.8
Liberty and Victory loans	(*)	(*)	(*)
Prewar loans	1.5	1.5	1.5
Total marketable obligations	3,154.0	3,099.4	3,044.7
Nonmarketable obligations:			
Treasury tax and savings notes	55.1	49.0	82.8
United States savings bonds:			
Series C to F [1]	804.4	926.7	1,042.2
Series G	353.6	392.5	425.3
Depositary bonds	6.4	6.7	7.9
Armed forces leave bonds	35.7	12.2	8.6
Treasury bonds, investment series	12.0	23.8	23.8
Adjusted service bonds of 1945	(*)	(*)	(*)
Total nonmarketable obligations	1,267.2	1,411.0	1,590.7
Total public issues	4,421.2	4,510.4	4,635.5
Special issues:			
Treasury notes	421.1	438.1	466.4
Certificates of indebtedness	314.3	379.9	394.4
Total special issues	735.4	818.0	860.8
Total interest on public debt	5,156.6	5,328.3	[2] 5,496.3

*Less than $50,000.
[1] Amounts represent discount treated as interest.
[2] Does not include $224.6 million of outstanding unpaid interest at the beginning of the fiscal year 1950.

TABLE 37.—*Interest paid on the public debt and guaranteed obligations, classified by tax status, fiscal years 1934–50* [1]

[In millions of dollars. On basis of Public Debt accounts, see p. 443]

Fiscal year	Total	Tax-exempt: Total	Tax-exempt: Wholly	Tax-exempt: Partially	Taxable	Special issues to Government agencies and trust funds
	Grand total					
1934	759.6	745.2	248.7	496.5		14.4
1935	913.1	895.8	292.7	603.1		17.2
1936	867.4	842.0	262.3	579.7		25.3
1937	985.4	936.9	239.0	697.9		48.5
1938	1,041.1	967.3	216.4	750.9		73.8
1939	1,055.8	954.4	147.0	807.4		101.4
1940	1,151.4	1,019.5	104.2	915.3		131.8
1941	1,221.1	1,060.9	79.2	981.7	0.5	159.6
1942	1,385.7	1,020.2	57.1	963.1	166.1	199.4
1943	1,895.0	962.2	38.3	924.0	691.5	241.3
1944	2,688.0	917.8	27.2	890.7	1,462.0	308.2
1945	3,640.0	793.4	45.3	748.1	2,441.1	405.4
1946	4,749.1	713.5	26.0	687.5	3,530.8	504.8
1947	4,959.6	602.6	6.9	595.6	3,755.1	601.9
1948	5,188.9	575.8	5.6	570.3	3,884.9	728.1
1949	5,353.0	495.0	5.1	489.9	4,040.5	817.5
1950	5,496.7	417.0	4.3	412.7	4,218.9	860.8
	Issued by U. S. Government					
1934	757.2	742.9	248.7	494.1		14.4
1935	821.5	804.3	292.7	511.5		17.2
1936	747.9	722.6	262.3	460.2		25.3
1937	866.8	818.3	239.0	579.3		48.5
1938	926.2	852.4	216.4	636.1		73.8
1939	941.0	839.5	147.0	692.5		101.4
1940	1,041.4	909.6	104.2	805.4		131.8
1941	1,110.2	950.1	79.2	870.9	0.5	159.6
1942	1,260.1	907.2	57.1	850.1	153.5	199.4
1943	1,813.0	895.6	38.3	857.4	676.1	241.3
1944	2,610.1	852.2	27.2	825.0	1,449.8	308.2
1945	3,621.9	780.2	45.3	734.9	2,436.3	405.4
1946	4,747.5	711.9	26.0	685.9	3,530.8	504.8
1947	4,958.0	601.0	7.0	594.0	3,755.1	601.9
1948	5,187.8	574.8	5.6	569.2	3,884.9	728.1
1949	5,352.3	494.5	5.1	489.4	4,040.3	817.5
1950	5,496.3	416.7	4.3	412.4	4,218.8	860.8
	Issued by Federal instrumentalities: Guaranteed issues					
1934	2.3	2.3		2.3		
1935	91.6	91.6		91.6		
1936	119.5	119.5		119.5		
1937	118.6	118.6		118.6		
1938	114.9	114.9		114.9		
1939	114.8	114.8		114.8		
1940	109.9	109.9		109.9		
1941	110.9	110.9		110.9		
1942	125.6	113.0		113.0	12.6	
1943	82.0	66.6		66.6	15.4	
1944	77.9	65.7		65.7	12.2	
1945	18.0	13.2		13.2	4.8	
1946	1.6	1.6		1.6	(*)	
1947	1.6	1.6		1.6	(*)	
1948	1.1	1.1		1.1	(*)	
1949	.7	.4		.4	.2	
1950	.5	.3		.3	.1	

NOTE.—Amount of interest paid includes increase in redemption value of United States savings bonds and discount on unmatured issues of Treasury bills. Interest paid on guaranteed issues does not include amounts paid on demand obligations of Commodity Credit Corporation. Data for 1913-33 will be found in the 1948 annual report, p. 539.

*Less than $50,000

[1] Figures for 1934–49, inclusive, represent actual interest payments; figures for 1950 represent interest which became due and payable during that year (see table 36).

Prices and yields of securities

TABLE 38.—*Average yields of long-term Treasury bonds, by months, January 1930–June 1950* [1]

[Averages of daily figures. Percent per annum compounded semiannually]

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Average
	PARTIALLY TAX-EXEMPT BONDS [2]												
1930	3.43	3.41	3.29	3.37	3.31	3.25	3.25	3.26	3.24	3.21	3.19	3.22	3.29
1931	3.20	3.30	3.27	3.26	3.16	3.13	3.15	3.18	3.25	3.63	3.63	3.93	3.34
1932	4.26	4.11	3.92	3.68	3.76	3.76	3.58	3.45	3.42	3.43	3.45	3.35	3.68
1933	3.22	3.31	3.42	3.42	3.30	3.21	3.20	3.21	3.19	3.22	3.46	3.53	3.31
1934	3.50	3.32	3.20	3.11	3.02	2.98	2.92	3.03	3.20	3.10	3.07	3.01	3.12
1935	2.88	2.79	2.77	2.74	2.72	2.72	2.69	2.76	2.85	2.85	2.83	2.84	2.79
1936	2.81	2.78	2.73	2.70	2.68	2.69	2.68	2.64	2.65	2.68	2.60	2.59	2.69
1937	2.56	2.54	2.66	2.83	2.80	2.81	2.78	2.78	2.82	2.82	2.78	2.73	2.74
1938	2.69	2.68	2.67	2.66	2.56	2.58	2.58	2.57	2.63	2.55	2.56	2.56	2.61
1939	2.54	2.51	2.43	2.38	2.27	2.22	2.23	2.27	2.67	2.60	2.46	2.35	2.41
1940	2.30	2.32	2.26	2.26	2.39	2.40	2.30	2.31	2.25	2.21	2.09	2.01	2.26
1941	2.12	2.22	2.12	2.07	2.04	2.01	1.98	2.01	2.02	1.98	1.95	2.06	2.05
1942	2.10	2.17	2.10	2.07	2.06	2.04	2.04	2.06	2.08	2.09	2.10	2.13	2.09
1943	2.11	2.11	2.12	2.05	1.96	1.91	1.91	1.92	1.90	1.90	1.94	1.95	1.98
1944	1.95	1.93	1.91	1.94	1.94	1.91	1.89	1.90	1.93	1.93	1.90	1.87	1.92
1945	1.81	1.75	1.70	1.68	1.68	1.63	1.63	1.68	1.68	1.62	1.56	[2] 1.51	[2] 1.66
	TAXABLE BONDS [3]												
1941	------	------	------	------	------	------	------	------	------	2.34	2.34	2.47	------
1942	2.48	2.48	2.46	2.44	2.45	2.43	2.46	2.47	2.46	2.45	2.47	2.49	2.46
1943	2.46	2.46	2.48	2.48	2.46	2.45	2.45	2.46	2.48	2.48	2.48	2.49	2.47
1944	2.49	2.49	2.48	2.48	2.49	2.49	2.49	2.48	2.47	2.48	2.48	2.48	2.48
1945	2.44	2.38	2.40	2.39	2.39	2.35	2.34	2.36	2.37	2.35	2.33	2.33	2.37
1946	2.21	2.12	2.09	2.08	2.19	2.16	2.18	2.23	2.28	2.26	2.25	2.24	2.19
1947	2.21	2.21	2.19	2.19	2.19	2.22	2.25	2.24	2.24	2.27	2.36	2.39	2.25
1948	2.45	2.45	2.44	2.44	2.42	2.41	2.44	2.45	2.45	2.45	2.44	2.44	2.44
1949	2.42	2.39	2.38	2.38	2.38	2.38	2.27	2.24	2.22	2.22	2.20	2.19	2.31
1950	2.20	2.24	2.27	2.30	2.31	2.33	------	------	------	------	------	------	------

[1] For bonds selling above par and callable at par before maturity, the yields are computed on the basis of redemption at first call date; while for bonds selling below par, yields are computed to maturity. Monthly averages are averages of daily figures. Each daily figure is an unweighted average of the yields of the individual issues. Prior to Sept. 1941, yields were computed on the basis of the day's closing price on the New York Stock Exchange except that on days when an issue did not sell, the yield was computed on the mean of closing bid and ask quotations on the Stock Exchange. Commencing Sept. 1941, yields are computed on the basis of the mean of closing bid and ask quotations in the over-the-counter market. For average yields by months from January 1919 through December 1929, see p. 662 of the annual report for 1943.

[2] From July 17, 1928, through Nov. 29, 1935, yields are based on all outstanding partially tax-exempt Treasury bonds neither due nor callable for 12 years; from Nov. 30, 1935, through Dec. 14, 1945, yields are based on all outstanding partially tax-exempt Treasury bonds neither due nor callable for 15 years. This average was discontinued as of Dec. 15, 1945, because there were no longer any bonds of this classification due or callable in 15 or more years.

[3] Average of all taxable Treasury bonds neither due nor callable for 15 years. Taxable bonds are those on which the interest is subject to both the normal and surtax rates of the Federal income tax. This average commenced Oct. 20, 1941.

TABLE 39.—*Prices and yields of marketable public debt issues, June 30, 1949 and 1950, and price ranges since first traded* [1]

[Price decimals are thirty-seconds and + indicates additional sixty-fourth]

Issue [2]	June 30, 1949				June 30, 1950				Price range since first traded			
	Price		Yield-percent		Price		Yield-percent		High		Low	
	Bid	Ask	To call	To maturity	Bid	Ask	To call	To maturity	Price	Date	Price	Date
Treasury bonds:												
2%, Sept. 15, 1949–51 [3]	100.05	100.07	1.08									
2%, Dec. 15, 1949–51 [4]	100.15	100.17	.90	1.79								
3⅛%, Dec. 15, 1949–52 [4]	101.03	101.05	.65	2.78								
2½%, Dec. 15, 1949–53 [4]	100.26	100.28	.64	2.30								
2%, Mar. 15, 1950–52 [5]	100.19	100.21	1.11	1.76								
2½%, Sept. 15, 1950–52 [6]	101.29	101.31	.88	1.87	100.11	100.12	0.71		108.30	Dec. 10, 1940	99.15	Sept. 25, 1939
2%, Sept. 15, 1950–52 [6]	100.31	101.01	1.16	1.68	100.07	100.08	.83		104.07	Mar. 11, 1946	100.07+	June 30, 1950
1½%, Dec. 15, 1950	100.15	100.17	1.15		100.05	100.06	1.12		102.15	do	100.04	Nov. 1, 1948
2¾%, June 15, 1951–54	103.16	103.19	.92	1.99	101.23	101.25	.90	2.28	110.26	Nov. 12, 1941	98.16	Apr. 1, 1937
2%, Sept. 15, 1951–53	101.19	101.21	1.25	1.60	100.27+	100.28+	1.26	1.72	104.18	Mar. 11, 1946	100.03	Nov. 8, 1943
3%, Sept. 15, 1951–55	104.16	104.19	.91	2.21	102.14	102.16	.93	2.49	113.24	Dec. 30, 1940	82.08	Jan. 11, 1932
2¼%, Dec. 15, 1951–53	103.03	103.06	.95	1.52	101.27	101.29	.95	1.69	108.01	Mar. 10, 1945	101.08	May 24, 1940
2%, Dec. 15, 1951–55	101.23	101.25	1.27	1.71	101.00	101.01	1.29	1.80	104.26	Mar. 11, 1946	100.01	Dec. 5, 1942
2½%, Mar. 15, 1952–54	103.05	103.07	1.30	1.79	101.28	101.30	1.36	1.96	107.14	do	101.04	Mar. 20, 1941
2%, June 15, 1952–54	102.02	102.04	1.28	1.56	101.06	101.07	1.37	1.68	104.27	Feb. 18, 1946	100.08	July 24, 1944
2¼%, June 15, 1952–55	102.21	102.23	1.32	1.77	101.20	101.22	1.39	1.90	106.08	Feb. 9, 1946	100.16	Feb. 18, 1942
2%, Dec. 15, 1952–54	102.07	102.09	1.33	1.57	101.14	101.15	1.39	1.66	105.00	Mar. 11, 1946	100.09	Dec. 19, 1944
2%, June 15, 1953–55	103.25	103.29	1.01	1.33	102.26	102.29	1.01	1.40	107.25	Jan. 12, 1946	101.19	Feb. 15, 1941
2¼%, June 15, 1954–56	105.22	105.26	1.06	1.38	104.16	104.19	1.07	1.45	109.29	Mar. 12, 1946	102.02	July 24, 1940
2⅞%, Mar. 15, 1955–60	109.12	109.16	1.16	1.90	107.22	107.26	1.18	1.99	116.02	Jan. 12, 1946	98.30	Sept. 20, 1935
2½%, Mar. 15, 1956–58	105.24	105.27	1.59	1.78	104.24	104.26	1.62	1.83	110.22	Feb. 8, 1946	101.30	Dec. 26, 1941
2¾%, Sept. 15, 1956–59	110.22	110.26	1.19	1.60	109.00	109.04	1.23	1.68	116.13	Jan. 26, 1946	98.10	Apr. 1, 1937
2¼%, Sept. 15, 1956–59	104.14	104.17	1.59	1.77	103.22	103.24	1.62	1.81	107.16	Apr. 6, 1946	100.01	Feb. 29, 1944
2¾%, June 15, 1958–63	111.19	111.23	1.36	1.80	111.01	111.05	1.28	1.79	117.04	Jan. 15, 1946	99.15	Sept. 25, 1939
2¼%, June 15, 1959–62	101.28	101.31	2.04	2.08	101.09	101.11	2.09	2.13	104.20	Apr. 6, 1946	100.01	Dec. 24, 1948
2¼%, Dec. 15, 1959–62	101.26	101.29	2.05	2.09	101.06	101.08	2.11	2.14	104.21	do	100.01	Do.
2¾%, Dec. 15, 1960–65	112.29	113.01	1.51	1.83	113.09	113.13	1.38	1.76	119.00	Jan. 25, 1946	99.14	Sept. 25, 1939
2½%, June 15, 1962–67	103.24	103.27	2.16	2.24	103.11	103.13	2.18	2.26	108.12	Apr. 6, 1946	100.00	Aug. 17, 1942
2½%, Dec. 15, 1963–68	103.03	103.06	2.24	2.30	102.20	102.22	2.27	2.32	108.03	do	100.00	Feb. 17, 1944
2½%, June 15, 1964–69	102.22	102.25	2.28	2.33	102.04	102.06	2.32	2.36	107.25	do	100.00	Mar. 2, 1944
2½%, Dec. 15, 1964–69	102.17	102.20	2.30	2.34	101.30	102.00	2.34	2.37	107.24	do	100.00	Do.
2½%, Mar. 15, 1965–70	102.10	102.13	2.32	2.36	101.25	101.27	2.35	2.38	107.23	do	100.00	Feb. 16, 1944
2½%, Mar. 15, 1966–71	102.08	102.11	2.33	2.36	101.23	101.25	2.37	2.39	107.22	do	100.06	Dec. 19, 1944
2½%, June 15, 1967–72	101.24	101.27	2.38	2.40	101.03	101.05	2.42	2.43	106.16	do	100.09	Dec. 13, 1948
2½%, Sept. 15, 1967–72	104.26	104.29	2.18	2.23	104.25	104.27	2.16	2.22	109.18	do	100.01	Jan. 2, 1942
2½%, Dec. 15, 1967–72	101.24	101.27	2.38	2.40	101.03	101.05	2.42	2.43	106.16	do	100.09	Dec. 13, 1948

Other bonds: [7]												
3%, Panama Canal, June 1, 1961	118.08	119.08	1.30		118.16	119.16	1.15		134.00	Sept. 5, 1944	75.00	June 18, 1921
Treasury notes:												
1¼% A, Oct. 1, 1951					100.00	100.01	1.24		100.02	Jan. 24, 1950	100.00	Apr. 27, 1950
1⅜% A, Mar. 15, 1954					99.21	99.22	1.47		100.10+	Jan. 10, 1950	99.21+	June 30, 1950
1½% A, Mar. 15, 1955					99.30	99.31	1.51		100.07	Mar. 10, 1950	99.30	June 29, 1950
	Yield basis—percent											
	Bid	*Ask*	*Mean*		*Bid*	*Ask*	*Mean*					
1⅜% A, Apr. 1, 1950	1.14	1.11	1.12									
1¼% B, July 1, 1951					1.24	1.22	1.23		1.22	May 9, 1950	1.24	Apr. 24, 1950
1¼% C, July 1, 1951					1.24	1.22	1.23		1.22	do	1.24	Do.
1¼% D, July 1, 1951					1.24	1.22	1.23		1.23	June 30, 1950	1.23	June 30, 1950
1¼% E, Aug. 1, 1951 [8]					[8] 1.24	[8] 1.22	[8] 1.23		1.23	do	1.24	June 23, 1950
Certificates of indebtedness:												
1⅛% F, July 1, 1949	([9])	([9])										
1¼% G, Oct. 1, 1949	1.08	1.02	1.05									
1¼% H, Dec. 15, 1949	1.08	1.02	1.05									
1¼% A, Jan. 1, 1950	1.11	1.08	1.10									
1¼% B, Feb. 1, 1950	1.12	1.09	1.10									
1¼% C, Mar. 1, 1950	1.12	1.10	1.11									
1¼% D, Apr. 1, 1950	1.14	1.11	1.12									
1¼% E, June 1, 1950	1.14	1.11	1.12									
1¼% F, July 1, 1950	[10] 1.14	[10] 1.11	[10] 1.12		([9])	([9])			.75	June 22, 1950	1.50	June 29, 1950
1⅛% G, Sept. 15, 1950					1.10	1.03	1.06		1.02	Jan. 23, 1950	1.11	Dec. 12, 1949
1⅛% H, Oct. 1, 1950					1.16	1.13	1.14		1.08	Oct. 26, 1949	1.19	Apr. 27, 1950
1⅛% A, Jan. 1, 1951					1.17	1.15	1.16		1.10	Jan. 13, 1950	1.20	Do.

[1] Prices on June 30, 1949 and 1950, are closing bid and ask quotations in over-the-counter market as compiled by Federal Reserve Bank of New York. Prices in range columns are mean of closing bid and ask quotations in over-the-counter market except that Treasury bond prices prior to Oct. 1, 1939, are closes on New York Stock Exchange. "When issued" prices are included in price range beginning Oct. 1, 1939. Dates of highs and lows, in case of recurrence, are latest dates. Yields when issues are quoted on a price basis are percent per annum compounded semiannually and are computed on the mean of bid and ask prices.

[2] Treasury bills are excluded. For description and amount of each issue outstanding on June 30, 1950, see table 17; for information as of June 30, 1949, see 1949 annual report, page 406.

[3] Called on May 13, 1949, for redemption on Sept. 15, 1949.

[4] Called on Aug. 12, 1949, for redemption on Dec. 15, 1949.

[5] Called on Nov. 14, 1949, for redemption on Mar. 15, 1950.

[6] Called on May 12, 1950, for redemption on Sept. 15, 1950.

[7] No market quotations for postal savings bonds.

[8] Quoted on "when issued" basis. For description, see exhibit 4.

[9] Not quoted.

[10] Quoted on "when issued" basis.

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GOLD, SILVER, AND GENERAL FUND ASSETS AND LIABILITIES

TABLE 40.—*Assets and liabilities of the Treasury, June 30, 1949 and 1950*

[On basis of daily Treasury statements, see p. 443]

	June 30, 1949	June 30, 1950	Increase, or decrease (−)
GOLD			
Assets: Gold	$24,465,923,696.50	$24,230,567,200.91	−$235,356,495.59
Liabilities:			
Gold certificates [1]	2,858,131,969.00	2,856,364,189.00	−1,767,780.00
Gold certificate fund—Board of Governors, Federal Reserve System	19,840,986,235.25	19,643,875,142.75	−197,111,092.50
Redemption fund—Federal Reserve notes	588,723,570.27	522,649,140.77	−66,074,429.50
Gold reserve [2]	156,039,430.93	156,039,430.93	
Gold in general fund	1,022,042,491.05	1,051,639,297.46	29,596,806.41
Total	24,465,923,696.50	24,230,567,200.91	−235,356,495.59
SILVER			
Assets:			
Silver bullion (monetary value) [3]	1,988,559,348.44	2,022,834,903.94	34,275,555.50
Silver dollars	326,304,720.00	320,050,142.00	−6,254,578.00
Total	2,314,864,068.44	2,342,885,045.94	28,020,977.50
Liabilities:			
Silver certificates outstanding [1]	2,265,738,463.00	2,324,570,053.00	58,831,590.00
Treasury notes of 1890 outstanding [1]	1,145,466.00	1,145,061.00	−405.00
Silver in general fund	47,980,139.44	17,169,931.94	−30,810,207.50
Total	2,314,864,068.44	2,342,885,045.94	28,020,977.50
GENERAL FUND			
Assets:			
In Treasury offices:			
Gold (as above)	1,022,042,491.05	1,051,639,297.46	29,596,806.41
Silver:			
At monetary value (as above)	47,980,139.44	17,169,931.94	−30,810,207.50
Subsidiary coin	15,383,324.50	11,230,334.40	−4,152,990.10
Bullion:			
At recoinage value	305,016.63	849,811.49	544,794.86
At cost value [3]	88,344,938.65	97,638,047.46	9,293,108.81
Minor coin	5,999,467.98	8,058,889.13	2,059,421.15
United States notes	2,420,236.00	2,477,964.00	57,728.00
Federal Reserve notes	57,764,505.00	53,015,405.00	−4,749,100.00
Federal Reserve Bank notes	573,130.00	74,955.00	−498,175.00
National bank notes	479,650.00	365,370.00	−114,280.00
Unclassified—collections, etc	25,658,870.66	20,019,959.29	−5,638,911.37
Subtotal	1,266,951,769.91	1,262,539,965.17	−4,411,804.74
Deposits in:			
Federal Reserve Banks:			
Available funds	438,443,622.96	949,935,922.00	511,492,299.04
In process of collection	102,818,778.68	143,282,702.22	40,463,923.54
Special depositaries, Treasury tax and loan accounts	1,770,628,117.25	3,267,784,040.29	1,497,155,923.04
National and other bank depositaries	237,709,789.82	269,993,300.99	32,283,511.17
Foreign depositaries	45,846,884.02	33,211,716.82	−12,635,167.20
Subtotal	2,595,447,192.73	4,664,207,682.32	2,068,760,489.59
Total assets, general fund	3,862,398,962.64	5,926,747,647.49	2,064,348,684.85

Footnotes at end of table.

Table 40.—*Assets and liabilities of the Treasury, June 30, 1949 and 1950*—Con.

	June 30, 1949	June 30, 1950	Increase, or decrease (−)
Liabilities:			
Treasurer's checks outstanding	$17,380,542.48	$17,153,919.65	−$226,622.83
Deposits of Government officers:			
Post Office Department	119,705,225.39	108,497,617.97	−11,207,607.42
Board of trustees, Postal Savings System:			
5-percent reserve, lawful money	164,500,000.00	155,500,000.00	−9,000,000.00
Other deposits	34,213,599.05	19,077,492.62	−15,136,106.43
Postmasters' disbursing accounts, etc	53,588,558.13	107,686,832.21	54,098,274.08
Uncollected items, exchanges, etc	2,607,725.92	1,744,093.39	−863,632.53
Total liabilities, general fund	391,995,650.97	409,659,955.84	17,664,304.87
Balance in general fund	3,470,403,311.67	5,517,087,691.65	2,046,684,379.98
Total general fund liabilities and balance	3,862,398,962.64	5,926,747,647.49	2,064,348,684.85

Note.—The amount to the credit of disbursing officers and certain agencies was $7,135,391,447.41 on June 30, 1949, and $7,627,516,906.60 on June 30, 1950.

[1] Does not include amounts held in Treasury offices and by Federal Reserve Banks and agents in custody for the Treasurer of the United States. See table on p. 632.

[2] Reserve against United States notes ($346,681,016 in 1949 and 1950) and Treasury notes of 1890 outstanding ($1,145,466 in 1949 and $1,145,061 in 1950). Treasury notes of 1890 are also secured by silver dollars in the Treasury.

[3] 634,694,180.0 ounces and 401,971,068.4 ounces of these items of silver were held on June 30, 1949, and June 30, 1950, by certain agencies of the Federal Government.

TRUST AND SPECIAL FUNDS FOR WHICH INVESTMENTS ARE MADE BY THE TREASURY DEPARTMENT

TABLE 41.—*Holdings of Federal securities by Government agencies and accounts, June 30, 1940–50*

[In thousands of dollars]

	June 30, 1940	June 30, 1941	June 30, 1942	June 30, 1943	June 30, 1944	June 30, 1945	June 30, 1946	June 30, 1947	June 30, 1948	June 30, 1949	June 30, 1950
ACCOUNTS HANDLED BY TREASURY [1]											
Federal Deposit Insurance Corporation	345,567	416,416	488,202	573,793	686,526	835,087	975,787	1,122,308	1,016,790	1,133,790	1,275,790
Federal employees' retirement funds:											
Alaska railroad retirement and disability fund	767	1,005	1,300	1,552	1,755	1,911	2,360	2,680	3,070	3,447	(2)
Canal Zone retirement and disability fund	4,284	5,388	6,678	7,960	9,187	10,298	11,325	12,257	13,127	13,918	(2)
Civil service retirement and disability fund	550,200	645,285	782,650	1,060,321	1,450,913	1,848,270	2,155,034	2,435,238	2,794,611	3,243,427	3,801,278
Foreign service retirement and disability fund	3,926	4,713	5,442	6,115	7,012	7,836	8,678	9,638	12,087	14,497	16,850
Federal old-age and survivors insurance trust fund	1,738,100	2,380,600	3,201,634	4,236,834	5,408,834	6,545,934	7,548,734	8,742,334	9,930,137	11,224,137	12,639,137
Federal Savings and Loan Insurance Corporation	122,412	r 127,776	122,482	r 137,062	146,782	155,462	165,962	178,212	191,462	206,662	[3] 191,312
Postal Savings System	1,217,586	1,246,125	1,269,947	1,482,569	1,951,995	2,574,765	3,026,883	3,303,016	3,289,818	3,188,314	3,038,297
Railroad retirement account	79,400	74,000	91,500	178,000	318,500	500,500	657,000	805,500	1,374,500	1,720,000	2,057,600
Unemployment trust fund	1,710,000	2,273,000	3,139,000	4,367,000	5,870,000	7,307,000	7,409,000	7,852,000	8,297,000	8,137,000	7,413,000
Veterans' life insurance funds:											
Government life insurance fund	828,342	857,842	905,468	965,718	1,054,093	1,140,585	1,162,435	1,254,000	1,286,500	1,318,000	1,291,500
National service life insurance fund	---	2,800	38,775	351,725	1,213,425	3,187,125	5,239,685	6,473,685	6,934,685	7,287,685	5,342,144
Other trust funds and accounts:											
Adjusted service certificate fund	11,300	19,300	18,435	18,268	16,890	14,500	12,500	12,250	5,800	5,563	5,250
Ainsworth Library fund, Walter Reed General Hospital	10	10	10	10	10	10	10	10	10	10	10
Alien property trust fund	---	---	---	---	---	3,746	4,166	5,168	5,576	6,247	4,656
Army Exchange Service contingency reserve fund, War Department	---	---	---	1,150	---	---	---	---	---	---	---
Canal Zone Postal Savings System	1,855	2,155	4,205	7,505	8,050	9,450	9,850	9,850	9,350	9,350	8,850
Comptroller of the Currency employees' retirement fund	1,520	1,695	2,245	2,395	3,700	4,525	4,725	4,805	5,055	(4)	---
District of Columbia highway fund	---	---	---	---	---	---	2,000	2,000	2,000	---	---
District of Columbia public works and other general funds	---	---	---	---	---	5,000	15,000	15,000	15,000	13,930	9,961
District of Columbia teachers' retirement and annuity fund	6,867	7,808	8,359	9,008	10,480	r 11,237	11,429	11,629	13,556	14,991	16,904
District of Columbia water fund	1,673	1,773	1,773	1,773	1,773	1,773	1,773	1,773	1,773	1,773	1,773
Exchange stabilization fund	10,452	10,452	10,452	10,452	20,452	20,452	20,000	20,000	20,000	20,000	20,000
Farm tenant mortgage insurance trust fund	---	---	---	---	---	---	---	---	1,000	1,000	1,000
Federal Housing Administration:											
Housing insurance fund	1,674	931	931	2,431	2,431	2,431	2,431	2,431	2,431	2,431	2,431
Military housing insurance fund	---	---	---	---	---	---	---	---	---	---	4,000
Mutual mortgage insurance fund	22,439	26,239	37,739	52,239	72,239	87,500	92,512	107,012	121,499	129,499	145,999
War housing insurance fund	---	4,400	4,400	400	400	6,400	8,000	11,000	12,000	33,500	61,000
General post fund, Veterans' Administration	1,065	1,115	1,215	1,285	1,390	1,334	1,334	1,433	1,434	1,945	2,142

Hospital fund, U. S. Army, Office of the Surgeon General	----------	----------	----------	----------	1,030	1,780	4,350	4,350	4,350	2,770	2,770
Individual Indian trust funds	42,059	40,545	41,316	44,625	47,031	47,802	41,875	46,060	43,663	41,293	39,189
Library of Congress trust fund	1	4	4	----------	----------	----------	----------	----------	----------	----------	----------
National Institute of Health gift fund	81	79	79	79	79	86	86	86	86	86	86
National park trust fund	14	16	17	18	18	18	18	18	18	18	18
Pershing Hall Memorial fund	191	191	191	191	191	191	191	193	193	193	199
Preservation Birthplace of Abraham Lincoln, National Park Service	----------	----------	----------	----------	----------	r 16	r 16	r 16	r 16	r 16	63
Public Housing Administration (U. S. Housing Act)	3,800	6,070	7,070	7,070	7,070	7,870	7,870	7,870	7,870	----------	----------
Relief and rehabilitation, Longshoremen's and Harbor Workers' Compensation Act	r 150	186	r 208	208	254	344	404	416	r 402	402	550
Relief and rehabilitation, Workmen's Compensation Act within the District of Columbia	22	27	32	32	44	48	54	71	81	81	87
Special trust account for payment of pre-1934 Philippine bonds	----------	----------	----------	----------	----------	----------	----------	----------	r 11,140	r 14,026	16,521
U. S. Army and Air Force Motion Picture Service	----------	----------	1,635	2,418	2,018	r 1,922	r 2,172	r 3,242	r 4,542	2,065	2,065
U. S. Naval Academy general gift fund	----------	----------	----------	----------	85	85	85	85	85	85	85
Total handled by Treasury	6,705,757	8,157,946	10,193,394	13,530,205	18,314,656	r 24,343,293	28,605,735	32,457,637	r 35,432,716	r 37,792,150	37,412,518
ACCOUNTS OF OTHER AGENCIES											
Banks for cooperatives	84,887	31,776	33,702	33,261	42,784	42,849	53,906	42,568	42,656	42,656	42,788
Federal Farm Mortgage Corporation	----------	----------	1,652	115,000	----------	----------	----------	----------	----------	----------	----------
Federal home loan banks	53,689	62,370	r 68,516	154,194	r 131,534	r 158,406	120,844	155,464	162,118	357,790	285,136
Federal intermediate credit banks	74,825	36,000	44,000	36,000	36,000	36,511	43,151	43,151	43,151	44,654	45,254
Federal land banks	84,162	r 101,824	206,266	327,709	r 402,594	159,690	135,615	(5)	----------	----------	----------
Federal National Mortgage Association	----------	----------	----------	756	634	569	565	5	----------	----------	----------
Home Owners' Loan Corporation (in liquidation)	3,600	----------	----------	9,984	15,000	15,000	15,000	15,200	12,400	10,200	2,000
Inland Waterways Corporation	3,987	3,787	r 3,237	5,522	6,400	6,650	4,132	2,288	50	50	50
Joint stock land banks	11,214	r 214	322	62	36	51	15	(6)	----------	----------	----------
Panama Railroad Company	----------	----------	2,765	8,860	16,969	22,219	21,826	19,350	20	20	20
Production credit corporations	20,162	46,245	12,240	36,058	57,802	64,233	67,825	67,036	65,870	37,352	39,832
Reconstruction Finance Corporation	48,558	50,674	55,471	64,032	71,769	75,052	47,955	1,704	125	----------	----------
Regional Agricultural Credit Corporation of Washington, D. C.	----------	----------	----------	----------	236	326	350	----------	----------	(7)	----------
RFC Mortgage Company, The	----------	----------	----------	r 448	956	5,467	8,017	(7)	----------	----------	----------
U. S. Spruce Production Corporation	125	125	115	115	115	115	115	(7)	----------	----------	----------
Total other agencies	385,209	333,016	428,286	792,001	782,830	587,138	519,316	346,765	326,389	492,722	415,079
Total holdings of securities by Government agencies and accounts	7,090,966	8,490,962	10,621,680	14,322,206	19,097,486	r 24,930,431	29,125,051	32,804,402	r 35,759,105	r 38,284,872	37,827,597

r Revised.
[1] For further details on certain of these accounts, see tables 42 through 62.
[2] Transferred to civil service retirement and disability fund pursuant to Public Law 180, 81st Congress, approved July 21, 1949.
[3] Includes a $1,000 thousand bond held in escrow.
[4] Transferred to civil service retirement and disability fund in accordance with act of June 30, 1948 (62 Stat. 1163).
[5] Proprietary interest of the United States in these banks ended June 26, 1947.
[6] Figures are incomplete as they include only the securities held by the Federal Reserve Banks and branches in safekeeping for joint stock land banks, subject to the order of the Governor of the Farm Credit Administration.
[7] Corporation has been liquidated.

TABLE 42.—*Adjusted service certificate fund, June 30, 1950*

[On basis of daily Treasury statements, see p. 443. This trust fund was established in accordance with the provisions of the act of May 19, 1924 (43 Stat. 128). For further details see annual report of the Secretary for 1941, p. 135]

I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	Cumulative through June 30, 1949	Fiscal year 1950	Cumulative through June 30, 1950
Receipts:			
Appropriations	$3,639,157,956.40		$3,639,157,956.40
Interest on loans and investments	136,658,343.52	$223,366.98	136,881,710.50
Total receipts	3,775,816,299.92	223,366.98	3,776,039,666.90
Expenditures:			
Payments under Adjusted Compensation Payment Act, 1936, enacted Jan. 27, 1936:			
Adjusted service bonds	1,850,105,400.00	79,550.00	1,850,184,950.00
Adjusted service bonds (Government life insurance fund series)	500,157,956.40		500,157,956.40
Checks for amounts less than $50	83,873,353.00	3,747.85	83,877,100.85
Checks paid by Treasurer of the United States other than in final settlement of certificates under the Adjusted Compensation Payment Act, 1936, less credits on account of repayments of loans	1,335,993,543.87	489,182.75	1,336,482,726.62
Total expenditures	3,770,130,253.27	572,480.60	3,770,702,733.87
Balance	5,686,046.65	−349,113.62	5,336,933.03

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1949	Increase, or decrease (−), fiscal year 1950	June 30, 1950
Investments:			
4% special Treasury certificates of indebtedness, adjusted service certificate fund series:			
Maturing Jan. 1, 1950	$5,563,000.00	−$5,563,000.00	
Maturing Jan. 1, 1951		5,250,000.00	$5,250,000.00
Total investments	5,563,000.00	−313,000.00	5,250,000.00
Unexpended balances:			
To credit of disbursing officers	98,316.69	−21,090.90	77,225.79
On books of the Treasurer of the United States [1]	16,151.15	−16,151.15	
On books of the Division of Bookkeeping and Warrants	[2] 8,578.81	1,128.43	[3] 9,707.24
Total assets	5,686,046.65	−349,113.62	5,336,933.03

[1] Represents outstanding checks.
[2] Excludes $113.00 representing July prior repayments.
[3] Excludes $215.00 representing July prior repayments.

Table 43.—*Ainsworth Library fund, Walter Reed General Hospital, June 30, 1950*

[This trust fund was established in accordance with the provisions of the joint resolution of Congress approved May 23, 1935 (49 Stat. 287). For further details see annual report of the Secretary for 1941, p. 154]

I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	Cumulative through June 30, 1949	Fiscal year 1950	Cumulative through June 30, 1950
Receipts:			
Bequest of Maj. Gen. Fred C. Ainsworth	$10,700.00		$10,700.00
Earnings on investments	3,468.90	$278.87	3,747.77
Total receipts	14,168.90	278.87	14,447.77
Expenditures	3,881.71	326.10	4,207.81
Balance	10,287.19	−47.23	10,239.96

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1949	Decrease, fiscal year 1950	June 30, 1950
Investments:			
2⅞% Treasury bonds of 1955-60 (par value $9,700)	$9,972.81		$9,972.81
Unexpended balance on books of the Division of Bookkeeping and Warrants	314.38	−$47.23	267.15
Total	10,287.19	−47.23	10,239.96

TABLE 44.—*Alien property trust fund, June 30, 1950*

[On basis of daily Treasury statements, see p. 443. This trust fund was established under the act of October 6, 1917, as amended, and the Settlement of War Claims Act of 1928, as amended]

	Fiscal year 1949	Decrease, fiscal year 1950	Fiscal year 1950
Credits (net):			
Trusts	$37, 184, 068. 40	104, 052. 18	$37, 080, 016. 22
Earnings on investments, etc	22, 905, 276. 33	216, 432. 03	22, 688, 844. 30
Total	60, 089, 344. 73	320, 484. 21	59, 768, 860. 52
Assets:			
Investments:			
Participating certificates issued, section 25 (c) of the Trading With the Enemy Act:			
Noninterest-bearing	21, 151, 134. 23		21, 151, 134. 23
5 percent interest-bearing	36, 133, 231. 35		36, 133, 231. 35
Cash balance with Treasurer of the United States	2, 804, 979. 15	320, 484. 21	2, 484, 494. 94
Total fund assets	60, 089, 344. 73	320, 484. 21	59, 768, 860. 52

TABLE 45.—*Civil service retirement and disability fund, June 30, 1950* [1]

[On basis of daily Treasury statements, see p. 443. This trust fund was established in accordance with the provisions of the act of May 22, 1920 (41 Stat. 614). For further details see annual report of the Secretary for 1941, p. 136]

I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	Cumulative through June 30, 1949	Fiscal year 1950	Cumulative through June 30, 1950
Receipts:			
On account of deductions from basic compensation and service credit payments of employees subject to retirement act [2]	$2, 558, 222, 080. 50	$355, 199, 605. 39	$2, 913, 421, 685. 89
On account of voluntary contributions	13, 434, 496, 39	2, 553, 527. 68	15, 988, 024. 07
Appropriations	2, 092, 971, 079. 00	[3] 304, 508, 880. 64	2, 397, 479, 959. 64
Interest and profits on investments	780, 863, 463. 44	143, 174, 184. 13	924, 037, 647. 57
Transferred from the Comptroller of the Currency retirement fund, act of June 28, 1948:			
Cash	453, 996. 45		453, 996. 45
Securities	5, 050, 000. 00		5, 050, 000. 00
Total receipts	5, 450, 995, 115. 78	805, 436, 197, 84	6, 256, 431, 313. 62
Expenditures:			
Annuity payments and refunds	2, 148, 971, 811. 76	267, 290, 026. 50	2, 416, 261, 838. 26
Transfers to policemen's and firemen's relief fund, D. C.:			
On account of deductions	55, 852. 61		55, 852. 61
Accrued interest on deductions	26, 628. 76		26, 628. 76
Total	82, 481. 37		82, 481. 37
Total expenditures	2, 149, 054, 293. 13	267, 290, 026. 50	2, 416, 344, 319. 63
Balance	3, 301, 940, 822. 65	538, 146, 171. 34	3, 840, 086, 993. 99

Footnotes at end of table.

TABLE 45.—*Civil service retirement and disability fund, June 30, 1950* [1]—Con.

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1949	Increase, or decrease (—), fiscal year 1950	June 30, 1950
Investments:			
4% special Treasury notes, civil service retirement fund series, maturing:			
June 30, 1950	$531,934,000.00	—$531,934,000.00	
June 30, 1951	484,157,000.00		$484,157,000.00
June 30, 1952	709,084,000.00		709,084,000.00
June 30, 1953	1,006,723,000.00		1,006,723,000.00
June 30, 1954	514,885,000.00	651,323,000.00	1,166,208,000.00
June 30, 1955		424,076,000.00	424,076,000.00
3% special Treasury notes, civil service retirement fund series, maturing:			
June 30, 1950	1,458,000.00	—1,458,000.00	
June 30, 1951	2,422,000.00		2,422,000.00
June 30, 1952	2,220,000.00		2,220,000.00
June 30, 1953	2,415,000.00		2,415,000.00
June 30, 1954	452,000.00	1,920,000.00	2,372,000.00
June 30, 1955		901,000.00	901,000.00
Total Treasury notes	3,255,750,000.00	544,828,000.00	3,800,578,000.00
Treasury bonds:			
2½% of 1962-67	300,000.00	—300,000.00	
2½% of 1964-69 (dated Apr. 15, 1943)	100,000.00	—100,000.00	
2½% of 1964-69 (dated Sept. 15, 1943)	2,500,000.00	—2,500,000.00	
2½% of 1966-71	825,000.00	—825,000.00	
2½% of 1967-72	610,000.00	—610,000.00	
Total Treasury bonds	4,335,000.00	—4,335,000.00	
United States savings bonds:			
2.90% Series D-1940	7,500.00	—7,500.00	
2½% Series G-1942 to 1948	700,000.00		700,000.00
Total United States savings bonds	707,500.00	—7,500.00	700,000.00
Total investments	3,260,792,500.00	[4] 540,485,500.00	3,801,278,000.00
Unexpended balances:			
To credit of disbursing officers	23,894,482.65	1,143,132.48	25,037,615.13
On books of the Division of Bookkeeping and Warrants	15,344,471.68	—2,874,031.52	[5] 12,470,440.16
On books of the Treasurer of the United States [6]	1,909,368.32	—608,429.62	1,300,938.70
Total assets	3,301,940,822.65	538,146,171.34	3,840,086,993.99

[1] Includes the Alaska Railroad and Canal Zone retirement funds which were abolished and combined with the civil service retirement and disability fund by Public Law 180, 81st Congress, approved July 21, 1949.

[2] Under Public Law 426, approved Feb. 28, 1948, it was provided that after June 30, 1948, there would be deducted and withheld from basic salary, pay, or compensation of any officer or employee to whom the Civil Service Retirement Act applies a sum equal to 6 per centum of such officer's or employee's basic salary, pay, or compensation in lieu of 5 per centum deduction previously in effect.

[3] Comprises $302,504,728 appropriated from general fund to cover liability of United States and $2,004,152.64 representing District of Columbia and Government corporations' contributions.

[4] Excludes $7,500 representing repayment of investment.

[5] Excludes $3,417,230.50 July prior receipts (net) and includes $272,571.05 representing June receipts covered into the Treasury as July current. Also excludes $16,314.35 to be adjusted in the fiscal year 1951.

[6] Represents outstanding checks.

TABLE 46.—*District of Columbia teachers' retirement and annuity fund—Assets held by the Treasury Department, June 30, 1950*

[Public Law 624, approved Aug. 7, 1946 (60 Stat. 875), created this fund as successor to the District of Columbia teachers' retirement fund established under the act of Jan. 15, 1920, as amended, effecting the consolidation of the deductions fund and the Government reserve fund as of July 1, 1946]

Assets	June 30, 1949 [1] (principal cost)	Increase, or decrease (−), fiscal year 1950	June 30, 1950	
			Par value	Principal cost
Investments:				
Government securities:				
Treasury bonds:				
2⅞% of 1955–60	$3, 025, 327. 25	−$3,025, 327. 25		
2¾% of 1951–54	96, 908. 13	−96, 908. 13		
2¾% of 1956–59	236, 204. 39	−236, 204. 39		
2¾% of 1958–63	618, 473. 14	−618, 473. 14		
2½% of 1952–54	513, 000. 00		$513, 000. 00	$513, 000. 00
2½% of 1956–58	49, 100. 31		47, 000. 00	49, 100. 31
2½% of 1964–69 (dated Apr. 15, 1943)	879, 721. 25		878, 000. 00	879, 721. 25
2½% of 1964–69 (dated Sept. 15, 1943)	1, 303, 500. 00		1, 303, 500. 00	1, 303, 500. 00
2½% of 1965–70	257, 000. 00		257, 000. 00	257, 000. 00
2½% of 1966–71	151, 000. 00		151, 000. 00	151, 000. 00
2½% of 1967–72 (dated Oct. 20, 1941)	341, 000. 00	−341, 000. 00		
2½% of 1967–72 (dated June 1, 1945)	2, 877, 044. 37	1, 684, 726. 25	4, 476, 500. 00	4, 561, 770. 62
2½% of 1967–72 (dated Nov. 15, 1945)	1, 855, 230. 71	4, 581, 678. 92	6, 240, 000. 00	6, 436, 909. 63
2¼% of 1954–56	656, 000. 00		656, 000. 00	656, 000. 00
2½% of 1965, Investment Series A	250, 000. 00		250, 000. 00	250, 000. 00
United States savings bonds, 2½% Series G	2, 032, 500. 00	100, 000. 00	2, 132, 500. 00	2, 132, 500. 00
Total Government securities	15, 142, 009. 55	2, 048, 492. 26	16, 904, 500. 00	17, 190, 501. 81
Other securities:				
4½% Philippine Islands bonds	197, 669. 56	−197, 669. 56		
4½% Puerto Rican bonds	71, 072. 13	−71, 072. 13		
Total other securities	268, 741. 69	−268, 741. 69		
Total investments	15, 410, 751. 24	1, 779, 750. 57	16, 904, 500. 00	17, 190, 501. 81
Accrued interest receivable	71, 213. 03	−24, 309. 32		46, 903. 71
Unexpended balances:				
To credit of disbursing officer	27, 300. 72	96, 917. 98		124, 218. 70
On books of the Division of Bookkeeping and Warrants	181, 207. 10	5, 991. 15		187, 198. 25
Total assets	15, 690, 472. 09	1, 858, 350. 38		17, 548, 822. 47
Assets according to accounts:				
Deduction account	15, 630, 943. 43	1, 833, 844. 41		17, 464, 787. 84
Voluntary contributions account	59, 528. 66	24, 505. 97		84, 034. 63
Total assets	15, 690, 472. 09	1, 858, 350. 38		17, 548, 822. 47

[1] Includes deductions fund and Government reserve fund reported on pages 567 and 568 of 1946 annual report.

TABLE 47.—*District of Columbia water fund—Investments held by the Treasury Department, June 30, 1950*

[These investments were made in accordance with the provisions of the act of June 29, 1937 (50 Stat. 392) and in subsequent appropriation acts for the District of Columbia. For further details see annual report of the Secretary for 1941, p. 142]

Investments	June 30, 1949 (principal cost)	Fiscal year 1950	June 30, 1950	
			Par value	Principal cost
Treasury bonds:				
2½% of 1952-54	$100,000.00		$100,000.00	$100,000.00
2¾% of 1958-63	749,110.01		736,000.00	749,110.01
2¾% of 1960-65	987,511.56		937,000.00	987,511.56
Total investments	1,836,621.57		1,773,000.00	1,836,621.57

TABLE 48.—*Assets held by the Treasury Department under relief and rehabilitation, Workmen's Compensation Act within the District of Columbia, June 30, 1950* [1]

[This trust fund was established in accordance with the provisions of the act of May 17, 1928 (45 Stat. 600). For further details see annual report of the Secretary for 1941, p. 141]

Assets	June 30, 1949 (principal cost)	Increase, or decrease (—), fiscal year 1950	June 30, 1950	
			Par value	Principal cost
Investments:				
Government securities:				
Treasury bonds:				
2½% of 1952-54	$5,000.00		$5,000.00	$5,000.00
2⅞% of 1955-60	10,165.63		10,000.00	10,165.63
2½% of 1962-67	5,000.00		5,000.00	5,000.00
2½% of 1967-72 (dated Nov. 15, 1945)	6,000.00		6,000.00	6,000.00
United States savings bonds, 2½% Series G	54,600.00	$6,000.00	60,600.00	60,600.00
Total investments	80,765.63	6,000.00	86,600.00	86,765.63
Unexpended balances:				
To credit of disbursing officers	650.68	9,891.84		10,542.52
On books of the Division of Bookkeeping and Warrants	14,013.41	—12,372.50		1,640.91
Total assets	95,429.72	3,519.34		98,949.06

[1] Formerly known as District of Columbia workmen's compensation fund.

TABLE 49.—*Federal old-age and survivors insurance trust fund, June 30, 1950*

[On basis of daily Treasury statements, see p. 443. This trust fund, the successor to the old-age reserve account, was established in accordance with the provisions of the Social Security Act Amendments of 1939, approved Aug. 10, 1939 (53 Stat. 1362). For further details see annual report of the Secretary for 1940, p. 212]

I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	Cumulative through June 30, 1949	Fiscal year 1950	Cumulative through June 30, 1950
Receipts:			
Appropriations	$13,025,464,718.69	$2,106,387,805.50	$15,131,852,524.19
Interest on investments	1,260,500,520.02	256,778,439.42	1,517,278,959.44
Transfers from general fund	4,354,400.00	3,604,000.00	7,958,400.00
Total receipts	14,290,319,638.71	2,366,770,244.92	16,657,089,883.63
Expenditures:			
Benefit payments and refunds	2,648,289,989.66	727,266,479.24	3,375,556,468.90
Reimbursements for administrative expenses under sec. 201 (f) of the Social Security Act Amendments of 1939	232,788,235.30	13,710,704.69	246,498,939.99
Salaries and Expenses, Bureau of Old-Age and Survivors Insurance	99,292,126.17	43,130,532.92	142,422,659.09
Total expenditures	2,980,370,351.13	784,107,716.85	3,764,478,067.98
Balance	11,309,949,287.58	1,582,662,528.07	12,892,611,815.65

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1949	Increase, or decrease (—), fiscal year 1950	June 30, 1950
Investments:			
Special Treasury certificates of indebtedness, 2⅛% maturing June 30:			
1950	$9,003,000,000.00	—$9,003,000,000.00	
1951		10,418,000,000.00	$10,418,000,000.00
Total special certificates of indebtedness	9,003,000,000.00	1,415,000,000.00	10,418,000,000.00
Treasury bonds:			
2¼% of 1959–62 (dated June 1, 1945)	941,925.96	—3,925.96	938,000.00
2¼% of 1959–62 (dated Nov. 15, 1945)	3,281,048.91	—14,048.91	3,267,000.00
2½% of 1962–67	58,909,070.33	—259,070.33	58,650,000.00
2½% of 1963–68	116,777,993.79	—297,993.79	116,480,000.00
2½% of 1964–69 (dated Apr. 15, 1943)	15,292,816.32	—240,816.32	15,052,000.00
2½% of 1964–69 (dated Sept. 15, 1943)	68,823,709.13	—221,709.13	68,602,000.00
2½% of 1965–70	456,043,647.54	—596,147.54	455,447,500.00
2½% of 1966–71	305,848,805.58	—171,305.58	305,677,500.00
2½% of 1967–72 (dated June 1, 1945)	[1] 429,875,118.35	—837,118.35	429,038,000.00
2½% of 1967–72 (dated Oct. 20, 1941)	117,857,773.98	—2,736,523.98	115,121,250.00
2½% of 1967–72 (dated Nov. 15, 1945)	[1] 654,018,315.92	—1,154,315.92	652,864,000.00
Total Treasury bonds	2,227,670,225.81	—6,532,975.81	[2] 2,221,137,250.00
Unamortized premium		5,685,371.51	5,685,371.51
Total investments	11,230,670,225.81	1,414,152,395.70	12,644,822,621.51
Unexpended balances:			
To credit of disbursing officers	67,110,567.09	13,222,344.53	80,332,911.62
On books of the Division of Bookkeeping and Warrants	[3] 12,409,429.90	155,452,012.40	167,861,442.30
On books of the Treasurer of the United States	[4] —240,935.22	—164,224.56	[4] —405,159.78
Total assets	11,309,949,287.58	1,582,662,528.07	12,892,611,815.65

[1] Includes accrued interest purchased on investments.
[2] Effective Dec. 30, 1949, public issues held by the fund are reflected at face value. Total unamortized premium is reflected separately below.
[3] Includes unappropriated receipts of $7,699.58; and excludes prior year repayments of $4,882.05, and reflects a charge of $10.00 adjusted on the books of the Division of Bookkeeping and Warrants during 1950.
[4] Represents outstanding checks.

Table 50.—*Railroad retirement account, June 30, 1950*

[On basis of daily Treasury statements, see p. 443. This trust account was established in accordance with the provisions of sec. 15 (a) of the act of June 24, 1937 (50 Stat. 316). For further details see annual report of the Secretary for 1941, p. 148]

I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	Cumulative through June 30, 1949	Fiscal year 1950	Cumulative through June 30, 1950
Receipts:			
Appropriations	[r] $3,349,011,498.50	$582,832,720.00	[1] $3,931,844,218.50
Balance available for transfer from railroad retirement appropriated account	52,000,000.00	104,167,276.00	156,167,276.00
Interest on investments	176,313,494.48	62,201,104.14	238,514,598.62
Total receipts	3,577,324,992.98	749,201,100.14	4,326,526,093.12
Expenditures:			
Annuity payments and refunds	1,778,209,895.31	299,910,724.21	2,078,120,619.52
Administrative expenses		4,452,527.71	4,452,527.71
Total expenditures	1,778,209,895.31	304,363,251.92	2,082,573,147.23
Balance	1,799,115,097.67	444,837,848.22	2,243,952,945.89

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1949	Increase, or decrease (—), fiscal year 1950	June 30, 1950
Investments:			
2% special Treasury notes, railroad retirement series, maturing:			
June 30, 1951	$286,500,000.00	—$286,500,000.00	
June 30, 1952	778,000,000.00	—17,800,000.00	$760,200,000.00
June 30, 1953	609,000,000.00		609,000,000.00
June 30, 1954	46,500,000.00	584,500,000.00	631,000,000.00
June 30, 1955		57,400,000.00	57,400,000.00
Total investments	1,720,000,000.00	337,600,000.00	2,057,600,000.00
Unexpended balances:			
To credit of disbursing officers	25,883,130.35	2,896,543.91	28,779,674.26
On books of the Division of Bookkeeping and Warrants	[2] 53,311,972.89	104,390,025.89	157,701,998.78
On books of the Treasurer of the United States	—80,005.57	—48,721.58	—128,727.15
Total assets	1,799,115,097.67	444,837,848.22	2,243,952,945.89

[r] Revised to agree with ledger accounts.

[1] Appropriation reduced by the amount of $9,000,000.00 covering transfer for acquisition of service and compensation data in accordance with Public Res. 102, 76th Cong., approved Oct. 9, 1940. Of this amount $230,000.00 was returned to the railroad retirement account by transfer appropriation warrant, and appropriation of $498.50 adjustment authorized by Railroad Retirement Board in September 1947. Appropriation reduced $4.00 by transfer counter warrant in January 1950, in order to pay a claim pending in General Accounting Office.

[2] Excludes July prior repayment of $81.08.

TABLE 51.—*Unemployment trust fund, June 30, 1950*

[On basis of daily Treasury statements, see p. 443. This trust fund was established in accordance with the provisions of sec. 904 (a) of the Social Security Act of Aug. 14, 1935 (49 Stat. 640). For further details see annual report of the Secretary for 1941, p. 145]

I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	State unemployment agencies			Railroad unemployment insurance account [1]			Total, unemployment trust fund		
	Cumulative through June 30, 1949	Fiscal year 1950	Cumulative through June 30, 1950	Cumulative through June 30, 1949	Fiscal year 1950	Cumulative through June 30, 1950	Cumulative through June 30, 1949	Fiscal year 1950	Cumulative through June 30, 1950
Receipts:									
Deposits	$12,546,904,253.65	$1,098,794,731.66	$13,645,698,985.31	$876,972,012.93	$9,728,111.50	$886,700,124.43	$13,423,876,266.58	$1,108,522,843.16	$14,532,399,109.74
Transfers from State unemployment funds to railroad unemployment insurance account				107,160,768.89		107,160,768.89	107,160,768.89		107,160,768.89
Advance by the Secretary of the Treasury (July 5, 1939)				15,000,000.00		15,000,000.00	15,000,000.00		15,000,000.00
Transfers from railroad unemployment insurance administration fund (act of Oct. 10, 1940)				75,481,292.00	5,437,873.00	80,919,165.00	75,481,292.00	5,437,873.00	80,919,165.00
Subtotal	12,546,904,253.65	1,098,794,731.66	13,645,698,985.31	1,074,614,073.82	15,165,984.50	1,089,780,058.32	13,621,518,327.47	1,113,960,716.16	14,735,479,043.63
Interest on investments	1,036,384,561.12	149,180,531.97	1,185,565,093.09	101,007,296.55	17,886,001.56	118,893,298.11	1,137,391,857.67	167,066,533.53	1,304,458,391.20
Total receipts	13,583,288,814.77	1,247,975,263.63	14,831,264,078.40	1,175,621,370.37	33,051,986.06	1,208,673,356.43	14,758,910,185.14	1,281,027,249.69	16,039,937,434.83
Expenditures:									
Withdrawals by States	6,193,394,877.06	1,879,000,000.00	8,072,394,877.06				6,193,394,877.06	1,879,000,000.00	8,072,394,877.06
Transfers to railroad unemployment insurance account from State unemployment funds	107,160,768.89		107,160,768.89				107,160,768.89		107,160,768.89
Repayment of advance to the Secretary of the Treasury (January 1940)				15,000,000.00		15,000,000.00	15,000,000.00		15,000,000.00
Subtotal	6,300,555,645.95	1,879,000,000.00	8,179,555,645.95	15,000,000.00		15,000,000.00	6,315,555,645.95	1,879,000,000.00	8,194,555,645.95
Railroad unemployment benefit payments and refunds				260,937,241.26	146,548,129.99	407,485,371.25	260,937,241.26	146,548,129.99	407,485,371.25
Total expenditures	6,300,555,645.95	1,879,000,000.00	8,179,555,645.95	275,937,241.26	146,548,129.99	422,485,371.25	6,576,492,887.21	2,025,548,129.99	8,602,041,017.20
Balance	7,282,733,168.82	−631,024,736.37	6,651,708,432.45	899,684,129.11	−113,496,143.93	786,187,985.18	8,182,417,297.93	−744,520,880.30	7,437,896,417.63

[1] Railroad Unemployment Insurance Act, approved June 25, 1938.

TABLE 51.—*Unemployment trust fund, June 30, 1950*—Continued

II. ASSETS HELD BY THE TREASURY DEPARTMENT

	June 30, 1949 (principal cost)	Increase, or decrease (−), fiscal year 1950	June 30, 1950
Investments:			
Special Treasury certificates of indebtedness, unemployment trust fund:			
2⅛% series maturing June 30, 1950	$7,340,000,000.00	−$7,340,000,000.00	
2⅛% series maturing June 30, 1951		6,616,000,000.00	$6,616,000,000.00
Total special issues	7,340,000,000.00	−724,000,000.00	6,616,000,000.00
Treasury bonds:			
2¼% of 1959–62 (dated Nov. 15, 1945)	4,015,491.54	−15,491.54	4,000,000.00
2½% of 1962–67	51,024,833.81	−24,833.81	51,000,000.00
2½% of 1963–68	56,328,791.48	−328,791.48	56,000,000.00
2½% of 1964–69 (dated Apr. 15, 1943)	29,159,444.27	−159,444.27	29,000,000.00
2½% of 1964–69 (dated Sept. 15, 1943)	7,120,662.36	−120,662.36	7,000,000.00
2½% of 1965–70	153,051,447.07	−51,447.07	153,000,000.00
2½% of 1966–71	152,033,848.67	−33,848.67	152,000,000.00
2½% of 1967–72 (dated June 1, 1945)	161,104,639.49	−104,639.49	161,000,000.00
2½% of 1967–72 (dated Oct. 20, 1941)	7,235,995.20	−235,995.20	7,000,000.00
2½% of 1967–72 (dated Nov. 15, 1945)	177,256,676.45	−256,676.45	177,000,000.00
Total public issues	798,331,830.34	−1,331,830.34	797,000,000.00
Unamortized premium		1,263,506.56	1,263,506.56
Total investments	8,138,331,830.34	−724,068,323.78	7,414,263,506.56
Unexpended balances:			
Cash with the Treasurer of the United States	41,395,911.83	−19,273,828.05	22,122,083.78
To credit of disbursing officers	2,689,555.76	−1,178,728.47	1,510,827.29
Total assets	8,182,417,297.93	−744,520,880.30	7,437,896,417.63

III. AMOUNTS OF UNEMPLOYMENT TRUST FUND, CUMULATIVE TO JUNE 30, 1950 CREDITED TO THE ACCOUNT OF EACH STATE AGENCY AND TO THE RAILROAD UNEMPLOYMENT INSURANCE ACCOUNT

States	Total deposits	Net earnings credited to account	Total withdrawals from account	Balance June 30, 1950
Alabama	$134,454,199.63	$10,623,383.73	$91,075,000.00	$54,002,583.36
Alaska	15,974,439.80	1,373,788.53	9,110,378.48	8,237,849.85
Arizona	42,027,771.78	3,591,311.11	17,082,234.97	28,536,847.92
Arkansas	62,872,021.19	5,372,688.12	33,127,846.36	35,116,862.95
California	1,531,906,875.77	112,752,662.36	1,117,065,279.44	527,594,258.69
Colorado	69,440,283.22	7,341,877.32	22,452,040.19	54,330,120.35
Connecticut	273,918,000.00	29,549,651.14	154,121,996.24	149,345,654.90
Delaware	22,568,000.20	2,840,900.72	11,447,069.51	13,961,831.41
District of Columbia	61,324,096.18	8,738,999.56	24,697,229.25	45,365,866.49
Florida	121,447,820.77	10,185,953.89	58,912,550.60	72,721,224.06
Georgia	151,362,192.82	15,008,108.83	63,038,698.83	103,331,602.82
Hawaii	27,743,859.76	3,576,768.71	10,476,881.25	20,843,747.22
Idaho	38,866,097.27	3,000,606.55	16,507,013.78	25,359,690.04
Illinois	895,604,013.81	91,881,047.04	537,664,013.81	449,821,047.04
Indiana	311,046,657.65	31,071,971.80	155,694,592.27	186,424,037.18
Iowa	122,969,750.05	11,992,598.10	40,344,841.32	94,617,506.83
Kansas	94,820,499.59	9,328,534.64	42,031,509.23	62,117,525.00
Kentucky	161,871,000.00	17,388,549.06	63,127,978.21	116,131,570.85
Louisiana	172,586,000.00	13,721,801.87	91,532,139.06	94,775,662.81
Maine	79,471,500.00	5,871,697.53	49,847,337.04	35,495,860.49
Maryland	221,826,000.00	19,422,505.45	132,020,347.37	109,228,158.08
Massachusetts	489,203,000.00	36,211,660.69	452,912,725.57	72,501,935.12
Michigan	759,658,204.60	46,430,188.22	517,406,485.64	288,681,907.18
Minnesota	191,102,807.29	16,809,442.33	92,380,982.32	115,531,267.30
Mississippi	63,236,978.76	5,150,657.90	27,237,412.60	41,150,224.06
Missouri	289,372,668.20	29,788,242.58	133,220,464.25	185,940,446.53
Montana	44,781,497.20	3,851,143.04	18,912,957.77	29,719,682.47
Nebraska	45,727,135.90	5,106,749.14	16,951,585.10	33,882,299.94
Nevada	20,584,820.17	1,773,453.75	10,211,734.46	12,146,539.46
New Hampshire	47,989,968.01	4,137,406.64	33,605,106.20	18,522,268.45

TABLE 51.—*Unemployment trust fund, June 30, 1950*—Continued

III. AMOUNTS OF UNEMPLOYMENT TRUST FUND, CUMULATIVE TO JUNE 30, 1950, CREDITED TO THE ACCOUNT OF EACH STATE AGENCY AND TO THE RAILROAD UNEMPLOYMENT INSURANCE ACCOUNT—Continued

States	Total deposits	Net earnings credited to account	Total withdrawals from account	Balance June 30, 1950
New Jersey	$810, 753, 500. 00	$76, 310, 429. 91	$477, 638, 521. 02	$409, 425, 408. 89
New Mexico	28, 760, 000. 00	2, 324, 230. 68	8, 964, 544. 78	22, 119, 685. 90
New York	2, 277, 964, 669. 72	159, 195, 867. 46	1, 573, 420, 977. 24	863, 739, 559. 94
North Carolina	210, 199, 000. 00	20, 358, 512. 91	76, 073, 334. 43	154, 484, 178. 48
North Dakota	13, 772, 636. 63	1, 168, 612. 85	6, 242, 479. 75	8, 698, 769. 73
Ohio	747, 388, 514. 74	89, 394, 056. 72	343, 564, 005. 70	493, 218, 565. 76
Oklahoma	90, 191, 000. 00	8, 281, 096. 79	53, 269, 133. 15	45, 202, 963. 64
Oregon	149, 253, 937. 46	11, 477, 617. 05	90, 064, 892. 41	70, 666, 662. 10
Pennsylvania	1, 092, 835, 000. 00	101, 594, 727. 01	668, 748, 998. 97	525, 680, 728. 04
Rhode Island	155, 950, 727. 95	9, 954, 159. 42	146, 150, 673. 54	19, 754, 213. 83
South Carolina	78, 256, 000. 00	7, 668, 390. 77	37, 075, 743. 96	48, 848, 646. 81
South Dakota	12, 311, 400. 00	1, 449, 663. 45	4, 094, 304. 23	9, 666, 759. 22
Tennessee	183, 796, 000. 00	14, 239, 083. 39	105, 831, 440. 15	92, 203, 643. 24
Texas	289, 160, 000. 00	30, 594, 769. 03	98, 357, 030. 42	221, 397, 738. 61
Utah	53, 630, 367. 70	4, 478, 190. 62	27, 926, 976. 36	30, 181, 581. 96
Vermont	24, 537, 837. 42	2, 340, 005. 53	13, 117, 074. 06	13, 760, 768. 89
Virginia	128, 402, 000. 00	12, 542, 443. 54	62, 988, 850. 22	77, 955, 593. 32
Washington	304, 640, 602. 61	22, 392, 099. 69	185, 203, 178. 53	141, 829, 523. 77
West Virginia	148, 851, 467. 76	12, 730, 909. 27	79, 301, 586. 39	82, 280, 790. 64
Wisconsin	262, 179, 558. 93	33, 993, 237. 11	81, 473, 429. 67	214, 699, 366. 37
Wyoming	17, 854, 636. 13	1, 649, 822. 23	7, 542, 039. 85	11, 962, 418. 51
Total	13, 646, 447, 016. 67	1, 188, 032, 275. 78	8, 191, 265, 645. 95	6, 643, 213, 646. 50
Adjustments to daily Treasury statement basis:				
Deposits not cleared by the Treasurer of the United States	−748, 031. 36			−748, 031. 36
Outstanding checks			−11, 710, 000. 00	11, 710, 000. 00
Accrued interest credited to State account		−2, 467, 182. 69		−2, 467, 182. 69
Total, on basis of daily Treasury statements	13, 645, 698, 985. 31	1, 185, 565, 093. 09	8, 179, 555, 645. 95	6, 651, 708, 432. 45
Railroad unemployment insurance account:				
Deposits of Railroad Retirement Board	886, 700, 124. 43			886, 700, 124. 43
Transfers from State unemployment funds	107, 160, 768. 89			107, 160, 768. 89
Interest on investments		119, 183, 980. 05		119, 183, 980. 05
Transfers to chief disbursing officer			408, 996, 198. 54	−408, 996, 198. 54
Appropriation advance and repayment	15, 000, 000. 00		15, 000, 000. 00	
Transfers from administration fund	80, 919, 165. 00			80, 919, 165. 00
Total	1, 089, 780, 058. 32	119, 183, 980. 05	423, 996, 198. 54	784, 967, 839. 83
Adjustments to daily Treasury statement basis:				
Accrued interest credited to insurance account		−290, 681. 94		−290, 681. 94
Cash with disbursing officers			−1, 510, 827. 29	1, 510, 327. 29
Total, on basis of daily Treasury statements	1, 089, 780, 058. 32	118, 893, 298. 11	422, 485, 371. 25	786, 187, 985. 18
Total, unemployment trust fund, as shown in the daily Treasury statement	14, 735, 479, 043. 63	1, 304, 458, 391. 20	8, 602, 041, 017. 20	7, 437, 896, 417. 63

TABLE 52.—*Foreign service retirement and disability fund, June 30, 1950*

[On basis of daily Treasury statements, see p. 443. This trust fund was established in accordance with the provisions of sec. 18 of the act of May 24, 1924 (43 Stat. 144). For further details see annual report of the Secretary for 1941, p. 138]

I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	Cumulative through June 30, 1949	Fiscal year 1950	Cumulative through June 30, 1950
Receipts:			
On account of deductions from basic compensation and service credit payments of employees subject to retirement act	$6,411,682.13	$687,912.87	$7,099,595.00
Appropriations	12,496,900.00	2,187,000.00	14,683,900.00
Interest and profits on investments	4,149,654.12	653,809.10	4,803,463.22
Total receipts	23,058,236.25	3,528,721.97	26,586,958.22
Expenditures:			
Annuity payments and refunds	8,501,003.96	1,162,830.35	9,663,834.31
Balance	14,557,232.29	2,365,891.62	16,923,123.91

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1949	Increase, or decrease (—), fiscal year 1950	June 30, 1950
Investments:			
4% special Treasury notes, foreign service retirement fund series, maturing:			
June 30, 1950	$2,422,000.00	—$2,422,000.00	
June 30, 1951	2,371,000.00		$2,371,000.00
June 30, 1952	3,680,000.00		3,680,000.00
June 30, 1953	4,009,000.00		4,009,000.00
June 30, 1954	1,746,000.00	2,514,000.00	4,260,000.00
June 30, 1955		2,182,000.00	2,182,000.00
3% special Treasury notes, foreign service retirement fund series, maturing:			
June 30, 1950	44,000.00	—44,000.00	
June 30, 1951	31,000.00		31,000.00
June 30, 1952	94,000.00		94,000.00
June 30, 1953	87,500.00		87,500.00
June 30, 1954	12,500.00	71,000.00	83,500.00
June 30, 1955		52,000.00	52,000.00
Total investments	14,497,000.00	2,353,000.00	16,850,000.00
Unexpended balances:			
To credit of disbursing officers	33,751.77	12,191.01	45,942.78
On books of the Division of Bookkeeping and Warrants	[1] 24,486.66	1,084.57	25,571.23
On books of the Treasurer of the United States [2]	1,993.86	—383.96	1,609.90
Total assets	14,557,232.29	2,365,891.62	16,923,123.91

[1] Excludes $306.72 representing July prior deposits appropriated as of June 30, 1949.
[2] Represents outstanding checks.

TABLE 53.—*Library of Congress trust fund, June 30, 1950*

[This trust fund was established in accordance with the provisions of the act of Mar. 3, 1925 (43 Stat. 1107). For further details see annual report of the Secretary for 1941, p. 149]

I. ASSETS HELD BY THE TREASURY DEPARTMENT AND CERTAIN FEDERAL RESERVE BANKS, SUBJECT TO THE ORDER OF THE SECRETARY OF THE TREASURY, FOR ACCOUNT OF THE LIBRARY OF CONGRESS TRUST FUND BOARD [1]

Assets	June 30, 1949	Increase, or decrease (—), fiscal year 1950	June 30, 1950
Securities:			
R. R. Bowker donation			
7% German external loan bonds, German Government	$2,000.00		$2,000.00
6½% sinking fund gold bonds, Japanese Government	2,000.00		2,000.00
48 shares, common stock, American Telephone & Telegraph Co	4,800.00		4,800.00
Elizabeth Sprague Coolidge donation			
496 shares, common stock, Commonwealth Edison Co	12,400.00		12,400.00
Joseph Pennell donation			
4% general consolidated mortgage gold bonds, Lehigh Valley R. R. Co	5,000.00	−$5,000.00	
4% general consolidated mortgage bonds Series A, Lehigh Valley R. R. Co		1,250.00	1,250.00
4% general consolidated mortgage bonds Series D, Lehigh Valley R. R. Co		3,750.00	3,750.00
20 shares capital stock, Lehigh Valley R. R. Co		200.00	200.00
6% secured gold note, National Railways of Mexico	45.00	−45.00	
4½% prior lien gold bonds, National Railways of Mexico	3,000.00		3,000.00
5% consolidated mortgage bonds, Pennsylvania and New York Canal and R. R. Co	1,000.00		1,000.00
5% sinking fund gold bonds, Philadelphia and Reading Coal and Iron Co	735.00		735.00
54 shares, common stock, Pittsburgh Consolidation Coal Co	54.00		54.00
Rights to interest in arrears, United States of Mexico	429.30	−429.30	
Rights to interest in arrears, United States of Mexico	810.00	−810.00	
134 shares, common stock, Pennsylvania R. R. Co	6,700.00		6,700.00
105 shares, common stock, Westmoreland Coal Co	2,100.00	140.00	2,240.00
Common stock, Westmoreland, Inc	1,050.00		1,050.00
Temporary certificate for 20 shares common stock, Philadelphia & Reading Coal & Iron Co. (New Co.)	20.00		20.00
Total securities [1]	42,143.30	−944.30	41,199.00
Unexpended balances on books of the Division of Bookkeeping and Warrants:			
Permanent loan fund:			
Babine	6,684.74		6,684.74
Beethoven	12,088.13		12,088.13
Benjamin	83,083.31		83,083.31
Bowker	1,408.16		1,408.16
Carnegie	93,307.98		93,307.98
Coolidge	150,569.05		150,569.05
Louis C. Elson memorial fund	12,585.03		12,585.03
Friends of Music in the Library of Congress	5,509.09		5,509.09
Guggenheim	90,654.22		90,654.22
Huntington	162,052.26		162,052.26
Koussevitzky Music Foundation, Inc		105,215.36	105,215.36
Longworth	8,691.59		8,691.59
Miller	20,548.18		20,548.18
Pennell	289,444.17	24.52	289,468.69
Porter	290,500.00		290,500.00
Whittall	609,444.15		609,444.15
Wilbur	305,813.57		305,813.57
Total permanent loan fund	2,142,383.63	105,239.88	2,247,623.51
Total assets	2,184,526.93	104,295.58	2,288,822.51

[1] Does not include securities held as investments for Huntington donation under deed of trust dated Nov. 17, 1936, administered by designated trustees, including Bank of New York.

TABLE 53.—*Library of Congress trust fund, June 30, 1950*—Continued

II. LIBRARY OF CONGRESS TRUST FUND EARNINGS TO JUNE 30, 1950

Donation	Cumulative through June 30, 1949	Fiscal year 1950	Cumulative through June 30, 1950
	Income account, securities, real estate, etc.		
Babine	$1,785.58		$1,785.58
Beethoven	4,429.73		4,429.73
Benjamin	49,744.50		49,744.50
Bowker	4,967.36	$432.00	5,399.36
Carnegie	37,838.36		37,838.36
Coolidge	114,632.23	781.20	115,413.43
Friends of Music in the Library of Congress	318.22		318.22
Guggenheim	32,759.36		32,759.36
Huntington	[2] 181,539.56		[2] 181,539.56
Longworth	757.02		757.02
Miller	412.50		412.50
Pennell	80,494.37	836.21	81,330.58
Porter	25,369.03		25,369.03
Wilbur	107,345.09		107,345.09
Total	642,392.91	2,049.41	644,442.32
	Income account, permanent loan fund		
Babine	$3,203.25	$267.40	$3,470.65
Beethoven	5,268.38	483.52	5,751.90
Benjamin	6,431.81	3,323.34	9,755.15
Bowker	394.65	56.32	450.97
Carnegie	42,184.02	3,732.32	45,916.34
Coolidge	54,385.75	6,022.76	60,408.51
Louis C. Elson memorial fund	2,085.91	503.40	2,589.31
Friends of Music in the Library of Congress	1,263.09	220.36	1,483.45
Guggenheim	39,529.70	3,626.16	43,155.86
Huntington	61,337.74	6,482.10	67,819.84
Koussevitsky Music Foundation, Inc		2,287.29	2,287.29
Longworth	3,689.26	347.66	4,036.92
Miller	3,680.41	821.92	4,502.33
Pennell	101,155.70	11,578.13	112,733.83
Porter	33,748.04	11,620.00	45,368.04
Whittall	163,167.31	24,377.76	187,545.07
Wilbur	142,039.36	12,232.56	154,271.92
Total	663,564.38	87,983.00	751,547.38
Grand total	1,305,957.29	90,032.41	1,395,989.70

[2] Includes income under deed of trust dated Nov. 17, 1936; administered by designated trustees, including Bank of New York.

TABLE 54.—*Relief and rehabilitation, Longshoremen's and Harbor Workers' Compensation Act, as amended—Assets held by the Treasury Department, June 30, 1950* [1]

[This trust fund was established in accordance with the provisions of the act of Mar. 4, 1927 (44 Stat. 1444). For further details see annual report of the Secretary for 1941, p. 141]

Assets	June 30, 1949	Increase, or decrease (−), fiscal year 1950	June 30, 1950	
Investments:				
Government securities:				
Treasury bonds:	*Principal cost*		*Par value*	*Principal cost*
3% of 1951–55	$9,959.38		$10,000.00	$9,959.38
2½% of 1952–54	35,000.00		35,000.00	35,000.00
2⅞% of 1955–60	14,920.25		14,800.00	14,920.25
2¾% of 1956–59	14,976.20		14,850.00	14,976.20
2¾% of 1958–63	15,936.38		15,600.00	15,936.38
2¾% of 1960–65	14,985.94		13,900.00	14,985.94
2½% of 1962–67	23,000.00		23,000.00	23,000.00
2½% of 1964–69 (dated Apr. 15, 1943)	11,500.00		11,500.00	11,500.00
2½% of 1967–72 (dated Nov. 15, 1945)	60,000.00	$49,470.00	108,000.00	109,470.00
United States savings bonds, 2½% Series G	203,000.00	100,000.00	303,000.00	303,000.00
Total investments	403,278.15	149,470.00	549,650.00	552,748.15
Unexpended balances:				
To credit of disbursing officers	76,649.15	−7,849.76		68,799.39
On books of the Division of Bookkeeping and Warrants	125,554.69	−119,629.60		5,925.09
Total assets	605,481.99	21,990.64		627,472.63

[1] Formerly, longshoremen's and harbor workers' compensation fund.

TABLE 55.—*National Archives gift fund, June 30, 1950*

[This trust fund was established in accordance with the provisions of the National Archives Trust Fund Board Act of July 9, 1941 (55 Stat. 581)]

I. RECEIPTS AND EXPENDITURES

	Cumulative through June 30, 1949	Fiscal year 1950	Cumulative through June 30, 1950
Receipts:			
Donations:			
Mr. and Mrs. Hall Clovis	$30,000.00		$30,000.00
Miscellaneous	r 26,084.30	$9,579.85	35,664.15
Total receipts	r 56,084.30	9,579.85	65,664.15
Expenditures	r 38,817.23	14,799.89	53,617.12
Balance	17,267.07	−5,220.04	12,047.03

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1949	Increase, or decrease (−), fiscal year 1950	June 30, 1950
Unexpended balances:			
To credit of disbursing officer	$14,536.01	−$8,229.13	$6,306.88
On books of the Division of Bookkeeping and Warrants	2,731.06	3,009.09	5,740.15
Total assets	17,267.07	−5,220.04	12,047.03

r Revised.

TABLE 56.—*National Cancer Institute gift fund, June 30, 1950*

[This trust fund was established under sec. 6 of the National Cancer Institute Act of Aug. 5, 1937 (50 Stat. 561). For further details see annual report of the Secretary for 1941, p. 152]

CONDITIONAL GIFT FUND [1]

RECEIPTS AND EXPENDITURES

	Cumulative through June 30, 1949	Fiscal year 1950	Cumulative through June 30, 1950
Receipts:			
Donations:			
American Society for the Control of Cancer	$120.00		$120.00
R. R. Spencer	300.00		300.00
Total receipts	420.00		420.00
Expenditures (warrants-issued basis)	420.00		420.00
Balance			

[1] No assets were held by the Treasury Department on June 30, 1949 and 1950.

UNCONDITIONAL GIFT FUND

I. RECEIPTS AND EXPENDITURES

	Cumulative through June 30, 1949	Fiscal year 1950	Cumulative through June 30, 1950
Receipts:			
Donation by Lt. Col. Stanley C. Ramsden	$100.00		$100.00
Miscellaneous	3,828.35	$229.50	4,057.85
Total receipts	3,928.35	229.50	4,157.85
Expenditures (warrants-issued basis)	1,307.50		1,307.50
Balance	2,620.85	229.50	2,850.35

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1949	Increase, fiscal year 1950	June 30, 1950
Unexpended balance on books of the Division of Bookkeeping and Warrants	$2,620.85	$229.50	$2,850.35

TABLE 57.—*National Institute of Health gift fund, June 30, 1950*

[This trust fund was established in accordance with the provisions of the act of May 26, 1930 (46 Stat. 379). For further details see annual report of the Secretary for 1941, p. 152]

CONDITIONAL GIFT FUND

I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	Cumulative through June 30, 1949	Fiscal year 1950	Cumulative through June 30, 1950
Receipts:			
Donations:			
American Dental Association	$48,000.00	$15,800.00	$63,800.00
Chemical Foundation	100,000.00		100,000.00
Corn Industries Research Foundation	25,000.00		25,000.00
Josiah Macy, Jr., Foundation	5,600.00		5,600.00
Rockefeller Foundation	22,000.00		22,000.00
The National Foundation for Infantile Paralysis, Inc	25,800.00		25,800.00
Total	226,400.00	15,800.00	242,200.00
Earnings on investments (Chemical Foundation)	58,699.18	2,150.00	60,849.18
Total receipts	285,099.18	17,950.00	303,049.18
Expenditures (warrants-issued basis):			
Advances to disbursing officers to meet expenditures on account of the Institute:			
American Dental Association	48,000.00	15,800.00	63,800.00
Chemical Foundation	67,863.26	4,835.92	72,699.18
Corn Industries Research Foundation	25,000.00		25,000.00
Josiah Macy, Jr., Foundation	5,600.00		5,600.00
Rockefeller Foundation:			
Dental survey	15,000.00		15,000.00
County health work	7,000.00		7,000.00
The National Foundation for Infantile Paralysis, Inc	25,800.00		25,800.00
Total expenditures	194,263.26	20,635.92	214,899.18
Balance	90,835.92	−2,685.92	88,150.00

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1949	Decrease, fiscal year 1950	June 30, 1950
Investments:			
2½% Treasury bonds of 1967-72 (dated June 1, 1945)	$86,000.00		$86,000.00
Total	86,000.00		86,000.00
Unexpended balance on books of the Division of Bookkeeping and Warrants:			
Chemical Foundation	4,835.92	$2,685.92	2,150.00
Total assets	90,835.92	2,685.92	88,150.00

UNCONDITIONAL GIFT FUND

I. RECEIPTS AND EXPENDITURES

	Cumulative through June 30, 1949	Fiscal year 1950	Cumulative through June 30, 1950
Receipts:			
Donations:			
E. D. Crossman	$900.00		$900.00
National Merchant Marine Association	296.78		296.78
Valentine Perry Snyder	100.00		100.00
Miscellaneous	2,780.08		2,780.08
Total receipts	4,076.86		4,076.86
Expenditures			
Balance	4,076.86		4,076.86

TABLE 57.—*National Institute of Health gift fund, June 30, 1950*—Continued

UNCONDITIONAL GIFT FUND—Continued

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1949	Fiscal year 1950	June 30, 1950
Unexpended balance on books of the Division of Bookkeeping and Warrants	$4,076.86		$4,076.86

TABLE 58.—*National park trust fund, June 30, 1950*

[This trust fund was established in accordance with the provisions of the act of July 10, 1935 (49 Stat. 477). For further details see annual report of the Secretary for 1941, p. 153]

I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	Cumulative through June 30, 1949	Fiscal year 1950	Cumulative through June 30, 1950
Receipts:			
Donations:			
Victor C. Cahalane	$33.54		$33.54
Alexander Korda Productions	250.00		250.00
Kodak Hawaii, Ltd	202.50		202.50
Frank Lloyd Productions, Inc	150.00		150.00
Loew's, Inc	1,200.00		1,200.00
Metro-Goldwyn-Mayer Distributing Corp	50.00		50.00
Metro-Goldwyn-Mayer Corp	3,000.00		3,000.00
Metro-Goldwyn-Mayer Pictures	5,000.00		5,000.00
Newton B. Drury	50.00		50.00
Paramount Pictures, Inc	304.00		304.00
R. K. O. Radio Pictures, Inc	200.00		200.00
Time, Inc	10.00		10.00
Twentieth Century Fox Film Corp	1,750.00		1,750.00
Twentieth Century Fox Studios	50.00		50.00
Universal Pictures Corp	3,200.00		3,200.00
Vanguard Pictures Corp	50.00		50.00
Walter Wanger Productions, Inc	900.00		900.00
Warner Bros. Pictures, Inc	1,200.00		1,200.00
Total	17,600.04		17,600.04
Interest earned on investments	5,434.70	$500.76	5,935.46
Total receipts	23,034.74	500.76	23,535.50
Expenditures	3,800.00		3,800.00
Balance	19,234.74	500.76	19,735.50

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1949	Increase, fiscal year 1950	June 30, 1950
Investments:			
Treasury bonds:			
2½% of 1952–54	$1,700.00		$1,700.00
2⅞% of 1955–60	[1] 14,548.54		14,548.54
2½% of 1967–72 (dated Oct. 20, 1941)	1,000.00		1,000.00
2½% of 1963–68	1,000.00		1,000.00
Total investments	18,248.54		18,248.54
Unexpended balances:			
To credit of disbursing officer	937.88		937.88
On books of the Division of Bookkeeping and Warrants	48.32	$500.76	549.08
Total assets	19,234.74	500.76	19,735.50

[1] Par value $14,200.

TABLE 59.—*National service life insurance fund, June 30, 1950*

[This trust fund was established pursuant to title VI of Public Law 801, approved Oct. 8, 1940 (54 Stat. 1012). For further details see annual report of the Secretary for 1941, p. 143]

I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	Cumulative through June 30, 1949	Fiscal year 1950	Cumulative through June 30, 1950
Receipts:			
Premiums and other receipts	$4, 205, 970, 688. 36	$398, 651, 337. 16	$4, 604, 622, 025. 52
Interest and profits on investments	789, 584, 727. 27	204, 954, 454. 26	994, 539, 181. 53
Transfers from general fund [1]	3, 687, 278, 053. 04	472, 751, 518. 89	4, 160, 029, 571. 93
Total receipts	8, 682, 833, 468. 67	1, 076, 357, 310. 31	9, 759, 190, 778. 98
Expenditures:			
Benefit payments and refunds	1, 375, 525, 413. 81	354, 917, 034. 16	1, 730, 442, 447. 97
Special dividends		2, 632, 988, 510. 20	2, 632, 988, 510. 20
Items in transit	r 334, 719. 99	−100, 498. 92	234, 221. 07
Total	r 1, 375, 860, 133. 80	2, 987, 805, 045. 44	4, 363, 665, 179. 24
Balance	r 7, 306, 973, 334. 87	−1, 911, 447, 735. 13	5, 395, 525, 599. 74

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1949	Increase, or decrease (−), fiscal year 1950	June 30, 1950
Investments:			
3 percent special Treasury notes, national service life insurance fund series, maturing:			
June 30, 1950	$2, 044, 500, 000. 00	−$2, 044, 500, 000. 00	
June 30, 1951	1, 223, 000, 000. 00	−534, 500, 000. 00	$688, 500, 000. 00
June 30, 1952	745, 485, 000. 00		745, 485, 000. 00
June 30, 1953	1, 158, 700, 000. 00		1, 158, 700, 000. 00
June 30, 1954	2, 116, 000, 000. 00	481, 000, 000. 00	2, 597, 000, 000. 00
June 30, 1955		152, 459, 000. 00	152, 459, 000. 00
Total investments	7, 287, 685, 000. 00	−1, 945, 541, 000. 00	5, 342, 144, 000. 00
Unexpended balance:			
To credit of disbursing officers	19, 003, 915. 05	34, 234, 812. 91	53, 238, 727. 96
On books of the Treasurer of the United States [2]	r 284, 419. 82	−141, 548. 04	142, 871. 78
Total assets	r 7, 306, 973, 334. 87	−1, 911, 447, 735. 13	5, 395, 525, 599. 74

r Revised.

[1] There has been appropriated through June 30, 1950, the amount of $4,354,596,500 available to Veterans' Administration for transfer in accordance with provisions of the National Service Life Insurance Act of 1940.

[2] Represents outstanding checks.

TABLE 60.—*Pershing Hall Memorial fund, June 30, 1950*

[This special fund was established in accordance with the provisions of the act of June 28, 1935 (49 Stat. 426). For further details see annual report of the Secretary for 1941, p. 155]

I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	Cumulative through June 30, 1949	Fiscal year 1950	Cumulative through June 30, 1950
Receipts:			
Appropriations	$482, 032. 92		$482, 032. 92
Interest and profits on investments	67, 301. 07	$8, 812. 08	76, 113. 15
Total receipts	549, 333. 99	8, 812. 08	558, 146. 07
Expenditures:			
On account of current claims and expenses	288, 629. 70		288, 629. 70
On account of National Treasurer, American Legion	64, 186. 51	4, 567. 59	68, 754. 10
Total expenditures	352, 816. 21	4, 567. 59	357, 383. 80
Balance	196, 517. 78	4, 244. 49	200, 762. 27

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1949	Increase, or decrease (−), fiscal year 1950	June 30, 1950
Investments:			
2¾% Treasury bonds of 1951-54 (par value $191,300)	$191, 736. 14	−$191, 736. 14	
2½% United States savings bonds, Series G	1, 600. 00	197, 500. 00	$199, 100. 00
Total investments	193, 336. 14	5, 763. 86	199, 100. 00
Unexpended balances:			
To credit of disbursing officer	2, 541. 36	−965. 52	1, 575. 84
On books of Division of Bookkeeping and Warrants	640. 28	−553. 85	86. 43
Total assets	196, 517. 78	4, 244. 49	200, 762. 27

TABLE 61.—*United States Government life insurance fund—Investments, June 30, 1950*

[This trust fund was established in accordance with the provisions of the act of June 7, 1924 (43 Stat. 607). For further details see annual report of the Secretary for 1941, p. 142]

	June 30, 1949	Increase, or decrease (—), fiscal year 1950	June 30, 1950
Investments:			
Government securities:			
Special Treasury certificates of indebtedness, 3½% maturing June 30:			
1950	$1,318,000,000.00	—$1,318,000,000.00	
1951		1,291,500,000.00	$1,291,500,000.00
Total investments	1,318,000,000.00	—26,500,000.00	1,291,500,000.00
Policy loans outstanding [1]	122,053,336.28	3,789,706.02	125,843,042.30
Total investments in fund	1,440,053,336.28	—22,710,293.98	1,417,343,042.30

[1] Includes interest accrued to anniversary dates of loans.

TABLE 62.—*United States Naval Academy general gift fund, June 30, 1950*

[This trust fund was established in accordance with the act of Mar. 31, 1944 (58 Stat. 135)]

I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	June 30, 1949	Fiscal year 1950	June 30, 1950
Receipts:			
Bequests:			
Dudley F. Wolfe	$85,938.72		$85,938.72
Joseph C. Grew	100.00		100.00
Perry Belmont	100.00		100.00
Miscellaneous	100.00	$31,744.00	31,844.00
Earnings on investments	10,030.23	2,125.00	12,155.23
Total receipts	96,268.95	33,869.00	130,137.95
Expenditures	6,371.01	4,789.41	11,160.42
Balance	89,897.94	29,079.59	118,977.53

II. ASSETS HELD BY THE TREASURY DEPARTMENT

Assets	June 30, 1949	Increase, fiscal year 1950	June 30, 1950
Investments:			
2½% Treasury bonds of 1965-70	$85,000.00		$85,000.00
Total investments	85,000.00		85,000.00
Unexpended balance on books of the Division of Bookkeeping and Warrants	4,897.94	$29,079.59	33,977.53
Total assets	89,897.94	29,079.59	118,977.53

CORPORATIONS AND CERTAIN OTHER BUSINESS-TYPE ACTIVITIES OF THE GOVERNMENT

TABLE 63.—*Borrowing power and outstanding issues of Government corporations and certain other business-type activities whose obligations are guaranteed by the United States or issued to the Secretary of the Treasury, June 30, 1950*

[In millions of dollars]

Corporation or activity	Borrowing power	Outstanding obligations			
		Total	Held by Treasury	Held by others [1]	
				Unmatured	Matured [2]
I. Agencies issuing obligations for cash or in exchange for mortgages:					
Commodity Credit Corporation	6,750	3,194	3,193	1	
Economic Cooperation Administration	1,322	964	964		
Export-Import Bank of Washington	[3] 2,500	964	964		
Federal Deposit Insurance Corporation	3,000				
Federal Farm Mortgage Corporation	500	1			1
Federal home loan banks	1,000				
Federal Savings and Loan Insurance Corporation	750				
Home Owners' Loan Corporation	1,262	2			2
Housing and Home Finance Administrator:					
Housing for educational institutions	300				
Slum clearance and community development and redevelopment	25	1	1		
Panama Railroad Company	[4] 10				
Public Housing Administration	1,500	349	349		
Reconstruction Finance Corporation	[5] 1,456	1,456	1,456		
Rural Electrification Administration	[6] 2,086	1,281	1,281		
Secretary of Agriculture (Farmers' Home Administration)	51	50	50		
Secretary of Agriculture, Farmers' Home Administration (farm housing program)	25	15	15		
Secretary of the Army	150	100	100		
Tennessee Valley Authority	49	49	49		
Veterans' Administration (veterans' direct loan program)	[7] 150				
Virgin Islands Corporation (The)	[8] 9				
Subtotal	22,896	8,427	8,423	1	2
II. Agencies issuing obligations only in payment of defaulted and foreclosed insured mortgages:					
Federal Housing Administration	[9] 18,500	16		16	
Maritime Administration	200				
Subtotal	18,700	16		16	
Total	41,596	8,443	8,423	17	2

[1] Excludes matured interest, all agencies, in amount of $0.3 million.
[2] Funds have been deposited with Treasurer of the United States for payment of all obligations guaranteed by the United States, representing outstanding matured principal of $2 million and interest of $0.3 million.
[3] Authorized to issue obligations to Secretary of Treasury only.
[4] Corporation is authorized to borrow from a fund maintained in the Treasury, "Special account, emergency fund, Panama Railroad Company."
[5] Corporation is authorized to issue to Secretary of the Treasury obligations in an amount outstanding at any one time sufficient to carry out its functions. See table 66.
[6] Includes $25 million for rural telephone loans.
[7] Established pursuant to sec. 513 of Public Law 475, 81st Congress, approved Apr. 20, 1950, for the purpose of carrying out provisions of sec. 512, which shall take effect ninety days after the enactment of this law.
[8] Pursuant to act of June 30, 1949 (63 Stat. 350), corporation is authorized to borrow from a revolving fund, from which $1.2 million has been advanced.
[9] In accordance with Public Law 475, 81st Congress, approved Apr. 20, 1950, title I, sec. 8 may be increased by $150 million, and title II may be increased by $1,250 million upon approval of the President. Title VIII, created by Public Law 211, 81st Congress, approved Aug. 8, 1949, may be increased by $500 million upon approval of the President. Unused mortgage insurance authorizations as of June 30, 1950, amounted to $2,957.5 million. Debentures may be tendered and issued only in exchange for insured property acquired through foreclosure.

TABLE 64.—*Treasury holdings of bonds and notes issued by Government corporations and other business-type activities, June 30, 1940–50*

[Face amount, in thousands of dollars]

Agency	June 30, 1940	June 30, 1941	June 30, 1942	June 30, 1943	June 30, 1944	June 30, 1945	June 30, 1946	June 30, 1947	June 30, 1948	June 30, 1949	June 30, 1950
Commodity Credit Corporation	25,000	140,000	400,000	1,950,000	900,000	1,591,000	1,301,000	510,000	440,000	1,669,000	3,193,000
Economic Cooperation Administration	-	-	-	-	-	-	-	-	-	782,007	964,411
Export-Import Bank of Washington	-	-	-	-	-	-	-	516,200	970,600	913,900	964,500
Federal Farm Mortgage Corporation	-	-	263,000	-	366,000	108,000	13,000	21,000	-	500	-
Home Owners' Loan Corporation	-	-	551,000	212,000	580,000	1,009,982	737,000	529,000	244,000	125,000	-
Housing and Home Finance Administrator (slum clearance and community development and redevelopment)	-	-	-	-	-	-	-	-	-	-	500
Public Housing Administration [1]	20,000	85,000	274,000	283,000	398,000	383,000	360,000	347,000	362,000	337,000	349,000
Reconstruction Finance Corporation	7,000	19,916	2,533,918	5,033,372	8,416,487	9,019,947	9,205,355	9,966,141	-	1,856,213	1,456,246
Rural Electrification Administration	-	-	-	-	-	-	-	-	718,074	1,015,193	1,281,136
Secretary of Agriculture (Farmers' Home Administration program)	-	-	-	-	-	-	-	-	-	-	49,963
Secretary of Agriculture, Farmers' Home Administration (farm housing program)	-	-	-	-	-	-	-	-	-	-	15,000
Secretary of the Army (natural fibers revolving fund)	-	-	-	-	-	-	-	-	-	100,000	100,000
Tennessee Valley Authority	52,272	56,772	56,772	56,772	56,772	56,772	56,772	56,500	54,000	51,500	49,000
Virgin Islands Corporation (The) [2]	-	-	-	-	-	-	-	-	250	750	-
Total	104,272	301,689	4,078,691	7,535,145	10,717,260	12,168,702	11,673,128	11,945,841	2,788,924	6,851,062	8,422,756

NOTE.—Figures through 1942 on basis of Public Debt accounts, and for 1943 and subsequent years on basis of daily Treasury statements.

[1] Formerly United States Housing Authority. Executive Order 9070, of Feb. 24, 1942, transferred its functions to Federal Public Housing Authority. Federal Public Housing Authority was changed to Public Housing Administration by Reorganization Plan No. 3 of 1947.

[2] Effective June 30, 1949, by terms of the act of June 30, 1949 (63 Stat. 350), The Virgin Islands Corporation was established, and the Virgin Islands Company was dissolved and its assets and liabilities were transferred to the Corporation.

TABLE 65.—*Description of Treasury holdings of bonds and notes issued by Government corporations and other business-type activities, June 30, 1950*

[On basis of daily Treasury statements, see p. 443]

Title and authorizing act	Date of issue	Redeemable (on and after)	Payable	Interest payable	Rate of interest	Principal amount
Commodity Credit Corporation, act of Mar. 8, 1938, as amended:					*Percent*	
Interim notes, Series Three—1951 [1]	June 30, 1950	At any time	June 30, 1951	Dec. 31, June 30	1¼	$3, 193, 000, 000. 00
Economic Cooperation Administration, act of Apr. 3, 1948:						
Notes of Administrator	Various	do	June 30, 1984	At any time by agreement.	1⅞	963, 979, 000. 00
Notes of Administrator	do	do	Apr. 3, 1964	do	1⅞	431, 983. 75
						964, 410, 983. 75
Export-Import Bank of Washington, act of July 31, 1945, as amended:						
Notes, Series 1951	do	do	Dec. 31, 1951	June 30, Dec. 31	1	516, 200, 000. 00
Notes, Series 1959	do	do	June 30, 1959	do	1⅞	448, 300, 000. 00
						964, 500, 000. 00
Housing and Home Finance Administrator (slum clearance and community development and redevelopment), act of July 15, 1949:						
Note	April 10, 1950	do	June 30, 1952	Jan. 1, July 1	1⅞	500, 000. 00
Public Housing Administration, act of Sept. 1, 1937, as amended:						
Notes, Series O	Various	do	June 30, 1953	June 30, Dec. 31	1⅞	349, 000, 000. 00
Reconstruction Finance Corporation, act of Jan. 22, 1932, as amended:						
Notes, Series AA	do	do	July 1, 1952	Jan. 1, July 1	1⅞	1, 348, 307, 051. 84
Notes, Series AA	do	do	do	do	2	55, 939, 197. 91
Notes, Series CC	do	do	On demand		None	8, 000, 000. 00
Notes, Series DD	do	do	Jan. 1, 1955	Jan. 1, July 1	1⅞	44, 000, 000. 00
						1, 456, 246, 249. 75

Footnotes at end of table.

TABLE 65.—*Description of Treasury holdings of bonds and notes issued by Government corporations and other business-type activities, June 30, 1950*—Continued

Title and authorizing act	Date of issue	Redeemable (on and after)	Payable	Interest payable	Rate of interest	Principal amount
Rural Electrification Administration, act of May 20, 1936, as amended:					*Percent*	
Notes of Administrator	Various	At any time	Various	Jan. 1, July 1	2	$1,281,135,657.66
Secretary of Agriculture (Farmers' Home Administration program), act of June 29, 1949:						
Note	July 15, 1949	do	July 1, 1959	do	2	49,962,615.47
Secretary of Agriculture, Farmers' Home Administration (farm housing program), act of July 15, 1949:						
Note	Oct. 21, 1949	do	July 1, 1982	do.[2]	1⅞	15,000,000.00
Secretary of the Army (natural fibers revolving fund), act of June 29, 1948:						
Note	Apr. 7, 1949	do	June 1, 1952	June 30, Sept. 30, Dec. 31, Mar. 31.	1⅞	100,000,000.00
Tennessee Valley Authority, act of May 18, 1933, as amended:						
Bonds of 1943-51 [1]	Aug. 15, 1939	Aug. 15, 1943	Aug. 15, 1951	Feb. 15, Aug. 15	[3] 1¾	2,500,000.00
Bonds of 1947-57 [1]	do	Aug. 15, 1947	Aug. 15, 1957	do	[3] 2¼	15,000,000.00
Bonds of 1951-63 [1]	do	Aug. 15, 1951	Aug. 15, 1963	do	[3] 2⅜	15,000,000.00
Bonds of 1955-69 [1]	do	Aug. 15, 1955	Aug. 15, 1969	do	[3] 2½	16,500,000.00
						[4] 49,000,000.00
Total						8,422,755,506.63

[1] Guaranteed as to principal and interest.
[2] First interest payment will be made July 1, 1950.
[3] Interest is paid at the rate of 2 percent per annum while such bonds are held by the Treasury.
[4] Pursuant to act of July 30, 1947 (61 Stat. 576-577), repayments of not less than $2,500,000 must be made not later than June 30 of each calendar year.

TABLE 66.—*Transactions relating to Treasury holdings of bonds and notes issued by Government corporations and other business-type activities, fiscal year 1950*

Agency and obligation	Treasury holdings June 30, 1949	Transactions during the fiscal year 1950: Advances by Treasury	Transactions during the fiscal year 1950: Repayments and refunding	Transactions during the fiscal year 1950: Cancellations	Treasury holdings June 30, 1950
Commodity Credit Corporation:					
Noninterest-bearing notes, 14th Series	$163,000,000.00		$163,000,000.00		
1¼% Interim notes, Series Two—1950	1,506,000,000.00	$2,531,000,000.00	4,037,000,000.00		
1¼% Interim notes, Series Three—1951		3,193,000,000.00			$3,193,000,000.00
Economic Cooperation Administration:					
1⅞% Notes, due June 30, 1984	781,996,988.91	181,982,011.09			963,979,000.00
1⅞% Notes, due April 3, 1964	136.29	431,983.75	136.29		431,983.75
2% Notes, due April 3, 1964	9,997.14		9,997.14		
Export-Import Bank of Washington:					
1% Notes, Series 1951	516,200,000.00				516,200,000.00
1⅞% Notes, Series 1959	382,800,000.00	127,800,000.00	62,300,000.00		448,300,000.00
2% Notes, Series 1959	14,900,000.00	14,800,000.00	29,700,000.00		
Federal Farm Mortgage Corporation, 1% bonds of 1949	500,000.00		500,000.00		
Home Owners' Loan Corporation, 1¼% bonds, Series V	125,000,000.00		125,000,000.00		
Housing and Home Finance Agency (slum clearance program), 1⅞% note of Administrator		500,000.00			500,000.00
Public Housing Administration, 1⅞% notes, Series O	337,000,000.00	12,000,000.00			349,000,000.00
Reconstruction Finance Corporation:					
1⅞% Notes, Series AA	817,212,758.85	531,209,551.07		$115,258.08	1,348,307,051.84
2% Notes, Series AA	31,000,000.00	127,000,000.00	101,973,914.16	86,887.93	55,939,197.91
1⅞% Notes, Series DD		44,000,000.00			44,000,000.00
Noninterest-bearing notes, Series CC	1,008,000,000.00	38,000,000.00	1,038,000,000.00		8,000,000.00
Rural Electrification Administration, 2% notes of Administrator	1,015,192,569.09	285,000,000.00	19,056,911.43		1,281,135,657.66
Secretary of Agriculture:					
Farmers' Home Administration program, 2% notes		102,000,000.00	52,037,384.53		49,962,615.47
Farm housing program, 1⅞% notes		15,000,000.00			15,000,000.00
Secretary of the Army, 1⅞% note	100,000,000.00				100,000,000.00
Tennessee Valley Authority: [1]					
1¾% Bonds of 1943-51	5,000,000.00		2,500,000.00		2,500,000.00
2¼% Bonds of 1947-57	15,000,000.00				15,000,000.00
2⅜% Bonds of 1951-63	15,000,000.00				15,000,000.00
2½% Bonds of 1955-69	16,500,000.00				16,500,000.00
Virgin Islands Corporation, The, 1⅞% notes	750,000.00		750,000.00		
Total	6,851,062,450.28	7,203,723,545.91	5,631,828,343.55	202,146.01	8,422,755,506.63

[1] Interest rate of 2 percent per annum through Aug. 15, 1950. Interest rate at 1⅞ percent per annum effective Aug. 16, 1950, subject to change from time to time as conditions may warrant.

TABLE 67.—*Comparative statement of the combined net investment of the United States with respect to Government corporations and certain other assets and liabilities pertaining to business-type activities, as of June 30, 1941–50*

[In thousands of dollars. Classifications for 1944 and prior years conform to classifications prescribed in Budget-Treasury Regulation No. 3]

	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950
ASSETS										
Cash	376,399	402,508	[1] 1,763,264	618,304	700,775	1,351,216	1,792,484	1,042,253	513,840	473,566
Deposits with Govt. corps. and agencies	212,403	230,258	646,315	629,028	350,716	238,268	310,784	3,235	117,756	184,364
Loans receivable:										
Interagency	[2] 1,031,320	[2] 6,512,888	[2] 12,753,019	[2] 18,628,590	[2] 20,694,131	[2] 12,402,850	12,711,713	2,918,640	7,363,749	9,472,354
Others, less reserves	8,105,780	8,378,580	7,685,707	7,186,607	5,544,241	5,424,779	7,662,047	10,372,608	11,769,928	12,501,690
Accounts and other receivables:										
Interagency	37,034	68,044	150,343	573,028	1,570,161	1,680,201	872,405	211,522	1,224,344	170,394
Others, less reserves	480,568	643,162	1,320,784	1,535,677	914,485	937,116	804,464	279,545	243,886	322,488
Commodities, supplies, and materials, less reserves	(3)	(3)	(3)	(3)	2,506,305	1,459,311	850,763	250,698	1,139,795	2,185,643
Investments:										
Public debt securities	802,293	940,320	1,345,394	1,525,100	1,679,497	1,767,187	1,777,276	1,683,575	2,003,643	2,101,389
Capital stock and paid-in surplus of Govt. corps	[4] 540,741	[4] 603,741	632,741	637,741	639,010	444,151	444,422	190,500	200,500	200,500
Other interagency	901,396	945,610	745,228	355,895	11,335	8,582	1,709	------	------	------
International Bank for Reconstruction and Development—stock	------	------	------	------	------	158,750	635,000	635,000	635,000	635,000
International Monetary Fund—subscriptions	------	------	------	------	------	275	2,750,000	2,750,000	2,750,000	2,750,000
Others, less reserves	701,886	660,227	608,739	455,579	374,581	242,242	179,839	145,817	123,160	97,528
Land, structures, and equipment, less reserves	2,431,854	6,431,837	12,646,612	18,512,235	20,163,729	15,557,797	12,690,578	2,457,783	2,945,585	2,923,604
Acquired security or collateral, less reserves	(3)	(3)	(3)	(3)	75,382	40,625	28,597	29,330	52,516	85,772
All other assets, less reserves	74,477	120,064	551,387	1,105,241	1,593,252	632,374	494,915	473,293	54,424	41,786
Contra interagency assets	[5] 1,324	[5] 9,072	[5] 115,478	[5] 1,437,180	------	------	------	------	------	------
Total assets	15,697,474	25,946,310	40,965,009	53,200,203	56,817,600	[6] 42,345,726	44,006,994	[7] 23,443,798	[7] 31,138,124	[8] 34,146,079
LIABILITIES										
Accounts and other payables:										
Interagency	14,373	28,753	132,773	484,188	732,046	567,704	223,019	30,779	30,301	37,915
Others	[9] 54,059	[9] 39,566	[9] 35,458	[9] 20,954	1,099,520	1,272,217	395,849	184,467	303,753	322,111
Trust and deposit liabilities:										
Interagency	212,753	230,433	735,924	1,881,021	2,749,847	1,236,957	1,057,703	698,196	232,119	303,476
Others	(10)	(10)	(10)	(10)	258,693	442,813	505,557	177,188	288,685	380,484
Bonds, debentures, and notes payable:										
To Secretary of the Treasury	301,689	4,078,691	7,519,145	10,716,260	12,168,702	11,672,128	11,945,841	2,788,924	6,069,055	7,458,345
Other interagency	1,616,027	3,379,807	5,970,663	8,268,225	8,500,764	739,304	767,580	129,715	505,687	1,034,598
Others	7,672,760	5,796,744	5,191,585	2,994,836	1,664,831	1,559,217	589,253	903,923	890,372	791,913
All other liabilities	1,386,774	3,053,389	5,450,453	5,620,016	2,803,949	2,477,787	1,143,647	825,520	894,528	743,279
Contra interagency liabilities	[5] 38,635	[5] 48,188	[5] 51,876	[5] 274,027	------	------	------	------	------	------
Total liabilities	11,297,070	16,655,570	25,087,878	30,259,526	29,978,352	[6] 19,968,128	16,628,450	[7] 5,738,713	[7] 9,214,501	[8] 11,072,120

CAPITAL										
United States interest:										
Interagency	[4] 540, 741	[4] 603, 741	632, 741	637, 741	639, 010	444, 151	444, 422	190, 500	200, 500	200, 500
Other	3, 435, 684	8, 249, 474	14, 804, 281	21, 859, 790	25, 741, 337	21, 451, 391	26, 665, 196	[7] 17, 360, 738	[7] 21, 550, 871	[8] 22, 672, 117
Total United States interest	3, 976, 425	8, 853, 215	15, 437, 022	22, 497, 531	26, 380, 347	21, 895, 542	27, 109, 618	17, 551, 238	21, 751, 371	22, 872, 617
Private interest	423, 980	437, 525	440, 109	443, 146	458, 901	482, 056	268, 926	153, 846	172, 253	201, 341
Total capital	4, 400, 404	9, 290, 740	15, 877, 131	22, 940, 676	26, 839, 248	22, 377, 598	27, 378, 544	17, 705, 085	21, 923, 624	23, 073, 959
Total liabilities and capital	15, 697, 474	25, 946, 310	40, 965, 009	53, 200, 203	56, 817, 600	42, 345, 726	44, 006, 994	23, 443, 798	31, 138, 124	34, 146, 079

NOTE.—Prior to 1945, valuation reserves were reported as "other liabilities" rather than suspended credits to the respective asset accounts.

[1] Includes $1,250,000 thousand temporary borrowings by Commodity Credit Corporation from Secretary of the Treasury.

[2] Includes loans made by Secretary of the Treasury.

[3] Included in "land, structures, and equipment" classification.

[4] Includes stock of banks for cooperatives owned by Farm Credit Administration.

[5] Contra interagency assets and liabilities included for those agencies not reporting in statement prior to 1945.

[6] Decrease from 1945 caused in part by elimination of interagency assets and liabilities of merged R. F. C. affiliates effective July 1, 1945, and establishment of valuation and depreciation reserves.

[7] Decrease from 1947 caused in part with respect to (1) assets: exclusion of assets of U. S. Maritime Commission and War Shipping Administration functions (latest reports available to Treasury for these agencies relating to lend-lease and UNRRA activities are as of Mar. 31, 1947, and the remainder of War Shipping Administration functions as of Feb. 28, 1947) amounting to $11,367,847 thousand and decrease of $9,365,307 thousand by cancellation (Public Law 860, approved June 30, 1948) of Treasury loans to R. F. C. for which no assets were acquired by Treasury except right of future recoveries from nonlending net assets; (2) liabilities: exclusion of liabilities of U. S. Maritime Commission and War Shipping Administration functions (see parenthetical statement in item (1) above) amounting to $1,160,232 thousand, and decrease in R. F. C. liabilities to Treasury of $9,365,307 thousand referred to in item (1) above; and (3) United States interest other than interagency: exclusion of proprietary interest in U. S. Maritime Commission and War Shipping Administration functions (see parenthetical statement in item (1) above) amounting to $10,207,553 thousand.

[8] See footnote 7. Reorganization Plan No. 21, effective May 24, 1950, abolished the U. S. Maritime Commission and provided for its functions to be performed by a Federal Maritime Board and a Maritime Administration in the Department of Commerce. Current data on maritime activities will be published when available.

[9] Represents only accrued interest; other accrued liabilities included in "All other liabilities."

[10] Included in "All other liabilities."

TABLE 68.—*Balance sheets of Government corporations and certain other business-type activities as of June 30, 1950*

[In millions of dollars]

	Grand total	Corporations										
		Total corporations	Banks for cooperatives	Commodity Credit Corporation	Export-Import Bank of Washington	Federal Deposit Insurance Corporation	Federal Farm Mortgage Corporation	Federal home loan banks	Federal intermediate credit banks	Federal Savings and Loan Insurance Corporation	Home Owners' Loan Corporation (in liquidation)	Production credit corporations
ASSETS												
Cash on hand and in banks [1]	95.1	89.8	19.9	23.1	2.4	0.2		16.2	11.2	(*)	0.1	0.8
Cash with U. S. Treasury [1]	378.5	107.0	1.7	3.6	1.6	1.1	3.3	6.8	1.5	.4	7.8	
Deposits with other Govt. corps. and agencies	184.4	184.4										
Loans receivable:												
Interagency	9,472.4	1,049.2		15.0					17.0			
Others, less reserves	12,501.7	6,730.2	241.8	[2] 840.4	[3] 2,226.1	(*)	46.5	442.8	574.2		84.1	
Accounts and other receivables:												
Interagency	170.4	116.4	(*)	70.4	(*)			(*)	(*)	(*)	(*)	
Others, less reserves	322.5	236.2	2.1	117.1	20.7	2.6	1.3	1.9	5.3	.3	.3	.1
Commodities, supplies, and materials, less reserves	2,185.6	2,183.8		2,060.3		(*)						
Investments:												
Public debt securities of U. S.	2,101.4	1,885.1	43.5			1,275.8		287.7	45.7	190.3	2.0	40.1
Obligations of Govt. corps. and agencies	200.5	22.0										
Others, less reserves	3,482.5	97.2									.7	18.1
Land, structures, and equipment, less reserves	2,923.6	1,778.5	(*)	91.7	(*)	(*)		(*)				
Acquired security or collateral, less reserves	85.8	43.5	2.3			2.3	(*)			4.1	(*)	
All other assets, less reserves	41.8	29.9	.2	23.2	.2	(*)	.1	.4	.4	(*)	(*)	.2
Total assets	34,146.1	14,553.2	311.5	3,244.9	2,251.1	1,282.2	51.3	755.6	655.3	195.1	95.0	59.3
LIABILITIES												
Accounts and other payables:												
Interagency	37.9	25.3	(*)	.1	(*)	(*)	(*)	.4	.4	(*)	(*)	(*)
Others	322.1	306.5	.5	244.1	(*)	1.5	.1	2.9	3.1	(*)	.3	.3
Trust and deposit liabilities:												
Interagency	303.5	255.5	(*)	25.7	(*)	.1	.6	.3	(*)	(*)	(*)	(*)
Others	380.5	374.7	.1	23.6	.2	.1	.6	321.2	.4	(*)	3.6	(*)
Bonds, debentures, and notes payable: [4]												
U. S. Treasury	7,458.3	6,011.7		3,193.0	964.5							
Other interagency	1,034.6	1,034.6	17.0									
Others:												
Guaranteed by United States	18.3	2.6		[5] .2			.8				1.6	
Not guaranteed by United States	773.6	773.6	49.0					172.1	552.5		.1	
All other liabilities	743.3	579.3	.3	[2] 456.3	[3] 83.2	3.4	(*)		.4	6.9	2.5	(*)
Total liabilities	11,072.1	9,363.8	66.8	3,943.1	1,048.0	5.2	2.2	497.0	556.8	6.9	8.2	.3

CAPITAL												
United States interest:												
Capital stock	1,847.4	1,847.4	178.5	100.0	1,000.0		(*)	75.2	60.0	100.0	74.0	42.2
Paid-in surplus	1,213.5	1,213.5										
Expended appropriations	21,779.3	956.5										
Earned surplus, *or deficit*	*1,967.5*	970.7	48.3	*798.2*	203.1	[6] 1,277.1	49.0		38.5	[7] 88.2	12.9	16.8
Total United States interest	22,872.6	4,988.0	226.8	*698.2*	1,203.1	1,277.1	49.0	75.2	98.5	188.2	86.9	59.0
Private interest:												
Capital stock	169.1	169.1	[8] 14.1					155.0				
Earned surplus	32.2	32.2	3.8					28.4				
Total private interest	201.3	201.3	17.9					183.4				
Total capital	23,074.0	5,189.4	244.7	*698.2*	1,203.1	1,277.1	49.0	258.7	98.5	188.2	86.9	59.0
Total liabilities and capital	34,146.1	14,553.2	311.5	3,244.9	2,251.1	1,282.2	51.3	755.6	655.3	195.1	95.0	59.3
Contingent liabilities	476.4	454.5		100.3	7.0							
ANALYSIS OF INVESTMENT OF UNITED STATES												
Paid-in capital and expended appropriations	24,840.1	4,017.3	178.5	100.0	1,000.0		(*)	75.2	60.0	100.0	74.0	42.2
Treasury loans to Govt. corps. and agencies [9]	7,458.3	6,011.7		3,193.0	964.5							
Subtotal	32,298.5	10,029.1	178.5	3,293.0	1,964.5		(*)	75.2	60.0	100.0	74.0	42.2
Less total Treasury loans [10]	*7,458.3*											
Investment of the United States	24,840.1	10,029.1	178.5	3,293.0	1,964.5		(*)	75.2	60.0	100.0	74.0	42.2
Earned surplus, *or deficit*, U. S. share	*1,967.5*	970.7	48.3	*798.2*	203.1	1,277.1	49.0		38.5	88.2	12.9	16.8
Book value of U. S. interest, including interagency items	22,872.6	10,999.8	226.8	2,494.8	2,167.6	1,277.1	49.0	75.2	98.5	188.2	86.9	59.0
Interagency items—net amounts due to, *or from:*												
Government corporations	*21.2*		17.0	(*)	(*)			(*)	*17.0*	(*)		
Government agencies reporting	21.2	21.2		(*)				.4				
Government agencies not required to report	*992.8*	*55.8*	(*)	*59.6*	(*)	.2	.6	.3	.4	(*)	(*)	(*)
Interagency proprietary interests	[11] *200.5*	*22.0*										
Total interagency items, excluding Treasury loans to Govt. corps. and agencies	*1,193.3*	*56.6*	17.0	*59.6*	(*)	.2	.6	.7	*16.6*	(*)	(*)	(*)
Book value of U. S. interest, after exclusion of interagency items	21,679.3	10,943.2	243.8	2,435.2	2,167.6	1,277.2	49.7	75.9	81.9	188.2	86.9	59.0

* Less than $50,000.
[1] Excludes unexpended balances of appropriated funds.
[2] Includes $443.3 million guaranteed loans held by lending agencies.
[3] Includes $83.1 million guaranteed loans held by lending agencies.
[4] Includes notes for short-term borrowings.
[5] Represents guaranteed obligations arising from drafts and invoices paid by commercial banks.
[6] The surplus is not available by law for dividend distribution and is considered by the Corporation as a reserve for future deposit insurance losses and related expenses with respect to insured banks.
[7] The surplus is considered by the Corporation as available for future insurance losses and related expenses with respect to insured institutions.
[8] Includes $0.1 million deposits to "Guaranty fund."
[9] As shown above as a liability of each corporation or agency.
[10] As shown as an asset of the U. S. Treasury under "Other" business-type activities. This does not include obligations of the Economic Cooperation Administration, which agency is not required to report.
[11] Represents R. F. C. and Agricultural Marketing Act revolving fund proprietary interests in Government corporations.

TABLE 68.—*Balance sheets of Government corporations and certain other business-type activities as of June 30, 1950*—Continued

[In millions of dollars]

	Corporations—Continued					Certain other business-type activities							
	Public Housing Administration [12]	Reconstruction Finance Corporation: Exclusive of assets held for the U. S. Treasury	Reconstruction Finance Corporation: Assets held for the U. S. Treasury [13]	Tennessee Valley Authority	Other [14]	Total certain other business-type activities [15]	Farmers' Home Administration	Disaster loans etc., revolving fund (Farmers' Home Administration)	Federal Housing Administration	Federal Works Agency [16]	Public Housing Administration [17]	Rural Electrification Administration	Other [18]
ASSETS													
Cash on hand and in banks [1]		4.2			11.6	5.3	2.3	.3			.3		2.4
Cash with U. S. Treasury [1]	6.2	12.7		15.1	45.1	271.5	54.2		38.9	.3	34.7	26.9	116.4
Deposits with other Govt. corps. and agencies			179.7		4.6								
Loans receivable:													
Interagency		1,017.3				8,423.1						.4	[19] 8,422.8
Others, less reserves	304.3	909.0	1.6	.1	1,059.3	5,771.5	397.0	26.1	19.8	89.1	15.7	1,411.3	[20] 3,812.5
Accounts and other receivables:													
Interagency	(*)	17.5	5.8	1.0	21.7	54.0	(*)		(*)	7.6	(*)	(*)	46.3
Others, less reserves	4.7	13.1	51.5	5.3	10.0	86.3	32.5	.2	4.4	3.0	8.8	28.3	9.0
Commodities, supplies, and materials, less reserves			98.8	12.7	12.0	1.8					.1		1.7
Investments:													
Public debt securities of U. S.					.1	216.3	1.0		215.3				
Obligations of Govt. corps. and agencies		22.0				178.5							178.5
Others, less reserves	(*)	75.4	3.0			3,385.3			.3				[21] 3,385.0
Land, structures, and equipment, less reserves	192.1	1.0	604.7	854.7	34.1	1,145.1	.3		1.0	60.0	1,075.5	.4	7.9
Acquired security or collateral, less reserves		32.6			2.1	42.3	.4	(*)	34.3				7.6
All other assets, less reserves	1.0		3.4		.9	11.9	.5	(*)		7.8	3.6		.1
Total assets	508.3	2,104.8	948.5	888.8	1,201.4	19,592.9	488.1	26.6	313.9	167.9	1,138.7	1,467.3	15,990.3
LIABILITIES													
Accounts and other payables:													
Interagency	.1	13.3		1.3	9.6	12.6	.2		.1		.1	12.1	.2
Others	3.5	28.5		14.7	7.0	15.7		(*)	4.5		6.5	(*)	4.7
Trust and deposit liabilities:													
Interagency		228.5		(*)	.1	48.0	.4		1.0	(*)			46.6
Others		16.8		.1	7.9	5.8	2.2		2.8	.3	.3	(*)	.2
Bonds, debentures, and notes payable: [4]													
U. S. Treasury	349.0	1,456.2		49.0		1,446.6	65.0					1,281.1	100.5
Other interagency					1,017.6								
Others:													
Guaranteed by United States						15.6			15.6				
Not guaranteed by United States													
All other liabilities	7.0	10.8		1.7	6.7	164.0	.1	(*)	[22] 143.1	6.9	13.7		.1
Total liabilities	359.5	1,754.1		66.8	1,049.0	1,708.3	67.9	.1	167.1	7.3	20.6	1,293.2	152.2

CAPITAL													
United States interest:													
Capital stock	1.0	100.0			116.4								
Paid-in surplus	149.2		996.1	44.7	23.6								
Expended appropriations	74.2			746.5	135.7	20,822.8	394.7	31.3	87.2	2,144.8	1,755.5	193.3	16,216.0
Earned surplus, *or deficit*	*75.7*	250.7	*47.6*	[23] 30.8	*123.2*	*2,938.2*	25.6	*4.7*	59.6	*1,984.2*	*637.4*	*19.2*	*378.0*
Total United States interest	148.8	350.7	948.5	822.0	152.4	17,884.6	420.2	26.6	146.8	160.6	1,118.2	174.1	15,838.1
Private interest:													
Capital stock													
Earned surplus													
Total private interest													
Total capital	148.8	350.7	948.5	822.0	152.4	17,884.6	420.2	26.6	146.8	160.6	1,118.2	174.1	15,838.1
Total liabilities and capital	508.3	2,104.8	948.5	888.8	1,201.4	19,592.9	488.1	26.6	313.9	167.9	1,138.7	1,467.3	15,990.3
Contingent liabilities	230.8	115.5			.8	22.0	21.5		.4				(*)
ANALYSIS OF INVESTMENT OF UNITED STATES													
Paid-in capital and expended appropriations	224.5	100.0	996.1	791.2	275.6	20,822.8	394.7	31.3	87.2	2,144.8	1,755.5	193.3	16,216.0
Treasury loans to Govt. corps. and agencies [9]	349.0	1,456.2		49.0		1,446.6	65.0					1,281.1	100.5
Subtotal	573.5	1,556.2	996.1	840.2	275.6	22,269.4	459.7	31.3	87.2	2,144.8	1,755.5	1,474.5	16,316.5
Less total Treasury loans [10]						*7,458.3*							*7,458.3*
Investment of the United States	573.5	1,556.2	996.1	840.2	275.6	14,811.0	459.7	31.3	87.2	2,144.8	1,755.5	1,474.5	8,858.2
Earned surplus, *or deficit*, U. S. share	*75.7*	250.7	*47.6*	30.8	*123.2*	*2,938.2*	25.6	*4.7*	59.6	*1,984.2*	*637.4*	*19.2*	*378.0*
Book value of U. S. interest, including interagency items	497.8	1,806.9	948.5	871.0	152.4	11,872.8	485.2	26.6	146.8	160.6	1,118.2	1,455.2	8,480.2
Interagency items—net amounts due to, *or from:*													
Government corporations		*829.2*	*179.7*	(*)	1,008.9	*21.2*	(*)		.1	*7.6*		*.4*	*13.3*
Government agencies reporting		20.0		.4	.4		.2					12.1	*12.3*
Government agencies not required to report	.1	16.2	*5.8*	(*)	*8.3*	*937.0*	.4		.9	(*)	.1	(*)	*938.5*
Interagency proprietary interests		*22.0*				*178.5*							*178.5*
Total interagency items, excluding Treasury loans to Govt. corps. and agencies	.1	*815.0*	*185.5*	.4	1,001.1	*1,136.7*	.6		1.0	*7.6*	.1	11.7	*1,142.5*
Book value of U. S. interest, after exclusion of interagency items	497.8	991.9	763.0	871.4	1,153.5	10,736.1	485.8	26.6	147.8	153.0	1,118.2	1,466.9	7,337.7

Footnotes through 11 on p. 609.

[12] See table 69, footnote 3. [13] See table 69, footnote 4.

[14] Consists of Defense Homes Corporation (in liquidation); Federal Crop Insurance Corporation; Federal National Mortgage Association; Federal Prison Industries, Inc.; Inland Waterways Corporation; Institute of Inter-American Affairs; Panama Railroad Company; Smaller War Plants Corporation (in liquidation); The Virgin Islands Corporation; and War Damage Corporation (in liquidation).

[15] See table 69, footnote 6.

[16] Consists of Community Facilities Service and Public Works Administration (in liquidation). Figures for Community Facilities Service are as of May 23, 1950, at which time this activity was transferred to Housing and Home Finance Agency, pursuant to Reorganization Plan No. 17 of 1950.

[17] Consists of Farm Security Administration program, homes conversion program, public war housing program, and veterans' re-use housing program.

[18] See table 69, footnote 9.

[19] Represents obligations of Government corporations and agencies as shown under "Bonds, debentures, and notes payable—U. S. Treasury." The latter does not include $964.4 million obligations of the Economic Cooperation Administration, which agency is not required to report.

[20] Includes $3,750.0 million loan to the United Kingdom.

[21] Includes $2,750.0 million subscription to the International Monetary Fund and $635.0 million stock in the International Bank for Reconstruction and Development.

[22] Includes $83.5 million reserves for contingent losses, expenses, and other charges.

[23] Consists of net income from power operations of $156.2 million and net expense of non-income-producing programs of $125.4 million.

TABLE 69.—*Income and expense of Government corporations and certain other business-type activities, fiscal year 1950*

[In thousands of dollars. On basis of reports received from the corporations and activities]

	Grand total	Corporations										
		Total corporations	Banks for cooperatives	Commodity Credit Corporation	Export-Import Bank of Washington	Federal Deposit Insurance Corporation	Federal Farm Mortgage Corporation	Federal home loan banks	Federal intermediate credit banks	Federal Savings and Loan Insurance Corporation	Home Owners' Loan Corporation (in liquidation)	Production credit corporations
Income:												
Sale of commodities and supplies	1,634,677	1,616,194		1,237,017								
Sale of services	84,364	82,585										
Rents and royalties	82,659	8,563									(*)	
Interest and dividends:												
Interest on loans	360,547	187,196	8,706	7,443	62,516	1,987	3,040	7,340	11,176		9,827	
Interest on public debt securities	44,968	40,285	998			26,527		5,771	1,146	4,814	90	938
Interest, other	20,275	17,380	11	592		300		43	12			
Dividends	14,704	12,945									31	9
Guaranty and insurance premiums	223,546	141,005				120,449				7,923		
Other income:												
Gains on sale of fixed assets	7,219	168		7							49	
Gains on sale of investments	1,150	1,150	245					456	219			229
Gains on sale of acquired security or collateral	226	206	(*)			17	189					
Other	37,458	36,944	48	11,215	15	22	30	7	9	4	1,593	73
Total income	2,511,792	2,144,622	10,008	1,256,275	62,531	149,302	3,259	13,617	12,563	12,742	11,590	1,248
Expense:												
Cost of commodities and supplies sold	1,857,192	1,842,535		1,494,254								
Direct operating costs	97,345	54,541										
Interest expense:												
On borrowings from U. S. Treasury	101,247	77,588		[1] 32,557	12,578		(*)			[2] 2,000	556	
Other	36,278	35,761	1,758	123			37	6,236	8,142			
Administrative expenses	140,671	73,531	1,758	15,283	865	6,414	1,421	1,326	1,357	604	2,036	1,339
Depreciation (not included in cost of sales or direct operating costs)	15,394	7,694	1	289	6					4	1	
Grants, subsidies, and contributions:												
Direct	22,412	12,360		113								
Indirect												
Guaranty and insurance losses	15,709	15,709								99		
Other expenses	48,616	36,156		7,878	14	10	183	515	259	11	66	244
Losses and charge-offs:												
Loans charged off	35,214	1,733	8	304		1,069					8	

Other assets charged off	7,863	811	(*)	87					(*)			
Losses on sale of fixed assets	65,376	13,549										
Losses on sale of investments	14	14						8	(*)			5
Losses on sale of acquired security or collateral	3,461	553	30			532					*9*	
Direct charges to operating reserves	332	332										
Other	128	30									30	
Total expense	2,447,251	2,172,897	3,554	1,550,889	13,462	8,025	1,641	8,085	9,759	2,718	2,688	1,588
Net income, *or loss*, before adjustment of valuation and operating reserves	64,541	*28,275*	6,454	*294,615*	49,068	141,277	1,618	5,532	2,804	10,024	8,902	*339*
Adjustments of valuation and operating reserves:												
Reserve for losses on loans	200,083	60,124	1,313	64,480	21	1,132	1,757		1		15	
Reserve for losses on acquired security or collateral	*11,427*	*1,984*	*1,833*			*113*	*6*		(*)	*32*		
Reserve for losses on fixed assets	*6,795*	*38*										
Reserve for losses on commodities and supplies	*373,148*	*373,148*		*373,148*								
Operating reserves	*267*	1										
Other reserves	*59,983*	*24,479*	*22*	*24,438*							*8*	
Net adjustment of valuation and operating reserves	*251,538*	*339,524*	*543*	*333,107*	21	1,019	1,750		1	*32*	6	
Net income, *or loss*	*186,997*	*367,799*	5,912	*627,721*	49,090	142,296	3,368	5,532	2,805	9,992	8,908	*339*
Changes in unreserved earned surplus or deficit:												
Unreserved earned surplus, *or deficit*, June 30, 1949	[r] *3,040,879*	[r] *74,010*	28,435	*170,515*			62,661	8,957	25,269		1,468	17,141
Net income, *or loss*, for fiscal year 1950	*186,997*	*367,799*	5,912	*627,721*	49,090	142,296	3,368	5,532	2,805	9,992	8,908	*339*
Transfers to surplus reserves	*206,243*	*206,243*	*1,828*		*48,448*	*142,863*		*1,883*	*1,230*	*9,992*		
Transfers from surplus reserves	1,456	1,456										
Distribution of profits:												
To general fund revenues—deposit of earnings	*122,385*											
Dividends	*52,558*	*52,558*					*17,000*	*3,427*				
Other	*4,081*	6,221				491		*108*	*394*			
Prior year adjustments	56,354	75,817			*642*	77					2,510	
Unreserved earned surplus, *or deficit*, June 30, 1950	*3,555,334*	*617,116*	32,519	*798,236*			49,029	9,071	26,450		12,887	16,801

[r] Revised.
* Less than $500.
[1] Includes $2,000 thousand interest paid on capital stock.
[2] Represents payment of interest in lieu of dividends on capital stock outstanding during the fiscal year 1950.
[3] Represents activities under U. S. Housing Act, as amended. War housing and other operations of the Administration are shown under "Certain other business-type activities."
[4] Represents assets held for the Treasury in accordance with provisions of act of June 30, 1948 (62 Stat., 1187-1188), which provided for cancellation of R. F. C. notes in the amount of $9,313,736 thousand, plus interest accrued thereon subsequent to June 30, 1947, representing unrecovered costs to the Corporation as of June 30, 1947, in its national defense, war, and reconversion activities, and stipulated that any amounts recovered by the Corporation with respect to these activities subsequent to June 30, 1947, should, after deduction of related expenses, be deposited in the U. S. Treasury as miscellaneous receipts.

TABLE 69.—*Income and expense of Government corporations and certain other business-type activities, fiscal year 1950*—Continued

[In thousands of dollars]

	Corporations—Continued					Certain other business-type activities							
	Public Housing Administration [3]	Reconstruction Finance Corporation		Tennessee Valley Authority	Other [5]	Total certain other business-type activities [6]	Farmers' Home Administration	Disaster loans, etc., revolving fund (Farmers' Home Administration)	Federal Housing Administration	Federal Works Agency [7]	Public Housing Administration [8]	Rural Electrification Administration	Other [9]
		Exclusive of assets held for the U. S. Treasury	Assets held for the U. S. Treasury [4]										
Income:													
Sale of commodities and supplies			314,089	17,655	47,434	18,483							18,483
Sale of services				55,609	26,976	1,778							1,778
Rents and royalties	3,355		4,385	483	341	74,096	159	3			73,600		333
Interest and dividends:													
Interest on loans	7,681	34,920		19	32,541	173,351	28,483	451	7	4,714	471	25,071	114,152
Interest on public debt securities					1	4,683	20		4,663				
Interest, other		15,324	744		353	2,895	95	1	1,084	1,404	3		499
Dividends		12,905	(*)			1,759			1				1,758
Guaranty and insurance premiums		1,158			11,474	82,541	283		82,258				(*)
Other income:													
Gains on sale of fixed assets					112	7,050							7,050
Gains on sale of investments													
Gains on sale of acquired security or collateral						20	19						1
Other	85	8,650	9,164	2,508	3,522	514	206	16	39		148		105
Total income	11,121	72,958	328,382	76,274	122,753	367,170	29,075	471	88,052	6,118	74,222	25,071	144,159
Expense:													
Cost of commodities and supplies sold			293,003	15,820	39,457	14,657							14,657
Direct operating costs	665			30,471	23,404	42,803					36,848		5,955
Interest expense:													
On borrowings from U. S. Treasury	6,341	22,614		938	4	23,658	322					22,868	468
Other		4,102			15,363	517			488				29
Administrative expenses	6,285	16,392	4,578	1,603	12,273	67,140	25,833	480	27,401	251	5,881	7,078	216
Depreciation (not included in cost of sales or direct operating costs)	3,473			2,707	1,211	7,700	2,798		65		4,837		
Grants, subsidies, and contributions:													
Direct	6,652		898		4,697	10,053	46			10,007			
Indirect													
Guaranty and insurance losses					15,610								
Other expenses	61	1,234	12,190	8,757	4,735	12,460	45	7	16	4,859	516		7,018
Losses and charge-offs:													
Loans charged off					345	33,481	33,178	9			291		2
Other assets charged off	1		609		113	7,053	6,792	1			256		4
Losses on sale of fixed assets	6		12,987		556	51,827	25		1		50,505	21	1,276
Losses on sale of investments													
Losses on sale of acquired security or collateral						2,908	37		2,864				6

Direct charges to operating reserves					332								
Other						97				36	13		49
Total expense	23,484	44,342	324,265	60,298	118,100	274,354	69,075	496	30,835	15,152	99,148	29,967	29,680
Net income, *or loss*, before adjustment of valuation and operating reserves	*12,363*	28,616	4,117	[10]15,976	4,653	92,815	*39,999*	*25*	57,217	*9,034*	*24,926*	*4,896*	114,479
Adjustments of valuation and operating reserves:													
Reserve for losses on loans	*66*	*8,524*			*4*	139,959	144,405	*4,520*	3		292	*260*	39
Reserve for losses on acquired security or collateral						*9,442*	*185*	(*)	*9,330*				73
Reserve for losses on fixed assets					*38*	*6,757*					*6,757*		
Reserve for losses on commodities and supplies													
Operating reserves	21				*20*	*268*			*283*				15
Other reserves					*10*	*5,504*	*30,568*	*123*			*326*		*4,487*
Net adjustment of valuation and operating reserves	*45*	*8,524*			*71*	87,987	113.651	*4,643*	*9,610*		*6,792*	*260*	*4,360*
Net income, *or loss*	*12,408*	20.092	4,117	[10]15,976	4,582	180,802	73,652	*4,668*	47,607	*9,034*	*31,718*	*5,156*	110,119
Changes in unreserved earned surplus or deficit:													
Unreserved earned surplus, *or deficit*, June 30, 1949	*64,357*	250,000	r *51,673*	14,829	r *196,225*	r *2,966,870*	*48,101*	*10*	r 13,033	*1,970,392*	*576,674*	*14,090*	*370,636*
Net income, *or loss*, for fiscal year 1950	*12,408*	20,092	4,117	[10]15,976	4,582	180,802	73,652	*4,668*	47,607	*9,034*	*31,718*	*5,156*	110,119
Transfers to surplus reserves													
Transfers from surplus reserves		826			630								
Distribution of profits:													
To general fund revenues—deposit of earnings						*122,385*				*4,714*			*117,671*
Dividends		*20,732*			*11,400*								
Other					6,233	*10,302*					*10,302*		(*)
Prior year adjustments	1,082	*187*			[11]72,977	*19,463*			*1,000*	*25*	*18,657*		219
Unreserved earned surplus, *or deficit*, June 30, 1950	*75,684*	250,000	*47,556*	30,805	*123,205*	*2,938,218*	25,552	*4,678*	59,640	*1,984,165*	*637,351*	*19,247*	*377,968*

Footnotes through 4 on p. 613.

[5] See table 70, footnote 8.

[6] Reorganization Plan No. 21, effective May 24, 1950, abolished the U. S. Maritime Commission and provided for its functions to be performed by a Federal Maritime Board and a Maritime Administration in the Department of Commerce. Current data on maritime activities will be published when available.

[7] See table 68, footnote 16.

[8] Consists of Farm Security Administration program, homes conversion program, public war housing program, and veterans' re-use housing program.

[9] Consists of Agricultural Marketing Act revolving fund; Federal Security Agency—loans to students; Department of the Interior—Indian loans and Puerto Rico Reconstruction Administration; Department of the Army—guaranteed loans (World War II) and natural fibers revolving fund; Department of the Navy—guaranteed loans (World War II) and sale of surplus supplies (World War I); Housing and Home Finance Agency, Office of Administrator—Alaska housing program and slum clearance program; Treasury Department—miscellaneous loans and certain other assets; Veterans' Canteen Service; and guaranteed loans to veterans.

[10] Represents net income during the fiscal year 1950 from power operations.

[11] Includes cancellation of Federal Crop Insurance Corporation stock held by the U. S. Treasury in the amount of $73,000 thousand as authorized by Public Law 268, 81st Congress, approved Aug. 25, 1949.

TABLE 70.—*Source and application of funds of Government corporations and certain other business-type activities, fiscal year 1950*

[In thousands of dollars. On basis of reports received from the corporations and activities]

	Corporations											
	Grand total	Total corporations	Banks for cooperatives	Commodity Credit Corporation	Export-Import Bank of Washington	Federal Deposit Insurance Corporation	Federal Farm Mortgage Corporation	Federal home loan banks	Federal intermediate credit banks	Federal Savings and Loan Insurance Corporation	Home Owners' Loan Corporation (in liquidation)	Production credit corporations
Funds applied:												
To acquisition of assets:												
Loans made	14,008,145	6,356,982	373,096	2,048,303	196,280	229	171	364,331	[1]1,519,628	-------	1,731	-------
Purchase of investments:												
Public debt securities of U. S.	804,938	755,394	5,779	-------	-------	142,000	-------	388,402	191,879	15,650	-------	11,685
Other securities	1,096	921	-------	-------	-------	-------	-------	-------	-------	-------	-------	915
Purchase, construction, or improvement of fixed assets	169,801	167,363	1,223	95,362	15	-------			-------	4	1	-------
Cost of acquiring collateral on defaulted loans	48,486	8,058	-------	-------	-------	2,269	65	-------	(*)	4,235	28	-------
Other	1,387,316	1,387,299	-------	[2]1,387,232	-------	-------	-------	-------	-------	-------	-------	-------
Total acquisition of assets	16,419,783	8,676,016	380,098	3,530,897	196,295	144,498	236	752,733	1,711,507	19,888	1,760	12,600
To expenses (excluding depreciation and other charges not requiring funds)	818,820	646,837	3,516	56,198	13,456	6,462	1,641	8,077	9,758	2,615	2,688	1,582
To retirement of borrowings and capital, and distribution of surplus:												
Repayment of borrowings:												
To U. S. Treasury:												
By cash	2,459,818	2,388,724	-------	[3]1,028,000	92,000	-------	500	-------		-------	125,000	-------
By cancellation of notes	202	202	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------
To other Govt. corps. and agencies	116,113	115,992	115,992	-------	-------	-------	-------	-------	-------	-------	-------	-------
To the public	1,471,758	1,469,009	101,110	102,514	-------	-------	346	438,965	825,150	-------	648	-------
Repayment of capital and surplus:												
To U. S. Treasury	272,505	197,710	-------	-------	-------	-------	-------	27,271	500	-------	126,000	4,000
To others	14,639	14,639	7,384	-------	-------	-------	-------	516	-------	-------	-------	-------
General fund revenues—deposit of earnings	122,385	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------
Dividends	55,515	48,808	-------	-------	-------	-------	17,000	3,427	-------	26,981	-------	-------
Other distribution of surplus	1,700	685	-------	-------	-------	-------	-------	108	394	160	-------	-------
Total retirement of borrowings and capital, and distribution of surplus	4,514,636	4,235,769	224,486	1,130,514	92,000	-------	17,846	470,288	826,044	27,141	251,648	4,000
To increase in working capital and deferred items	252,157	139,846	3,369	114,337	868	1,640	672	-------	553	-------	4,042	122
Other funds applied	36,566	36,566	-------	-------	36,566	-------	-------	-------	-------	-------	-------	-------
Total funds applied	22,041,962	13,735,034	611,469	4,831,947	339,185	152,600	20,397	1,231,097	2,547,862	49,644	260,138	18,304

Funds provided:												
By realization of assets:												
Repayment of loans:												
By cash	9,732,362	3,983,547	372,825	776,309	134,696	462	17,099	284,978	[1]1,572,042		236,900	
By cancellation of corporation notes	202											
Sale or collection of investments:												
Public debt securities of U. S	708,295	708,103	5,819					461,204	191,457	32,001	8,200	9,422
Capital stock of Govt. corps												
Other securities	26,803	26,663									3,414	7,844
Sale of fixed assets	32,310	2,546		7	(*)							
Sale of acquired security or collateral	11,686	4,014	943			2,741	230			21	34	
Other	1,236,235	1,236,234		[4]1,236,225								
Total realization of assets	11,747,893	5,961,108	379,588	2,012,542	134,697	3,202	17,329	746,182	1,763,499	32,021	248,548	17,266
By income	1,265,574	899,763	9,813	11,404	61,888	149,398	3,068	13,161	12,307	12,742	11,590	1,038
By borrowings, capital and surplus subscriptions, and appropriations:												
Borrowings:												
From U. S. Treasury	3,849,310	3,446,810		[3]2,552,000	142,600							
From other Govt. corps. and agencies	645,024	644,903	65,584									
From the public	1,373,299	1,367,857	148,930	93,362				353,450	772,055			
Capital and surplus subscriptions:												
By U. S. Treasury												
By others	53,561	53,561	7,554					26,969				
Cancellation of notes to U. S. Treasury												
General fund appropriations—expended	1,762,876	50,514										
Other	1,000	1,000										
Total borrowings, capital and surplus subscriptions and appropriations	7,685,070	5,564,645	222,068	2,645,362	142,600			380,419	772,055			
By decrease in working capital and deferred items	1,340,709	1,309,495		[5]162,639				91,336		4,880		
Other funds provided	2,715	23										
Total funds provided	22,041,962	13,735,034	611,469	4,831,947	339,185	152,600	20,397	1,231,097	2,547,862	49,644	260,138	18,304

*Less than $500.
[1] Includes renewals.
[2] Represents purchase and exchange of commodities and other related items.
[3] Excludes exchanges of notes amounting to $3,172,000 thousand.
[4] Represents sales and exchange of commodities.
[5] The net change in working capital and deferred items is a decrease of $48,302 thousand; however, to conform to the presentation required in the report sent to the Bureau of the Budget, cash with U. S. Treasurer has been reflected here as a separate item.
[6] Represents activities under the U. S. Housing Act, as amended. War housing and other operations of the Administration are shown under "Certain other business-type activities."
[7] See table 69, footnote 4.

TABLE 70.—*Source and application of funds of Government corporations and certain other business-type activities, fiscal year 1950*—Continued

[In thousands of dollars]

	Corporations—Continued					Certain other business-type activities							
	Public Housing Administration [6]	Reconstruction Finance Corporation: Exclusive of assets held for the U. S. Treasury	Reconstruction Finance Corporation: Assets held for the U. S. Treasury [7]	Tennessee Valley Authority	Other [8]	Total certain other business-type activities [9]	Farmers' Home Administration	Disaster loans, etc., revolving fund (Farmers' Home Administration)	Federal Housing Administration	Federal Works Agency [10]	Public Housing Administration [11]	Rural Electrification Administration	Other [12]
Funds applied:													
To acquisition of assets:													
Loans made	19,203	887,449		133	946,428	7,651,164	119,712	31,116				286,659	[13] 7,213,676
Purchase of investments:													
Public debt securities of U. S.						49,544			49,544				
Other securities			(*)		6	176			175				1
Purchase, construction, or improvement of fixed assets	880	36	7,713	59,871	2,258	2,438			284		1,567	61	527
Cost of acquiring collateral on defaulted loans					1,462	40,428			36,960				3,468
Other					67	18							18
Total acquisition of assets	20,083	887,485	7,713	60,003	950,220	7,743,767	119,712	31,116	86,962		1,567	286,719	7,217,690
To expenses (excluding depreciation and other charges not requiring funds)	13,351	44,342	310,669	47,794	124,689	171,983	26,246	486	27,905	15,152	43,958	29,947	28,289
To retirement of borrowings and capital, and distribution of surplus:													
Repayment of borrowings:													
To U. S. Treasury:													
By cash		1,139,974		2,500	750	71,094	52,037					19,057	
By cancellation of notes		202											
To other Govt. corps. and agencies						121			121				
To the public	1				275	2,749			2,749				
Repayment of capital and surplus:													
To U. S. Treasury	(*)		25,047	4,174	10,717	74,794	8,099		261	4,224	55,613		6,597
To others			6,738		(*)								
General fund revenues—deposit of earnings						122,385				4,714			117,671
Dividends					1,400	6,707			6,707				
Other distribution of surplus					23	1,015					922		93
Total retirement of borrowings and capital, and distribution of surplus	1	1,140,176	31,785	6,674	13,165	278,866	60,137		9,839	8,939	56,535	19,057	124,361
To increase in working capital and deferred items	2,925			8,473	2,844	112,311	56,784	576			28,311	8,587	18,052
Other funds applied													
Total funds applied	36,361	2,072,003	350,167	122,945	1,090,918	8,306,927	262,878	32,179	124,706	24,091	130,370	344,310	7,388,393

Funds provided:													
By realization of assets:													
Repayment of loans:													
By cash	4,485	225,283	325	1,184	356,960	5,748,815	85,068	1,762	-----	525	811	26,886	5,633,762
By cancellation of corporation notes	-----	-----	-----	-----	-----	202	-----	-----	-----	-----	-----	-----	202
Sale or collection of investments:													
Public debt securities of U. S.	-----	-----	-----	-----	-----	192	-----	-----	192	-----	-----	-----	-----
Capital stock of Govt. corps.	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Other securities	-----	15,400	-----	-----	6	140	-----	-----	3	-----	-----	-----	137
Sale of fixed assets	553	-----	-----	1,608	378	29,764	93	-----	4	13,995	14,225	(*)	1,448
Sale of acquired security or collateral	-----	-----	-----	-----	45	7,672	125	-----	7,235	-----	-----	-----	313
Other	-----	-----	-----	-----	9	(*)	-----	-----	-----	-----	-----	-----	(*)
Total realization of assets	5,038	240,684	325	2,791	357,398	5,786,785	85,285	1,762	7,434	14,520	15,036	26,887	5,635,861
By income	11,122	72,958	328,382	78,251	122,642	365,811	29,056	471	88,052	6,118	72,870	25,071	144,172
By borrowings, capital and surplus subscriptions, and appropriations:													
Borrowings:													
From U. S. Treasury	12,000	740,210	-----	-----	-----	402,500	117,000	-----	-----	-----	-----	285,000	500
From other Govt. corps. and agencies	-----	-----	-----	-----	579,319	121	-----	-----	121	-----	-----	-----	-----
From the public	-----	-----	-----	-----	60	5,441	-----	-----	5,441	-----	-----	-----	-----
Capital and surplus subscriptions:													
By U. S. Treasury	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
By others	2,544	-----	7,738	2,754	6,003	-----	-----	-----	-----	-----	-----	-----	-----
Cancellation of notes to U. S. Treasury	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
General fund appropriations—expended	5,634	-----	-----	39,148	5,732	1,712,362	31,536	29,946	5,000	*1,699*	35,935	7,353	1,604,290
Other	-----	-----	-----	-----	1,000	-----	-----	-----	-----	-----	-----	-----	-----
Total borrowings, capital and surplus subscriptions, and appropriations	20,178	740,210	7,738	41,902	592,114	2,120,425	148,536	29,946	10,562	*1,699*	35,935	292,353	1,604,790
By decrease in working capital and deferred items	-----	[14]1,018,152	13,723	-----	18,764	31,214	-----	-----	18,657	5,152	3,836	-----	3,569
Other funds provided	23	-----	-----	-----	-----	2,692	-----	-----	-----	-----	2,692	-----	-----
Total funds provided	36,361	2,072,003	350,167	122,945	1,090,918	8,306,927	262,878	32,179	124,706	24,091	130,370	344,310	7,388,393

Footnotes through 7 on p. 617.

[8] Consists of Defense Homes Corporation (in liquidation); Federal Crop Insurance Corporation; Federal National Mortgage Association; Federal Prison Industries, Inc.; Inland Waterways Corporation; Institute of Inter-American Affairs; Institute of Inter-American Transportation (liquidated); Panama Railroad Company; Smaller War Plants Corporation (in liquidation); The Virgin Islands Corporation; and War Damage Corporation (in liquidation).

[9] See table 69, footnote 6.

[10] See table 68, footnote 16.

[11] Consists of Farm Security Administration program, homes conversion program, public war housing program, and veterans' re-use housing program.

[12] See table 69, footnote 9.

[13] Includes $182,414 thousand advanced to Economic Cooperation Administration, which agency is not required to report.

[14] Includes net repayments for allocations to Secretary of State.

TABLE 71.—*Restoration of capital impairment of the Commodity Credit Corporation through June 30, 1950*

		Amount
Appropriations:		
Act of June 25, 1938 (appraisal as of Mar. 31, 1938, H. Doc. 670, 75th Cong.)		$94, 285, 404. 73
Act of Aug. 9, 1939 (appraisal as of Mar. 31, 1939, H. Doc. 317, 76th Cong.)		119, 599, 918. 05
Act of July 3, 1941 (appraisal as of Mar. 31, 1941, H. Doc. 248, 77th Cong.)		1, 637, 445. 51
Act of Apr. 25, 1945 (appraisal as of Mar. 31, 1944, H. Doc. 48, 79th Cong.)		[1] 256, 764, 881. 04
Total appropriations		472, 287, 649. 33
Cancellation of obligations of the Corporation held by the Treasury:		
Act of July 20, 1946 (appraisal as of June 30, 1945, H. Doc. 54, 79th Cong.)	$921, 456, 561. 00	
Act of May 26, 1947 (appraisal as of June 30, 1946, H. Doc. 186, 80th Cong.)	641, 832, 080. 64	
		1, 563, 288, 641. 64
Capital impairment June 30, 1949 (general appropriations bill, 1951)		66, 698. 457. 00
		2, 102, 274, 747. 97
Less amount returned to Treasury:		
Appraisal as of Mar. 31, 1940	43, 756, 731. 01	
Appraisal as of Mar. 31, 1942	27, 815, 513. 68	
Appraisal as of June 30, 1947	17, 693, 492. 14	
Appraisal as of June 30, 1948	48, 943, 010. 36	
		138, 208, 747. 19
Net charges to Treasury to restore impaired capital of Commodity Credit Corporation		1, 964, 066, 000. 78

[1] Includes $39,436,884.93 appropriated for capital impairment, applicable to Mar. 31, 1943, appraisal.

TABLE 72.—*Reconstruction Finance Corporation notes canceled through June 30, 1950, and recoveries during the fiscal year 1950*

	Cancellations		Recoveries, fiscal year 1950
	Total through June 30, 1949	Fiscal year 1950	
Transfer of public buildings (act of July 30, 1947, Public Law 268, 80th Congress)	$9, 735, 561. 99		
Unrecovered costs as of June 30, 1947, national defense, war, and reconversion (act of June 30, 1948, Public Law 860, 80th Congress)	9, 359, 742, 084. 04		$25, 022, 694. 56
Strategic and critical materials (act of June 30, 1948, Public Law 860, 80th Congress):			
Metals, etc	14, 316, 380. 33	$160, 616. 31	
Rubber	3, 585, 054. 31	41, 529. 70	
Net investment of Defense Homes Corporation (act of June 28, 1948, Public Law 796, 80th Congress)	1, 512, 930. 24		
All other	3, 459, 562, 200. 74		
Total	12, 848, 454, 211. 65	202, 146. 01	25, 022, 694. 56

TABLE 73.—*Securities owned by the Government (other than World War I foreign government obligations), June 30, 1950, and changes during 1950*

[On basis of the face value of the securities received by the United States, with due allowance for repayments. To the extent that the securities are not held in the custody of the Treasury, the statement is made up from reports received from other Government departments and establishments]

Security and issuing agent	Authorizing act	Amount owned June 30, 1950	Net increase during 1950	Net decrease during 1950	Explanation of change
Capital stock of Government corporations:					
Banks for cooperatives	June 16, 1933, as amended	$178,500,000.00			
Commodity Credit Corporation	do	100,000,000.00			
Defense Homes Corporation (in liquidation)	Jan. 22, 1932, as amended	10,000,000.00			
Disaster Loan Corporation	Feb. 11, 1937, as amended	([1])			
Export-Import Bank of Washington	June 16, 1933, as amended	1,000,000,000.00			
Federal Crop Insurance Corporation	Feb. 16, 1938; Aug. 25, 1949	27,000,000.00		$73,000,000.00	Capital stock was canceled in accordance with Public Law 268, 81st Cong., approved Aug. 25, 1949.
Federal Farm Mortgage Corporation	Jan. 31, 1934, as amended	10,000.00			
Federal home loan banks	July 22, 1932, as amended	75,221,900.00		27,270,800.00	Repayments of capital funds to miscellaneous receipts.
Federal intermediate credit banks	Mar. 4, 1923, as amended	60,000,000.00			
Federal National Mortgage Association [2]	June 27, 1934, as amended	20,000,000.00			
Federal Savings and Loan Insurance Corporation.	June 27, 1934	100,000,000.00			
Home Owners' Loan Corporation (in liquidation).	June 13, 1933, as amended	74,000,000.00		126,000,000.00	Repayments of capital funds to miscellaneous receipts.
Inland Waterways Corporation	June 3, 1924, as amended	14,000,000.00			
Panama Railroad Company	June 28, 1902; June 29, 1948	[3] 1.00			
Production credit corporations	June 16, 1933, as amended	42,235,000.00		4,000,000.00	Repayments to revolving fund.
Public Housing Administration	Sept. 1, 1937, as amended	1,000,000.00			
Reconstruction Finance Corporation	Jan. 22, 1932, as amended	100,000,000.00			
Smaller War Plants Corporation (in liquidation).	June 11, 1942, as amended	44,400,000.00		10,000,000.00	Repayment to miscellaneous receipts.
Tennessee Valley Associated Cooperatives, Inc. (liquidated).	May 12, 1933				Liquidation completed Dec. 31, 1948; stock has been canceled and charter surrendered.
U. S. Commercial Company	Jan. 22, 1932, as amended				Corporation dissolved; stock to be canceled by R. F. C.
Virgin Islands Corporation, The	May 12, 1933; June 30, 1949			30.00	Repayment of capital stock after reincorporation on June 30, 1949.
War Damage Corporation (in liquidation) [2]	Jan. 22, 1932, as amended	1,000,000.00			
Total capital stock		1,847,366,901.00		240,270,830.00	
Net change in capital stock				240,270,830.00	
Paid-in surplus of Government corporations:					
Federal National Mortgage Association [2]	June 27, 1934, as amended	1,000,000.00			
Federal intermediate credit banks	Jan 31, 1934			500,000.00	Repayment of paid-in surplus.
Total paid-in surplus [4]		1,000,000.00		500,000.00	
Net change in paid-in surplus				500,000.00	

Footnotes at end of table.

TABLE 73.—*Securities owned by the Government (other than World War I foreign government obligations), June 30, 1950, and changes during 1950*—Continued

Security and issuing agent	Authorizing act	Amount owned June 30, 1950	Net increase during 1950	Net decrease during 1950	Explanation of change
Bonds and notes of Government corporations and agencies:					
Commodity Credit Corporation	Mar. 8, 1938, as amended	$3,193,000,000.00	$1,524,000,000.00		Net borrowings from Treasury.
Economic Cooperation Administration	Apr. 3, 1948	964,410,983.75	182,403,861.41		Borrowings from Treasury.
Export-Import Bank of Washington	July 31, 1945	964,500,000.00	50,600,000.00		Net borrowings from Treasury.
Federal Farm Mortgage Corporation	Jan. 31, 1934, as amended			$500,000.00	Repayment to Treasury.
Home Owners' Loan Corporation	June 13, 1933, as amended			125,000,000.00	Repayments to Treasury.
Housing and Home Finance Administrator:					
Slum clearance program	July 15, 1949	500,000.00	500,000.00		Amount borrowed from Treasury.
Public Housing Administration	Sept. 1, 1937, as amended	349,000,000.00	12,000,000.00		Borrowings from Treasury.
Reconstruction Finance Corporation	Jan. 22, 1932, as amended	1,456,246,249.75		[5] 399,966,509.10	Net repayments to Treasury including cancellations of $202,146.01.
Rural Electrification Administration	July 30, 1947, as amended	1,281,135,657.66	265,943,088.57		Net borrowings from Treasury.
Secretary of Agriculture:					
Farmers' Home Administration program	June 29, 1949	49,962,615.47	49,962,615.47		Do.
Farmers' Home Administration (farm housing program).	July 15, 1949; Oct. 14, 1949	15,000,000.00	15,000,000.00		Borrowings from Treasury.
Secretary of the Army:					
Natural fibers revolving fund	June 29, 1948	100,000,000.00			
Tennessee Valley Authority	May 18, 1933, as amended	49,000,000.00		[6] 2,500,000.00	Repayment to Treasury.
Virgin Islands Corporation, The	July 30, 1947; June 30, 1948			750,000.00	Do.
Total bonds and notes		8,422,755,506.63	2,100,409,565.45	528,716,509.10	
Net change in bonds and notes			1,571,693,056.35		
Other securities:					
Department of the Army:					
Guaranteed loans (World War II)	June 11, 1942; July 1, 1944	5,231,249.09		125,806.21	Repayments.
Department of the Navy:					
Sale of surplus property (World War I)	July 9, 1918	398,112.87		201,887.13	Do.
Guaranteed loans (World War II)	June 11, 1942; July 1, 1944	489,043.64			
Disaster loans, etc., revolving fund (Farmers' Home Administration):					
Production and disaster loans, etc	Apr. 6, 1949	31,745,693.66	29,335,636.45		Net loans made.
Farm Credit Administration:					
Loans from Agricultural Marketing Act revolving fund.	June 15, 1929, as amended	75,684,056.24	313,259.55		Do.
Farmers' Home Administration:					
Loans to aid agriculture	July 1, 1918, as supplemented Apr. 8, 1935, as supplemented Aug. 14, 1946, as supplemented.	[7] 459,103,565.78		63,856,229.60	Net repayments.

Federal Housing Administration:					
Mortgage notes and contracts on sales of acquired real estate.	June 27, 1934, as amended	20,128,818.20		233,338.96	Net repayments and other deductions.
Stock in rental and war housing corporations.	do	326,985.00	171,200.00		Net stock purchased.
Title I defaulted notes	do	42,242,474.95	10,484,504.55		Net loans made.
Federal Security Agency:					
Student war loans	July 2, 1942	1,239,163.84		203,319.15	Net repayments and other deductions.
Federal Works Agency:					
Loans to States, municipalities, railroads, and others.	June 16, 1933, as amended	87,225,000.00	580,360.00		Net loans made.
Community facilities loans	Oct. 14, 1940, as amended	[8] 1,897,552.17		115,130.67	Net repayments and other deductions.
Housing and Home Finance Administrator:					
Alaska housing program loans	Apr. 23, 1949	83,300.00	83,300.00		Program started its operations in 1950.
Slum clearance program loans	July 15, 1949	16,281.00	16,281.00		Do.
Interior Department:					
Indian loans	June 18, 1934, as amended	9,974,751.91	2,525,941.16		Net loans made.
Maritime Administration:					
Ship construction, and reconditioning loans, ship sales notes, etc.	Sept. 7, 1916, as amended, and Reorganization Plan No. 21 of 1950.	([9])			
Public Housing Administration:					
Public war housing program	Sept. 1, 1937, as amended	12,203,376.61	3,517,360.57		Net loans made.
Farm Security Administration program	do	3,528,331.81	2,505,158.13		Do.
Homes conversion program	do	22,609.73		23,009.35	Net repayments and other deductions.
Puerto Rico Reconstruction Administration:					
Loans	Apr. 8, 1935, as supplemented.	8,478,366.83	1,110,451.39		Net loans made.
Certificates of Cafeteros de Puerto Rico	do	3,928.04	987.92		Net increase in certificates.
Reconstruction Finance Corporation affiliate, assets held for U. S. Treasury:					
Loans	June 30, 1948	1,587,386.85		324,908.97	Net decrease.
Other securities	do	3,007,010.00	100.00		Net amount of securities acquired.
Rural Electrification Administration:					
Advances to cooperatives, States and private utilities.	July 30, 1947; Oct. 28, 1949	[10] 131,528,202.23		6,186,045.94	Net repayments and other deductions.
Tennessee Valley Authority:					
Counties and municipalities	May 18, 1933, as amended	147,315.69		1,051,102.15	Do.
Treasury Department:					
Federal savings and loan associations	June 13, 1933, as amended			136,600.00	Repayments.
Railroads	Feb. 28, 1920, as amended	5,959,000.00			
Securities received by Bureau of Internal Revenue in settlements of tax liabilities.	Mar. 3, 1863, and opinion of General Counsel of the Treasury Department, Apr. 16, 1937.	22,997.70		190,567.70	Net collections on securities.
Advances to Federal Reserve Banks	June 19, 1934	27,546,310.97			
Subscriptions to International Bank for Reconstruction and Development and to International Monetary Fund.	July 31, 1945	3,385,000,000.00			
Credit to United Kingdom	July 15, 1946	3,750,000,000.00			

Footnotes at end of table

TABLE 73.—*Securities owned by the Government (other than World War I foreign government obligations), June 30, 1950, and changes during 1950*—Continued

Security and issuing agent	Authorizing act	Amount owned June 30, 1950	Net increase during 1950	Net decrease during 1950	Explanation of change
Other securities—Continued					
Veterans' Administration:					
Guaranteed loans to veterans	June 22, 1944, as amended	$6,941,749.57	$4,361,253.13		Net loans made.
Virgin Islands Corporation, The:					
Loans to aid agriculture	June 30, 1949	4,000.00	4,000.00		Amount of loans made.
Total, other securities		[11] 8,071,766,634.38	55,009,793.85	$72,647,945.83	
Net change in other securities				17,638,151.98	
Total, all securities		[12] 18,342,889,042.01	2,155,419,359.30	842,135,284.93	
Net change in all securities			1,313,284,074.37		
Less: Face amount of above securities acquired by Government corporations from corporate funds or by exchange for corporate obligations:					
Capital stock: Reconstruction Finance Corporation.[9]		21,000,000.00			
Paid-in surplus: Reconstruction Finance Corporation.		1,000,000.00			
Total face amount of securities owned by the United States.		[12] 18,320,889,042.01	2,155,419,359.30	842,135,284.93	
Net change during year			1,313,284,074.37		

Amount due the United States from the Central Branch Union Pacific Railroad on account of bonds issued (Pacific Railroad Aid Bonds Acts, approved July 1, 1862, July 2, 1864, and May 7, 1878):

Principal	$1,600,000.00
Interest	1,494,971.68
Total	3,094,971.68

[1] Corporation functions, assets, and liabilities have been transferred for liquidation to R.F.C., and ownership of stock by Treasury consists of stock certificate of $24,000,000 indorsed for $18,243,104.96 representing payment by R.F.C. The Treasury has not canceled this stock certificate because there is no authority to do so.

[2] Reconstruction Finance Corporation funds.

[3] Pursuant to sec. 246 of act of June 29, 1948 (62 Stat. 1076–1077), the Corporation issued to the United States as of July 1, 1948, a receipt for $1.00 as evidence of ownership of the Corporation by the United States. This amount is consequently shown as capital stock and the remainder of the capital stock of the predecessor corporation, $6,999,999, is included in surplus.

[4] Exclusive of net payments from Treasury, or transfer of assets authorized by law, for which no formal receipts or other evidences of payment are held by Secretary of the Treasury in the following:

Stock corporations:	
Inland Waterways Corporation	$12,298,164.69
Panama Railroad Company	232,182.67
Public Housing Administration	149,221,652.49
Nonstock corporations:	
Federal Prison Industries, Inc	4,940,320.26
Institute of Inter-American Affairs	2,765,737.17
Reconstruction Finance Corporation affiliate:	
Assets held for the U. S. Treasury	996,071,666.35
Tennessee Valley Authority	44,656,059.46
Virgin Islands Corporation, The	2,330,726.41
Total	1,212,516,509.50

[5] Consists of net cash repayments of $399,764,363.09 to Treasury and cancellations of R.F.C. notes amounting to $202,146.01. Cancellations were made under provisions of act of June 30, 1948 (62 Stat. 1187–1188), representing costs incurred subsequent to June 30, 1947, for handling, storing, processing, and transporting strategic and critical materials to stockpiles.

[6] A payment in this amount is required to be made not later than June 30 of each calendar year under provisions of act of July 30, 1947 (61 Stat. 576–577).

[7] Excludes $64,962,615.47 shown under bonds and notes in preceding part of this table. This sum represents funds borrowed from the Treasury which, together with funds appropriated to Farmers' Home Administration, are available for emergency crop and feed loans and rural rehabilitation loans to farmers, etc.

[8] Figures are as of May 23, 1950, at which time this activity was transferred to Housing and Home Finance Agency, pursuant to Reorganization Plan No. 17 of 1950.

[9] Reorganization Plan No. 21 effective May 24, 1950, abolished the U. S. Maritime Commission and provided for its functions to be performed by a Federal Maritime Board and a Maritime Administration in the Department of Commerce. Current data on maritime activities will be published when available.

[10] Excludes $1,281,135,657.66 shown under bonds and notes in preceding part of this table. This sum represents funds borrowed from the Treasury which, together with funds appropriated to Rural Electrification Administration, are available for advances to cooperatives, States, and private utilities.

[11] Reserves amounting to $237,551,279.69 have been established against these securities.

[12] Includes loans amounting to $1,587,386.85 and securities amounting to $3,007,010.00 held by R. F. C. affiliate, assets held for U. S. Treasury, as of June 30, 1950. Comparable amounts as of June 30, 1949, were not included in this table in the 1949 annual report.

TABLE 74.—*Capital stock of Federal home loan banks held on June 30, 1949 and 1950, repayments on capital stock, and dividends earned by the Treasury during the fiscal year 1950*

Bank	Stock held June 30, 1949	Repayments fiscal year 1950	Stock held June 30, 1950	Dividends earned, fiscal year 1950
Boston	$12,000,000.00	$2,800,000.00	$9,200,000.00	$119,000.00
Chicago	14,173,900.00	4,173,900.00	10,000,000.00	190,000.00
Cincinnati	5,000,000.00	5,000,000.00		56,250.00
Des Moines	5,798,700.00	5,798,700.00		24,740.25
Greensboro (formerly Winston-Salem)	6,618,000.00	796,700.00	5,821,300.00	[1] 99,270.00
Little Rock	8,772,400.00		8,772,400.00	131,586.00
New York	15,963,200.00	1,963,200.00	14,000,000.00	184,816.00
Pittsburgh	11,146,300.00	6,146,300.00	5,000,000.00	[1] 167,194.50
San Francisco	15,927,900.00	264,100.00	15,663,800.00	157,958.50
Topeka	7,092,300.00	327,900.00	6,764,400.00	121,656.00
Total	102,492,700.00	27,270,800.00	75,221,900.00	[2] 1,252,471.25

[1] Dividends declared annually on December 31 of each year.
[2] This figure stated on an accrual basis. Actual coverings into the Treasury for 1950 amounted to $1,260,268.75.

TABLE 75.—*Securities acquired under the Transportation Act of 1920, or in exchange for securities so acquired by reason of subsequent railroad reorganizations, and held by the Treasury and the Reconstruction Finance Corporation, June 30, 1950*

Securities held June 30, 1950	Interest and dividends received during 1950
Held by the Treasury:	
Fort Dodge, Des Moines & Southern Ry. Co.:	
$160,000 general mortgage, 4% income bonds, Series B	$4,400.00
Chicago, Milwaukee, St. Paul and Pacific R. R. Co.:	
32,070 shares of 5% noncumulative preferred stock	
Georgia & Florida Ry. (receiver): [1]	
$1,100,000 first mortgage, 6% gold bonds, Series A	
Waterloo, Cedar Falls & Northern Ry. Co.:	
$2,200,000 general mortgage, 7% gold bonds, due May 1, 1950	
Held by the Reconstruction Finance Corporation:	
Seaboard Air Line R. R. Co.: [2]	
$5,785,800 general mortgage, 4½% income bonds, Series A	260,361.00
$72 scrip certificate on above	
9,543.16 shares of preferred stock	59,643.75
Voting trust certificate for 102,273.08 shares of common stock	204,546.00
Total	528,950.75

[1] Securities held by the Treasury but administered by the Reconstruction Finance Corporation pursuant to Executive Order 9744, Sept. 30, 1946.
[2] Securities administered by the Reconstruction Finance Corporation pursuant to Executive Order 9543, Apr. 3, 1945.

TABLE 76.—*Dividends, interest, etc., received by the Treasury from Government corporations and other enterprises, fiscal year 1950*

	Amount
Commodity Credit Corporation:	
Interest on capital stock outstanding	$2,000,000.00
Interest on borrowings from U. S. Treasury	30,557,153.52
Economic Cooperation Administration:	
Interest on borrowings from U. S. Treasury	12.70
Export-Import Bank of Washington:	
Interest on borrowings from U. S. Treasury	12,577,801.42
Farmers' Home Administration:	
Interest on borrowings from U. S. Treasury	121,457.30
Federal Farm Mortgage Corporation:	
Pursuant to act of June 29, 1949 (63 Stat. 347), all cash funds in excess of operating requirements for each fiscal year are to be declared as dividends and paid into the Treasury	17,000,000.00
Interest on borrowings from U. S. Treasury	178.08
Federal intermediate credit banks:	
Franchise tax	260,665.80
Federal home loan banks:	
Dividends	1,260,268.75
Federal Prison Industries, Inc.:	
Dividends	400,000.00
Federal savings and loan associations:	
Dividends	1,670.50
Federal Savings and Loan Insurance Corporation:	
Payment in lieu of accumulated dividends on capital stock outstanding from June 27, 1934, to June 30, 1950, was made in accordance with Public Law 576, 81st Congress, approved June 27, 1950	28,981,112.27
Home Owners' Loan Corporation:	
Interest on borrowings from U. S. Treasury	555,683.99
Panama Railroad Company:	
Dividends	1,000,000.00
Public Housing Administration (U. S. Housing Act):	
Interest on borrowings from U. S. Treasury	6,340,711.33
Reconstruction Finance Corporation:	
In accordance with act of May 25, 1948 (62 Stat. 261–262), dividends representing the accumulated net income in excess of $250,000,000 for the fiscal year 1949 were paid into the Treasury	1,345,185.29
Interest on borrowings from U. S. Treasury	17,070,858.23
Rural Electrification Administration:	
Interest on borrowings from U. S. Treasury	19,515,957.37
Secretary of the Army (natural fibers revolving fund):	
Interest on borrowings from U. S. Treasury	339,723.97
Tennessee Valley Authority:	
Receipts from power operations	4,174,462.68
Interest on borrowings from U. S. Treasury	764,076.09
Virgin Islands Corporation, The:	
Interest on borrowings from U. S. Treasury	15,721.75
War Damage Corporation:	
Amount realized on liquidation of corporation	639,856.25
Total	144,922,557.29

STOCK AND CIRCULATION OF MONEY IN THE UNITED STATES

TABLE 77.—*Stock of money, money in the Treasury, in the Federal Reserve Banks, and in circulation, by kinds, June 30, 1950*

[In millions of dollars, except per capita figures]

Kind of money	Stock of money	Money held in the Treasury: Total	Money held in the Treasury: Amount held as security against gold and silver certificates (and Treasury notes of 1890)	Money held in the Treasury: Reserve against United States notes (and Treasury notes of 1890)	Money held in the Treasury: Held for Federal Reserve Banks and agents	Money held in the Treasury: All other money	Money outside of the Treasury: Total	Money outside of the Treasury: Held by Federal Reserve Banks and agents	In circulation: Amount [1]	In circulation: Per capita [2]
Gold	[3] 24,231	24,231	23,023	156	...	1,052	...	...	...	...
Standard silver dollars	493	320	303	...	...	17	173	3	170	1.12
Silver bullion	2,023	2,023	2,023	...	...	...	...	...	...	...
Subsidiary silver	1,002	10	...	...	...	10	991	26	965	6.36
Minor coin	378	8	...	...	...	8	371	10	361	2.38
United States notes	347	2	...	...	...	2	344	23	321	2.11
Federal Reserve notes	23,603	52	...	...	...	52	23,551	791	22,760	150.08
Federal Reserve Bank notes	277	(*)	...	...	...	(*)	277	3	274	1.80
National bank notes	88	(*)	...	...	...	(*)	87	1	86	.57
Subtotal	52,440	26,646	25,349	156	...	[4] 1,142	25,794	857	24,937	164.42
Gold certificates	[5] 23,023	[6] 20,167	...		[6 7] 20,167	...	2,856	2,816	41	.27
Silver certificates	[5] 2,325	...	...	...	...	...	2,325	147	2,177	14.36
Treasury notes of 1890	[5] 1	...	...	...	...	...	1	...	1	.01
Subtotal	[5] 25,349	[6] 20,167	...		[6 7] 20,167	...	5,182	2,963	2,219	14.64
Total June 30, 1950	52,440	26,646	25,349	156	...	[4] 1,142	[8] 30,796	3,820	27,156	179.06
Comparative totals:										
June 30, 1949	53,104	26,861	25,555	156	20,430	1,151	31,368	3,875	27,493	184.25
October 31, 1920	8,480	2,437	719	153	1,212	353	6,761	1,063	5,698	53.18
March 31, 1917	5,397	2,952	2,682	153		117	5,126	953	4,173	40.49
June 30, 1914	3,798	1,846	1,507	150	...	188	3,459	...	3,459	34.90
January 1, 1879	1,007	212	22	100	...	91	816	...	816	16.76

NOTE.—For a description of security held, see table 79, footnote 2.

*Less than $500,000.

[1] Money in circulation includes any paper currency held outside continental limits of United States.

[2] Based on Bureau of the Census estimated population for continental United States.

[3] Does not include gold other than that held by Treasury.

[4] Includes $155,500,000 lawful money deposited as reserve for Postal Savings deposits.

[5] Excluded from total stock, since gold or silver held as security against gold and silver certificates and Treasury notes of 1890 is included under gold, standard silver dollars, and silver bullion, respectively.

[6] Excluded from total in Treasury (see footnote 5).

[7] Includes credits with Treasurer of the United States payable in gold certificates in (1) gold certificate fund, Board of Governors, Federal Reserve System, in amount of $19,643,875,142, and (2) redemption fund for Federal Reserve notes in amount of $522,649,141.

[8] The amount of gold and silver certificates and Treasury notes of 1890 should be deducted from this amount before combining with total money held in Treasury to arrive at stock of money in United States (see footnote 5).

TABLE 78.—*Stock of money, money in the Treasury, in the Federal Reserve Banks, and in circulation, June 30, 1913–50* [1]

[In thousands of dollars, except per capita figures]

June 30	Stock of money [2]	Money held in the Treasury					Money outside of the Treasury			
		Total [3]	Amount held as security against gold and silver certificates (and Treasury notes of 1890)	Reserve against United States notes (and Treasury notes of 1890)	Held for Federal Reserve Banks and agents [3]	All other money	Total	Held by Federal Reserve Banks and agents	In circulation	
									Amount [4]	Per capita [5]
1913	3,777,021	1,834,112	1,475,783	150,000	----------	208,329	3,418,692	----------	3,418,692	35.16
1915	4,050,783	1,967,665	1,619,429	152,977	----------	195,259	3,702,547	382,965	3,319,582	33.01
1920	8,158,496	2,379,664	704,638	152,979	1,184,276	337,771	6,483,470	1,015,881	5,467,589	51.36
1925	8,299,382	4,176,381	2,059,799	153,621	1,752,744	210,217	6,182,799	1,367,591	4,815,208	41.57
1930	8,306,564	4,021,937	1,978,448	156,039	1,796,239	91,211	6,263,075	1,741,087	4,521,988	36.74
1935	15,113,035	9,997,362	7,131,431	156,039	5,532,590	2,709,891	6,714,514	1,147,422	5,567,093	43.75
1936	17,402,493	11,851,635	9,355,224	156,039	5,304,027	2,340,372	9,602,055	3,360,854	6,241,200	48.74
1937	19,376,690	13,685,480	10,240,964	156,039	6,030,913	3,288,477	9,901,261	3,454,205	6,447,056	50.05
1938	20,096,865	14,535,627	12,233,068	156,039	7,829,838	2,146,520	9,964,467	3,503,576	6,460,891	49.77
1939	23,754,736	17,862,671	15,299,262	156,039	10,708,118	2,407,369	10,483,210	3,436,467	7,046,743	53.84
1940	28,457,960	21,836,936	19,651,067	156,039	14,938,895	2,029,829	11,333,196	3,485,695	7,847,501	59.46
1941	32,774,611	24,575,186	22,300,087	156,039	17,506,167	2,119,059	12,993,346	3,380,914	9,612,432	72.16
1942	35,840,908	24,783,526	22,596,352	156,039	17,750,403	2,031,135	15,903,331	3,520,465	12,382,866	91.95
1943	40,868,266	24,466,764	22,199,035	156,039	17,408,945	2,111,690	21,191,591	3,770,331	17,421,260	127.63
1944	44,805,301	23,173,693	20,878,641	156,039	16,194,111	2,139,012	26,316,138	3,811,797	22,504,342	162.98
1945	48,009,400	22,202,115	19,923,738	156,039	15,239,072	2,122,338	30,491,950	3,745,512	26,746,438	191.61
1946	49,648,011	22,649,365	20,397,885	156,039	15,287,592	2,095,441	32,108,928	3,863,941	28,244,997	199.99
1947	50,599,352	23,633,353	22,318,880	156,039	17,223,658	[6] 1,158,433	32,061,222	3,763,994	28,297,227	196.46
1948	52,601,129	25,890,134	24,563,132	156,039	19,442,373	1,170,962	31,831,755	3,928,896	27,902,859	190.37
1949	53,103,980	26,861,355	25,554,811	156,039	20,429,710	1,150,505	31,367,726	3,874,816	27,492,910	184.25
1950	52,440,353	26,646,409	25,348,625	156,039	20,166,524	1,141,744	30,976,045	3,819,755	27,156,290	178.93

[1] Figures differ slightly from monthly circulation statements for following reasons: (*a*) Beginning June 30, 1922, form of circulation statement was revised so as to include in holdings of Federal Reserve Banks and agents, and hence in stock of money, gold bullion and foreign gold coin held by Federal Reserve Banks and agents, and to include in holdings of Federal Reserve Banks and agents, and hence exclude from money in circulation, all forms of money held by Federal Reserve Banks and agents, whether as reserve against Federal Reserve notes or otherwise. For sake of comparableness, figures in this table for earlier years include these changes. For full explanation of this revision, see 1922 annual report, p. 433. (*b*) The form of circulation statement was revised again beginning Dec. 31, 1927, so as to exclude earmarked gold coin from stock of money, and hence from money in circulation; to include in holdings of Federal Reserve Banks and agents, and hence in stock of money, gold held abroad for account of Federal Reserve Banks; and to include in all categories, minor coin (1-cent piece and 5-cent piece). Beginning Dec. 31, 1927, circulation statement is dated for end of month instead of beginning of succeeding month, as was practice theretofore, and figures on revised basis for "Money held in the Treasury" are used. For sake of comparableness, figures in this table for earlier years include these changes. For full explanation of this revision, see 1928 annual report, pp. 70–71. For figures for all years from 1860 through 1934, see 1947 annual report, pp. 478–481. Changes, minor in amount, are made in some figures in the June 30 circulation statements for use in these annual report tables.

[2] Excludes gold and silver certificates and Treasury notes of 1890 outside Treasury. Beginning with 1934, excludes amount (gold certificates) held for Federal Reserve Banks and agents. These items are excluded since gold and silver held as security against them are included. Composition of the stock of money is shown in table 79.

[3] From 1934 to date, amount (gold certificates) held for Federal Reserve Banks and agents is excluded from total money in Treasury, see footnote 2.

[4] Composition of money in circulation is shown in table 80.

[5] Based on Bureau of Census estimated population for continental United States as of July 1 of each year.

[6] On February 26, 1947, gold in amount of $1,800,000,000 held for account of exchange stabilization fund was used as follows: (1) $687,500,000.11 was paid to International Monetary Fund; (2) $275,224,999.89 was transferred to gold certificate fund, Board of Governors, Federal Reserve System; and (3) $837,275,000 was transferred to general fund of Treasury (and is included in this column).

TABLE 79.—*Stock of money, by kinds, June 30, 1913–50* [1]

[Dollars in thousands]

June 30	Gold [2]	Silver bullion [2]	Standard silver dollars [2]	Subsidiary silver	Minor coin	United States notes [2]	Federal Reserve notes [2]	Federal Reserve Bank notes [2]	National bank notes [2]	Total [3]	Percentage of gold to total money
1913	$1,870,762	----------	$568,273	$175,196	$56,951	$346,681	----------	----------	$759,158	$3,777,021	49.53
1915	1,985,539	----------	568,272	185,430	61,327	346,681	$84,261	----------	819,274	4,050,783	49.02
1920	2,865,482	----------	268,857	258,855	92,479	346,681	3,405,877	$201,226	719,038	8,158,496	35.12
1925	4,360,382	----------	522,061	283,472	104,004	346,681	1,942,240	7,176	733,366	8,299,382	52.54
1930	4,534,866	----------	539,960	310,978	126,001	346,681	1,746,501	3,260	698,317	8,306,564	54.59
1935	9,115,643	$313,309	545,642	312,416	133,040	346,681	3,492,854	84,354	769,096	15,113,035	60.32
1936	10,608,417	708,211	547,080	331,716	139,057	346,681	4,296,310	53,300	371,722	17,402,493	60.96
1937	12,318,271	835,196	547,080	358,899	150,954	346,681	4,508,973	38,472	272,164	19,376,690	63.57
1938	12,962,954	1,037,163	547,079	373,461	157,183	346,681	4,420,815	30,840	220,688	20,096,865	64.50
1939	16,110,079	1,230,586	547,079	379,812	161,147	346,681	4,763,989	26,074	189,292	23,754,736	67.82
1940	19,963,091	1,353,162	547,078	402,261	173,909	346,681	5,481,778	22,809	167,190	28,457,960	70.15
1941	22,624,198	1,435,909	547,078	447,248	199,364	346,681	7,001,521	20,704	151,909	32,774,611	69.03
1942	22,736,705	1,505,844	547,077	529,814	224,748	346,681	9,790,727	18,976	140,337	35,840,908	63.44
1943	22,387,522	1,519,746	538,996	659,968	244,850	346,861	14,404,174	632,971	133,358	40,868,266	54.78
1944	21,173,066	1,520,134	494,337	734,488	276,393	346,681	19,527,974	605,011	127,218	44,805,301	47.26
1945	20,212,973	1,520,295	493,943	825,798	303,539	346,681	23,650,975	533,979	121,215	48,009,400	42.10
1946	20,269,934	1,909,099	493,580	878,958	325,978	346,681	24,839,323	469,343	115,114	49,648,011	40.83
1947	21,266,490	1,923,913	493,462	922,656	348,889	346,681	24,780,495	409,443	107,323	50,599,352	42.03
1948	23,532,460	1,955,072	493,100	952,299	359,506	346,681	24,503,331	358,321	100,358	52,601,129	44.74
1949	24,466,324	1,988,559	492,857	989,456	371,956	346,681	24.040,979	313,333	93,835	53,103,980	46.07
1950	24,230,720	2,022,835	492,583	1,001,574	378,463	346,681	23,602,680	277,202	87,615	52,440,353	46.21

[1] See table 78, footnote 1. For figures for all years from 1860 through 1934, see 1947 annual report, pp. 482–484.

[2] Part of gold and silver included in stock of money is held as reserve against other kinds of money, as follows: (1) As reserve for United States notes and Treasury notes of 1890—gold bullion (gold coin and bullion prior to gold conservation actions of 1933 and 1934) varying in amount from $150,000,000 to $156,039,431 during years included in this table; (2) also as security for Treasury notes of 1890 (these notes are being canceled and retired on receipt)—an equal dollar amount in standard silver dollars; (3) as security for outstanding silver certificates—silver in bullion and standard silver dollars of monetary value equal to face amount of such silver certificates; and (4) as security for gold certificates—gold bullion (gold coin and bullion before gold actions of 1933 and 1934) of value at legal standard equal to face amount of such gold certificates. Federal Reserve notes are secured by deposit by Federal Reserve Banks with Federal Reserve agents of like amount of gold certificates (gold prior to actions of 1933 and 1934) or of gold certificates and such discounted or purchased paper as are eligible under terms of Federal Reserve Act, as amended, or (from Feb. 27, 1932) of direct obligations of United States. Federal Reserve Banks must maintain reserves in gold certificates (gold for 1933 and prior years) of at least 25 percent (40 percent prior to passage of act of June 12, 1945) including redemption fund which must be deposited with Treasurer of United States, against Federal Reserve notes in actual circulation ("Gold certificates" as herein used for 1934 and subsequent years include credits with Treasurer of United States payable in gold certificates). Federal Reserve notes are obligations of United States and first lien on all assets of issuing Federal Reserve Bank. Federal Reserve Bank notes at time of issuance were secured by direct obligations of United States or commercial paper; however, lawful money has been deposited with Treasurer of United States for their redemption and they are in process of retirement. National bank notes at issuance were secured by direct obligations of United States; lawful money has been deposited with Treasurer for their redemption and they are being retired.

[3] Totals involve duplication to extent that United States notes and Federal Reserve notes, included in full, are in part secured by gold, also included in full. Gold certificates, silver certificates, and Treasury notes of 1890 have been excluded, however, since they are complete duplications of equal amounts of gold or silver held as security therefor and included in totals.

TABLE 80.—*Money in circulation, by kinds, June 30, 1913–50* [1]

[In thousands of dollars]

June 30	Gold coin	Gold certificates [2]	Standard silver dollars	Silver certificates [2]	Treasury notes of 1890 [2]	Subsidiary silver	Minor coin	United States notes [2]	Federal Reserve notes [2]	Federal Reserve Bank notes [2]	National bank notes [2]	Total
1913	608, 401	1, 003, 998	72, 127	469, 129	2, 657	154, 458	54, 954	337, 215	----------	----------	715, 754	3, 418, 692
1915	587, 537	821, 869	64, 499	463, 147	2, 245	159, 043	58, 516	309, 796	70, 810	----------	782, 120	3, 319, 582
1920	474, 822	259, 007	76, 749	97, 606	1, 656	248, 863	90, 958	278, 144	3, 064, 742	185, 431	689, 608	5, 467, 589
1925	402, 297	1, 004, 823	54, 289	382, 780	1, 387	262, 009	100, 307	282, 578	1, 636, 108	6, 921	681, 709	4, 815, 208
1930	357, 236	994, 841	38, 629	386, 915	1, 260	281, 231	117, 436	288, 389	1, 402, 066	3, 206	650, 779	4, 521, 988
1935	(3)	117, 167	32, 308	701, 474	1, 182	295, 773	125, 125	285, 417	3, 222, 913	81, 470	704, 263	5, 567, 093
1936	(3)	100, 771	35, 029	954, 592	1, 177	316, 476	134, 691	278, 190	4, 002, 216	51, 954	366, 105	6, 241, 200
1937	(3)	88, 116	38, 046	1, 078, 071	1, 172	340, 827	144, 107	281, 459	4, 168, 780	37, 616	268, 862	6, 447, 056
1938	(3)	78, 500	39, 446	1, 230, 156	1, 169	341, 942	145, 625	262, 155	4, 114, 338	30, 118	217, 441	6, 460, 891
1939	(3)	71, 930	42, 407	1, 453, 573	1, 166	361, 209	154, 869	265, 962	4, 483, 552	25, 593	186, 480	7, 046, 743
1940	(3)	66, 793	46, 020	1, 581, 662	1, 163	384, 187	168, 977	247, 887	5, 163, 284	22, 373	165, 155	7, 847, 501
1941	(3)	62, 872	52, 992	1, 713, 508	1, 161	433, 485	193, 963	299, 514	6, 684, 209	20, 268	150, 460	9, 612, 432
1942	(3)	59, 399	66, 093	1, 754, 255	1, 158	503, 947	213, 144	316, 886	9, 310, 135	18, 717	139, 131	12, 382, 866
1943	(3)	56, 909	83, 701	1, 648, 571	1, 155	610, 005	235, 672	322, 343	13, 746, 612	584, 162	132, 130	17, 421, 260
1944	(3)	53, 964	103, 325	1, 587, 691	1, 154	700, 022	262, 775	322, 293	18, 750, 201	597, 030	125, 887	22, 504, 342
1945	(3)	52, 084	125, 178	1, 650, 689	1, 150	788, 283	291, 996	322, 587	22, 867, 459	527, 001	120, 012	26, 746, 438
1946	(3)	50, 223	140, 319	2, 025, 178	1, 149	843, 122	316, 994	316, 743	23, 973, 006	464, 315	113, 948	28, 244, 997
1947	(3)	47, 794	148, 452	2, 060, 728	1, 147	875, 971	331, 039	320, 403	23, 999, 004	406, 260	106, 429	28, 297, 227
1948	(3)	45, 158	156, 340	2, 060, 869	1, 146	918, 691	346, 112	321, 485	23, 600, 323	353, 499	99, 235	27, 902, 859
1949	(3)	42, 665	163, 894	2, 060, 852	1, 145	939, 568	355, 316	318, 688	23, 209, 437	308, 821	92, 524	27, 492, 910
1950	(3)	40, 772	170, 185	2, 177, 251	1, 145	964, 709	360, 886	320, 781	22, 760, 285	273, 788	86, 488	27, 156, 290

[1] See table 78, footnote 1. For figures for all years from 1860 through 1934, see 1947 annual report, pp. 485–487.

[2] For description of reserves held against various kinds of money, see table 79, footnote 2.

[3] Gold Reserve Act of 1934, which was culmination of gold actions of 1933, vested in United States title to all gold coin and gold bullion. Gold coin was withdrawn from circulation and formed into bars. Gold coin ($287,000,000) shown on Treasury records as being then outstanding was dropped from monthly circulation statement as of Jan. 31, 1934.

TABLE 81.—*Paper currency issued and redeemed during the fiscal year 1950, and outstanding June 30, 1950, by classes and denominations*

	Issued during 1950	Redeemed during 1950	Outstanding June 30, 1950		
			In Treasury	In Federal Reserve Banks	Outside Treasury and Federal Reserve Banks
CLASS					
Gold certificates	$111,100	$2,064,850	$527,600	$2,815,555,600	$40,772,029
Silver certificates	1,940,200,000	1,887,220,600	9,339,818	147,377,190	2,177,251,046
United States notes	202,216,000	202,216,000	2,464,405	23,435,182	320,781,429
Treasury notes of 1890		355	1,530		1,145,061
Federal Reserve notes	5,297,950,000	5,736,249,565	51,835,210	790,559,655	22,760,284,970
Federal Reserve Bank notes		36,130,928	77,372	3,337,080	273,787,504
National bank notes		6,219,374	367,510	759,550	86,488,322
Total	7,440,477,100	7,870,101,672	64,613,445	3,781,024,257	25,660,510,361
DENOMINATION					
$1	1,127,400,000	1,145,423,454	8,753,730	113,664,120	1,036,572,665
$2	27,216,000	27,487,468	451,110	12,892,177	60,808,571
$5	1,423,700,000	1,455,197,710	5,268,465	125,558,120	1,965,909,275
$10	2,363,620,000	2,386,243,070	12,641,080	244,075,710	5,890,960,092
$20	1,826,040,000	2,025,269,520	23,790,120	236,038,930	8,363,429,386
$50	241,150,000	286,205,550	3,016,800	63,805,500	2,386,087,115
$100	358,800,100	387,323,400	6,099,400	103,718,700	4,939,554,120
$500	28,335,000	33,822,500	1,186,500	17,958,000	377,884,250
$1,000	36,801,000	113,294,000	2,880,000	40,273,000	627,598,500
$5,000	725,000	1,155,000		2,610,000	4,380,000
$10,000	6,590,000	8,680,000		10,330,000	8,790,000
$100,000	100,000			2,810,100,000	
Fractional parts					62,627
Unassorted			526,240		
	7,440,477,100	7,870,101,672	64,613,445	3,781,024,257	25,662,036,601
Deduct:					
Unknown, destroyed					1,000,000
Unassorted					526,240
Total	7,440,477,100	7,870,101,672	64,613,445	3,781,024,257	25,660,510,361

CUSTOMS STATISTICS

TABLE 82.—*Summary of customs collections and expenditures, fiscal year 1950*

[On basis of accounts of the Bureau of Customs]

Collections [1]	Amount	Appropriations and expenditures	Amount
Customs collections:		Appropriation "Collecting the revenue from customs":	
Duties on imports	$425,068,387	Regular	$35,150,000
Miscellaneous collections (fines, penalties, etc.)	3,823,401	Deficiency	555,000
Total	428,891,788	Net appropriation	35,705,000
Collections for other departments, bureaus, etc.:		Expenditures, obligations incurred by:	
Internal revenue taxes	129,681,548	Collectors of customs	26,438,312
Department of Justice	1,888,840	Agency Service (investigation)	1,722,140
Public Health Service and other governmental agencies	103,174	Appraisers of merchandise	4,183,366
		Chief chemists	585,651
		Comptrollers of customs	1,075,590
Total for others	131,673,562	Customs Information Exchange	108,664
		Administrative	1,576,198
Total collections	560,565,350	Total obligations incurred	35,689,921
		Balance of appropriations	15,079
		Appropriation "Refunds and drawback"	18,500,000
		Expenditures for refunds, drawbacks, and minor payments of a similar nature	16,031,931
		Balance of appropriation	2,468,069

[1] Excludes duties and sale of insular property for Puerto Rico, but includes other Puerto Rican collections.

TABLE 83.—*Customs collections and payments, by districts, fiscal year 1950*

District	Collections [1]					Payments			Cost to collect $100
	Duties and miscellaneous customs collections	Department of Justice	Bureau of Internal Revenue	Other collections	Total	Excessive duties and other refunds	Drawback	Expenses (net obligations)	
Alaska	$73, 806	$3, 539	$123	$26	$77, 494	$491		$148, 571	$191. 72
Arizona	2, 215, 199	5, 809	1, 249	1, 135	2, 223, 392	32, 222		313, 602	14. 10
Buffalo	7, 875, 485	37, 024	705, 565	1, 424	8, 619, 498	86, 497	$16, 693	986, 992	11. 45
Chicago	9, 315, 716	3, 112	10, 798, 765	2, 701	20, 120, 294	362, 317	200, 425	746, 006	3. 71
Colorado	166, 555		163, 887	54	330, 496	2, 203	1, 736	37, 780	11. 43
Connecticut	1, 460, 256	346	727, 837	763	2, 189, 202	17, 320	23, 312	96, 230	4. 40
Dakota	4, 052, 426	13, 459	318	211	4, 066, 414	15, 919		380, 670	9. 36
Duluth and Superior	1, 158, 593	2, 209	1, 179	89	1, 162, 070	9, 374	462	226, 424	19. 48
El Paso	666, 166	12, 819	10, 533	13, 632	703, 150	11, 500		851, 233	121. 06
Florida	6, 041, 225	150, 915	1, 606, 666	2, 317	7, 801, 123	185, 428	18, 705	911, 751	11. 69
Galveston	4, 703, 027	22, 608	1, 768, 454	2, 747	6, 496, 836	46, 801	18, 434	390, 028	6. 00
Georgia	3, 334, 195	1, 326	73, 117	470	3, 409, 108	9, 730	16	164, 346	4. 82
Hawaii	1, 419, 373	42, 835	331, 386	135	1, 793, 729	72, 334		401, 117	22. 36
Indiana	1, 230, 947		6, 163, 904	705	7, 395, 556	98, 331	18, 183	72, 852	. 99
Kentucky	531, 646		1, 041, 296	342	1, 573, 284	27, 348	199, 207	50, 586	3. 22
Laredo	5, 032, 889	30, 851	106, 230	4, 008	5, 173, 978	46, 886		815, 612	15. 76
Los Angeles	6, 469, 405	21, 196	6, 311, 282	3, 009	12, 804, 892	183, 988	40, 719	896, 593	7. 00
Maine and New Hampshire	2, 539, 839	16, 372	622	476	2, 557, 309	64, 569		785, 363	30. 71
Maryland	10, 924, 923	26, 380	1, 701, 744	2, 171	12, 655, 218	133, 309	28, 210	1, 115, 250	8. 81
Massachusetts	57, 490, 209	34, 428	3, 930, 768	1, 835	61, 457, 240	270, 028	643, 479	2, 157, 757	3. 51
Michigan	13, 927, 961	55, 780	18, 526, 236	1, 925	32, 511, 902	92, 300	59, 782	1, 345, 454	4. 14
Minnesota	1, 830, 741		556, 695	414	2, 387, 850	25, 101	12, 249	165, 397	6. 93
Mobile	979, 324	4, 210	92, 638	340	1, 076, 512	7, 856		158, 336	14. 71
Montana and Idaho	526, 818	5, 784	274	74	532, 950	2, 065		200, 716	37. 66
New Orleans	14, 318, 009	41, 444	695, 262	8, 378	15, 063, 093	61, 305	213, 192	1, 132, 598	7. 52
New York	173, 787, 437	1, 108, 745	50, 495, 614	25, 743	225, 417, 539	4, 758, 527	5, 447, 085	11, 721, 732	5. 20
North Carolina	10, 684, 655	144	27	76	10, 684, 902	4, 340	197, 885	90, 029	. 84
Ohio	5, 564, 305	1, 277	2, 622, 639	5, 276	8, 193, 497	97, 794	268, 699	358, 558	4. 38
Oregon	1, 046, 223	6, 378	538, 425	496	1, 591, 522	7, 023	881	261, 312	16. 42
Philadelphia	31, 859, 854	26, 704	1, 975, 900	2, 768	33, 865, 226	219, 773	482, 702	1, 420, 776	4. 20

Pittsburgh	2,454,806	----	705,690	935	3,161,431	116,683	2,073	85,672	2.71
Rhode Island	4,333,574	76	200,054	724	4,534,428	17,850	12,843	99,916	2.20
Rochester	683,033	848	758,292	986	1,443,159	15,703	11,937	139,460	9.66
Sabine	635,638	2,176	20,264	523	658,601	1,844	----	100,070	15.19
St. Lawrence	6,102,534	26,080	7,038,427	114	13,167,155	11,795	395	699,477	5.31
St. Louis	3,226,200	----	628,256	1,134	3,855,590	85,720	192,736	159,047	4.13
San Diego	650,671	26,864	2,324	2,728	682,587	7,625	501	460,264	67.43
San Francisco	7,600,326	41,572	6,138,266	5,506	13,785,670	197,968	18,897	1,447,350	10.50
South Carolina	2,403,464	344	103,876	87	2,507,771	17,251	370	71,940	2.87
Tennessee	306,606	----	59,248	907	366,761	2,608	85,051	50,793	13.85
Vermont	3,341,257	30,138	110,849	115	3,482,359	13,791	1,108	682,410	19.60
Virginia	9,941,948	22,180	28,275	913	9,993,316	272,125	3,701	411,003	4.11
Washington	4,509,701	39,472	2,720,594	1,513	7,271,280	53,381	1,841	1,071,922	14.74
Wisconsin	1,424,700	1,000	218,498	2,069	1,646,267	29,834	11,274	104,378	6.34
Puerto Rico	50,123	22,396	----	1,180	73,699	291	----	----	----
Items not assigned to districts	----	----	----	----	----	----	----	[2] 1,702,548	----
Total	428,891,788	1,888,840	129,681,548	103,174	560,565,350	7,797,148	8,234,783	35,689,921	6.37
Collections deposited to the credit of Government of Puerto Rico	3,453,794	----	----	----	3,453,794	----	----	----	----
Grand total	432,345,582	1,888,840	129,681,548	103,174	564,019,144	7,797,148	8,234,783	35,689,921	----

[1] Customs receipts, on the basis of reports of collecting officers, are credited to the districts in which the collections are made. Receipts in various districts do not indicate the tax burden of the respective districts, since the taxes may be eventually borne by persons in other districts. Customs duties and sale of insular government property for Puerto Rico ($3,453,794) are deposited to the credit of the Government of Puerto Rico.

[2] Bureau and foreign.

TABLE 84.—*Values of dutiable and taxable imports for consumption and estimated duties and taxes collected by tariff schedules, fiscal years 1948–50*

Tariff schedule	Value			Estimated duties and import taxes [1]			Percentage increase, or decrease (−)			
							Value		Duties	
	1948	1949	1950	1948	1949	1950	1949 over 1948	1950 over 1949	1949 over 1948	1950 over 1949
1. Chemicals, oils, and paints	$109, 402, 300	$94, 999, 291	$88, 707, 813	$14, 618, 791	$11, 489, 822	$13, 443, 964	−13. 2	−6. 6	−21. 4	17. 0
2. Earths, earthenware, and glassware	48, 084, 399	65, 236, 988	61, 068, 297	13, 550, 463	16, 588, 323	16, 925, 961	35. 7	−6. 4	22. 4	. 2
3. Metals and manufactures	286, 419, 569	352, 524, 693	402, 280, 410	50, 732, 341	51, 096, 930	57, 214, 516	23. 1	14. 1	. 7	12. 0
4. Wood and manufactures	97, 587, 564	110, 699, 074	145, 532, 967	4, 266, 527	4, 602, 477	6, 073, 015	13. 4	31. 5	7. 9	32. 0
5. Sugar, molasses and manufactures	390, 618, 448	353, 835, 151	325, 662, 164	49, 846, 134	38, 533, 259	35, 123, 334	−9. 4	−8. 0	−22. 7	−8. 8
6. Tobacco and manufactures	72, 000, 662	77, 905, 450	75, 455, 117	22, 522, 023	23, 955, 014	21, 622, 559	8. 2	−3. 2	6. 4	−9. 7
7. Agricultural products and provisions	362, 458, 531	556, 363, 799	556, 937, 234	42, 811, 054	57, 214, 742	59, 062, 633	53. 5	. 1	33. 6	3. 2
8. Spirits, wines, and other beverages	73, 993, 636	87, 609, 128	93, 048, 335	27, 936, 455	23, 499, 107	24, 373, 452	18. 4	6. 2	−15. 9	3. 7
9. Cotton manufactures	20, 151, 067	24, 672, 302	30, 452, 324	5, 247, 281	5, 914, 353	7, 269, 312	22. 4	23. 4	12. 7	22. 9
10. Flax, hemp, jute, and manufactures	166, 552, 778	164, 089, 371	132, 728, 010	11, 366, 199	8, 062, 773	7, 581, 873	−1. 5	−19. 1	−29. 1	−6. 0
11. Wool and manufactures	246, 068, 998	226, 019, 364	307, 239, 690	84, 282, 682	56, 696, 624	77, 803, 608	−8. 2	35. 9	−32. 7	37. 2
12. Silk manufactures	17, 377, 026	22, 382, 714	20, 693, 641	7, 517, 235	5, 878, 639	5, 763, 376	28. 8	−7. 6	−21. 8	−2. 0
13. Manufactures of rayon or other synthetic textiles	21, 377, 856	15, 463, 498	15, 499, 418	5, 473, 636	3, 670, 828	3, 359, 688	−27. 7	. 2	−32. 9	−8. 5
14. Pulp, paper, and books	27, 204, 933	25, 399, 930	21, 894, 987	3, 462, 744	2, 690, 149	2, 245, 099	−6. 6	−13. 8	−22. 3	−16. 5
15. Sundries	242, 786, 835	240, 362, 754	253, 866, 376	41, 682, 023	43, 225, 580	47, 998, 982	−1. 0	5. 6	3. 7	11. 0
Free-list commodities taxable under Revenue Act of 1932 and subsequent acts	305, 112, 936	415, 490, 807	529, 743, 267	15, 069, 097	19, 350, 125	27, 334, 416	36. 2	27. 5	28. 4	41. 3
Dutiable under sec. 466, Tariff Act of 1930, etc	1, 968, 934	5, 727, 333	2, 736, 528	1, 052, 309	1, 790, 665	1, 302, 311	190. 9	−52. 2	70. 2	−27. 3
Total	2, 489, 166, 472	2, 838, 781, 647	3, 063, 546, 578	401, 436, 994	374, 259, 410	414, 498, 099	14. 0	7. 9	−6. 8	10. 8

[1] Taxes collected on dutiable commodities under the revenue acts and the Sugar Act of 1937 are included in appropriate schedules.

TABLE 85.—*Estimated customs duties, value of imports entered for consumption, and ratio of duties to value of dutiable imports and to value of all imports, calendar years 1939–49 and monthly January 1948–June 1950* [1]

[Dollars in thousands]

Calendar year and month	Estimated duties (including taxes on imports)	Value of imports entered for consumption		Ratio of dutiable to total	Ratio of duties to value of	
		Total	Dutiable		Dutiable imports	Total imports
				Percent	*Percent*	*Percent*
1939	$328,352	$2,276,099	$878,050	38.58	37.40	14.43
1940	318,267	2,540,656	891,835	35.10	35.69	12.53
1941	438,596	3,221,954	1,191,224	36.97	36.82	13.61
1942	318,490	r 2,780,317	1,009,679	r 36.32	31.54	r 11.46
1943	391,540	r 3,390,101	1,207,301	r 35.61	32.43	11.55
1944	368,234	r 3,887,490	1,164,561	r 29.96	31.62	r 9.47
1945	382,212	r 4,098,101	1,350,487	r 32.95	28.30	r 9.33
1946	482,860	r 4,815,764	1,889,228	r 39.23	25.56	r 10.03
1947	427,679	r 5,666,321	2,213,764	r 39.07	19.32	r 7.55
1948	404,778	7,092,032	2,908,976	41.02	13.91	5.71
1949	364,618	6,598,058	2,709,716	41.07	13.46	5.53
1948—January	36,942	r 555,947	226,014	r 40.65	16.35	r 6.64
February	33,410	r 573,878	219,746	r 38.29	15.20	r 5.81
March	38,377	638,361	256,699	40.21	14.95	6.01
April	33,159	525,609	227,922	43.36	14.55	6.31
May	29,453	543,650	220,659	40.59	13.35	5.42
June	31,676	595,802	220,313	36.98	14.38	5.32
July	30,514	562,990	227,716	40.45	13.40	5.42
August	33,762	589,234	243,706	41.36	13.85	5.73
September	34,892	587,998	280,388	47.69	12.44	5.93
October	35,773	601,726	266,120	44.23	13.44	5.95
November	32,574	557,195	248,634	44.62	13.10	5.85
December	34,245	r 705,982	269,064	r 38.11	12.73	r 4.85
1949—January	29,685	r 578,967	230,597	r 39.83	12.87	r 5.13
February	29,742	r 554,707	226,605	r 40.85	13.13	r 5.36
March	32,251	r 624,093	237,565	r 38.06	13.58	5.17
April	26,927	r 526,903	207,181	r 39.32	13.00	5.11
May	26,784	r 533,635	199,549	r 37.39	13.42	r 5.02
June	27,109	529,489	201,656	38.09	13.44	5.12
July	24,125	458,938	177,494	38.67	13.59	5.26
August	30,624	513,086	222,227	43.31	13.78	5.97
September	32,952	528,803	236,322	44.69	13.94	6.23
October	35,099	561,829	253,514	45.12	13.84	6.25
November	36,476	592,542	269,152	45.42	13.55	6.16
December	32,842	595,065	247,854	41.65	13.25	5.52
1950—January	36,221	622,764	257,837	41.40	14.05	5.82
February	35,751	589,925	255,656	43.35	13.98	6.06
March	40,896	659,683	308,918	46.83	13.24	6.20
April	33,035	571,750	247,294	43.25	13.36	5.78
May	38,653	653,788	289,213	44.24	13.36	5.91
June	37,822	679,108	298,066	43.89	12.69	5.57

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[1] Amount of customs duties is calculated on basis of reports of Bureau of the Census showing quantity and value of merchandise imported. Figures back to 1867 can be found in annual reports for 1930, p. 523; 1932, p. 382; and corresponding tables in subsequent reports.

TABLE 86.—*Estimated customs duties, value of dutiable imports, and ratio of estimated duties to value of dutiable imports, by tariff schedules, calendar years 1939–49 and monthly January 1948–June 1950* [1]

[Dollars in thousands]

Calendar year and month	Estimated duties	Value of dutiable imports	Ratio of duties to imports	Estimated duties	Value of dutiable imports	Ratio of duties to imports	Estimated duties	Value of dutiable imports	Ratio of duties to imports	Estimated duties	Value of dutiable imports	Ratio of duties to imports
	Schedule 1.—Chemicals, oils, and paints			Schedule 2.—Earths, earthenware, and glassware			Schedule 3.—Metals and manufactures			Schedule 4.—Wood and manufactures		
			Percent			Percent			Percent			Percent
1939	$19,634	$56,586	34.70	$10,794	$25,369	42.55	$25,749	$89,728	28.70	$2,096	$17,002	12.33
1940	12,356	41,204	29.99	8,806	22,336	39.43	31,161	102,303	30.46	1,723	17,461	9.87
1941	13,291	48,695	27.29	7,742	25,857	29.94	43,435	126,095	34.45	2,536	36,039	7.04
1942	10,621	47,203	22.50	4,786	19,031	25.15	28,040	102,300	27.41	2,413	46,185	5.22
1943	7,634	41,480	18.40	4,071	18,399	22.13	31,434	120,054	26.18	1,642	27,852	5.90
1944	8,037	54,122	14.85	3,103	10,764	28.83	28,919	117,660	24.58	2,297	37,299	6.16
1945	10,051	71,859	13.99	3,884	14,760	26.31	38,496	150,019	25.66	2,867	44,563	6.43
1946	13,622	90,198	15.10	9,546	30,941	30.85	50,628	197,984	25.57	4,191	54,610	7.67
1947	16,578	119,282	13.90	13,643	44,308	30.79	51,079	246,376	20.73	3,073	42,112	7.30
1948	14,252	114,896	12.40	15,321	60,710	25.24	53,421	348,465	15.33	4,624	127,498	3.62
1949	10,635	77,975	13.64	16,220	59,496	27.26	48,513	337,977	14.35	4,563	97,541	4.68
1948—January	1,454	13,381	10.87	1,060	4,002	26.49	3,979	24,973	15.93	367	8,564	4.29
February	1,078	8,296	12.99	930	3,351	27.75	4,110	26,179	15.70	345	9,473	3.64
March	1,789	11,157	16.03	1,275	4,873	26.16	4,473	28,862	15.50	474	11,944	3.97
April	1,182	9,263	12.76	1,167	4,460	26.17	4,089	28,548	14.32	358	9,765	3.67
May	1,114	9,969	11.17	1,170	4,500	26.00	3,981	27,550	14.45	391	9,460	4.13
June	1,168	8,874	13.16	1,060	4,269	24.83	4,715	27,642	17.05	410	11,539	3.55
July	1,119	10,812	10.35	1,314	5,469	24.03	4,028	25,671	15.69	398	12,741	3.12
August	1,074	8,122	13.22	1,494	5,660	26.40	3,903	26,162	14.92	366	12,262	2.98
September	999	7,348	13.60	1,189	4,897	24.29	4,660	27,523	16.93	357	12,239	2.92
October	1,079	9,346	11.54	1,575	6,831	23.06	5,201	34,991	14.86	356	10,276	3.46
November	976	8,310	11.74	1,401	5,671	24.70	5,120	32,454	15.78	383	10,494	3.65
December	1,220	10,019	12.18	1,684	6,726	25.04	5,162	37,912	13.62	418	8,740	4.78
1949—January	1,054	8,270	12.74	1,211	4,721	25.65	3,895	33,115	11.76	339	6,486	5.23
February	912	8,051	11.33	1,282	4,750	26.99	3,914	31,753	12.33	360	6,858	5.25
March	824	6,253	13.18	1,337	5,238	25.53	4,095	30,040	13.63	426	8,293	5.14
April	788	6,874	11.46	1,413	5,452	25.92	3,565	24,718	14.42	415	6,960	5.96
May	657	5,645	11.64	1,387	4,945	28.05	3,947	26,603	14.84	417	7,656	5.45
June	786	5,949	13.21	1,300	4,876	26.66	3,606	21,584	16.71	367	7,693	4.77
July	682	4,910	13.89	1,281	4,504	28.44	3,003	20,777	14.45	307	6,181	4.97
August	775	5,427	14.28	1,341	4,827	27.78	4,083	29,946	13.63	336	7,677	4.38
September	938	5,211	18.00	1,547	5,107	30.29	3,991	24,491	16.30	352	8,561	4.11
October	895	6,545	13.67	1,414	4,962	28.50	4,408	27,281	16.16	398	10,046	3.96
November	1,156	6,853	16.87	1,451	5,311	27.32	5,135	33,247	15.45	422	11,548	3.65
December	1,166	7,987	14.60	1,256	4,803	26.15	4,871	34,422	14.15	424	9,583	4.42
1950—January	1,238	8,334	14.85	1,186	4,450	26.65	4,225	31,007	13.63	501	9,418	5.32
February	1,280	7,965	16.07	1,211	4,302	28.15	4,485	31,003	14.47	489	10,143	4.82
March	1,390	9,418	14.76	1,540	5,667	27.17	5,366	38,067	14.10	677	15,393	4.40
April	1,212	8,079	15.00	1,375	5,118	26.87	5,074	36,337	13.96	688	15,599	4.41
May	1,370	8,749	15.66	1,635	5,677	28.80	6,230	46,325	13.45	709	17,527	4.05
June	1,342	9,230	14.53	1,691	6,342	26.66	6,345	49,378	12.85	760	23,858	3.19

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Calendar year and month	Schedule 5.—Sugar, molasses, and manufactures			Schedule 6.—Tobacco and manufactures			Schedule 7.—Agricultural products and provisions			Schedule 8.—Spirits, wines, and other beverages		
	Estimated duties	Value of dutiable imports	Ratio of duties to imports	Estimated duties	Value of dutiable imports	Ratio of duties to imports	Estimated duties	Value of dutiable imports	Ratio of duties to imports	Estimated duties	Value of dutiable imports	Ratio of duties to imports
			Percent			*Percent*			*Percent*			*Percent*
1939	$46, 218	$90, 543	51. 05	$23. 927	$35, 999	66. 47	$56, 419	$173, 808	32. 46	$34, 206	$59, 076	57. 90
1940	42, 826	87, 780	48. 79	22, 173	36, 685	60. 44	46, 083	147, 228	31. 30	32, 753	53, 809	60. 87
1941	63, 586	145, 375	43. 74	23, 017	38, 026	60. 53	56, 818	173, 113	32, 82	30, 186	49, 635	60. 82
1942	36, 056	134, 811	26. 75	22, 505	37, 779	59. 57	41, 368	178, 729	23. 15	28, 811	56, 695	50. 82
1943	55, 730	194, 349	28. 68	23, 044	43, 209	53. 33	40, 526	248, 557	16. 30	61, 563	83, 094	74. 09
1944	29, 096	101, 071	28. 79	24, 882	65, 930	37. 74	37, 584	266, 284	14. 11	85, 671	115, 304	74. 30
1945	10, 430	35, 418	29. 45	28, 253	82, 278	34. 34	42, 542	314, 005	13. 55	45, 340	67, 923	64. 84
1946	10, 167	42, 524	23. 91	24, 916	89, 337	27. 89	43, 405	354, 680	12. 24	50, 520	95, 150	53. 10
1947	67, 280	436, 404	15. 42	25, 757	92, 367	27, 89	36, 347	311, 800	11. 66	31, 718	67, 305	47. 13
1948	34, 665	336, 010	10. 29	23, 784	79, 943	29. 75	56, 729	529, 066	10. 72	23, 834	86, 434	27. 57
1949	37, 206	345, 663	10. 76	23, 522	75, 278	31. 25	51, 914	489, 056	10. 62	24, 145	89, 594	26. 95
1948—January	576	6, 322	9. 11	2, 121	7, 835	27. 07	3, 924	32, 199	12. 19	2, 075	7, 217	28. 75
February	3, 214	30, 887	10. 41	1, 606	5, 388	29. 81	3, 850	31, 500	12. 22	1, 646	5, 444	30. 24
March	4, 352	42, 120	10. 33	2, 011	6, 811	29. 53	5, 113	36, 879	13. 86	1, 718	6, 048	28. 41
April	3, 200	29, 426	10. 87	2, 055	6, 651	30. 90	4, 708	32, 975	14. 28	1, 902	6, 832	27. 84
May	3, 175	37, 574	8. 45	1, 947	6, 436	30. 25	3, 331	29, 967	11. 12	1, 696	5, 977	28. 38
June	2, 478	27, 113	9. 14	2, 132	7, 040	30. 28	3, 570	31, 730	11. 25	1, 910	6, 599	28. 95
July	2, 787	24, 808	11. 23	1, 802	5, 957	30. 25	3, 906	33, 278	11. 74	1, 557	5, 750	27. 08
August	4, 636	41, 414	11. 19	2, 258	7, 313	30. 88	4, 251	39, 145	10. 86	1, 563	5, 652	27. 65
September	3, 319	29, 969	11. 07	2, 132	7, 253	29. 39	6, 973	85, 158	8. 19	2, 123	7, 978	26. 61
October	3, 091	27, 433	11. 27	2, 140	7, 394	28. 94	6, 019	60, 247	9. 99	2, 377	9, 208	25. 81
November	1, 581	15. 276	10. 34	1, 907	6, 468	29. 48	6, 091	61, 522	9. 90	2, 593	9, 719	26. 68
December	2, 155	23, 667	9. 11	1, 673	5, 396	31. 00	4, 993	54, 464	9. 17	2, 674	10, 010	26. 71
1949—January	1, 953	20, 717	9. 43	1, 918	6, 293	30. 48	4, 717	41, 506	11. 36	1, 637	5, 971	27. 42
February	3, 478	31, 784	10. 94	1, 811	5, 428	33. 36	4, 178	35, 854	11. 65	1, 534	5, 609	27. 53
March	4, 903	41, 713	11. 75	2, 123	6, 714	31. 62	4, 641	39, 530	11, 74	1, 956	7, 135	27. 41
April	3, 627	32, 241	11. 25	1, 862	6, 066	30. 70	4, 423	39, 402	11. 23	1, 687	6, 285	26. 84
May	3, 454	32, 803	10. 53	2, 080	6, 606	31. 49	3, 519	30, 156	11. 67	1, 909	7, 245	26. 34
June	3, 549	32, 010	11. 09	2, 248	7, 018	32. 03	3, 501	36, 101	9. 70	1, 890	7, 048	26. 82
July	3, 005	28, 067	10. 71	1, 767	5, 960	29. 65	2, 986	27, 903	10. 70	1, 489	5, 776	25. 78
August	3, 539	32, 629	10. 85	2, 467	7. 876	31. 32	3, 551	34, 474	10. 30	1, 010	6, 240	16. 19
September	3, 272	29, 539	11. 08	2, 052	6, 610	31. 04	4, 364	46, 255	9. 43	2, 240	8, 331	26. 89
October	3, 209	30, 345	10. 58	2, 035	6, 599	30. 84	5, 037	48, 556	10. 37	2, 724	9, 866	27. 61
November	2, 509	25, 271	9. 93	1, 844	6, 043	30. 51	5, 927	61, 445	9. 65	2, 837	10, 701	26. 51
December	708	8, 544	8. 29	1, 314	4, 067	32. 31	5, 069	47, 876	10. 59	2, 532	9, 587	26. 41
1950—January	1, 799	15, 697	11. 46	2, 202	7, 025	31, 35	5, 400	47, 486	11. 37	1, 566	6, 386	24. 52
February	2, 908	25, 746	11. 29	1, 695	5, 442	31. 15	6, 439	58, 748	10. 96	1, 491	5, 945	25. 08
March	4, 614	41, 915	11. 01	1, 718	6, 912	24. 86	6, 272	56, 017	11. 20	1, 885	7, 182	26. 25
April	2, 948	26, 487	11. 13	1, 356	5, 722	23. 70	4, 378	35, 622	12. 29	1, 561	6, 160	25. 34
May	3, 724	32, 884	11. 32	1, 645	7, 073	23. 26	4, 902	45, 116	10. 87	2, 021	7, 624	26. 51
June	2, 890	28. 536	10. 13	1, 529	6, 127	24. 96	4, 738	47, 440	9. 99	2, 318	9, 449	24. 53

Footnotes at end of table.

TABLE 86.—*Estimated customs duties, value of dutiable imports, and ratio of estimated duties to value of dutiable imports, by tariff schedules, calendar years 1939–49 and monthly January 1948–June 1950* [1]—Continued

[Dollars in thousands]

Calendar year and month	Estimated duties	Value of dutiable imports	Ratio of duties to imports	Estimated duties	Value of dutiable imports	Ratio of duties to imports	Estimated duties	Value of dutiable imports	Ratio of duties to imports	Estimated duties	Value of dutiable imports	Ratio of duties to imports
	Schedule 9.—Cotton manufactures			Schedule 10.—Flax, hemp, jute, and manufactures			Schedule 11.—Wool and manufactures			Schedule 12.—Silk manufactures		
			Percent			*Percent*			*Percent*			*Percent*
1939	$9,841	$27,284	36.07	$10,829	$54,765	19.77	$33,624	$49,271	68.24	$2,776	$5,286	52.52
1940	7,050	20,106	35.06	10,255	68,033	15.07	51,601	77,829	66.30	2,148	4,074	52.72
1941	5,002	15,003	33.34	9,526	69,846	13.64	123,118	185,672	66.31	1,457	2,829	51.50
1942	2,548	8,270	30.81	6,639	52,309	12.69	112,973	178,771	63.19	411	855	48.07
1943	2,707	8,946	30.26	4,857	40,635	11.95	134,360	218,316	61.54	209	438	47.72
1944	1,900	6,709	28.32	2,252	10,047	22.41	114,379	179,016	63.89	307	598	51.34
1945	4,533	26,066	17.39	3,982	17,863	22.29	144,039	229,513	62.76	927	1,928	48.08
1946	5,453	23,451	23.25	15,394	106,202	14.50	167,759	276,042	60.77	2,459	5,159	47.66
1947	4,921	15,986	30.78	13,878	149,880	9.26	95,072	199,090	47.75	5,272	10,930	48.23
1948	6,224	26,079	23.87	10,000	173,155	5.77	81,410	291,730	27.91	6,258	20,398	30.68
1949	5,376	22,510	23.88	7,035	141,656	4.97	58,040	239,329	24.25	5,671	21,483	26.40
1948—January	556	2,241	24.81	1,150	14,642	7.85	11,542	36,604	31.53	1,215	2,451	49.57
February	501	2,079	24.10	817	12,221	6.69	8,864	29,282	30.27	498	1,116	44.62
March	547	2,106	25.97	826	11,500	7.18	9,088	32,322	28.12	345	968	35.64
April	507	2,127	23.84	1,124	20,351	5.52	6,657	22,902	29.07	311	961	32.36
May	430	1,974	21.78	873	15,409	5.67	5,692	19,408	29.33	351	1,306	26.88
June	581	2,510	23.15	726	11,262	6.45	6,488	23,770	27.29	368	1,433	25.68
July	512	2,228	22.98	1,019	17,667	5.77	6,031	26,136	23.08	389	1,482	26.25
August	470	1,999	23.51	796	12,542	6.35	6,452	24,393	26.45	569	2,233	25.48
September	446	1,922	23.20	638	13,382	4.77	5,209	19,257	27.05	425	1,628	26.11
October	631	2,629	24.00	722	14,985	4.82	5,490	21,116	26.00	642	2,454	26.16
November	442	1,824	24.23	539	12,770	4.22	4,553	16,382	27.79	550	2,101	26.18
December	601	2,439	24.64	770	16,424	4.69	5,343	20,158	26.51	595	2,264	26.28
1949—January	504	2,114	23.84	659	14,911	4.42	5,395	21,382	25.23	569	2,164	26.29
February	481	2,008	23.95	702	14,761	4.76	4,964	21,612	22.97	736	2,841	25.91
March	612	2,588	23.65	684	14,216	4.81	4,069	17,517	23.23	556	2,096	26.53
April	455	1,840	24.73	598	12,721	4.70	2,628	10,906	24.10	323	1,194	27.05
May	467	1,816	25.72	546	11,015	4.96	2,805	11,212	25.02	266	976	27.25
June	293	1,265	23.16	389	8,695	4.47	3,758	15,948	23.56	260	948	27.43
July	311	1,355	22.95	391	6,462	6.05	3,488	13,907	25.08	241	891	27.05
August	354	1,518	23.32	532	10,801	4.93	5,761	24,589	23.43	383	1,501	25.52
September	396	1,735	22.82	593	11,448	5.18	6,030	26,059	23.14	565	2,169	26.05
October	450	1,889	23.82	605	11,589	5.22	5,973	23,032	25.93	580	2,201	26.35
November	539	2,262	23.83	637	11,557	5.51	6,341	24,429	25.96	641	2,430	26.38
December	514	2,119	24.26	698	13,480	5.18	6,829	28,737	23.76	551	2,070	26.62
1950—January	641	2,574	24.90	701	9,816	7.14	8,714	32,973	26.43	566	2,113	26.79
February	734	2,855	25.71	592	9,115	6.49	7,399	28,659	25.82	578	2,123	27.23
March	1,015	4,240	23.94	873	14,670	5.95	6,961	26,742	26.03	454	1,492	30.43
April	709	3,012	23.52	717	13,140	5.46	5,776	20,113	28.72	434	1,370	31.68
May	790	3,349	23.59	633	10,257	6.17	7,386	29,693	24.87	359	1,112	32.28
June	816	3,543	23.03	610	10,394	5.87	7,145	28,308	25.24	410	1,221	33.58

Calendar year and month	Schedule 13.—Manufactures of rayon or other synthetic textiles			Schedule 14.—Pulp, paper, and books			Schedule 15.—Sundries			Free-list commodities taxable under the Revenue Act of 1932 and subsequent acts [2] dutiable under section 466, Tariff Act of 1930, etc.		
	Estimated duties	Value of dutiable imports	Ratio of duties to imports	Estimated duties	Value of dutiable imports	Ratio of duties to imports	Estimated duties	Value of dutiable imports	Ratio of duties to imports	Estimated duties	Value of dutiable imports	Ratio of duties to imports
			Percent			*Percent*			*Percent*			*Percent*
1939	$3,090	$10,210	30.26	$2,152	$11,461	18.78	$35,245	$133,270	26.45	$11,753	$38,394	30.61
1940	1,260	3,898	32.32	1,278	7,550	16.93	29,558	114,957	25.71	17,235	86,582	19.91
1941	753	2,550	29.53	2,791	13,641	20.46	25,438	132,757	19.16	29,901	126,091	23.71
1942	81	202	40.10	1,643	9,534	17.23	13,411	96,819	13.85	6,183	40,185	15.39
1943	113	219	51.60	1,029	7,432	13.85	17,457	115,815	15.07	5,163	38,505	13.41
1944	198	362	54.70	1,038	7,711	13.46	21,069	118,006	17.85	7,502	73,677	10.18
1945	1,252	2,529	49.51	1,260	8,773	14.36	33,008	170,234	19.39	11,347	112,430	10.09
1946	5,341	15,819	33.76	1,980	15,692	12.62	60,854	334,444	18.20	16,626	156,996	10.59
1947	4,623	15,686	29.47	3,186	23,304	13.67	39,468	207,728	19.00	15,784	231,207	6.83
1948	6,744	28,136	23.97	3,442	29,803	11.54	45,419	267,551	16.98	18,750	389,103	4.82
1949	1,706	7,233	23.59	2,199	21,443	10.26	43,374	225,844	19.21	24,499	457,636	5.35
1948—January	421	1,695	24.84	227	2,087	10.88	4,934	34,010	14.51	1,340	27,791	4.83
February	673	2,757	24.41	324	2,589	12.51	3,640	21,340	17.06	1,316	27,842	4.73
March	697	2,839	24.55	415	3,124	13.28	3,797	21,115	17.98	1,457	34,028	4.28
April	732	2,950	24.81	332	2,671	12.43	3,346	18,049	18.54	1,487	29,990	4.96
May	692	2,863	24.17	308	2,546	12.10	2,972	16,704	17.79	1,330	29,016	4.58
June	711	3,077	23.11	272	2,393	11.37	3,382	21,024	16.09	1,703	32,037	5.32
July	676	2,827	23.91	260	2,321	11.20	3,241	20,499	15.81	1,477	30,069	4.91
August	606	2,493	24.31	290	2,646	10.95	3,649	21,610	16.89	1,384	30,061	4.60
September	435	1,940	22.42	254	2,234	11.37	4,055	24,093	16.83	1,678	33,568	5.00
October	288	1,151	25.02	228	2,260	10.09	4,224	22,728	18.59	1,711	33,070	5.17
November	345	1,489	23.17	252	2,365	10.66	3,884	21,683	17.91	1,954	40,105	4.87
December	469	2,055	22.82	280	2,568	10.90	4,296	24,696	17.40	3,645	41,527	8.78
1949—January	295	1,260	23.41	208	1,967	10.57	3,376	19,758	17.09	1,954	39,964	4.89
February	200	841	23.78	183	1,776	10.30	3,308	18,631	17.76	1,697	34,047	4.98
March	169	674	25.07	198	1,971	10.05	3,906	19,713	19.81	1,751	33,876	5.17
April	96	399	24.06	189	1,870	10.11	3,092	14,824	20.86	1,767	35,425	4.99
May	53	207	25.60	184	1,817	10.13	3,243	16,299	19.90	1,848	34,549	5.35
June	39	127	30.71	164	1,606	10.21	2,952	15,828	18.65	2,008	34,958	5.74
July	38	120	31.67	165	1,618	10.20	2,979	15,242	19.54	1,992	34,022	5.86
August	81	318	25.47	193	1,981	9.74	3,546	17,824	19.89	1,972	34,599	5.71
September	78	285	27.37	174	1,713	10.16	4,237	21,645	19.57	2,123	37,163	5.70
October	102	421	24.23	160	1,550	10.32	4,557	22,312	20.42	2,552	46,322	5.51
November	232	1,094	21.21	195	1,819	10.72	4,346	21,520	20.20	2,265	43,621	5.19
December	322	1,486	21.67	185	1,754	10.55	3,833	22,248	17.23	2,570	49,090	5.24
1950—January	286	1,322	21.63	170	1,698	10.01	4,132	22,904	18.04	2,895	54,633	5.30
February	363	1,678	21.63	205	1,897	10.81	3,921	21,355	18.36	1,961	38,681	5.07
March	485	2,224	21.81	218	1,971	11.06	4,601	24,559	18.73	2,828	52,448	5.39
April	368	1,759	20.92	193	1,844	10.47	3,631	18,887	19.22	2,616	48,045	5.44
May	506	2,412	20.98	205	2,081	9.85	4,050	22,113	18.32	2,479	47,219	5.25
June	497	2,380	20.88	182	1,967	9.25	4,166	23,258	17.91	2,384	46,635	5.11

[1] Amount of customs duties is calculated on basis of reports of Bureau of the Census, showing quantity and value of merchandise imported. Total estimated duties and total value of dutiable imports will be found in table 85. For figures back to 1890 see annual reports for 1930, p. 525; 1932, p. 383; and corresponding tables in subsequent reports.

[2] Taxes collected on dutiable commodities under revenue acts and Sugar Act of 1937 are included in appropriate schedules.

TABLE 87.—*Value of dutiable imports for consumption and estimated duties collected, by countries, fiscal years 1948–50*

Country	Duty			Value			Percentage increase, or decrease (−)			
							Duty		Value	
	1948	1949	1950	1948	1949	1950	1949 over 1948	1950 over 1949	1949 over 1948	1950 over 1949
North America:										
Canada and Newfoundland	$37, 221, 054	$48, 341, 939	$52, 034, 356	$409, 583, 095	$623, 130, 590	$663, 833, 490	29. 9	7. 6	52. 1	6. 5
Cuba	54, 632, 952	42, 954, 587	39, 652, 827	414, 251, 477	374, 562, 798	349, 245, 666	−21. 4	−7. 7	−9. 6	−6. 8
Mexico	12, 388, 557	8, 586, 356	13, 357, 681	112, 869, 817	75, 769, 933	120, 547, 740	−30. 7	55. 6	−32. 9	59. 1
Central American countries	476, 368	320, 082	339, 288	7, 527, 073	4, 662, 129	4, 084, 340	−32. 8	6. 0	−38. 1	−12. 4
Dominican Republic	1, 035, 182	1, 677, 193	1, 101, 372	9, 265, 005	8, 686, 358	9, 467, 041	62. 0	−34. 3	−6. 3	9. 0
Haiti	579, 310	422, 839	213, 509	2, 995, 265	2, 381, 831	1, 883, 199	−27. 0	−49. 5	−20. 5	−20. 9
Jamaica	230, 933	232, 905	249, 095	582, 711	564, 542	668, 679	. 9	−7. 0	−3. 1	18. 4
Netherlands West Indies	2, 508, 078	2, 870, 701	6, 710, 864	44, 239, 311	49, 235, 703	94, 548, 957	14. 5	133. 8	11. 3	92. 0
Trinidad and Tobago	321, 970	184, 340	397, 952	864, 777	1, 104, 380	4, 150, 268	−42. 7	115. 9	27. 7	275. 8
Other	79, 978	92, 143	87, 525	691, 157	670, 870	748, 111	15. 2	−5. 0	−2. 9	11. 5
Total North America	109, 474, 382	105, 683, 085	114, 144, 469	1, 002, 869, 688	1, 140, 769, 134	1, 249, 177, 491	−3. 5	8. 0	13. 8	9. 5
South America:										
Argentina	22, 508, 058	14, 070, 645	15, 729, 860	101, 546, 521	71, 353, 898	76, 881, 954	−37. 5	11. 8	−29. 7	7. 7
Brazil	4, 758, 634	4, 783, 280	3, 207, 489	52, 249, 813	46, 400, 695	35, 671, 245	. 5	−33. 0	−11. 2	−23. 1
Chile	2, 630, 858	1, 526, 517	1, 323, 131	8, 880, 934	6, 355, 559	5, 803, 769	−42. 0	−13. 3	−28. 4	−8. 7
Colombia	954, 973	1, 131, 173	1, 561, 774	20, 141, 456	27, 053, 454	34, 112, 394	18. 5	38. 1	34. 3	26. 1
Ecuador	449, 658	520, 435	478, 340	4, 050, 773	4, 513, 453	4, 466, 210	15. 7	−8. 1	11. 4	−1. 1
Paraguay	140, 683	464, 627	410, 354	1, 858, 622	4, 806, 548	4, 241, 025	230. 3	−11. 7	158. 6	−11. 8
Peru	3, 479, 799	2, 086, 968	3, 474, 072	22, 231, 999	11, 731, 322	22, 791, 159	−40. 0	66. 5	−47. 2	94. 3
Surinam	1, 130, 079	774, 397	822, 859	10, 967, 701	10, 436, 715	10, 655, 092	−31. 5	6. 3	−4. 9	2. 1
Uruguay	17, 755, 714	9, 734, 012	16, 836, 950	53, 299, 504	40, 061, 970	67, 843, 388	−45. 2	73. 0	−24. 8	69. 3
Venezuela	9, 335, 485	9, 906, 645	12, 852, 156	179, 491, 742	230, 037, 142	277, 733, 951	6. 1	29. 7	28. 2	20. 7
Other	464, 993	216, 224	254, 083	1, 703, 350	1, 036, 827	1, 115, 024	−53. 4	17. 5	−39. 1	7. 5
Total South America	63, 608, 934	45, 214, 923	56, 951, 068	456, 422, 415	453, 787, 583	541, 315, 211	−28. 9	26. 0	−. 6	19. 3
Europe:										
Austria	971, 816	1, 032, 654	1, 118, 132	4, 872, 100	9, 226, 630	7, 660, 398	6. 3	8. 3	89. 4	−17. 0
Belgium	7, 251, 276	8, 713, 404	9, 082, 272	55, 161, 499	78, 088, 109	72, 261, 455	20. 2	4. 2	41. 6	−7. 5
Bulgaria	786, 942	542, 946	440, 437	2, 462, 455	1, 818, 126	1, 573, 068	−31. 0	−18. 9	−26. 2	−13. 5
Czechoslovakia	5, 504, 353	4, 184, 748	5, 170, 218	19, 714, 670	18, 529, 257	23, 780, 269	−24. 0	23. 5	−6. 0	28. 3
Denmark	669, 408	679, 307	722, 352	3, 052, 109	3, 750, 219	6, 528, 070	1. 5	6. 3	22. 9	74. 1
Eire	338, 728	185, 953	164, 222	1, 387, 744	814, 916	864, 217	−45. 1	−11. 7	−41. 3	6. 0
Finland	959, 123	367, 948	383, 768	4, 902, 440	1, 909, 820	2, 342, 431	−61. 6	4. 3	−61. 1	22. 7
France	9, 535, 911	12, 644, 008	13, 486, 715	33, 714, 664	51, 886, 590	54, 702, 161	32. 6	6. 7	53. 9	5. 4
Germany	2, 946, 960	5, 595, 431	7, 783, 099	10, 348, 214	20, 558, 734	36, 155, 044	89. 9	39. 1	98. 7	75. 9
Greece	2, 743, 212	3, 351, 563	3, 007, 225	11, 819, 947	12, 567, 381	13, 478, 069	22. 2	−10. 3	6. 3	−7. 3
Hungary	254, 708	199, 554	236, 711	1, 307, 264	1, 296, 595	1, 295, 137	−21. 7	18. 6	−. 8	−. 1
Iceland	142, 429	137, 699	245, 462	1, 065, 496	1, 339, 477	1, 942, 206	−3. 3	78. 3	25. 7	45. 0

Italy	12, 224, 019	14, 967, 346	14, 618, 238	47, 214, 133	60, 408, 133	56, 911, 414	22. 4	−2. 3	27. 9	−5. 8
Netherlands	3, 195, 618	2, 981, 500	3, 584, 940	25, 524, 602	27, 510, 030	33, 951, 742	−6. 7	20. 2	7. 8	23. 4
Norway	2, 478, 148	3, 152, 575	2, 050, 286	14, 650, 583	26, 470, 042	15, 938, 552	27. 2	−35. 0	80. 7	−39. 8
Poland	173, 301	305, 874	545, 725	667, 192	1, 495, 113	5, 862, 018	76. 5	78. 4	124. 1	292. 1
Portugal	2, 069, 543	1, 955, 469	1, 616, 237	7, 781, 564	8, 768, 182	6, 248, 953	−5. 5	−17. 3	12. 7	−28. 7
Spain	4, 991, 857	4, 699, 462	4, 878, 542	26, 432, 984	28, 124, 498	26, 331, 473	−5. 9	3. 8	6. 4	−6. 4
Sweden	2, 290, 985	1, 702, 518	1, 581, 878	10, 780, 065	9, 312, 742	9, 430, 671	−25. 7	−7. 1	−13. 6	1. 3
Switzerland	27, 308, 552	28, 977, 656	27, 273, 376	81, 807, 557	93, 064, 391	86, 057, 539	6. 1	−5. 9	13. 8	−7. 5
United Kingdom	42, 878, 411	38, 591, 093	41, 074, 720	164, 314, 259	190, 452, 801	191, 925, 985	−10. 0	6. 4	15. 9	. 8
U. S. S. R	2, 074, 322	1, 762, 046	1, 833, 877	11, 681, 268	11, 386, 517	10, 793, 095	−15. 1	4. 1	−2. 5	−5. 2
Yugoslavia	343, 565	321, 007	1, 296, 848	1, 811, 513	1, 725, 679	12, 434, 548	−6. 6	304. 0	−4. 8	620. 6
Other	304, 096	264, 762	310, 296	745, 837	861, 857	655, 238	−13. 0	17. 2	15. 6	−24. 0
Total Europe	132, 437, 283	137, 316, 523	142, 505, 576	543, 220, 159	661, 365, 839	679, 123, 753	3. 7	3. 8	21. 7	2. 7
Asia:										
Arabian Peninsula States	404, 693	3, 701, 850	3, 688, 055	4, 511, 283	55, 906, 147	55, 938, 791	814. 7	−0. 4	1, 139. 3	0. 1
British Malaya	165, 689	112, 925	112, 855	654, 767	915, 689	875, 188	−31. 8	−. 1	39. 8	−4. 4
China	8, 333, 705	10, 070, 114	10, 141, 884	43, 131, 774	65, 018, 019	56, 900, 581	20. 8	. 7	50. 7	−12. 5
Hong Kong	438, 822	589, 399	632, 839	1, 682, 700	2, 315, 645	2 488, 470	34. 3	7. 4	37. 6	7. 5
India	11, 405, 347	8, 156, 366	6, 025, 221	164, 033, 282	170, 188, 708	122, 121, 448	−28. 5	−26. 1	3. 8	−28. 3
Indonesia	1, 043, 990	615, 178	681, 008	3, 391, 784	3, 109 553	3, 897, 865	−41. 1	10. 7	−8. 3	25. 4
Iran	2, 654, 447	2, 181, 227	1, 694, 107	12, 585, 259	16, 957, 229	8, 143, 627	−17. 8	−22. 3	34. 7	−52. 0
Iraq	474, 801	671, 494	646, 497	2, 446, 428	5, 012, 153	2, 439, 611	41. 4	−3. 7	104. 9	−51. 3
Japan, Korea, and Formosa	9, 027, 252	14, 880, 398	22, 593, 434	22, 511, 408	50, 318, 272	80, 028, 966	64. 8	51. 8	123. 5	59. 0
Palestine	491, 446	493, 199	672, 118	4, 666, 616	4, 699, 609	6, 327, 702	. 4	36. 3	. 7	34. 6
Syria	1, 154, 132	856, 630	557, 713	1, 532, 751	1, 580, 540	1, 352, 991	−25. 9	−34. 9	3. 1	−14. 3
Turkey	15, 043, 527	15, 205. 336	13, 918, 105	44, 539, 068	39, 291, 187	37, 783, 676	1. 1	−8. 5	−11. 8	−3. 8
Thailand	444, 970	340, 988	201, 520	2, 975, 376	2, 806, 377	1, 414, 009	−23. 4	−40. 9	−5. 7	−49. 6
Other	399, 648	471, 754	308, 521	3, 826, 204	5, 014, 858	2, 074, 281	18. 0	−34. 6	31. 1	−58. 6
Total Asia	51, 482, 469	58, 346, 858	61, 873, 877	312, 488, 700	423, 133, 986	381, 787, 206	13. 3	6. 0	35. 4	−9. 8
Oceania:										
Australia	27, 102, 680	14, 784, 452	22, 148, 286	92, 137, 805	76, 084, 364	100, 353, 349	−45. 5	49. 8	−17. 4	31. 9
New Zealand	4, 109, 141	2, 317, 074	3, 785, 319	8, 689, 797	6, 011, 122	13, 703, 389	−43. 8	63. 4	−30. 8	128. 0
Other	18, 568	19, 154	24, 287	372, 186	241, 069	244, 438	3. 2	26. 8	−35. 2	1. 4
Total Oceania	31. 230, 389	17, 120, 680	25, 957, 892	101, 199, 788	82, 336, 555	114, 301, 176	−45. 2	51. 6	−18. 6	38. 8
Africa:										
Egypt and Anglo Egyptian Sudan	1, 854, 980	1, 791, 563	2, 437, 210	20, 892, 029	29, 433, 343	33, 065, 286	−3. 4	36. 0	40. 9	12. 3
Gold Coast	854, 895	541, 939	901, 248	4, 285, 077	3, 997, 485	7 534, 569	−36. 6	66. 3	−6. 7	88. 5
Madeira Islands	2, 021, 295	1, 698, 865	1, 412, 455	3, 370, 439	3, 293, 686	2, 738, 105	−16. 0	−16. 9	−2. 3	−16. 9
Madagascar	152, 066	196, 230	417 484	3, 008, 037	2, 460, 849	4, 797, 581	28. 9	112. 8	−18. 2	95. 0
Rhodesia	366, 261	473, 553	427, 858	722, 514	950, 093	1, 031, 210	29. 3	−9. 7	31. 5	8. 5
Union of South Africa	7, 023, 756	4, 781, 065	6, 478, 814	34, 971, 654	30, 228, 470	41, 697, 459	−31. 9	35. 5	−13. 6	37. 9
Other	929, 222	1, 093, 070	985, 940	5, 715, 972	7, 024, 626	6, 977, 531	17. 6	−9. 8	22. 9	−. 7
Total Africa	13, 202, 475	10, 576. 285	13, 061, 009	72, 965, 722	77, 388, 552	97, 841, 741	−19. 9	23. 5	6. 1	26. 4
Grand total	401, 435, 932	374, 258, 354	414, 493, 891	2, 489, 166, 472	2, 838, 781, 647	3, 063, 546, 578	−6. 8	10. 8	14. 0	7. 9

TABLE 88.—*Number of entries of merchandise, fiscal years 1949 and 1950*

Type	1949	1950	Percentage increase, or decrease (−)
Consumption entries	605, 653	674, 841	11. 4
Warehouse and rewarehouse entries	49, 033	59, 919	22. 2
Warehouse withdrawals	199, 659	252, 217	26. 3
Mail entries	633, 056	619, 300	−2. 2
Baggage entries	1, 429, 637	1, 527, 666	6. 9
Informal entries	532, 938	535, 221	. 4
Appraisement entries	17, 524	13, 530	−22. 8
All others	567, 864	551, 741	−2. 8
Total	4, 035, 364	4, 234, 435	4. 9

TABLE 89.—*Number of vehicles and persons entering the United States, fiscal years 1949 and 1950*

Kind of entrant	1949	1950	Percentage increase, or decrease (−)
Vehicles:			
Automobiles and busses	17, 661, 010	19, 243, 798	9. 0
Documented vessels	49, 181	46, 831	−4. 8
Undocumented vessels	19, 905	18, 717	−6. 0
Ferries	107, 680	112, 086	4. 1
Passenger trains	32, 644	29, 683	−9. 1
Freight cars	2, 404, 232	2, 263, 996	−5. 8
Aircraft	73, 362	71, 729	−2. 2
Other vehicles	536, 055	628, 210	17. 2
Passengers by:			
Automobiles and busses	53, 270, 654	56, 948, 884	6. 9
Documented vessels	676, 483	762, 353	12. 7
Undocumented vessels	52, 822	51, 226	−3. 0
Ferries	2, 517, 249	2, 306, 785	−8. 4
Passenger trains	1, 778, 763	1, 643, 307	−7. 6
Aircraft	966, 412	963, 346	−. 3
Other vehicles	5, 300, 350	5, 969, 407	12. 6
Pedestrians	19, 140, 173	18, 310, 866	−4. 3
Total passengers and pedestrians	83, 702, 906	86, 956, 174	3. 9

TABLE 90.—*Number of airplanes and airplane passengers entering the United States, fiscal years 1949 and 1950*

District	Airplanes		Airplane passengers		Percentage increase, or decrease (−)	
	1949	1950	1949	1950	Airplanes	Passengers
Northern Border:						
Maine	857	1,007	1,218	1,310	17.5	7.6
Vermont	2,523	2,589	21,542	17,557	2.6	−18.5
Massachusetts	3,791	4,361	46,132	59,410	15.0	28.8
New York	13,204	13,311	277,299	293,909	.8	6.0
St. Lawrence	1,040	1,068	6,205	5,150	2.7	−17.0
Buffalo	2,222	1,694	14,695	18,237	−23.8	24.1
Maryland	1,259	758	11,887	6,059	−39.8	−49.0
Michigan	3,089	1,589	6,791	3,422	−48.6	−49.6
Chicago	819	820	13,082	16,081	.1	22.9
Cleveland	1,208	1,453	10,733	12,729	20.3	18.6
Duluth	779	867	2,094	2,235	11.3	6.7
Dakota	1,437	1,221	11,551	13,238	−15.0	14.6
Montana	1,778	1,641	16,104	16,584	−7.7	3.0
Washington	3,170	3,138	24,136	27,427	−1.0	13.6
Other	1,117	1,074	18,167	9,896	−3.9	−45.5
Total	38,293	36,591	481,636	503,244	−4.6	4.5
Southern Border:						
Los Angeles	1,290	1,103	23,047	21,586	−14.5	−6.3
San Diego	1,128	1,490	2,773	3,727	32.1	34.4
El Paso	846	854	10,009	11,430	.9	14.2
Laredo	3,470	3,159	38,728	40,993	−9.0	5.8
Galveston	699	771	13,527	15,804	10.3	16.8
Nogales	2,020	1,634	9,088	8,257	−19.1	−9.2
New Orleans	1,255	1,798	23,145	25,443	43.3	9.9
Florida	19,741	21,272	299,194	283,685	7.8	−5.2
Other	8	88	7,610	11,413	900.0	50.0
Total	30,457	32,169	427,121	422,338	5.6	−1.1
Alaska	2,411	1,904	13,795	9,300	−21.0	−32.6
Hawaii	2,201	1,065	43,860	28,464	−51.6	−35.1
Total	4,612	2,969	57,655	37,764	−35.6	−34.6
Grand total	73,362	71,729	966,412	963,346	−2.2	−.3

TABLE 91.—*Drawback transactions, fiscal years 1949 and 1950*

Transactions	1949	1950	Percentage increase, or decrease (−)
	Number	*Number*	
Drawback entries received	13,814	13,376	−3.2
Drawback notices of intent:			
Originating in the district	135,821	117,691	−13.3
Received from other districts	73,750	64,139	−13.0
Forwarded to other districts for disposition	70,664	60,162	−14.9
Certificates of manufacture received	8,628	7,790	−9.7
Import entries used in drawback liquidations	12,618	15,923	26.2
Certificates of importation issued	5,862	4,844	−17.4
	Amount	*Amount*	
Drawback allowed:			
Manufactures from imported merchandise	$8,558,305.62	$8,083,863.37	−5.5
Duty paid on merchandise exported from continuous customs custody	32,659.65	120,008.36	267.5
Merchandise which did not conform to sample specifications and returned to customs custody and exported	184,614.52	236,486.36	28.1
Imported materials used in the construction and equipment of vessels built for foreigners	603,106.40	1,774.83	−99.7
Salt used curing fish	82.30		
Total drawback allowed	9,378,768.49	8,442,132.92	−10.0
Internal revenue refund on account of domestic alcohol	746,929.67	706,552.99	−5.4
Total	10,125,698.16	9,148,685.91	−9.6

TABLE 92.—*Principal commodities on which drawback was paid, fiscal years 1949 and 1950*

Commodity	1949	1950	Percentage increase, or decrease (−)
Sugar	$1,346,753.89	$902,267.35	−33.0
Wool	1,701,521.86	784,592.02	−53.9
Tobacco, unmanufactured	713,752.91	758,983.49	6.3
Tungsten ore and powder	135,013.14	593,458.28	339.6
Aluminum, crude, foil and manufactures	455,980.01	543,798.83	19.3
Petroleum, crude	362,051.62	464,324.70	28.2
Lead ore, matte, pigs	281,094.95	420,598.59	49.6
Cotton cloth	219,262.89	359,248.88	63.8
Watch movements and parts	157,410.73	329,843.27	109.5
Manganese	347,937.00	329,442.30	−5.3
Rayon and other synthetic textiles	250,643.77	314,385.99	25.4
Zinc ore, blocks and manufactures	288,895.11	298,198.96	3.2
Carpets and rugs	124,760.73	143,769.13	15.2
Skins and skin plates	171,653.96	98,873.45	−42.4
Nickel	126,184.54	97,279.46	−22.9
Copper	435,116.76	88,197.72	−79.7
Coal tar products	160,141.40	86,255.63	−46.1
Strip steel	29,109.22	46,139.77	58.5
Animal fats and oils (including tallow, inedible)	30,722.83	43,732.79	42.3
Pigments, paints, and varnishes	49,849.33	42,876.98	−14.0
Burlap	44,021.16	43,844.67	−.4
Automobile and parts, and aircraft parts	58,041.58	40,713.31	−29.9
Cotton, unmanufactured		37,088.71	
Wool fabrics	69,052.50	35,107.91	−49.2
Ferromanganese	40,051.92	31,658.85	−21.0
Bauxite ore	64,139.51	27,903.62	−56.5
Opium	58,130.22	23,584.93	−59.4
Pulpboard	6,520.03	19,638.28	201.2
Machinery and parts	34,129.21	16,221.03	−52.5
Quicksilver	1,937.81	12,248.70	532.1
Tires and tubes	74,278.94	10,223.34	−86.2

TABLE 93.—*Seizures for violations of customs laws, fiscal years 1949 and 1950*

Seizures	1949	1950	Percentage increase, or decrease (−)
Automobiles and trucks:			
Number [1]	441	446	1.1
Value	$518,460	$398,910	−23.1
Aircraft:			
Number [1]	8	5	−37.5
Value	$206,800	$13,400	−93.5
Boats:			
Number [1]	39	44	12.8
Value	$1,702,984	$2,822,643	65.7
Narcotics:			
Number	1,269	1,059	−16.5
Value	$304,686	$264,841	−13.1
Liquors:			
Number	4,901	5,385	9.9
Gallons	32,046	33,959	6.0
Value	$369,125	$382,809	3.7
Prohibited articles (obscene, lottery, etc.):			
Number	2,138	1,787	−16.4
Value	$34,783	$13,430	−61.4
Other seizures:			
Number	10,923	7,553	−30.9
Value:			
Cameras	$7,769	$32,317	316.0
Edibles and farm products	339,740	29,133	−91.4
Furs—skins and manufactured	112,606	12,409	−89.0
Guns and ammunition	20,394	11,222	−45.0
Jewelry, including gems	504,678	190,057	−62.3
Livestock	25,705	10,562	−58.9
Tobacco and manufactures of	31,785	8,578	−73.0
Watches and parts	26,344	279,959	962.7
Wearing apparel	63,085	44,393	−29.6
Miscellaneous	1,403,515	844,514	−39.8
Total value of other seizures	2,535,621	1,463,145	−42.3
Grand total:			
Number [1]	19,231	15,784	−17.9
Value	$5,672,459	$5,359,178	−5.5

[1] Total number of seizures does not include number of automobiles, trucks, aircraft, and boats seized, since these are frequently seized in connection with seizures of liquor, narcotics, etc.

TABLE 94.—*Seizures for violations of customs laws, classified according to agencies participating, fiscal year 1950*

Seizures	By Customs officers	By other agencies	Joint seizures by Customs and other agencies	Total
Automobiles:				
Number [1]	310	56	16	382
Value	$252, 901	$50, 334	$18, 245	$321, 480
Trucks:				
Number [1]	52	12		64
Value	$59, 365	$18, 065		$77, 430
Aircraft:				
Number [1]	5			5
Value	$13, 400			$13, 400
Boats:				
Number [1]	41	3		44
Value	$2, 822, 328	$315		$2, 822, 643
Narcotics:				
Number	1, 031	9	19	1, 059
Value	$174, 949	$1, 517	$88, 375	$264, 841
Liquors:				
Number	5, 313	51	21	5, 385
Gallons	33, 851	80	28	33, 959
Value	$380, 748	$1, 534	$527	$382, 809
Prohibited articles:				
Number	1, 739	48		1, 787
Value	$12, 760	$670		$13, 430
Other seizures:				
Number	7, 357	153	43	7, 553
Value	$1, 433, 121	$28, 089	$1, 935	$1, 463, 145
Total seizures:				
Number [1]	15, 440	261	83	15, 784
Value	$5, 149, 572	$100, 524	$109, 082	$5, 359, 178

[1] Total number of seizures does not include number of automobiles, trucks, aircraft and boats seized, since these are frequently seized in connection with seizures of liquor, narcotics, etc.

TABLE 95.—*Investigative and patrol activities, fiscal years 1949 and 1950*

Activity	1949	1950	Percentage increase, or decrease(−)
Investigations of violations of customs laws:			
Undervaluation	953	981	2. 9
Marking violations	25	43	72. 0
Baggage violations	1, 962	1, 941	−1. 1
Diamond and jewelry smuggling	635	510	−19. 7
Narcotic smuggling	r 1, 839	2, 491	35. 5
Other smuggling	1, 437	1, 197	−16. 7
Touring permits	1, 472	1, 653	12. 3
Navigation or air violations	492	608	23. 6
Other investigations:			
Alleged erroneous customs procedure	151	201	33. 1
Drawback	1, 426	1, 219	−14. 5
Classification and market value	697	695	−. 3
Application for customshouse brokers' licenses	153	156	2. 0
Application for bonded truckman's licenses	182	113	−37. 9
Petitions for relief from additional duty	621	550	−11. 4
Personnel	2, 838	1, 085	−61. 8
Pilferage of merchandise	210	295	40. 5
Miscellaneous	1, 977	2, 089	5. 7
Examination of customshouse brokers' records	190	296	55. 8
Cases of cooperation with other agencies	2, 673	2, 431	−9. 1

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FEDERAL AID TO STATES

TABLE 96.—*Expenditures for Federal aid to States, individuals, etc. (exclusive of emergency appropriations from which payments are made to or within States), fiscal years 1920, 1930, 1940, and 1950*

Appropriation titles	1920	1930	1940	1950
I. APPROPRIATIONS FROM WHICH PAYMENTS ARE MADE FOR GRANTS TO STATES AND LOCAL UNITS				
DEPARTMENT OF AGRICULTURE				
Payments to States and Territories for agricultural experiment stations (7 U. S. C. 301-308, 361-386f, 369a, 427-427g)	$1,440,000	$4,335,000	$6,848,149	[1] $7,399,422
Cooperative agricultural extension work (7 U. S. C. 301-308, 341-348, 343c-343e, 343f, 343g); Payments to States, Hawaii, Alaska, and Puerto Rico for cooperative agricultural extension work (7 U. S. C. 343, 386b, 386f)	4,471,594	7,539,786	18,458,267	31,025,919
Payments to States and Territories from the national forests fund (16 U. S. C. 500)	1,069,887	1,565,032	1,192,370	7,753,121
Payments to school funds, Arizona and New Mexico (act June 20, 1910, 36 Stat. 561, 573, secs. 6, 24)	78,867	41,243	23,555	60,775
National school-lunch program (act June 22, 1946, 60 Stat. 290)				81,213,235
Exportation and domestic consumption of agricultural commodities (act Aug. 24, 1935, 49 Stat. 774, sec. 321, as amended)				50,326,135
Forest-fire cooperation (16 U. S. C. 564-570)		1,383,041	1,987,538	[2] 8,768,555
Commodity Credit Corporation funds [3]				13,697,824
Cooperative farm forestry (16 U. S. C. 567-568b); Cooperative distribution of forest planting stock (16 U. S. C. 567)		139,196	90,332	708,112
Payments to counties from submarginal land program (7 U. S. C. 1012)				228,447
Research and Marketing Act of 1946 (act Aug. 14, 1946, Pub. Law 733)				[4] 6,183,682
Total	7,060,348	15,003,298	28,600,211	207,365,227
DEPARTMENT OF COMMERCE				
Federal-aid airport program, Federal Airport Act, Civil Aeronautics Administration (act May 13, 1946, 60 Stat. 171)				32,782,999
Cooperative construction of rural post roads (23 U. S. C. 21, 54) (see also items of similar type under class II)	20,305,623	77,887,693	150,470	
Federal-aid highway system (23 U. S. C. 1-24, 41, 21a, 23a, 41a)			105,351,358	7,023,393
Federal-aid secondary or feeder roads (act June 16, 1936, 49 Stat. 1521, sec. 7)			18,355,139	3,477,250
Elimination of grade crossings (act June 16, 1936, 49 Stat. 1521, sec. 8)			29,521,720	10,155,389
Public-lands highways (act June 16, 1936, 49 Stat. 1520, sec. 3)			2,128,682	775,395
Federal-aid postwar construction program (acts Dec. 28, 1945, 59 Stat. 638, and Mar. 26, 1946, 60 Stat. 70)				400,989,712
Maritime Administration				
State marine schools, act Mar. 4, 1911 (34 U. S. C. 1121)	176,689	50,000	140,036	157,761
Total	20,482,312	77,937,693	155,647,405	455,361,899
DEFENSE DEPARTMENT				
Army				
Payments to States, Flood Control Act of 1938, as amended (52 Stat. 1221-1222)				467,516

Footnotes at end of table.

TABLE 96.—*Expenditures for Federal aid to States, individuals, etc. (exclusive of emergency appropriations from which payments are made to or within States), fiscal years 1920, 1930, 1940, and 1950*—Continued

Appropriation titles	1920	1930	1940	1950
I. APPROPRIATIONS FROM WHICH PAYMENTS ARE MADE FOR GRANTS TO STATES AND LOCAL UNITS—Continued				
DEPARTMENT OF THE INTERIOR				
Payments to States from receipts under Mineral Leasing Act (30 U. S. C. 191)		$1,387,838	$2,151,654	$11,328,583
Payments to States under Grazing Act, June 28, 1934, public lands (43 U. S. C. 315i)			503,970	185,489
Payments to States under Grazing Act, June 28, 1934, Indian ceded lands (43 U. S. C. 315j)				
Federal aid, wildlife restoration (act Sept. 2, 1937, 50 Stat. 917)			451,299	7,577,938
Payments to counties from receipts under Migratory Bird Conservation Act (16 U. S. C. 715e)				88,419
Payments to States of 5% of proceeds of public lands (receipt limitation) (31 U. S. C. 711, par. 17; annual appropriation provided for 1942, act June 28, 1941, 55 Stat. 310)		18,292	602	5,518
Coos Bay wagon-road grant fund (act Feb. 26, 1919, 40 Stat. sec. 5)		43,613	(5)	
Revested Oregon and California Railroad and reconveyed Coos Bay wagon-road grant lands, Oregon (reimbursable) (act Aug. 28, 1937, 50 Stat. 874)			142,041	
Payment to certain counties in Oregon in lieu of taxes on Oregon and California grant lands (receipt limitation) (act June 9, 1916, 39 Stat. 222, sec. 10, and various supplemental acts; additional annual appropriation provided for 1939, act June 25, 1938, 52 Stat. 1129)		979,387	313,845	1,761,766
Payment to counties, Oregon and California grant lands (50%)				
Payment to counties in lieu of taxes on Oregon and California grant lands, 25 per centum fund (25%) (act Aug. 28, 1937, 50 Stat. 875)				
Payment of proceeds of sales of Coos Bay wagon-road grant lands and timber (receipt limitation) (act Feb. 26, 1919, 40 Stat. 1179)			12,771	
Payments to Coos and Douglas Counties, Oreg., in lieu of taxes on Coos Bay wagon-road grant lands (act May 24, 1939, 53 Stat. 753)			221	58,190
Payment to Oklahoma from royalties, oil and gas, south half of Red River (receipt limitation) (act Mar. 4, 1923, 30 U. S. C. 233)		41,778	8,786	
Payments to States from potash deposits, royalties and rentals (act Feb. 7, 1927, secs. 5 and 6) (30 U. S. C. 149, 285, 286)			49,256	
Payment to Alaska under Alaska Game Law (48 U. S. C. 199, Subdiv. K)			20,281	49,286
Payments to Arizona and Nevada for Colorado River Dam fund, Boulder Canyon Project (43 U. S. C. 617a, f)				600,000
Total		2,470,908	3,654,726	21,655,190
DEPARTMENT OF LABOR				
Promotion of welfare and hygiene of maternity and infancy		[6] 9,522		
Grants to States for Unemployment Compensation and Employment Service Administration, Bureau of Employment Security, Social Security Administration (act June 6, 1933, as amended, 29 U. S. C. 49-49i)			3,366,606	207,617,255
Grants to States for Unemployment Compensation Administration, Social Security Board (act Aug. 14, 1935, 49 Stat., sec. 301, 302)				
Payment to States, United States Employment Service (29 U. S. C. 49-49i)				
Total		9,522	3,366,606	207,617,255

Footnotes at end of table.

TABLE 96.—*Expenditures for Federal aid to States, individuals, etc. (exclusive of emergency appropriations from which payments are made to or within States), fiscal years 1920, 1930, 1940, and 1950*—Continued

Appropriation titles	1920	1930	1940	1950
I. APPROPRIATIONS FROM WHICH PAYMENTS ARE MADE FOR GRANTS TO STATES AND LOCAL UNITS—Continued				
INDEPENDENT ESTABLISHMENTS				
Federal Security Agency				
Colleges for agriculture and the mechanic arts (7 U. S. C. 321-343g)	$2,500,000	$2,550,000	$2,550,000	$5,030,000
Further endowment of colleges of agriculture and the mechanic arts (7 U. S. C. 343e-343g; 54 Stat. 582)			2,480,000	
Cooperative vocational education in agriculture (20 U. S. C. 11-30)	707,130	3,151,340	[7] 19,730	
Cooperative vocational education in trades and industries (20 U. S. C. 11-30)	780,096	2,956,295	[7] 9,787	
Cooperative vocational education, teachers, etc. (20 U. S. C. 11-30)	619,556	1,029,078	[7] 10,000	
Cooperative vocational education in home economics (20 U. S. C. 11-30)		248,957	[7] 18,431	
Cooperative vocational education in distributive occupations (20 U. S. C. 11-30)			[7] 10,000	
Cooperative vocational rehabilitation of persons disabled in industry (29 U. S. C. 31-45b)		735,619	2,082,198	26,489,335
Further development and promotion of vocational education (20 U. S. C. 15h-15p; 54 Stat. 583, 29-30; 29 U. S. C. 31-35)			19,384,914	
To promote the education of the blind (American Printing House for the Blind) (20 U. S. C. 101, 102)	30,000	75,000	115,000	125,000
Mental health activities, Public Health Service (act July 8, 1947, 61 Stat. 269)				3,293,697
Control of Venereal Diseases, Public Health Service (42 U. S. C. 24, 25; 52 Stat. 439, 440)			4,188,399	12,399,314
Control of tuberculosis, Public Health Service (act July 1, 1944, 58 Stat. 693, sec. 314 (b))				6,781,262
Operating expenses, National Heart Institute, Public Health Service (act June 29, 1949, 63 Stat. 291)				3,095,842
Operating expenses, National Cancer Institute, Public Health Service (act Apr. 19, 1946, 60 Stat. 106)				6,592,932
Grants, water pollution control, Public Health Service (act June 30, 1948, sec. 8 (a), Pub. Law 845)				913,027
Disease and sanitation investigations and control, Territory of Alaska (Act July 1, 1944, 58 Stat. 704)				757,117
Assistance to States, general, Public Health Service (act July 1, 1944, 58 Stat. 693, sec. 314 (c))			9,500,706	14,081,127
Grants to States for public health work, Social Security Act, Aug. 14, 1935 (42 U. S. C. 801-803)				
Payments to States for surveys and programs for hospital construction, Public Health Service (act Aug 13, 1946, 60 Stat. 1040-49)				57,073,217
Grants for hospital construction, Public Health Service (act Aug. 13, 1946, 60 Stat. 1040-49)				
Grants to States for maternal and child welfare services of the Social Security Act, Aug. 14, 1935, as amended (42 U. S. C. 701-731)			9,680,706	11,234,511
Grants to States under Social Security Act, Social Security Board (42 U. S. C. 301-306, 1201-1206)			329,303,433	1,134,960,863
Payments to States, Vocational Rehabilitation Act, as amended, Office of Vocational Rehabilitation (act of July 3, 1945, 59 Stat. 374)				24,741,510
Payments to States, including Alaska, Hawaii, and Puerto Rico, Office of Vocational Rehabilitation (29 U. S. C. ch. 4)				
Total	4,636,782	10,746,289	379,217,408	1,307,568,754

Footnotes at end of table.

TABLE 96.—*Expenditures for Federal aid to States, individuals, etc. (exclusive of emergency appropriations from which payments are made to or within States), fiscal years 1920, 1930, 1940, and 1950*—Continued

Appropriation titles	1920	1930	1940	1950
I. APPROPRIATIONS FROM WHICH PAYMENTS ARE MADE FOR GRANTS TO STATES AND LOCAL UNITS—Continued				
INDEPENDENT ESTABLISHMENTS—continued				
Housing and Home Finance Agency				
Annual contributions, Federal Public Housing Authority (42 U. S. C. 1410)				$5,737,706
United States Housing Authority fund (42 U. S. C. 1404 (d), 1418; 50 Stat. 889, 897, sec. 4 (d), 18)			$1,386,132	
Total			1,386,132	5,737,706
Federal Power Commission				
Payments to States under Federal Power Act (16 U. S. C. 810)		$12,875	19,386	28,315
Interdepartmental Social Hygiene Board				
Payments for prevention and research, venereal diseases (41 Stat. 888)	$1,759,263			
Veterans' Administration				
(Annual appropriations under title "Salaries and expenses, Veterans' Administration"):				
State and territorial homes for disabled soldiers and sailors (24 U. S. C. 134)	1,094,584	575,206	978,767	3,273,924
Administration of unemployment and self-employment allowances (act June 22, 1944, 58 Stat. 290)				4,354,348
Supervision of on-the-job training (act June 22, 1944, 58 Stat. 290)				6,909,143
Total	1,094,584	575,206	978,767	14,537,415
Total class I	35,033,289	106,755,791	572,870,641	2,220,339,277
II. APPROPRIATIONS FROM WHICH PAYMENTS ARE MADE FOR SELECTED PROGRAMS INVOLVING PAYMENTS TO INDIVIDUALS, ETC., WITHIN THE STATES				
DEPARTMENT OF AGRICULTURE				
Cooperative construction, etc., of roads and trails, national forests (act July 11, 1916, 39 Stat. 358)	1,699,044	(8)	(8)	
Federal forest road construction (act Feb. 28, 1919, 40 Stat. 1201)	2,550,513	(8)	(8)	
Forest roads and trails (23 U. S. C. 23, 23a); Forest reserve fund, roads and trails for States (16 U. S. C. 501)		7,961,032	11,478,686	
Cooperative fire protection of forested watersheds of navigable streams (16 U. S. C. 563)	86,887			
Conservation and use of agricultural land resources (act Feb. 29, 1936, 16 U. S. C. 590g-590q); Administration of Sugar Act of 1937 (7 U. S. C. 1100-1183)			552,042,804	289,951,995
Grants and loans, Farm Housing (act July 15, 1949, 63 Stat. 434, sec. 504 (a))				46,321
Total	4,336,444	7,961,032	563,521,490	289,998,316
DEPARTMENT OF COMMERCE				
Forest highway construction (sec. 10 (a), act Dec. 20, 1944, 58 Stat. 838-843)				26,916,655

Footnotes at end of table.

TABLE 96.—*Expenditures for Federal aid to States, individuals, etc. (exclusive of emergency appropriations from which payments are made to or within States), fiscal years 1920, 1930, 1940, and 1950*—Continued

Appropriation titles	1920	1930	1940	1950
II. APPROPRIATIONS FROM WHICH PAYMENTS ARE MADE FOR SELECTED PROGRAMS INVOLVING PAYMENTS TO INDIVIDUALS, ETC., WITHIN THE STATES—Continued				
DEFENSE DEPARTMENT				
Army				
National Guard (32 U. S. C. 21, 22)	$2, 663, 485	$31, 987, 927	$71, 019, 749	$87, 261, 167
Maintenance and improvement of existing river and harbor works (act July 24, 1946, 60 Stat. 637, sec. 6) Flood control, general (act July 24, 1946, 60 Stat. 637, sec. 6)				609, 498
Total	2, 663, 485	31, 987, 927	71, 019, 749	87, 870, 665
Air Force				
Air National Guard (act Oct. 29, 1949, 63 Stat. 1016–25)				44, 295, 643
Total, Defense Department	2, 663, 485	31, 987, 927	71, 019, 749	132, 166, 308
DEPARTMENT OF LABOR				
Reconversion unemployment benefits for seamen, Social Security Administration (act Aug. 10, 1946, 60 Stat. 982)				905, 964
TREASURY DEPARTMENT				
Public Health Service [9]				
Preventing the spread of epidemic diseases	495, 793	273, 330		
Interstate quarantine service	5, 098	71, 117		
Studies in rural sanitation	64, 528	345, 159		
Total	565, 419	689, 606		
INDEPENDENT ESTABLISHMENTS				
Federal Security Agency				
Civilian Conservation Corps (16 U. S. C. 584–584q; 54 Stat. 581)			270, 856, 832	
Operating expenses, National Cancer Institute, Public Health Service (act Apr. 19, 1946, 60 Stat. 106) [10]				5, 177, 886
Operating expenses, National Heart Institute, Public Health Service (act June 29, 1949, 63 Stat. 291) [10]				4, 909, 702
Operating expenses, dental health activities, Public Health Service (act June 24, 1948, 62 Stat. 598–602, sec. 421) [10]				231, 764
Operating expenses, National Institute of Health, Public Health Service (act July 1, 1944, 58 Stat. 692, sec. 301) [10]				5, 726, 699
Mental health activities, Public Health Service (act July 8, 1947, 61 Stat. 269) [10]				3, 635, 866
Total			270, 856, 832	19, 681, 917
General Services Administration				
Construction services, Public Buildings Administration (act June 15, 1938, 40 U. S. C. 265)				172, 178

Footnotes at end of table.

TABLE 96.—*Expenditures for Federal aid to States, individuals, etc. (exclusive of emergency appropriations from which payments are made to or within States), fiscal years 1920, 1930, 1940, and 1950*—Continued

Appropriation titles	1920	1930	1940	1950
II. APPROPRIATIONS FROM WHICH PAYMENTS ARE MADE FOR SELECTED PROGRAMS INVOLVING PAYMENTS TO INDIVIDUALS, ETC., WITHIN THE STATES—Continued				
INDEPENDENT ESTABLISHMENTS—continued				
Veterans' Administration				
Veterans' miscellaneous benefits, Veterans' Administration (act Mar. 24, 1943, 57 Stat. 43)				
Readjustment benefits, Veterans' Administration (act June 22, 1944, 58 Stat. 284)				$2,815,021,445
Automobiles and other conveyances for disabled veterans (act Aug. 8, 1946, Public Law 663)				2,169,664
Total				2,817,191,109
Total class II	$7,565,348	$40,638,565	$905,398,071	3,287,032,447
Grand total	42,598,637	147,394,356	1,478,268,712	5,507,371,724

[1] Excludes $4,844,100 payment to States for agricultural experiment stations, pursuant to title I, sec. 9, Research and Marketing Act of 1946.
[2] Includes $10,761 expenditures for fire control activities in connection with the flood control program (Flood Control Act, 33 U. S. C. 701a).
[3] Reported on basis of estimated total cost to Government of commodities distributed through central agencies. Includes $2,197,821 as estimated cost of Irish potatoes acquired under price support program, pursuant to sec. 3 of Public Law 471, 81st Congress, and $11,500,003 as estimated cost of perishable food commodities acquired through price support operations, pursuant to sec. 416 of Public Law 439, 81st Congress.
[4] Comprises $4,844,100 as payments to States for agricultural experiment stations and $1,339,582, cooperative projects in marketing agreements, pursuant to title I, sec. 9 and title II, sec. 204 (b), respectively, of the Research and Marketing Act of 1946.
[5] Special fund account repealed as a permanent appropriation, effective July 1, 1935, by sec. 4 of the Permanent Appropriation Repeal Act, June 26, 1934 (48 Stat. 1227). Annual appropriation provided for same object under the account immediately following.
[6] Activities under this caption expired June 30, 1929.
[7] Deduct; represents net repayments. These accounts were discontinued, but their functions are continued under the two accounts immediately following.
[8] These accounts consolidated with combined accounts immediately following.
[9] Beginning July 1, 1939, expenditures of Public Health Service stated under Federal Security Agency.
[10] For additional payments from this appropriation, see Part I.

TABLE 97.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1950*

[The Treasury Department, for general information, has compiled from figures furnished by the departments and establishments concerned the following statement, exhibiting by States and Territories the amounts paid to or within each under the appropriations for Federal aid to States shown under classes I and II in the preceding table.]

PART A. GRANTS TO STATES AND LOCAL UNITS

State	Department of Agriculture						
	Agricultural experiment stations [1]—Regular grants (1)	Cooperative agricultural extension work [2]—Regular grants (2)	National school-lunch program [3]—Regular grants (3)	National forests fund [4]—Shared revenues (4)	Submarginal land program, payment to counties—Shared revenues (5)	Research and Marketing Act of 1946—Cooperative projects in marketing [5] (6)	Forest fire cooperation, etc.[6] (7)
Alabama	$321,991	$1,213,143	$3,075,329	$89,988	$303	$26,579	$365,838
Arizona	150,039	182,599	475,856	304,005	65		
Arkansas	287,091	973,923	2,258,208	375,122	12,034	23,443	286,261
California	296,260	710,703	3,311,222	1,145,957	869	73,779	1,489,267
Colorado	233,024	359,865	565,539	217,507	23,601	7,570	32,830
Connecticut	165,737	174,007	606,657			12,841	56,818
Delaware	119,804	97,333	111,545		57	8,075	8,969
District of Columbia			200,607				
Florida	192,470	320,567	1,617,092	65,601	12,047	10,386	491,912
Georgia	344,482	1,206,687	3,183,985	81,069	7,093	35,476	270,831
Idaho	167,195	260,918	356,901	418,197	1,065	2,000	155,238
Illinois	326,920	933,075	2,931,833	16,722		13,069	56,498
Indiana	297,027	752,469	1,979,969	2,247		41,312	73,946
Iowa	324,689	868,711	1,512,243	386		40,673	26,048
Kansas	230,753	634,018	923,120		8,507	58,250	1,571
Kentucky	309,952	1,148,382	2,751,691	24,676		18,004	118,443
Louisiana	258,798	796,984	2,825,821	101,347	6,172	46,219	235,201
Maine	176,703	230,807	426,035	5,576		23,459	160,596
Maryland	185,055	294,132	841,184		6	40,140	154,433
Massachusetts	164,238	191,950	1,620,781			18,401	98,569
Michigan	295,091	843,478	2,553,141	65,268		68,965	436,544
Minnesota	272,691	840,003	1,553,605	68,258		17,408	273,600
Mississippi	333,015	1,236,146	2,357,666	197,446	6,898	77,084	278.650
Missouri	308,373	1,036,405	2,079,948	25,393	1,641	30,288	194,901
Montana	158,334	282,694	279,335	250,687	35,445	4,000	95,644
Nebraska	211,577	536,190	531,081	12,063	4,123	7,476	7,740
Nevada	121,729	118,107	58,454	38,935		3,500	11,591
New Hampshire	131,327	124,285	273,090	23,238		5,403	81,721
New Jersey	190,668	227,974	1,515,312			6,000	115,001
New Mexico	160,008	255,932	429,711	124,406	14,236	16,959	5,852
New York	369,210	777,675	4,445,541		358	29,009	273,396
North Carolina	403,735	1,494,416	3,732,258	85,498	1,696	37,840	273,088
North Dakota	166,865	402,093	239,092	38	34,953	18,254	9,668
Ohio	334,083	1,030,312	3,372,270	2,627		13,700	80,970
Oklahoma	269,298	910,975	1,855,463	39,666	5,195	57,049	71,014
Oregon	200,486	326,886	788,648	2,044,693	1,866	21,253	870,347
Pennsylvania	412,036	907,546	2,688,724	14,454	784	5,483	261,680
Rhode Island	137,900	66,079	234,606			419	28,470
South Carolina	282,525	849,884	2,333,405	99,530	20	12,906	342,477
South Dakota	176,551	412,000	250,034	56,785	25,175	13,835	16,412
Tennessee	321,461	1,150,527	2,842,753	39,976		24,681	127,039
Texas	513,549	1,966,683	4,769,696	262,981	15,306	23,576	175,792
Utah	171,729	202,727	519,401	129,160	330	17,106	23,159
Vermont	136,792	167,433	213,145	26,069		1,900	65,650
Virginia	289,496	870,682	2,147,057	37,613		32,671	145,315
Washington	219,397	400,064	1,117,367	1,107,483		55,058	578,877
West Virginia	248,642	557,160	1,644,955	29,419	81	47,289	214,599
Wisconsin	277,028	782,858	1,440,153	66,092		74,852	319,410
Wyoming	136,998	183,302	163,752	109,305	8,521	2,825	2,290
Alaska	66,048	25,950	12,416	4,922		7,500	
Hawaii	128,605	177,865	265,332			25,633	6,183
Puerto Rico	246,047	511,315	2,865,101	3,491		79,984	6,318
Virgin Islands			65,105				
Total	12,243,522	31,025,919	81,213,235	7,813,896	228,447	1,339,582	9,476,667

NOTE.—This table does not include Federal payments to State and local governments for State and local taxes or in lieu of such taxes on federally owned property as follows: Housing under supervision of Public Housing Administration, including (*a*) defense and war housing constructed under Lanham Act (42 U. S. C. 1521) and other acts; (*b*) resettlement and rehabilitation authorized by act of June 29, 1936 (40 U. S. C. 431); and (*c*) certain low-rent housing authorized by U. S. Housing Act of 1937, as amended (42 U. S. C. 1401); and housing and other property owned by T. V. A. and certain other Government agencies.

[1] Includes $4,844,100 as payments to States for agricultural experiment stations pursuant to title I, sec. 9, Research and Marketing Act of 1946.

[2] Includes $116,400 as payments for cooperative agricultural work from funds appropriated for "Salaries and expenses, farm housing."

[3] Includes $16,684,026, value of commodities distributed to participating schools.

[4] Includes $60,775 payments to school funds, Arizona and New Mexico.

[5] Under agreements entered into pursuant to sec. 204 (*b*), title II, Research and Marketing Act of 1946.

[6] Comprises $8,757,794 for forest fire cooperation, $708,112 for farm and other private forestry cooperation, and $10,761 for flood control.

TABLE 97.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1950*—Continued

PART A. GRANTS TO STATES AND LOCAL UNITS—Continued

State	Department of Agriculture—Continued		Department of Commerce			
	Removal of surplus agricultural commodities—Value of commodities distributed within States	Commodity Credit Corporation—Value of commodities donated [7]	Civil Aeronautics Administration, Federal airport program—Regular grants	Bureau of Public Roads: Highway construction		Maritime Administration: State marine schools—Regular grants
				Regular grants [8]	Emergency grants [9]	
	(8)	(9)	(10)	(11)	(12)	(13)
Alabama	$1,873,794	$116,608	$289,399	$6,194,353	$41,648	
Arizona	266,809	92,858	481,732	5,087,620	5,507	
Arkansas	1,200,031	188,032	209,205	6,015,341		
California	2,245,325	530,733	3,146,283	16,522,222	740,035	$25,000
Colorado	404,541	130,043	378,812	8,425,872	[a] 7	
Connecticut	178,319	66,284	139,215	4,456,723	12,924	
Delaware	84,040	45,556	7,543	2,161,751		
District of Columbia	74,245	71,179		2,267,010		
Florida	996,127	81,995	496,749	3,464,959	59,541	
Georgia	1,557,589	126,004	1,519,090	11,821,108	113,206	
Idaho	211,503	16,103	166,426	3,308,460	21,955	
Illinois	2,145,694	2,516,332	1,274,310	16,329,218	47,332	
Indiana	980,852	112,016	983,402	7,796,369	56,672	
Iowa	926,577	100,693	1,060,341	13,980,427	64,128	
Kansas	491,176	75,633	812,210	13,390,271	40,039	
Kentucky	1,324,721	177,041	746,286	8,476,318	73,514	
Louisiana	3,149,613	1,030,670	151,403	6,785,859		
Maine	175,359	164,461	23,083	3,866,320	14,413	45,763
Maryland	535,056	163,349	1,561,653	5,728,428	87,867	
Massachusetts	933,922	439,507	624,104	7,817,710	4,360	41,953
Michigan	1,787,131	431,036	1,653,062	16,572,291		
Minnesota	895,423	191,630	639,180	11,139,467	19,736	
Mississippi	1,197,290	42,616	210,892	6,444,824	14,845	
Missouri	1,336,748	311,122	628,049	10,990,727	136,202	
Montana	143,324	16,902	251,226	7,208,045	65,381	
Nebraska	305,719	67,978	1,029,534	6,015,290		
Nevada	45,732	9,456	115,234	4,368,714	[a] 379	
New Hampshire	167,378	127,366	33,394	1,302,177		
New Jersey	764,107	357,043	234,193	10,242,157		
New Mexico	775,452	145,850	384,419	5,318,429	[a] 223	
New York	3,315,424	1,382,736	2,470,758	31,608,748	22,437	45,045
North Carolina	1,567,445	146,696	142,615	8,421,618	141,182	
North Dakota	201,310	77,408	157,857	6,521,233	11,897	
Ohio	2,556,363	809,697	1,466,080	13,630,435	19,507	
Oklahoma	956,088	149,905	448,219	10,766,283	13,442	
Oregon	459,471	59,125	412,870	6,952,504	30,261	
Pennsylvania	1,977,518	1,150,313	1,139,604	18,791,343	205,311	
Rhode Island	160,205	81,847		1,532,934		
South Carolina	1,199,956	85,840	96,729	5,106,054	3,703	
South Dakota	249,010	89,359	587,496	6,500,762	42,784	
Tennessee	1,623,484	200,497	1,291,820	8,523,650	14,289	
Texas	2,585,532	193,382	1,488,241	29,527,921	36,889	
Utah	298,981	143,103	368,896	3,837,808	47,209	
Vermont	144,648	31,078	160,258	1,659,963		
Virginia	1,594,352	150,414	690,139	5,672,913	1,395,074	
Washington	835,095	134,664	319,142	6,634,084	81	
West Virginia	1,069,851	606,083	595,699	4,646,299	6,403	
Wisconsin	722,795	196,910	832,723	10,839,601		
Wyoming	81,658	33,843	69,115	5,028,775		
Alaska	89,237	28,828				
Hawaii	233,246		216,356	1,627,486	2,257,752	
Puerto Rico	1,187,959		515,439	1,581,189	3,204	
Virgin Islands	42,910		62,516			
Advances and other undistributed						
Total	50,326,135	13,697,824	32,782,999	422,910,155	5,870,122	[10] 157,761

[a] Deduct.

[7] Reported on basis of estimated total cost to Government of commodities distributed through central agencies. Includes $2,197,821 as estimated cost of Irish potatoes acquired under price support program, pursuant to sec. 3 of Public Law 471, 81st Cong., and $11,500,003 as estimated cost of perishable food commodities acquired through price support operations, pursuant to sec. 416 of Public Law 439, 81st Cong.

[8] Comprises $400,989,712 for postwar Federal-aid highways, $7,023,393 for prewar Federal-aid primary, $3,477,250 for prewar Federal-aid secondary, $10,155,389 for prewar Federal-aid grade crossing elimination, $489,015 for emergency relief (works program), and $775,395 for public lands highways.

[9] Comprises $1,278,421 for access roads; $1,105,033 for strategic highway network; $1,025,585 for advance surveys and plans; $3,561 for flight strips; $2,028,719 for war and emergency damage (Hawaii); and $428,803 for payment of claims to reimburse States for damage done to Federal-aid roads by military vehicles, etc.

[10] Does not include expenditure of $149,765 for maintenance and repair of vessels, as follows: California, $37,732; Maine, $37,418; Massachusetts, $41,211; and New York, $33,404.

TABLE 97.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1950*—Continued

PART A. GRANTS TO STATES AND LOCAL UNITS—Continued

State	Defense Department, Army: Lease of flood control lands—Shared revenues	Department of the Interior				Department of Labor: Unemployment Compensation and Employment Service Administration[13]—Regular grants
		Federal aid, Wildlife Restoration, Fish and Wildlife Service—Regular grants	Payments from receipts under Mineral Leasing Act—Shared revenues	Payments from receipts under Migratory Bird Conservation Act and Alaska game law[11]—Shared revenues	Payments under certain special funds[12]—Shared revenues	
	(14)	(15)	(16)	(17)	(18)	(19)
Alabama		$102,632	$375	$124	$66	$3,393,717
Arizona		106,872	19,669		321,071	1,516,435
Arkansas	$37,803	73,306	487	774	338	1,847,196
California	51,256	383,835	3,002,067	456	21,356	22,687,670
Colorado	6,036	254,088	1,599,750		14,500	1,555,713
Connecticut	270	28,394				3,750,697
Delaware		47,128		365		488,051
District of Columbia						1,358,240
Florida		164,725	79	279	959	2,998,696
Georgia	924	124,495		5,154		2,968,622
Idaho		263,656	75,382	2,099	15,231	1,005,467
Illinois		134,443		1,048		10,617,465
Indiana		238,525				3,624,800
Iowa		75,128		1,513	1	1,686,736
Kansas	30,659	121,415	12,406		9	1,555,738
Kentucky	13,236	70,551		447		2,293,386
Louisiana	375	138,999	12,144	3,261	1	2,966,922
Maine		103,336		493		1,256,056
Maryland	38	68,398		4		3,732,648
Massachusetts	578	61,813		153		9,419,183
Michigan		241,445		1,752		10,497,986
Minnesota	229	279,169		5,693	4	3,109,583
Mississippi	38,891	128,169		565		2,190,887
Missouri	51,465	121,006		2,913	24	3,371,293
Montana		272,621	442,086	8,624	13,247	922,282
Nebraska	9,258	210,779	22	13,560	156	1,014,721
Nevada		100,410	6,352	1,736	316,156	636,235
New Hampshire	883	33,355				888,819
New Jersey		30,416		120		8,638,262
New Mexico		314,852	1,727,722	726	19,260	974,380
New York	1,839	266,580		539		27,826,009
North Carolina	398	123,942		169		3,840,953
North Dakota	37,147	81,993	1,599	5,303	111	609,735
Ohio	21,764	296,761				10,567,289
Oklahoma	103,160	185,867	10,430	6,783	157	2,243,266
Oregon	1,741	179,766	3,218	11,711	1,835,147	2,654,968
Pennsylvania	6,505	715,716				16,361,876
Rhode Island		15,699				1,940,684
South Carolina	36	65,763		89		2,260,454
South Dakota	10,391	127,210	1,311	466	536	498,785
Tennessee	7,383	59,990		12		3,627,726
Texas	24,106	3,439		3,605		7,131,761
Utah		137,850	365,425	600	17,817	1,183,406
Vermont	110	55,610		71		653,020
Virginia	8,243	211,170		628		2,031,191
Washington	1,221	164,445	517	1,094	835	4,385,637
West Virginia	1,575	153,784				1,931,505
Wisconsin		190,748		5,303	7	3,027,508
Wyoming		197,792	4,047,542	62	33,456	564,089
Alaska		34,843		49,411	518	559,982
Hawaii		11,643				582,944
Puerto Rico		3,367				166,580
Virgin Islands						
Advances and other undistributed						
Total	467,516	7,577,938	11,328,583	137,705	2,610,964	207,617,255

[11] Compromises payments of $88,419 under Migratory Bird Conservation Act, and $49,286 under Alaska game law.

[12] Comprises payments of $185,177 under Grazing Act, public lands; $313 under Grazing Act, Indian ceded lands; $1,761,766 to counties, Oregon and California land-grant fund; $300,000 each to Arizona and Nevada under Colorado River Dam fund, Boulder Canyon project; $5,518 under payments to States of 5 percent of proceeds from sales of public lands and materials; and $58,190 to Coos and Douglas Counties, Oregon, in lieu of taxes on Coos Bay wagon-road grant lands.

[13] Includes $859.95 "Grants to States for public employment offices, employment service functions" (New York).

TABLE 97.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1950*—Continued

PART A. GRANTS TO STATES AND LOCAL UNITS—Continued

State	Federal Security Agency						
	Office of Education			Public Health Service			
	Colleges for agriculture and mechanic arts—Regular grants	Cooperative vocational education—Regular grants	School assistance program—Emergency grants	Venereal disease control—Regular grants	Tuberculosis control—Regular grants	General health assistance—Disease and sanitation investigation and control, Alaska—Regular grants	Mental health activities—Regular grants
	(20)	(21)	(22)	(23)	(24)	(25)	(26)
Alabama	$102,333	$720,979	$390,622	$526,584	$148,404	$405,382	$17,598
Arizona	75,698	170,366	89,600	68,191	30,015	93,015	10,058
Arkansas	92,248	542,950	201,842	232,851	100,720	287,562	46,899
California	148,834	1,077,490	20,115	272,699	289,161	647,682	226,312
Colorado	82,820	221,006	----------	59,740	62,052	127,044	31,378
Connecticut	89,508	259,827	42,582	41,247	110,508	121,512	50,676
Delaware	73,042	154,834	----------	28,310	31,255	23,742	23,648
District of Columbia	----------	90,635	----------	191,548	61,192	60,902	23,326
Florida	91,655	345,040	37,889	495,955	178,570	243,285	67,116
Georgia	105,651	767,191	1,604,637	1,274,474	239,504	418,945	101,200
Idaho	75,990	162,014	118,373	40,282	22,704	79,585	8,000
Illinois	160,131	1,222,550	121,502	733,042	281,567	601,314	179,484
Indiana	109,121	664,485	38,401	192,459	132,404	337,524	97,052
Iowa	98,969	565,078	8,256	77,010	53,909	213,598	75,248
Kansas	90,555	399,831	151,100	69,128	97,947	202,856	55,379
Kentucky	102,477	701,347	39,328	375,289	212,158	392,886	64,350
Louisiana	96,979	582,879	----------	527,258	153,568	329,580	80,020
Maine	79,669	167,809	10,884	36,928	31,097	99,547	25,733
Maryland	90,786	312,925	----------	241,956	157,866	164,225	55,080
Massachusetts	119,267	548,191	----------	106,269	272,048	346,591	122,310
Michigan	129,988	903,472	380,948	316,005	270,999	479,502	156,805
Minnesota	101,868	594,783	----------	76,568	110,467	302,309	69,517
Mississippi	94,924	637,571	188,133	701,623	188,552	395,465	78,329
Missouri	113,194	773,590	44,144	273,840	100,872	368,413	65,088
Montana	76,385	169,033	----------	23,386	19,061	60,329	24,400
Nebraska	85,018	304,891	37,774	58,173	49,880	133,846	18,405
Nevada	71,258	84,752	19,547	24,770	8,051	37,091	7,122
New Hampshire	75,610	145,797	----------	11,071	16,419	54,790	23,068
New Jersey	117,480	557,837	----------	154,590	141,767	326,210	120,573
New Mexico	76,070	169,208	----------	126,423	48,772	93,308	24,400
New York	223,837	1,848,740	6,884	355,761	427,543	864,606	211,377
North Carolina	110,763	917,575	5,935	642,784	245,019	509,339	82,619
North Dakota	77,326	201,398	----------	31,022	58,839	75,130	23,459
Ohio	148,836	1,171,401	156,753	414,842	281,377	595,615	193,246
Oklahoma	96,666	551,806	317,339	229,754	137,052	260,121	62,617
Oregon	82,437	221,396	94,534	67,142	77,391	155,882	38,425
Pennsylvania	182,990	1,529,918	46,956	411,785	281,566	884,306	55,000
Rhode Island	78,141	138,741	51,711	28,538	45,998	50,686	22,606
South Carolina	91,682	498,553	217,603	425,920	180,002	299,990	51,810
South Dakota	77,338	186,766	7,953	29,737	32,856	83,067	20,836
Tennessee	103,278	713,467	304,662	403,175	205,527	393,594	81,389
Texas	143,212	1,403,534	568,920	867,984	182,267	739,242	113,947
Utah	76,281	173,845	----------	31,842	24,378	86,853	17,988
Vermont	74,100	154,317	----------	17,688	23,465	49,035	20,089
Virginia	100,561	626,464	174,133	328,845	233,177	322,179	89,890
Washington	89,815	328,698	1,062,788	83,549	91,776	186,685	61,712
West Virginia	91,707	432,753	57,998	246,397	104,490	230,634	52,325
Wisconsin	105,809	634,126	23,279	80,860	135,906	293,741	65,115
Wyoming	72,862	163,121	----------	18,738	13,134	49,898	----------
Alaska	50,000	----------	55,792	26,972	103,960	[14] 809,880	7,000
Hawaii	74,831	165,000	----------	31,745	76,544	57,521	24,387
Puerto Rico	50,000	409,355	----------	249,944	182,271	384,470	24,886
Virgin Islands	----------	----------	----------	16,621	15,235	7,730	24,400
Advances and other undistributed	----------	----------	----------	----------	----------	----------	----------
Total	5,030,000	26,489,335	6,698,917	12,399,314	6,781,262	14,838,244	3,293,697

[14] Comprises $52,763 for general health and $757,117 for disease and sanitation investigation and control, Alaska.

TABLE 97.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1950*—Continued

PART A. GRANTS TO STATES AND LOCAL UNITS—Continued

State	Federal Security Agency—Continued					
	Public Health Service—Continued					
	Heart disease control—Regular grants	Cancer control—Regular grants	Industrial waste studies—Regular grants	Hospital construction and survey and planning [15]—Regular grants	National Institutes of Health, construction grants [16]	
					National Cancer Institute—Regular grants	National Heart Institute—Regular grants
	(27)	(28)	(29)	(30)	(31)	(32)
Alabama	$61,453	$67,850	$20,010	$1,393,269		
Arizona	1,543	8,866	10,388	223,873		
Arkansas	29,438	59,614	17,396	1,601,642		
California	95,422	188,858	27,370	1,551,621		$75,000
Colorado	23,466	33,298	11,385	576,351	$122,000	
Connecticut	27,822	40,609	12,296	257,900	150,000	
Delaware	13,364	6,776	9,079	77,404		
District of Columbia	18,807	17,656	10,304	145,762	48,000	
Florida	40,408	53,259	15,198	1,797,508		
Georgia	63,263	84,905	20,386	2,606,035	50,000	30,500
Idaho	16,993	19,310	9,969	587,732		
Illinois	89,550	188,892	26,078	1,958,788	259,000	50,000
Indiana	21,799	71,880	18,321	2,064,711		
Iowa	26,412	61,793	15,999	1,228,071		
Kansas	33,757	51,851	13,697	1,333,437		40,000
Kentucky	60,074	83,416	19,698	1,588,264		
Louisiana	31,070	69,012	17,800	1,390,050		
Maine	10,000	27,653	10,941	226,244	250,000	
Maryland	31,819	44,337	13,216	174,505		45,000
Massachusetts	56,766	112,731	31,280	1,128,417	430,000	404,800
Michigan	72,572	118,735	22,310	2,123,529		
Minnesota	48,379	71,257	25,482	1,356,923		115,000
Mississippi	59,223	76,413	16,100	1,924,411		4,435
Missouri		44,300	19,559	792,066	340,000	
Montana	9,253	8,905	9,619	136,339		
Nebraska	13,650	26,981	12,021	673,251		
Nevada	7,442	5,846	8,758	9,108		
New Hampshire	12,811		10,123	679,491		
New Jersey	53,715	89,712	18,085	710,804		
New Mexico	18,518	20,220	10,000	608,540		
New York	131,117	292,912	35,326	2,504,642	1,168,368	70,000
North Carolina	22,728	88,015	23,178	2,963,949		
North Dakota	16,563	19,372	9,842	272,070		
Ohio	88,143	169,623	38,680	1,641,100		
Oklahoma	46,920	60,601	16,723	1,535,916		29,000
Oregon	27,212	23,554	12,208	489,677		
Pennsylvania	30,000	187,074	33,660	3,341,676	49,468	146,000
Rhode Island	10,793	14,572	10,127	137,872		
South Carolina	47,729	58,045	16,978	1,739,385		
South Dakota	10,810	15,125	10,069	247,523		
Tennessee	60,421	62,511	19,737	2,317,235	260,385	156,265
Texas	43,297	144,617	44,197	3,424,352		
Utah	18,240	18,857	10,239	558,572	220,000	60,000
Vermont	6,000	12,974	9,559	532,577		
Virginia	10,500	62,366	17,774	1,819,531		
Washington	33,011	49,377	23,473	570,358		
West Virginia	14,826	48,687	15,039	247,653		100,000
Wisconsin	47,771	69,912	26,416	1,379,544		
Wyoming		12,356	9,180	232,680		
Alaska	12,467	6,687	9,212			
Hawaii	17,070	12,368	9,978	188,250		
Puerto Rico	24,168	59,510	19,919	509		
Virgin Islands	1,267	1,661	8,645	2,100		
Advances and other undistributed						
Total	1,769,842	3,245,711	913,027	57,073,217	3,347,221	1,326,000

[15] Comprises $56,968,233 for hospital construction and $104,984 for hospital survey and planning.
[16] For construction of research facilities.

TABLE 97.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1950*—Continued

PART A. GRANTS TO STATES AND LOCAL UNITS—Continued

State	Federal Security Agency—Continued					
	Social Security Administration					
	Maternal and child health services—Regular grants (33)	Services for crippled children—Regular grants (34)	Child-welfare services—Regular grants (35)	Old-age assistance—Regular grants (36)	Aid to dependent children—Regular grants (37)	Aid to the blind—Regular grants (38)
Alabama	$453,053	$256,247	$101,981	$15,022,517	$4,996,097	$297,522
Arizona	100,173	49,286	33,843	4,389,226	1,700,648	296,604
Arkansas	267,288	211,304	97,613	13,206,519	5,104,057	446,863
California	336,719	214,567	118,577	106,405,404	17,611,016	3,891,397
Colorado	183,428	56,014	57,003	18,089,163	2,726,164	139,071
Connecticut	97,434	125,920	54,859	6,599,576	1,950,967	84,578
Delaware	74,466	65,228	28,653	413,490	311,126	64,741
District of Columbia	111,206	102,605	18,185	905,856	1,000,521	88,398
Florida	162,758	98,190	60,150	21,825,426	10,054,013	1,099,457
Georgia	410,910	204,619	148,905	19,811,320	4,991,661	615,079
Idaho	72,733	51,590	38,559	3,675,712	1,078,827	71,401
Illinois	344,059	176,127	138,604	42,271,306	12,549,484	1,643,050
Indiana	205,453	148,541	66,688	14,574,753	4,552,839	597,106
Iowa	135,388	154,352	80,869	15,887,777	2,104,796	419,408
Kansas	124,925	80,517	112,125	13,323,746	2,413,685	265,280
Kentucky	364,067	234,931	105,647	11,017,965	6,200,801	402,961
Louisiana	342,606	153,324	90,721	42,342,859	12,335,039	544,503
Maine	88,282	69,651	50,430	4,782,503	1,602,299	222,303
Maryland	327,200	211,497	43,836	3,327,891	2,937,544	149,710
Massachusetts	315,510	145,614	28,164	33,720,601	5,229,722	508,610
Michigan	325,088	231,302	95,529	32,094,964	10,749,055	620,549
Minnesota	203,406	156,541	76,909	17,732,488	3,588,507	389,375
Mississippi	315,007	231,303	102,852	10,277,440	2,329,701	554,281
Missouri	237,291	180,592	112,807	45,428,172	11,652,488	----------
Montana	60,747	61,481	35,793	3,989,782	1,032,921	199,990
Nebraska	94,605	85,590	52,069	7,754,975	1,532,107	225,711
Nevada	57,390	36,762	23,883	1,036,003	----------	----------
New Hampshire	76,224	59,268	29,556	2,328,011	651,703	105,475
New Jersey	180,352	167,039	46,139	7,268,523	2,127,216	275,623
New Mexico	161,496	53,221	40,517	3,079,673	2,281,603	149,645
New York	382,099	279,411	95,888	41,601,445	25,314,471	1,380,988
North Carolina	565,691	276,568	165,224	12,639,091	5,686,970	1,100,182
North Dakota	77,175	52,506	60,101	2,808,723	818,124	42,017
Ohio	354,511	182,387	111,152	43,414,859	6,517,527	1,385,776
Oklahoma	140,382	209,582	113,151	34,701,930	9,524,503	954,787
Oregon	90,276	61,870	46,955	7,874,845	1,583,026	133,113
Pennsylvania	474,273	271,543	174,167	26,771,363	24,380,496	----------
Rhode Island	76,621	109,301	26,104	3,306,826	1,551,098	59,351
South Carolina	274,020	223,815	88,971	8,368,580	2,611,328	376,995
South Dakota	82,196	43,931	52,537	3,633,112	946,233	62,754
Tennessee	389,604	187,802	148,801	17,264,204	9,892,779	778,504
Texas	437,493	352,247	218,977	59,889,464	6,896,904	1,971,280
Utah	60,550	89,056	33,443	3,232,332	1,488,079	71,568
Vermont	72,895	65,624	33,821	1,963,753	461,305	60,356
Virginia	295,556	212,984	103,074	3,623,002	2,889,410	368,408
Washington	154,098	137,670	53,782	23,946,176	4,514,415	256,274
West Virginia	213,663	126,325	67,255	5,561,937	7,196,145	234,380
Wisconsin	148,209	167,074	84,459	17,201,487	4,022,420	501,908
Wyoming	53,971	31,703	19,884	1,501,112	261,087	30,915
Alaska	95,133	113,848	22,455	661,979	275,860	----------
Hawaii	98,844	123,654	30,799	611,254	1,858,354	31,147
Puerto Rico	409,984	175,497	70,869	----------	----------	----------
Virgin Islands	58,003	41,448	20,809	----------	----------	----------
Advances and other undistributed	----------	----------	----------	----------	----------	----------
Total	11,234,511	7,609,069	3,934,144	843,161,115	256,087,141	24,169,394

TABLE 97.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1950*—Continued

PART A. GRANTS TO STATES AND LOCAL UNITS—Continued

State	Federal Security Agency—Continued		General Services Administration			Housing and Home Finance Agency:[17] Federal Housing Administration	
	American Printing House for the Blind—Regular grants	Office of Vocational Rehabilitation—Regular grants	Veterans' educational facilities—Emergency grants	Liquidation of Public Works Administration—Emergency grants	Defense public works, community facilities—Emergency grants	Federal annual contributions—Regular grants	Veterans' re-use housing program—Emergency grants
	(39)	(40)	(41)	(42)	(43)	(44)	(45)
Alabama	$4,994	$618,511				$216,832	
Arizona	782	94,230				8,400	
Arkansas	2,301	377,415				8,469	
California	5,797	1,840,249			[a] $8,333	121,937	$650
Colorado	1,303	180,339	$766			8,168	
Connecticut	1,064	471,912				279,274	
Delaware		177,973				2,454	
District of Columbia	304		768		[a] 48,444	77,341	
Florida	1,650	850,947				252,650	
Georgia	3,930	996,129				86,731	
Idaho	413	72,434				8,126	512
Illinois	5,558	1,396,834		$179,768		94,101	
Indiana	2,410	464,228				53,149	
Iowa	2,258	290,478	[a] 3				
Kansas	1,498	272,595					
Kentucky	2,627	198,326				349,130	
Louisiana	2,410	613,743				664,098	
Maine		131,193					
Maryland	2,301	269,475	[a] 768			145,329	
Massachusetts	4,907	325,212	18,561			321,528	
Michigan	5,124	1,558,643				77,738	
Minnesota	3,040	352,480	[a] 1,183				
Mississippi	1,998	467,185				82,436	
Missouri	2,736	580,356			29,010		
Montana	478	183,506	1,236	37,739		14,633	657
Nebraska	1,020	208,148		131,348		95,593	
Nevada		23,630					
New Hampshire		67,666					
New Jersey	2,519	437,262				244,457	205,383
New Mexico	1,585	98,911	2,799				
New York	8,359	1,528,855	499			998,034	245,420
North Carolina	7,100	874,027		1,182		98,771	
North Dakota	651	97,046					
Ohio	6,688	546,352	[a] 317				57
Oklahoma	2,323	581,837	[a] 378				
Oregon	1,672	293,618	[a] 29			44,184	100
Pennsylvania	8,186	1,752,901				209,530	17,649
Rhode Island		122,951				12,178	
South Carolina	1,650	556,141	588	13,634		77,590	
South Dakota	760	79,457					
Tennessee	3,821	702,326				274,935	
Texas	6,384	1,047,622			9,872	261,436	
Utah	738	155,762	5,295				
Vermont		108,608					
Virginia	2,454	516,979			4,244	57,539	
Washington	1,368	536,681	567		[a] 10,855	136,630	9,900
West Virginia	2,063	545,434	[a] 72			72,729	
Wisconsin	3,930	580,754					
Wyoming		100,558	276				481
Alaska					18		
Hawaii	326	166,398				19,842	
Puerto Rico	1,520	227,193				261,734	
Virgin Islands							
Advances and other undistributed			305,525				148,088
Total	125,000	24,741,510	334,129	363,671	[a] 24,488	5,737,706	628,898

[a] Deduct.

[17] Public works advance planning, emergency grants were included in the report for the fiscal year 1949. Since these expenditures take the form of noninterest-bearing advances to finance the planning of public works and are repayable contingent upon future construction of such works, they have been considered as loans rather than grants, and therefore, not included in this statement. The expenditures for fiscal 1950 amounted to $988,624.

TABLE 97.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1950*—Continued

PART A. GRANTS TO STATES AND LOCAL UNITS—Continued

State	Federal Power Commission: Payments to States under Federal Power Act—Shared revenues	Veterans' Administration			Total grant payments (Part A)
		State and territorial homes for disabled soldiers and sailors—Regular grants	Supervision of on-the-job training—Regular grants	Administration of unemployment and self-employment allowances—Regular grants	
	(46)	(47)	(48)	(49)	(50)
Alabama	$43	--------	--------	$156,419	$43,084,587
Arizona	--------	--------	$29,757	55,975	16,551,674
Arkansas	35	--------	96,015	93,135	36,912,771
California	15,554	$634,595	194,724	248,633	192,636,345
Colorado	412	25,933	69,550	70,813	37,167,951
Connecticut	--------	274,576	75,297	143,132	21,011,962
Delaware	--------	--------	16,669	29,933	4,806,404
District of Columbia	--------	--------	--------	51,510	6,947,663
Florida	5	--------	117,656	150,699	49,013,668
Georgia	--------	--------	165,823	162,569	58,330,182
Idaho	1,517	31,157	--------	13,825	12,705,554
Illinois	--------	449,105	205,309	360,326	103,029,488
Indiana	--------	137,611	83,537	158,285	41,732,363
Iowa	--------	99,925	55,591	90,000	42,413,476
Kansas	--------	15,846	46,837	56,444	37,638,811
Kentucky	--------	--------	66,060	125,334	40,253,784
Louisiana	--------	--------	99,575	117,424	79,094,307
Maine	--------	--------	--------	76,400	14,672,026
Maryland	--------	--------	53,221	84,219	22,275,561
Massachusetts	--------	213,648	168,583	309,741	66,426,293
Michigan	21	241,966	131,100	408,472	86,961,606
Minnesota	11	142,133	79,776	127,303	45,029,018
Mississippi	24	--------	88,420	94,835	33,666,545
Missouri	3	36,500	128,036	77,027	82,026,582
Montana	661	17,811	27,931	41,394	16,693,347
Nebraska	--------	86,781	63,102	34,209	21,756,415
Nevada	902	--------	5,729	15,548	7,435,554
New Hampshire	--------	16,761	29,450	43,411	7,629,141
New Jersey	--------	73,980	95,563	230,346	35,966,428
New Mexico	4	--------	31,849	40,645	17,805,378
New York	--------	3,604	602,100	747,978	154,165,568
North Carolina	36	--------	142,317	148,026	47,730,638
North Dakota	--------	22,305	--------	19,972	13,360,197
Ohio	--------	279,461	150,004	460,527	92,510,458
Oklahoma	--------	--------	109,120	112,002	67,886,014
Oregon	4,745	--------	41,552	20,000	28,340,746
Pennsylvania	--------	85,856	261,297	578,664	106,805,217
Rhode Island	--------	59,804	23,423	48,235	10,184,520
South Carolina	11	--------	34,572	88,526	29,083,489
South Dakota	--------	59,156	26,968	29,691	14,797,777
Tennessee	--------	--------	120,846	175,072	54,875,628
Texas	--------	--------	238,719	270,535	127,998,961
Utah	1,336	--------	57,980	16,602	13,974,633
Vermont	--------	21,730	22,034	33,246	7,058,923
Virginia	16	--------	95,432	116,127	27,347,603
Washington	2,329	157,401	58,458	113,988	48,605,185
West Virginia	3	--------	74,851	94,796	27,585,362
Wisconsin	4	78,950	48,785	85,100	44,561,547
Wyoming	224	7,326	4,547	14,927	13,262,305
Alaska	408	--------	--------	12,162	3,143,488
Hawaii	--------	--------	5,329	54,963	9,191,649
Puerto Rico	13	--------	10,852	--------	9,732,688
Virgin Islands	--------	--------	--------	--------	368,450
Advances and other undistributed	--------	--------	--------	--------	453,613
Total	28,315	3,273,924	4,354,348	6,909,143	2,234,699,542

TABLE 97.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1950*—Continued

PART B. FEDERAL AID PAYMENTS TO INDIVIDUALS, ETC., WITHIN THE STATES OTHER THAN DIRECT GRANTS AND LOANS

State	Department of Agriculture		Department of Commerce: Bureau of Public Roads, forest highways	Defense Department		
				Army		
	Agricultural conservation program [18]	Farm housing program, repair and improvement grants		Reimbursement for education of dependents of construction personnel; river and harbor and flood control	National Guard	Air Force: National Guard
	(51)	(52)	(53)	(54)	(55)	(56)
Alabama	$7, 501, 295	$400	$220, 961		$2, 283, 375	$711, 899
Arizona	1, 202, 090		1, 445, 039		555, 643	263, 330
Arkansas	5, 630, 620	4, 921	218, 865	$27, 753	1, 202, 124	328, 391
California	11, 494, 617		3, 807, 005	12, 306	5, 717, 406	3, 221, 473
Colorado	8, 085, 381	500	2, 080, 655		670, 260	793, 166
Connecticut	378, 563				1, 590, 112	1, 081, 760
Delaware	265, 172				456, 662	411, 783
District of Columbia					478, 677	576, 869
Florida	3, 109, 999		41, 104		1, 349, 395	346, 904
Georgia	9, 111, 357	1, 425	78, 244		1, 833, 362	1, 266, 233
Idaho	4, 330, 801	500	2, 941, 773		695, 321	286, 404
Illinois	10, 617, 422	455			4, 891, 623	1, 711, 326
Indiana	5, 617, 126				1, 974, 461	1, 253, 510
Iowa	10, 529, 923				1, 521, 480	801, 798
Kansas	9, 236, 610				1, 051, 412	256, 722
Kentucky	7, 309, 088	395			1, 004, 157	357, 266
Louisiana	10, 424, 963	1, 000	44, 955		1, 239, 088	480, 995
Maine	1, 036, 051	1, 000	6, 665		927, 128	415, 869
Maryland	1, 625, 983				1, 314, 735	280, 913
Massachusetts	409, 627				2, 848, 562	1, 311, 196
Michigan	7, 362, 175	1, 500	327, 671		2, 489, 548	2, 119, 230
Minnesota	7, 831, 199	500	437, 414		1, 907, 241	1, 334, 576
Mississippi	8, 182, 598	4, 685	156, 311		1, 373, 969	262, 839
Missouri	8, 590, 888	830	124, 576		1, 651, 993	1, 404, 813
Montana	5, 264, 863		1, 369, 642	42, 514	501, 030	275, 963
Nebraska	9, 159, 331		3, 848	59, 977	797, 806	270, 083
Nevada	234, 905		569, 637		234, 890	293, 848
New Hampshire	465, 214		286, 369		492, 379	268, 573
New Jersey	916, 534				3, 502, 285	1, 394, 667
New Mexico	1, 728, 511		1, 047, 123		696, 892	297, 823
New York	4, 681, 085				6, 672, 514	4, 105, 167
North Carolina	8, 317, 385	1, 460			1, 605, 382	432, 132
North Dakota	5, 626, 510			166, 736	546, 103	474, 887
Ohio	7, 394, 248		1		4, 123, 334	2, 549, 836
Oklahoma	9, 053, 807	2, 260	25, 964		1, 877, 543	634, 403
Oregon	3, 029, 813		4, 382, 111	225, 103	1, 373, 517	587, 153
Pennsylvania	4, 698, 924	1, 250	53, 260		4, 443, 721	2, 694, 600
Rhode Island	62, 674				669, 115	576, 772
South Carolina	3, 545, 458	500	145, 153		1, 743, 837	320, 045
South Dakota	5, 321, 315		167, 660	71, 269	649, 980	306, 500
Tennessee	6, 699, 330	1, 500			2, 552, 954	755, 518
Texas	22, 179, 617	16, 240	40, 200		3, 363, 526	1, 604, 897
Utah	2, 494, 790	500	1, 049, 064		850, 228	274, 732
Vermont	1, 222, 124		57, 470		619, 678	256, 646
Virginia	4, 909, 334	500	289, 629		1, 393, 514	399, 022
Washington	3, 238, 906		1, 848, 378	3, 840	1, 511, 157	1, 001, 194
West Virginia	2, 233, 376	750	79, 747		865, 367	710, 763
Wisconsin	7, 849, 183	500	152, 835		1, 825, 830	1, 559, 649
Wyoming	2, 452, 590		1, 599, 568		510, 844	327, 171
Alaska	33, 453		1, 817, 756			
Hawaii	8, 543, 249				1, 462, 477	361, 684
Puerto Rico	18, 628, 142	2, 250			1, 347, 530	282, 651
Virgin Islands	65, 586	500				
Advances and other undistributed	18, 190					
Total	289, 951, 995	46, 321	26, 916, 655	609, 498	[19] 87,261,167	[20] 44, 295, 64

[18] Comprises payments of $230,754,577 under conservation and use of agricultural land resources and $59,197,418 under the Sugar Act.

[19] The sum of $118,105,840 was also expended from the Army National Guard appropriation by various services of the Army for direct aid of the several States, Territories, and possessions. The amount each State received cannot be ascertained.

[20] Expenditures on an obligation basis.

TABLE 97.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1950*—Continued

PART B. FEDERAL AID PAYMENTS TO INDIVIDUALS, ETC., WITHIN THE STATES OTHER THAN DIRECT GRANTS AND LOANS—Continued

State	Department of Labor: Reconversion unemployment benefits for seamen	Federal Security Agency: Public Health Service—National Institutes of Health				
		Research grants				
		National Cancer Institute	National Dental Institute	Division of Research Grants and Fellowships	National Heart Institute	National Mental Health Institute
	(57)	(58)	(59)	(60)	(61)	(62)
Alabama	[a] $500	$30,894		$8,481	$4,622	
Arizona	40				12,000	
Arkansas	500			28,847		
California	100,105	241,457	$21,152	473,283	318,733	$37,394
Colorado	[a] 284	4,949		62,993	39,022	
Connecticut	[a] 4,000	59,855		151,189	23,040	40,103
Delaware						
District of Columbia	444	64,245	5,098	71,928	104,434	26,494
Florida	1,864	18,499		5,400		
Georgia	834	18,357		70,357	42,685	
Idaho	[a] 2,000			8,100		
Illinois	2,298	175,690	65,410	416,624	394,549	101,727
Indiana	6	25,896	8,593	48,831		
Iowa				65,351		9,164
Kansas		6,710		40,623	49,415	54,610
Kentucky	[a] 533			12,330	35,035	
Louisiana	3,403	24,088		117,889	64,418	
Maine	[a] 552	65,008				9,140
Maryland	11,570	127,917		309,265	132,133	
Massachusetts	8,883	199,249	27,472	565,992	531,337	130,559
Michigan	54	57,011	10,196	163,207	86,619	41,674
Minnesota	420	75,796		196,171	138,401	24,085
Mississippi	800			3,220	12,582	
Missouri	[a] 100	46,148	13,602	59,714	161,321	1,080
Montana					29,000	
Nebraska		6,480		27,861		
Nevada						
New Hampshire	50			5,832		
New Jersey	20,818			29,871	10,152	
New Mexico				20,000		
New York	707,679	493,520	35,289	908,652	664,828	213,009
North Carolina	3,480	2,646		150,371	149,123	
North Dakota						
Ohio	[a] 500	25,888	1,575	247,364	160,418	19,548
Oklahoma	512	1,874		26,011	39,206	
Oregon	12,500	5,400	1,462	12,415		
Pennsylvania	9,500	252,832		260,818	402,624	16,698
Rhode Island	4,200	15,252		23,293		
South Carolina	729	1,099		5,120	7,275	
South Dakota				16,376		
Tennessee	200	32,671	7,003	105,029	51,871	
Texas	4,448	10,357		115,788	16,045	
Utah	200	22,052		185,806	22,516	
Vermont	224	8,040			25,291	
Virginia	[a] 6,000	26,084		9,093	3,881	
Washington	24,486	12,873		43,134	18,876	16,262
West Virginia	900			4,104	3,100	
Wisconsin	250	10,622		150,431	20,540	
Wyoming	106					
Alaska				14,964		
Hawaii	[a] 1,073			6,188		
Puerto Rico				4,000		
Virgin Islands						
Advances and other undistributed						
Total	905,964	2,169,459	196,852	5,252,316	3,775,092	741,547

[a] Deduct.

TABLE 97.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1950*—Continued

PART B. FEDERAL AID PAYMENTS TO INDIVIDUALS, ETC., WITHIN THE STATES OTHER THAN DIRECT GRANTS AND LOANS—Continued

State	Federal Security Agency: Public Health Service—National Institutes of Health—Continued					
	Traineeship awards		Teaching grants paid			Control grants: National Cancer Institute
	National Cancer ustitute	National Heart Institute	National Cancer Institute	National Heart Institute	National Mental Health Institute	
	(63)	(64)	(65)	(66)	(67)	(68)
Alabama	----------	$2,260	$42,219	$14,000	$6,707	----------
Arizona	----------	----------	----------	----------	----------	----------
Arkansas	$3,340	----------	22,957	----------	10,000	$16,000
California	26,920	6,010	91,022	28,000	187,173	78,852
Colorado	5,340	----------	24,713	14,000	88,069	66,238
Connecticut	2,830	----------	12,500	14,000	105,766	17,368
Delaware	----------	----------	----------	----------	----------	----------
District of Columbia	20,930	160	52,173	28,000	152,998	29,483
Florida	----------	----------	----------	----------	----------	----------
Georgia	7,160	3,000	33,423	14,000	25,400	10,138
Idaho	----------	----------	----------	----------	----------	----------
Illinois	19,125	4,843	96,161	55,889	181,364	32,448
Indiana	----------	3,600	29,560	----------	13,168	----------
Iowa	3,640	----------	14,830	14,000	26,602	----------
Kansas	3,140	----------	24,999	13,500	84,700	8,910
Kentucky	----------	----------	26,808	----------	65,848	2,432
Louisiana	----------	7,247	30,000	28,000	92,096	8,419
Maine	----------	----------	----------	10,044	----------	----------
Maryland	13,370	15,817	42,794	14,000	60,284	59,526
Massachusetts	15,590	17,712	59,314	9,167	320,584	35,180
Michigan	8,950	7,150	38,164	26,000	54,000	29,590
Minnesota	13,130	1,500	16,370	14,000	118,068	26,182
Mississippi	----------	----------	2,500	8,000	----------	----------
Missouri	18,660	3,653	36,341	22,532	65,869	13,154
Montana	----------	1,500	----------	----------	----------	----------
Nebraska	----------	----------	27,500	14,000	9,936	----------
Nevada	----------	----------	----------	----------	----------	----------
New Hampshire	----------	----------	7,333	----------	1,500	----------
New Jersey	----------	----------	----------	----------	10,010	13,100
New Mexico	----------	----------	----------	----------	----------	----------
New York	97,486	25,511	157,198	69,831	370,768	129,513
North Carolina	14,240	7,800	34,509	28,000	73,099	7,600
North Dakota	----------	----------	7,497	----------	----------	----------
Ohio	6,050	6,600	85,644	12,500	151,637	22,180
Oklahoma	----------	----------	12,498	14,000	10,000	----------
Oregon	2,085	2,250	27,490	14,000	----------	11,503
Pennsylvania	35,290	17,400	131,786	55,997	286,668	27,333
Rhode Island	----------	3,672	----------	----------	----------	----------
South Carolina	----------	3,600	24,395	----------	5,000	----------
South Dakota	----------	----------	2,500	4,983	----------	----------
Tennessee	9,090	900	59,527	66,500	73,194	34,919
Texas	5,720	300	54,042	14,000	58,961	13,150
Utah	----------	3,708	12,500	10,000	10,000	17,981
Vermont	----------	3,600	23,908	----------	9,936	----------
Virginia	3,070	----------	29,335	14,000	35,500	----------
Washington	2,730	300	17,500	----------	32,519	24,300
West Virginia	----------	----------	2,500	----------	----------	----------
Wisconsin	3,510	----------	27,500	75,500	3,200	----------
Wyoming	----------	----------	----------	----------	----------	----------
Alaska	----------	----------	----------	----------	----------	----------
Hawaii	----------	----------	----------	----------	----------	4,514
Puerto Rico	----------	----------	----------	----------	----------	12,438
Virgin Islands	----------	----------	----------	----------	----------	----------
Advances and other undistributed	----------	----------	----------	----------	----------	----------
Total	341,396	150,093	1,442,010	720,443	2,800,624	752,451

TABLE 97.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1950*—Continued

PART B. FEDERAL AID PAYMENTS TO INDIVIDUALS, ETC., WITHIN THE STATES OTHER THAN DIRECT GRANTS AND LOANS—Continued

State	Federal Security Agency: Public Health Service—National Institutes of Health—Continued				
	Fellowship awards				
	National Cancer Institute (69)	National Dental Institute (70)	Division of Research Grants and Fellowships (71)	National Heart Institute (72)	National Mental Health Institute (73)
Alabama		$1,550			
Arizona					$1,902
Arkansas					
California	$46,385		$32,225	$3,000	1,950
Colorado	9,300		3,855		
Connecticut	25,037		18,062	7,500	6,600
Delaware					
District of Columbia	6,160			3,863	
Florida					
Georgia	1,950		916		
Idaho					
Illinois	21,950	2,350	22,165	23,276	16,000
Indiana	6,327	3,600	2,750	1,950	
Iowa	2,350		9,499		3,600
Kansas	3,600			9,150	
Kentucky					
Louisiana				1,561	
Maine	2,000				3,669
Maryland	76,742	4,583	86,447	31,404	7,200
Massachusetts	62,339	1,550	88,674	30,831	12,850
Michigan	3,900		7,900		
Minnesota	15,480	3,629	8,396	15,000	5,500
Mississippi					
Missouri	9,150		15,350	11,148	
Montana					
Nebraska					
Nevada					
New Hampshire					
New Jersey	3,170		3,753		
New Mexico					
New York	110,933	8,700	51,583	56,226	28,476
North Carolina	5,570		16,984	5,295	2,417
North Dakota					
Ohio	1,950	8,950	13,822	27,000	
Oklahoma			7,500		
Oregon					
Pennsylvania	31,204		44,721	17,520	1,181
Rhode Island					
South Carolina				3,600	
South Dakota					
Tennessee			8,202	2,350	
Texas	3,900		3,900		
Utah	3,823		5,662	3,600	2,350
Vermont	3,900				
Virginia				3,600	
Washington			3,600		
West Virginia					
Wisconsin	15,450		18,417	6,200	
Wyoming					
Alaska					
Hawaii					
Puerto Rico					
Virgin Islands					
Advances and other undistributed					
Total	472,570	34,912	474,383	264,074	93,695

TABLE 97.—*Expenditures made by the Government as direct payments to States under cooperative arrangements and expenditures within States which provided relief and other aid, fiscal year 1950*—Continued

PART B. FEDERAL AID PAYMENTS TO INDIVIDUALS, ETC., WITHIN THE STATES OTHER THAN DIRECT GRANTS AND LOANS—Continued

State	General Services Administration: Bureau of Community Facilities, disaster and emergency relief, etc.[21]	Veterans' Administration		Total payments within States (Part B)	Grand total (Parts A and B)
		Automobiles, etc., for disabled veterans	Readjustment benefits (Public Law 346, June 22, 1944) and vocational rehabilitation (Public Law 16, Mar. 24, 1943)		
	(74)	(75)	(76)	(77)	(78)
Alabama		$28,759	$87,944,911	$98,801,833	$141,886,420
Arizona		6,397	12,320,708	15,807,149	32,358,823
Arkansas	$45	19,160	53,211,535	60,725,058	97,637,829
California		97,510	157,470,208	183,514,186	376,150,531
Colorado	41	19,168	33,811,255	45,778,621	82,946,572
Connecticut		20,733	25,450,906	29,001,924	50,013,886
Delaware		8,000	3,367,213	4,508,830	9,315,234
District of Columbia	172,178	30,325	37,463,473	39,287,932	46,235,595
Florida	4,466	25,484	59,029,419	63,932,534	112,946,202
Georgia	1,789	41,529	82,514,680	95,076,839	153,407,021
Idaho	10,488	11,194	10,439,716	18,722,297	31,427,851
Illinois	45	111,769	134,767 528	153,732,037	256,761,525
Indiana	57	57,429	52,538,336	61,585,200	103,317,563
Iowa		41,546	34,571,657	47,615,440	90,028,916
Kansas		23,921	19,295,967	30,163,989	67,802,800
Kentucky	464	25,432	48,239,756	57,078,478	97,332,262
Louisiana	56	12,840	91,028,146	103,609,164	182,703,471
Maine		17,492	9,922,592	12,416,106	27,088,132
Maryland		25,468	36,085,880	40,326,031	62,601,592
Massachusetts		71,930	72,690,901	79,449,499	145,875,792
Michigan		69,784	77,574,097	90,478,420	177,440,026
Minnesota		27,131	44,680,654	56,890,843	101,919,861
Mississippi		20,143	73,646,202	83,673,849	117,340,394
Missouri	6,190	50,760	94,011,037	106,318,709	188,345,291
Montana	101,881	3,200	9,399,310	16,988,903	33,682,250
Nebraska		11,044	20,402,715	30,790,581	52,546,996
Nevada	28,042	3,196	1,339,115	2,703,633	10,139,187
New Hampshire		4,765	6,740,043	8,272,058	15,901,199
New Jersey		91,054	71,722,308	77,717,722	113,684,150
New Mexico		6,369	13,757,555	17,554,273	35,359,651
New York		169,253	225,836,237	245,593,458	399,759,026
North Carolina		40,696	93,508,399	104,406,588	152,137,226
North Dakota		4,800	9,506,846	16,333,379	29,693,576
Ohio		102,267	112,718,883	127,679,195	220,189,653
Oklahoma		28,442	54,015,444	65,749,464	133,635,478
Oregon	21,204	4,800	23,483,998	33,196,804	61,537,550
Pennsylvania		197,910	244,077,431	257,758,668	364,563,885
Rhode Island		14,325	14,369,790	15,739,093	25,923,613
South Carolina		15,718	57,383,216	63,204,745	92,288,234
South Dakota		12,791	6,502,855	13,056,229	27,854,006
Tennessee		39,607	108,114,329	118,614,694	173,490,322
Texas		93,735	183,116,400	210,715,226	338,714,187
Utah		8,117	17,126,419	22,104,048	36,078,681
Vermont		6,334	5,732,288	7,969,439	15,028,362
Virginia		35,024	36,636,998	43,782,584	71,130,187
Washington		19,988	34,877,996	42,698,039	91,303,224
West Virginia		36,733	24,538,872	28,476,212	56,061,574
Wisconsin		51,051	40,616,384	52,387,052	96,948,599
Wyoming		1,316	4,682,013	9,573,608	22,835,913
Alaska			789,617	2,655,790	5,799,278
Hawaii	4,251	1,600	4,134,737	14,517,627	23,709,276
Puerto Rico			35,556,233	55,833,244	65,565,932
Virgin Islands				66,086	434,536
Advances and other undistributed	109,734	301,624	2,258,237	2,687 785	3,141,398
Total	460,932	2,169,664	2,815,021,445	3,287,321,201	5,522,020,743

[21] Comprises $116,698 for alleviation from damage from flood and other catastrophe; $67,023 for disaster relief, Executive Office of the President (allotment to General Services Administration, community facilities functions); $100,781 for emergency fund for the President (allotment to General Services Administration, community facilities services); $4,251 for emergency relief, Territory of Hawaii: and $172,178 for Public Buildings Administration.

GOVERNMENT LOSSES IN SHIPMENT

TABLE 98.—*Status as of June 30, 1950, of the revolving fund established under authority of the Government Losses in Shipment Act*

I. RECEIPTS AND EXPENDITURES

	Cumulative through June 30, 1949	Fiscal year 1950	Cumulative through June 30, 1950
Receipts:			
Appropriations	$602,000.00	$100,000.00	$702,000.00
Transferred (Sept. 21, 1939) from the securities trust fund	91,803.13		91,803.13
Recoveries of payments for losses	267,041.39	100,094.59	367,135.98
Repayments to the fund	3,924.32		3,924.32
Total receipts	964,768.84	200,094.59	1,164,863.43
Expenditures:			
Payments for losses	850,142.80	105,917.65	956,060.45
Other payments (refunds, etc.)	92.57		92.57
Total expenditures	850,235.37	105,917.65	956,153.02
Balance in fund	114,533.47	94,176.94	208,710.41
	964,768.84	200,094.59	1,164,863.43

II. FUND ASSETS

Assets	June 30, 1949	Increase, fiscal year 1950	June 30, 1950
Unexpended balances:			
To the credit of the disbursing officer	$30,348.14	$31,638.60	$61,986.74
On the books of the Division of Bookkeeping and Warrants	84,185.33	62,538.34	146,723.67
Total assets	114,533.47	94,176.94	208,710.41

TABLE 99.—*Reported value of shipments made by or for the account of Government departments and agencies under coverage of the Government Losses in Shipment Act, as amended, fiscal years 1938–50*

[In millions of dollars]

Fiscal year	Total shipments	Classification No. 1 (currency, coin, bullion specie, etc.)	Classification No. 2 (negotiable securities)	Classification No. 3 (canceled coupons)	Classification No. 4 (all other)
1938	$29,188	$2,339	$4,743	$739	$21,367
1939	39,504	4,069	7,193	820	27,421
1940	41,135	3,810	9,926	868	26,531
1941	81,633	12,620	24,766	873	43,374
1942	107,313	5,909	34,524	945	65,935
1943	276,320	5,735	143,994	1,136	125,454
1944	393,482	8,606	160,534	2,117	222,225
1945	455,318	6,970	194,933	3,171	250,243
1946	433,850	4,758	180,081	3,151	245,860
1947	442,136	4,509	161,321	3,289	273,019
1948	403,652	3,528	155,138	3,176	241,811
1949	405,111	4,564	148,285	3,166	249,096
1950	418,045	3,609	160,156	12,210	242,069
	3,526,689	71,028	1,385,595	35,661	2,034,406

NOTE.—Classifications Nos. 1, 2, and 3 include classes of valuables which were covered by Treasury's insurance contracts with private companies prior to enactment of the Government Losses in Shipment Act. The classes of valuables included in Classification No. 4 were not, as a general practice, insured by the Government prior to the effective date of the act.

TABLE 100.—*Estimated amounts of insurance premium savings to the Government on shipments made by or for the account of Government departments and agencies under coverage of the Government Losses in Shipment Act, as amended; calculated on three different bases, fiscal years 1938–50*

Fiscal year during which shipments were made	Estimated insurance premium savings, calculated on basis of premium rates in effect for—		
	Fiscal year 1938 [1]	Fiscal year 1937 [2]	Fiscal years 1936–38 [3] (average)
1938	$160,000	$200,000	$192,000
1939	456,000	515,000	503,000
1940	504,000	575,000	537,000
1941	798,000	1,145,000	1,098,000
1942	863,000	1,239,000	1,188,000
1943	3,165,000	3,947,000	3,800,000
1944	3,584,000	4,471,000	4,303,000
1945	4,288,000	5,349,000	5,148,000
1946	3,929,000	4,901,000	4,718,000
1947	3,532,000	4,406,000	4,241,000
1948	3,380,000	4,216,000	4,058,000
1949	3,257,000	4,064,000	3,911,000
1950	3,622,000	4,522,000	4,347,000
	31,538,000	39,550,000	38,044,000

[1] Year of lowest rates under insurance contract system.
[2] Year when estimates of insurance premium savings were presented to Congress.
[3] Last three years of Government insurance contract system.

TABLE 101.—*Agreements of indemnity issued by the Treasury under authority of the Government Losses in Shipment Act, as amended, August 10, 1939–June 30, 1950*

Agreements of indemnity	Number	Amount
Issued through June 30, 1949	224	$2,431,530.70
Issued during the fiscal year 1950	26	11,310.77
Total issued	250	2,442,841.47
Canceled through June 30, 1950	22	1,015,374.97
In force as of June 30, 1950	228	1,427,466.50

NOTE.—The Government has not sustained any actual monetary loss in connection with its liability under these agreements of indemnity.

TABLE 102.—*Number and amount of claims made and settled under authority of the Government Losses in Shipment Act, as amended, August 15, 1937–June 30, 1950*

Claims	Number	Amount
Total made through June 30, 1949 [1]	3,686	$2,911,242.50
Made during the fiscal year 1950:		
Processed by the Division of Deposits	129	49,514.89
Processed by the Bureau of the Public Debt	291	102,536.43
Total made through June 30, 1950	4,106	3,063,293.82
Settled through June 30, 1949	3,631	[2] 2,888,775.63
Settled during the fiscal year 1950:		
Processed by the Division of Deposits:		
Approved for payment out of the fund	78	3,027.45
Settled by credit in appropriate accounts	47	32,743.75
Settled without payment or credit	2	145.75
Losses of paid armed forces leave bonds and paid United States savings bonds, not lost in shipment, settled outside the provisions of the Government Losses in Shipment Act, as amended, through the Bureau of the Public Debt, by reducing the outstanding public debt liability and crediting the appropriate accounts	3	974.04
Processed by the Bureau of the Public Debt:		
Approved for payment out of the fund:		
United States savings bond redemption cases	268	96,029.96
Armed forces leave bond redemption cases	28	6,860.24
Total claims settled through June 30, 1950	4,057	3,028,556.82
Unadjusted as of June 30, 1950 [3]	49	34,737.00
	4,106	3,063,293.82

[1] Includes 39 claims in the amount of $12,232.19 presented to the Bureau of the Public Debt, not previously submitted, and adjustments totaling $28.13.
[2] Includes adjustments totaling $28.13.
[3] Includes claims in process of adjustment by the Bureau of the Public Debt.

INTERNATIONAL CLAIMS

TABLE 103.—*Status of the Mexican claims fund, June 30, 1950*

	Amount
Claims certified for payment:	
By the Secretary of State:	
Decisions rendered by the General Claims Commission	$201,461.08
Appraisals agreed upon by the Commissioners designated by the Governments of the United States and Mexico, pursuant to the general claims protocol between the United States and Mexico signed Apr. 24, 1934	2,599,166.10
Subtotal	2,800,627.18
By the American-Mexican Claims Commission:	
Decisions under the provisions of secs. 4 (b), 4 (c), and 5 (d) of the act	37,948,200.05
Total claims certified	40,748,827.23
Status of the fund:	
Credits:	
Payments received from Government of Mexico under the agreement of Nov. 19, 1941:	
Under the agrarian claims agreement of 1938	3,000,000.00
On exchange of ratifications of the agreement	3,000,000.00
Annual installments due from Government of Mexico through November 1949	20,000,000.00
Appropriation by Government of the United States on account of awards and appraisals made on behalf of Mexican nationals	533,658.95
Total credits	26,533,658.95
Debits: Amounts paid to American nationals:	
Fiscal year 1943	637,036.24
Fiscal year 1944	6,333,636.13
Fiscal year 1945	1,443,226.94
Fiscal year 1946	4,993,915.36
Fiscal year 1947	3,076,040.35
Fiscal year 1948	4,354,144.31
Fiscal year 1949	2,821,873.65
Fiscal year 1950	2,586,320.53
Total debits	26,246,193.51
Unexpended balance to the credit of the Chief Disbursing Officer June 30, 1950	287,465.44

TABLE 104.—*Number and amount of awards of the Mixed Claims Commission, United States and Germany, certified to the Secretary of the Treasury by the Secretary of State, the amount paid, and balance due, through June 30, 1950*

	Total number of awards	Total amount	Class I		Class II		Class III		Private Law 509, approved July 19, 1940		United States Government	
			Number of awards	Awards on account of death and personal injury	Number of awards	Awards of $100,000 and less	Number of awards	Awards over $100,000	Number of awards	Amount	Number of awards	Amount
1. Amount due on account:												
Principal of awards:												
Agreement of Aug. 10, 1922	4, 734	$175,955,880.92	424	$3, 549, 437. 75	3, 996	$15, 562, 321. 98	310	$114,809,326.78			4	$42, 034, 794. 41
Agreement of Dec. 31, 1928	2, 291	5, 582, 354. 38	115	556, 625. 00	2, 169	2, 447, 803. 92	7	2, 577, 925. 46				
Private Law 509	1	160, 000. 00							1	$160, 000. 00		
		181, 698, 235. 30		4, 106, 062. 75		18, 010, 125. 90		117, 387, 252. 24		160, 000. 00		42, 034, 794. 41
Less amounts paid by Alien Property Custodian and others		187, 226. 85				48, 012. 50		139, 214. 35				
		181, 511, 008. 45		4, 106, 062. 75		17, 962, 113. 40		117, 248, 037. 89		160, 000. 00		42, 034, 794. 41
Interest to Jan. 1, 1928, at rates specified in awards:												
Agreement of Aug. 10, 1922		78, 751, 456. 32		745, 302. 98		7, 113, 930. 76		51, 682, 897. 36				19, 209, 325. 22
Agreement of Dec. 31, 1928		2, 649, 630. 04		115, 976. 22		971, 159. 15		1, 562, 494. 67				
Private Law 509		64, 000. 00								64, 000. 00		
Total payable to Jan. 1, 1928		262, 976, 094. 81		4, 967, 341. 95		26, 047, 203. 31		170, 493, 429. 92		224, 000. 00		61, 244, 119. 63
Interest thereon to date of payment or, if unpaid June 30, 1950, at 5% per annum as specified in the Settlement of War Claims Act, 1928		140, 987, 446. 52		236, 195. 75		2, 061, 598. 87		69, 633, 362. 56		169, 239. 17		68, 887, 050. 17
Total due claimants	7, 026	403, 963, 541. 33	539	5, 203, 537. 70	6, 165	28, 108, 802. 18	317	240, 126, 792. 48	1	393, 239. 17	4	130, 131, 169. 80
2. Payments made on account through June 30, 1950:												
Principal of awards:												
Agreement of Aug. 10, 1922	4, 717	146, 101, 192. 25	424	3, 549, 437. 75	3, 983	15, 497, 158. 79	310	[1] 127,054,595.71				
Agreement of Dec. 31, 1928	2, 271	6, 142, 794. 02	115	556, 625. 00	2, 149	2, 445, 886. 69	7	[1] 3, 140, 282. 33				
Private Law 509	1	165, 053. 06							1	[2] 165, 053. 06		

Interest to Jan. 1, 1928, at rates specified in awards:												
Agreement of Aug. 10, 1922		7,852,463.96		745,302.98		7,107,160.98						
Agreement of Dec. 31, 1928		1,086,361.01		115,976.22		970,384.79						
Private Law 509												
Interest at 5% from Jan. 1, 1928, to date of payment as directed by the Settlement of War Claims Act of 1928		11,040,171.70		236,195.75		2,045,380.09		[3] 8,735,937.23		[3] 22,658.63		
Total payment through June 30, 1950		172,388,036.00		5,203,537.70		28,065,971.34		138,930,815.27		187,711.69		
Less ½ of 1% deduction from each payment:												
Agreement of Aug. 10, 1922		[4] 820,556.25		22,249.66		121,173.14		677,133.45				
Agreement of Dec. 31, 1928		[5] 40,445.83		3,767.97		19,156.68		17,521.18				
Private Law 509		[4] 938.55								938.55		
Net payments made to claimants through June 30, 1950	6,989	171,526,095.37	539	5,177,520.07	6,132	27,925,641.52	317	138,236,160.64	1	186,773.14		
3. Balance due on account:												
Principal of awards:												
Agreement of Aug. 10, 1922	327	100,559,684.40			13	17,150.69	310	39,298,414.08			4	61,244,119.63
Agreement of Dec. 31, 1928	27	1,002,055.03			20	1,917.23	7	1,000,137.80				
Private Law 509	1	58,946.94							1	58,946.94		
Interest to Jan. 1, 1928, at rates specified in awards:												
Agreement of Aug. 10, 1922		6,769.78				6,769.78						
Agreement of Dec. 31, 1928		774.36				774.36						
Accrued interest at 5% per annum from Jan. 1, 1928, on total amount payable as of Jan. 1, 1928, through June 30, 1950		129,947,274.82				[6] 16,218.78		60,897,425.33		146,580.54		68,887,050.17
Balance due claimants through June 30, 1950	355	231,575,505.33			33	42,830.84	317	101,195,977.21	1	205,527.48	4	130,131,169.80

[1] Includes payments on account of interest to Jan. 1, 1928. Payments on this class of awards are first applied on account of the total amount payable as of Jan. 1, 1928, as directed by the Settlement of War Claims Act of 1928 until total of all payments on the 3 classes equals 80 percent of the amount payable Jan. 1, 1928. Payment of accrued interest since Jan. 1, 1928, on this class of claims deferred in accordance with act.

[2] Includes payments on account of interest to Jan. 1, 1928.

[3] Payments made in accordance with Public Law 375, approved Aug. 6, 1947.

[4] Represents deductions from payments that have been covered into the Treasury as miscellaneous receipts.

[5] Of this amount, $24,150.09 has been paid to the Government of Germany. A further sum of $16,295.74 is payable in connection with the adjudication of late claims under the agreement of Dec. 31, 1928.

[6] Interest accrued from Jan. 1, 1928, to Mar. 11, 1940, on $26,612.06 representing awards plus interest to Jan. 1, 1928. No applications filed by claimants. Time for filing applications expired Mar. 11, 1940.

MISCELLANEOUS

TABLE 105.—*Treasury cash income and outgo, fiscal years 1941–50*

[In millions of dollars]

	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950
1. Summary of Treasury Cash Transactions										
Cash operations other than borrowing:										
Cash operating income:										
Cash budget receipts	7,200	12,663	22,137	43,925	45,519	38,902	39,884	41,804	38,145	36,925
Cash trust account receipts	2,111	2,542	3,037	3,936	4,721	4,937	3,707	3,595	3,483	4,046
Total	9,311	15,205	25,174	47,861	50,240	43,839	43,591	45,400	41,628	40,970
Cash operating outgo:										
Cash budget expenditures	12,787	33,433	78,424	93,845	95,952	57,422	33,190	32,482	37,517	36,977
Cash trust account expenditures	1,212	1,068	485	111	−768	4,316	3,270	2,944	3,328	6,868
Exchange stabilization fund [1]							1,026	563	98	−207
Clearing account for outstanding checks, etc.							−555	507	−366	−483
Total	13,999	34,501	78,909	93,956	95,184	61,738	36,931	36,496	40,576	43,155
Net cash operating income, or outgo (−)	−4,689	−19,294	−53,735	−46,095	−44,945	−17,899	6,659	8,903	1,051	−2,185
Net cash borrowing, or repayment of borrowing (−)	5,432	19,652	60,250	56,757	49,474	7,439	−19,389	−7,280	−2,513	4,231
Increase, or decrease (−), in general fund balance	742	358	6,515	10,662	4,529	−10,460	[2] −10,930	1,624	−1,462	2,047
Memorandum: Net receipts from exercise of monetary authority [3]	88	101	77	43	78	302	60	37	46	25
2. Derivation of Cash Budget Receipts										
Net budget receipts	7,227	12,696	22,202	43,892	44,762	40,027	40,043	42,211	38,246	37,045
Plus: Noncash items deducted from budget receipts:										
Excess profits tax refund bonds [4]				134	894	−970	−39	−10	−4	−1
Less: Noncash budget receipts:										
Payments to Treasury by Government enterprises:										
Interest:										
Reconstruction Finance Corporation	(*)	1	24	54	83	90	91	89	1	17
Other	(*)	5	13	13	26	27	13	23	34	57
Repayment of capital stock and paid-in surplus [5]								270	38	27
Reimbursement for administrative expenses, etc.[6]	27	27	27	33	27	37	16	14	24	17
Total	28	33	64	100	136	155	120	396	96	119
Equals: Cash budget receipts	7,200	12,663	22,137	43,925	45,519	38,902	39,884	41,804	38,145	36,925

3. Derivation of Cash Budget Expenditures

Total budget expenditures	13,387	34,187	79,622	95,315	98,703	60,703	39,289	33,791	40,057	40,167
Less: Noncash budget expenditures:										
Interest payments by Treasury:										
On savings bonds and Treasury bills [7]	58	81	130	213	342	435	467	559	580	574
To partially owned Government corporations [8]			2	3	4	22	25	24	29	32
To trust accounts	167	207	254	325	429	567	646	746	841	880
Transfers to trust accounts	333	384	440	559	1,659	1,927	1,361	1,178	916	1,383
Payroll deductions for Government employees' retirement	56	88	227	269	290	281	259	236	327	358
Budget expenditures involving issuance of Federal securities: [9]										
Armed forces leave bonds							1,846	−1,221	−164	−95
Adjusted service bonds	−20	−12	−7	−5	−108	−86	−8	−4	−2	−2
Notes issued to International Bank and Fund							1,366	−350	−25	−41
Payments to Treasury by Government enterprises:										
Interest	1	6	37	67	108	118	105	112	33	73
Investments in Federal securities	5		115	39	25	18	31	30	6	28
Total	600	754	1,198	1,470	2,750	3,281	6,099	1,309	2,540	3,190
Equals: Cash budget expenditures	12,787	33,433	78,424	93,845	95,952	57,422	33,190	32,482	37,517	36,977

4. Derivation of Cash Trust Account Transactions

Total receipts	2,665	3,218	3,954	5,085	7,086	7,712	6,244	6,515	5,714	6,669
Less: Noncash receipts:										
Interest on investments in Federal securities	167	207	254	325	429	567	646	746	841	880
Transfers shown as budget expenditures	331	381	435	556	1,646	1,927	1,361	1,178	916	1,383
Payroll deductions for Government employees' retirement	56	88	227	269	290	281	259	236	327	358
Other [10]							271	760	148	2
Total noncash receipts	554	676	916	1,150	2,365	2,775	2,538	2,920	2,232	2,623
Equals: Cash receipts	2,111	2,542	3,037	3,936	4,721	4,937	3,707	3,595	3,483	4,046
Total expenditures [11]	1,757	4,830	4,292	7,307	6,294	8,236	7,347	6,810	6,209	6,570
Less: Noncash expenditures:										
Investments in Federal securities:										
By trust accounts	1,338	1,925	3,004	4,129	5,200	3,668	3,362	3,060	2,311	−405
By partially owned Government corporations	34	5	88	167	299	141	147	−99	313	69
Other [12]	−827	1,832	714	2,902	1,563	110	568	904	258	37
Total noncash expenditures	545	3,763	3,806	7,197	7,062	3,919	4,076	3,865	2,881	−298
Equals: Cash expenditures	1,212	1,068	485	111	−768	4,316	3,270	2,944	3,328	6,868

Footnotes at end of table.

TABLE 105.—*Treasury cash income and outgo, fiscal years 1941–50*—Continued

[In millions of dollars]

	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950
5. DERIVATION OF CASH BORROWING OR REPAYMENT OF BORROWING										
Increase, or decrease (−), in Federal securities outstanding:										
Public debt	5,994	23,461	64,274	64,307	57,679	10,740	−11,136	−5,994	478	4,587
Guaranteed obligations	841	−1,802	−468	−2,477	−1,190	43	−387	−16	−46	−8
Total Federal securities	6,835	21,659	63,806	61,830	56,489	10,783	−11,523	−6,010	432	4,579
Less: Noncash debt transactions:										
Net investments in Federal securities:										
By trust accounts	1,338	1,925	3,004	4,129	5,200	3,668	3,362	3,060	2,311	−405
By Government corporations	39	5	203	206	324	159	178	−69	319	97
Issuance of Federal securities resulting from budget expenditures, etc., or refunds of receipts:										
Armed forces leave bonds [9]	----	----	----	----	----	----	1,793	−1,229	−164	−95
Adjusted service bonds [9]	−20	−12	−7	−5	−108	−86	−8	−4	−2	−2
Notes for International Bank and Fund [1]	----	----	----	----	----	----	2,140	−913	−123	166
Excess profits tax refund bonds [4]	----	----	----	134	894	−970	−39	−10	−4	−1
Interest on savings bonds and Treasury bills [7]	58	81	130	213	342	435	467	559	580	574
Net transactions in guaranteed obligations not reflected in Treasurer's accounts	8	7	131	207	86	203	----	----	----	----
Total	1,422	2,006	3,461	4,883	6,738	3,409	7,892	1,394	2,916	334
Plus: Cash issuance of nonguaranteed obligations of Federal agencies	19	(*)	−95	−190	−277	66	28	123	−28	−14
Equals: Net cash borrowing, or repayment of borrowing (−)	5,432	19,652	60,250	56,757	49,474	7,439	−19,389	−7,280	−2,513	4,231

NOTE.—This table is designed to bring together in one place an analysis of the flow of funds to and from the Federal Government on a cash basis. Budget and trust fund operations have been consolidated and intragovernmental transactions have been eliminated in the derivation of figures on Treasury cash operating income and outgo. Similarly, intragovernmental transactions have been excluded from public debt transactions and figures have been derived on net cash borrowing or repayment of borrowing by the Federal Government as a whole (including all Government corporations and trust funds) from the general public; this category includes the Federal Reserve Banks, Postal Savings System, and State and local governments, as well as private institutions, corporations, associations, and individuals. Figures are based on daily Treasury statements.

*Less than $500,000.

1 The United States subscription to the capital of the International Monetary Fund was paid in part from the exchange stabilization fund. United States payments to the Fund in 1947 consisted of $1,800 million paid from the exchange stabilization fund and $950 million paid as budget expenditures. Of this total, $1,724 million (net) was invested in noninterest-bearing United States notes, thereby making this amount noncash expenditures during 1947. Of the $1,026 million cash portion of the expenditures, $968 million was assumed to have come from the initial exchange stabilization fund payment and the remaining $58 million represented redemption later in 1947 of notes assumed to have been acquired through the stabilization fund payment. Accordingly, the noncash payments to the Fund are made up of $774 million from the exchange stabilization fund and $950 million from the budget payment.

2 In addition to this decrease in the general fund balance, the exchange stabilization fund was drawn down by $1,800 million for subscription to the capital of the International Monetary Fund. (See footnote 1.)

3 Consists of seigniorage on silver and increment resulting from reduction in weight of the gold dollar. This item is part of the cash budget receipts of the Treasury shown in this table, but is excluded from the concept of "Receipts from the public," as used in the Budget document.

4 The issuance of these securities has been treated as a noncash deduction from budget receipts at the time of issuance of the bonds and as a cash deduction at the time of redemption of the bonds. The figures shown are net issuance, or net redemption (−).

5 By partially owned Government corporations.

6 By Federal old-age and survivors insurance trust fund through October 1948. Thereafter includes also transfers from railroad unemployment insurance account to railroad unemployment administration fund, and reimbursement by the District of Columbia.

7 Accrued discount on savings bonds and bills less interest paid on savings bonds and bills redeemed.

8 Interest payments to wholly owned Government corporations are not deducted because they are treated as negative expenditures when received by corporations; hence payments and receipts offset each other.

9 The issuance of these securities has been treated as a noncash budget expenditure at the time of issuance of these securities and as a cash expenditure at the time of redemption. The figures shown are net issuance, or net redemption (−).

10 In 1947, 1948, and 1949 principally proceeds of ship sales carried in trust accounts pending allocation, but finally allocable to budget receipts from sale of surplus property. Figures for 1947 and 1948 include $53 million and $8 million, respectively, of armed forces leave bonds redeemed for insurance premiums; after Aug. 31, 1947, all these bonds were redeemable for cash.

11 Excludes clearing account for outstanding checks and interest coupons, and telegraphic reports from Federal Reserve Banks (see 1. Summary of Treasury Cash Transactions).

12 Principally proceeds of ship sales (see footnote 10); F. D. I. C. repayments of capital stock until repayment was completed in August 1948; and net redemption, or issuance (−), in the market of securities of Government corporations.

TABLE 106.—*Federal fiscal operations and the Nation's financial structure, fiscal years 1941–50*

[In billions of dollars]

	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950
A. Federal fiscal operations: [1]										
Federal budget expenditures	13.4	34.2	79.6	95.3	98.7	60.7	39.3	33.8	40.1	40.2
Less: Federal budget receipts	7.2	12.7	22.2	43.9	44.8	40.0	40.0	42.2	38.2	37.0
Equals: Federal deficit, or surplus (−)	6.2	21.5	57.4	51.4	53.9	20.7	−.8	−8.4	1.8	3.1
Increase in general fund balance	.7	.4	6.5	10.7	4.5	−10.5	−10.9	1.6	−1.5	2.0
Net expenditures, or receipts (−), of trust accounts, etc.[2]	−.1	−.2	−.1	−.3	−2.0	.6	.2	.8	.1	−.6
Net increase in Federal securities outstanding [3]	6.8	21.7	63.8	61.8	56.5	10.8	−11.5	−6.0	.4	4.6
B. Federal budget expenditures and gross national product: [4]										
Federal budget expenditures	13.4	34.2	79.6	95.3	98.7	60.7	39.3	33.8	40.1	40.2
Less: Expenditures not involving purchases of production [5]	3.9	4.2	7.2	9.7	8.7	[r] 19.3	[r] 22.2	[r] 16.5	[r] 15.5	16.9
Equals: Federal purchases of goods and services	9.5	30.0	72.4	85.6	90.0	[r] 41.4	[r] 17.1	[r] 17.3	[r] 24.6	23.2
State and local purchases of goods and services	7.8	7.9	7.5	7.5	7.7	8.7	[r] 11.3	[r] 14.1	[r] 16.9	18.6
Gross private domestic investment	16.7	17.1	4.9	8.1	8.0	[r] 19.0	[r] 29.5	[r] 35.6	[r] 40.2	37.8
Net foreign investment	1.1	.7	−1.2	−2.6	−2.1	[r] 1.9	[r] 7.3	[r] 5.9	.8	−1.1
Personal consumption expenditures	76.1	86.4	97.1	106.3	116.8	[r] 132.5	[r] 157.5	[r] 172.5	[r] 178.6	181.8
Gross national product	111.2	142.1	180.7	204.8	220.5	203.6	[r] 222.7	[r] 245.5	[r] 261.2	260.3
C. Federal budget receipts and charges against gross national product: [4]										
Federal budget receipts	7.2	12.7	22.2	43.9	44.8	40.0	40.0	42.2	38.2	37.0
Less: Receipts not involving gross income flow [6]	−4.7	−7.3	−7.4	(*)	.3	[r] 2.0	[r] −3.3	[r] −2.1	[r] −2.0	−4.5
Equals: Federal receipts chargeable to gross income flow	12.0	20.0	29.6	43.9	44.5	[r] 38.0	[r] 43.3	[r] 44.3	[r] 40.3	41.6
State and local receipts chargeable to gross income flow	9.3	9.7	9.8	10.0	10.4	11.3	12.9	[r] 14.9	[r] 16.5	17.9
Corporate undistributed profits, depreciation, etc.[7]	11.9	14.3	16.1	19.1	22.2	[r] 15.6	[r] 17.4	[r] 23.4	[r] 28.0	28.8
Disposable personal income	81.9	102.2	129.6	137.1	150.2	[r] 152.4	[r] 163.6	[r] 178.8	[r] 191.8	191.6
Total gross income flow	115.1	146.2	185.0	210.1	227.2	217.3	[r] 237.3	[r] 261.4	[r] 276.5	279.8
Less: Government interest and transfer payments	3.9	4.1	4.3	5.3	6.7	13.7	14.6	15.9	15.4	19.4
Equals: Charges against gross national product	111.2	142.1	180.7	204.8	220.5	203.6	[r] 222.7	[r] 245.5	[r] 261.2	260.3
D. Major liquid assets of nonbank investors: Sources of expansion:										
Federal Government transactions: [1]										
Budget deficit, or surplus (−)	6.2	21.5	57.4	51.4	53.9	20.7	−.8	−8.4	1.8	3.1
Net expenditures, or receipts (−), of trust accounts, etc.[2]	−.1	−.2	−.1	−.3	−2.0	.6	.2	.8	.1	−.6
Total	6.1	21.3	57.3	51.2	52.0	21.2	−.6	−7.6	1.9	2.5

Other expansion factors:										
Increase in monetary stock	2.9	.3	−.4	−1.6	−1.2	−.1	1.0	2.3	1.0	−.2
Increases in commercial bank loans and investments other than Federal securities	2.9	−.3	−3.1	3.1	3.1	4.5	7.2	6.8	1.5	5.5
Miscellaneous factors [8]	−1.1	.3	−.5	−2.2	−.8	.2	2.2	[r] −.8	−1.0	−1.2
Total other expansion factors	4.7	.3	−3.9	−.6	1.2	4.6	10.5	8.4	1.5	4.1
Total increases in major forms of liquid assets	10.8	21.6	53.4	50.6	53.1	25.9	9.9	.8	3.4	6.6
E. Major liquid assets of nonbank investors: Composition of increases:										
Currency and bank deposits: [9]										
Currency [10]	1.5	2.8	4.3	5.1	4.3	1.5	−.2	−.6	−.3	(*)
Commercial bank deposits: [11]										
Demand [12]	5.3	4.3	14.1	3.8	9.0	10.6	2.8	.5	−.9	3.2
Time	.4	−.3	1.9	3.7	6.0	5.3	2.4	1.0	.5	.4
Total	7.2	6.8	20.3	12.6	19.3	17.3	5.1	.9	−.7	3.6
Federal securities [3]	3.6	14.8	33.1	37.9	33.8	8.5	4.8	−.1	4.0	3.0
Total increases in major forms of liquid assets	10.8	21.6	53.4	50.6	53.1	25.9	9.9	.8	3.4	6.6
F. Bank absorption of Federal securities and expansion of currency and bank deposits:										
Increases in currency and bank deposits held by nonbank investors	7.2	6.8	20.3	12.6	19.3	17.3	5.1	.9	−.7	3.6
Plus: Increase in Treasury general fund balance	.7	.4	6.5	10.7	4.5	−10.5	−10.9	1.6	−1.5	2.0
Equals: Total increase in deposits and currency	8.0	7.1	26.8	23.3	23.8	6.9	−5.9	2.5	−2.1	5.6
Less: Increases accounted for by other expansion factors (D above)	4.7	.3	−3.9	−.6	1.2	4.6	10.5	8.4	1.5	4.1
Equals: Net bank absorptions of Federal securities	3.2	6.8	30.7	23.9	22.7	2.2	−16.4	−5.9	−3.6	1.5

*Less than $50 million.

[r] Revised.

[1] Operations of Foreign Economic Cooperation trust fund have been considered as budget, rather than trust account, operations for purposes of this table.

[2] Includes net expenditures of clearing account for outstanding checks and interest coupons, and telegraphic reports from Federal Reserve Banks; excludes changes in guaranteed securities outstanding.

[3] Gross public debt, and guaranteed securities of Federal Government held outside Treasury.

[4] Data on gross national product and its components are from Department of Commerce.

[5] Includes expenditures for interest, veterans' pensions and benefits, grants-in-aid to State and local governments, loans to foreign governments, loans by Government corporations, etc.

[6] Comprises net excess of (1) items such as receipts from sales of surplus property over (2) social insurance contributions not entering into budget receipts and excess of corporate tax liabilities over corporate tax payments to Treasury.

[7] Also includes corporate inventory valuation adjustment, excess of Government enterprise surplus over subsidies, and statistical discrepancy adjustment.

[8] Reflects principally items in process of collection and, as a negative factor, increases in commercial bank capital accounts.

[9] Excludes deposits in mutual savings banks since these institutions are classified as nonbank investors rather than as part of the commercial banking system.

[10] Currency held outside commercial banks excludes those currency items which constitute a part of noninterest-bearing debt of Federal Government.

[11] Total deposits, exclusive of Federal Government and commercial bank interbank deposits.

[12] Adjusted demand deposits, plus mutual savings banks' deposits in commercial banks.

TABLE 107.—*Status as of June 30, 1950, of the special trust account for the payment of bonds of the Philippines, its provinces, cities, and municipalities, issued prior to May 1, 1934, under authority of acts of Congress*

I. RECEIPTS AND EXPENDITURES (EXCLUSIVE OF PURCHASES AND SALES OF INVESTMENTS)

	Amount
Receipts:	
Taxes on exports	$1,586,135.92
Interest on investments	1,217,726.50
Profits on investments	576,884.46
Deposit of Philippine Government	13,141.85
U. S. Treasury bonds received from the Philippine Government	6,269,750.00
Annual payments by the Philippine Government	8,595,589.37
Total receipts	18,259,228.10
Expenditures	
Balance in fund	18,259,228.10

II. FUND ASSETS

Assets	Face amount	Principal cost
Investments:		
U. S. Government bonds:		
2½% savings bonds, Series G-1947, 1948, 1949 and 1950	$400,000.00	$400,000.00
1.40% savings notes, Series D-1952	105,000.00	105,000.00
2¼% Treasury bonds of 1952-55	8,023,300.00	8,168,192.07
2¼% Treasury bonds of June 15, 1959-62	25,000.00	25,084.96
2¼% Treasury bonds of Dec. 15, 1959-62	1,921,000.00	1,952,637.82
2½% Treasury bonds of 1952-54	361,550.00	369,541.02
2⅞% Treasury bonds of 1955-60	1,100,000.00	1,100,000.00
2¾% Treasury bonds of 1956-59	3,265,500.00	3,328,617.33
2½% Treasury bonds of 1956-58	548,550.00	561,823.04
2½% Treasury bonds of 1962-67	123,300.00	127,576.97
2½% Treasury bonds of 1963-68	648,000.00	669,393.23
Total United States securities	16,521,200.00	16,807,866.44
Philippine Government bonds:		
4½% due December 1, 1950	33,000.00	33,227.82
5% due February 1, 1952	45,000.00	46,718.65
4½% due July 1, 1952	386,000.00	398,965.52
4½% due July 15, 1952	502,000.00	518,551.88
5% due April 1, 1955	21,000.00	19,877.50
4½% due May 1, 1957	5,000.00	5,417.56
4½% due July 1, 1957	96,000.00	107,376.24
4½% due March 1, 1958	46,000.00	50,605.30
4½% due April 1, 1958	81,000.00	93,253.07
4½% due April 1, 1959	73,000.00	77,660.42
4½% due September 15, 1959	41,000.00	45,498.20
4½% due October 1, 1959	33,000.00	38,460.37
4½% due October 15, 1959	7,000.00	7,764.72
Total Philippine securities	1,369,000.00	1,443,377.25
Total investments	17,890,200.00	18,251,243.69
Accrued interest purchased		7,905.40
Cash balance with Treasurer of the United States		79.01
Total		18,259,228.10

NOTE.—This statement does not include 862 shares of stock in the Bank of the Philippine Islands formerly held in Philippine sinking fund and transferred to this account under Public Law 300, approved August 7, 1939.

TABLE 108.—*Assets and liabilities of the exchange stabilization fund, June 30, 1949 and 1950*

Assets and liabilities	June 30, 1949		June 30, 1950	
ASSETS				
Cash:				
Treasurer of the United States, checking account	$7,149,798.88		$7,133,087.51	
Federal Reserve Bank of New York, special account	51,958,320.52		146,787,230.93	
Disbursing officers' balances and advance accounts	28,082.74		14,055.02	
Total cash		$59,136,202.14		$153,934,373.46
Special accounts of Secretary of the Treasury in Federal Reserve Bank of New York:				
Special account No. 1, gold (schedule 1)		170,932,474.35		99,858,944.55
Due from foreign banks (foreign exchange):				
Swiss francs	87,250.10		9.48	
Indian rupees	14,970,909.18		9,733,708.13	
Mexican pesos	37,138,369.86		15,000,000.00	
Pakistan rupees	3,479,376.36		2,906,252.02	
Total due from foreign banks		55,675,905.50		27,639,969.63
Investments in United States Government securities (schedule 2)		20,000,000.00		20,000,000.00
Accrued interest receivable (schedule 2)		82,936.11		82,936.11
Accounts receivable				2,925.41
Other accounts (deferred charges)				
Commodity sales contracts (deferred charges)				
Total assets		305,827,518.10		301,519,149.16
LIABILITIES AND CAPITAL				
Accounts payable:				
Vouchers payable	6,649.25		2,161.30	
Employees' payroll allotment account, United States savings bonds	1,049.59		959.13	
Miscellaneous	2,712,554.86		101,145.97	
Total accounts payable		2,720,253.70		104,266.40
Reserve for expenses and contingencies (net)		12,980,176.49		8,876,228.70
Capital account		200,000,000.00		200,000,000.00
Earnings less administrative expenses (schedules 3 and 4)		90,127,087.91		92,538,654.06
Total liabilities and capital		305,827,518.10		301,519,149.16

SCHEDULE 1. LOCATION OF GOLD HELD BY AND FOR ACCOUNT OF THE EXCHANGE STABILIZATION FUND [1]

	June 30, 1949		June 30, 1950	
	Ounces	Dollars	Ounces	Dollars
Federal Reserve Bank of N. Y	2,483,973.944	86,939,088.04	2,483,026.366	86,905,922.82
U. S. Assay Office, New York	2,399,811.040	83,993,386.31	370,086.338	12,953,021.73
Total gold	4,883,784.984	170,932,474.35	2,853,112.704	99,858,944.55

[1] Excludes gold held by Treasurer of the United States.

TABLE 108.—*Assets and liabilities of the exchange stabilization fund, June 30, 1949 and 1950*—Continued

SCHEDULE 2. UNITED STATES GOVERNMENT SECURITIES HELD BY THE EXCHANGE STABILIZATION FUND

Issue	June 30, 1950			
	Face value	Cost	Average price	Accrued interest
2½% U. S. Treasury bonds of 1965-70	$10,000,000	$10,000,000	100.0000	$72,690.21
2½% U. S. Treasury bonds of 1967-72	10,000,000	10,000,000	100.0000	10,245.90
Total U. S. Government securities	20,000,000	20,000,000		82,936.11

SCHEDULE 3. EARNINGS OF THE EXCHANGE STABILIZATION FUND

Source	Jan. 31, 1934, through June 30, 1949	Jan. 31, 1934, through June 30, 1950
Profits on British sterling transactions	$310,638.09	$310,638.09
Profits on French franc transactions	351,527.60	351,527.60
Profits on gold bullion (including profits from handling charges on gold)	39,971,463.53	42,579,013.09
Profits on other gold and exchange transactions	40,000,000.00	40,000,000.00
Profits on silver transactions	102,735.27	102,735.27
Profits on sale of silver bullion to Treasury	3,473,362.29	3,473,362.29
Profits on investments	1,876,790.55	1,876,790.55
Interest on investments	6,698,066.89	7,198,066.89
Miscellaneous profits	800,466.15	861,546.93
Interest earned on foreign balances	2,287,970.87	2,817,573.61
Interest earned on Chinese yuan	1,975,317.07	1,975,317.07
Total earnings	97,848,338.31	101,546,571.39

SCHEDULE 4. ADMINISTRATIVE EXPENSES OF THE EXCHANGE STABILIZATION FUND

Classification	Jan. 31, 1934, through June 30, 1949	Jan. 31, 1934, through June 30, 1950
Personal services	$5,237,112.57	$6,340,336.99
Travel	289,643.87	334,641.51
Transportation of things	612,020.39	627,369.27
Communications	503,996.16	521,943.66
Supplies and materials	71,046.67	79,512.17
Other	1,007,430.74	1,104,113.73
Total administrative expenses	7,721,250.40	9,007,917.33

TABLE 109.—*Foreign currency transactions during 1950 and holdings by the Treasury June 30, 1949 and 1950*

Currency	Foreign currency value				U. S. dollar value, balance June 30, 1950
	Balance June 30, 1949	Fiscal year 1950		Balance June 30, 1950	
		Receipts	Sold or transferred [1]		
Australian pounds	27,704	501,464	160,384	368,784	$852,069
Austrian schillings		44,238,501	5,529,878	38,708,623	1,488,793
Belgian francs	4,529,383	38,314,128	40,683,366	2,160,145	42,987
Bolivian bolivianos	13,099,115	10,500,000	1,180,237	22,418,878	224,189
British pounds		1,352,486	752,486	600,000	1,680,750
Br. East African shillings	211,183		204,818	6,365	892
Br. West Indies dollars	19	619,591	618,037	1,573	922
Burmese rupees	1,311,766	1,806,100	2,456,494	661,372	139,236
Canadian dollars	8	888,238	888,245	3	3
Chilean pesos	8,861,728	15,000,000	5,030,000	18,831,728	209,241
China gold yuan		68,000,000,000	68,000,000,000		
Colombian pesos	334,296		182,264	152,032	50,342
Costa Rican colones		868,566	214,817	653,748	74,289
Czechoslovakian crowns	605,807	12,527,373	13,133,180		
Danish kroner	114,452	2,913,945	1,619,238	1,409,159	204,226
Ecuadorian sucres		675,000	265,621	409,379	23,326
Deutsche marks	567,578	4,158,102	2,075,103	2,650,577	631,090
Egyptian pounds	2,553,586	30,000	268,432	2,315,154	6,668,839
French francs	3,995,265,423	3,637,086,619	3,991,950,197	3,640,401,845	11,375,885
Greek drachmas	1,368,750,000	80,204,200,000	18,158,438,000	63,414,512,000	4,227,634
Hongkong dollars	242,756		242,756		
Hungarian forints	582,565	2,912,825	3,495,390		
Iceland kroner	633,341	185,183	16,000	802,524	49,265
Indian rupees	35,908,493	200	173,968	35,734,725	7,507,611
Indonesian guilders		1,056,120	842,120	214,000	28,158
Iranian rials	136,001,045	140,247,053	171,790,821	104,457,277	2,611,432
Iraqui dinars	874,345		138,201	736,144	2,067,647
Israeli pounds	118,538	32	17,964	100,606	282,341
Italian lire	115,000,000	3,767,643,205	3,385,729,730	496,913,475	795,062
Japanese yen		720,000	720,000		
Jordan dinars	25,000		22,048	2,952	8,270
Korean won		480,650,274	200,000,000	280,650,274	155,917
Netherlands guilders	747,941	2,121,172	2,483,250	385,863	101,405
New Zealand pounds		41,039	41,039		
Norwegian kroner	69,240	3,277,551	2,325,568	1,021,223	143,129
Pakistan rupees	9,569,191			9,569,191	2,899,755
Philippine pesos		803,000	803,000		
Portuguese escudos		8,228,000	8,228,000		
South African pounds	3			3	9
Turkish lire	280,000	750,000	830,000	200,000	71,428
					44,616,142

[1] Includes amounts transferred to Department of State as shown in statement on p. 90.

TABLE 110.—*Indebtedness of foreign governments to the United States arising from World War I, and payments thereon as of November 15, 1950*

Country	Total indebtedness	Indebtedness			Payments				Total payments
		Principal		Interest	Principal		Interest		
		Due and unpaid [1]	Other	Due and unpaid [1]	Funded debts	Unfunded debts	Funded debts	Unfunded debts	
Armenia	$30, 381, 058. 67	$11, 959, 917. 49		$18, 421, 141. 18					
Austria [2]	26, 024, 539. 59	10, 093, 207. 08	$15, 887, 273. 58	44, 058. 93	$862, 668. 00				$862, 668. 00
Belgium	545, 159, 077. 60	91, 900, 000. 00	308, 780, 000. 00	144, 479, 077. 60	17, 100, 000. 00	$2, 057, 630. 37	$14, 490, 000. 00	$18, 543, 642. 87	52, 191, 273. 24
Cuba						10, 000, 000. 00		2, 286, 751. 58	12, 286, 751. 58
Czechoslovakia	198, 009, 765. 17	44, 241, 108. 90	121, 000, 000. 00	32, 768, 656. 27	19, 829, 914. 17			304, 178. 09	20, 134, 092. 26
Estonia	[3] 27, 354, 350. 81	2, 811, 012. 87	13, 655, 000. 00	10, 888, 337. 94			1, 246, 990. 19	1, 441. 88	1, 248, 432. 07
Finland	7, 757, 129. 46		7, 271, 725. 59	[4] 485, 403. 87	1, 728, 274. 41		7, 089, 432. 97	309, 315. 27	9, 127, 022. 65
France	4, 991, 864, 314. 40	1, 065, 283, 493. 28	2, 798, 366, 506. 72	1, 128, 214, 314. 40	161, 350, 000. 00	64, 689, 588. 18	38, 650, 000. 00	221, 386, 302. 82	486, 075, 891. 00
Great Britain	7, 175, 159, 301. 93	726, 000, 000. 00	3, 642, 000, 000. 00	2, 807, 159, 301. 93	232, 000, 000. 00	202, 181, 641. 56	1, 232, 775, 999. 07	357, 896, 657. 11	2, 024, 854, 297. 74
Greece	39, 270, 655. 10	17, 691, 000. 00	13, 825, 000. 00	7, 754, 655. 10	981, 000. 00	2, 922. 67	1, 983, 980. 00	1, 159, 153. 34	4, 127, 056. 01
Hungary [5]	[3] 3, 072, 788. 87	303, 170. 00	1, 605, 390. 00	1, 164, 228. 87	73, 995. 50		482, 171. 22	753. 04	556, 919. 76
Italy	2, 077, 122, 159. 34	315, 100, 000. 00	1, 689, 800, 000. 00	72, 222, 159. 34	37, 100, 000. 00	364, 319. 28	5, 766, 708. 26	57, 598, 852. 62	100, 829, 880. 16
Latvia	[3] 11, 311, 070. 04	1, 151, 664. 20	5, 727, 800. 00	4, 431, 605. 84	9, 200. 00		621, 520. 12	130, 828. 95	761, 549. 07
Liberia						26, 000. 00		10, 471. 56	36, 471. 56
Lithuania	[3] 10, 141, 977. 62	1, 022, 640. 00	5, 175, 042. 00	3, 944, 295. 62	234, 783. 00		1, 001, 626. 61	1, 546. 97	1, 237, 956. 58
Nicaragua [6]						141, 950. 36		26, 625. 48	168, 575. 84
Poland	[3] 342, 325, 924. 20	32, 923, 000. 00	173, 134, 000. 00	136, 268, 924. 20	[7] 1, 287, 297. 37		[8] 19, 310, 775. 96	2, 048, 224. 28	22, 646, 297. 55
Rumania [9]	83, 972, 816. 39	17, 660, 560. 43	46, 200, 000. 00	20, 112, 255. 96	2, 700, 000. 00	1, 798, 632. 02	29, 061. 46	263, 313. 74	[9] 4, 791, 007. 22
Russia	500, 922, 805. 98	192, 601, 297. 37		308, 321, 508. 61				[10] 8, 750, 311. 88	[10] 8, 750, 311. 88
Yugoslavia [11]	64, 937, 343. 78	9, 912, 000. 00	51, 713, 000. 00	3, 312, 343. 78	1, 225, 000. 00	727, 712. 55		636, 059. 14	2, 588, 771. 69
Total	16, 134, 787, 078. 95	2, 540, 654, 071. 62	8, 894, 140, 737. 89	4, 699, 992, 269. 44	476, 482, 132. 45	281, 990, 396. 99	1, 323, 448, 265. 80	671, 354, 430. 62	2, 753, 275, 225. 86

[1] Includes amounts postponed and unpaid under moratorium agreements for fiscal year 1932. For total principal and interest by country see Annual Report of the Secretary of the Treasury for 1947, p. 107.

[2] The German Government was notified on Apr. 1, 1938, that the Government of the United States would look to the German Government for the discharge of the indebtedness of the Government of Austria to the Government of the United States.

[3] Increase over amount funded due to exercise of options with respect to the payment of interest due on original issue of bonds of debtor government.

[4] Represents payments deferred.

[5] The Hungarian Government deposited with the foreign creditors' account at the Hungarian National Bank an amount of pengo equivalent to the interest payments due from Dec. 15, 1932, to June 15, 1937. The debt-funding and moratorium agreements with Hungary provide for payment in dollars in the United States.

[6] The United States held obligations in the principal amount of $289,898.78, which, together with accrued interest thereon, were canceled on Oct. 6, 1939, pursuant to agreement of Apr. 14, 1938, between the United States and the Republic of Nicaragua, ratified by the United States Senate on June 13, 1938.

[7] Excludes claim allowance of $1,813,428.69, dated Dec. 15, 1929.

[8] Excludes book credit of $408.02 for overpayment.

[9] Excludes payment by the Rumanian Government to the Treasury on June 15, 1940, of $100,000 as "a token of its good faith and of its real desire to reach a new agreement covering" Rumania's indebtedness to the United States. Silver bullion in the amount of $29,061.46 was paid to the United States on June 16, 1933, which payment was credited June 15, 1947.

[10] Consists principally of proceeds of liquidation of assets of Russian Government in U. S. (See annual report of the Secretary for 1922, p. 283.)

[11] This Government has not accepted the provisions of the moratorium.

TABLE 111.—*World War I indebtedness of Germany to the United States and amounts paid and not paid, June 30, 1950*

PART I. INDEBTEDNESS OF GERMANY, JUNE 30, 1950

Class	Indebtedness as funded	Total indebtedness, June 30, 1950 [1]	Principal	Interest accrued and unpaid
Army costs (reichsmarks)	1, 048, 100, 000	1, 126, 234, 895. 25	997, 500, 000	[2] 128, 734, 895. 25
Mixed claims (reichsmarks)	2, 121, 600, 000	2, 392, 920, 000. 00	2, 040, 000, 000	352, 920, 000. 00
Total (reichsmarks)	3, 169, 700, 000	3, 519, 154, 895. 25	3, 037, 500, 000	481, 654, 895. 25
Total (in dollars, at 40.33 cents to the reichsmark)	$1, 278, 340, 010	$1, 419, 275, 168. 75	$1, 225, 023, 750	$194, 251, 419. 23

[1] Includes interest accrued under unpaid moratorium agreement annuities.
[2] Includes 4,027,611.95 reichsmarks deposited by German Government in Konversionskasse für Deutsche Auslandsschulden and not paid to the United States in dollars as required by debt and moratorium agreements.

PART II. PAYMENTS RECEIVED FROM GERMANY THROUGH JUNE 30, 1950

Class	Total payments received through June 30, 1950	Payments of principal	Payments of interest
Army costs (reichsmarks)	51, 456, 406. 25	50, 600, 000. 00	856, 406. 25
Mixed claims (reichsmarks)	87, 210, 000. 00	81, 600, 000. 00	5, 610, 000. 00
Total (reichsmarks)	138, 666, 406. 25	132, 200, 000. 00	6, 466, 406. 25
Total (in dollars)	$33, 587, 809. 69	$31, 539, 595. 84	$2, 048, 213. 85

PART III. AMOUNTS NOT PAID BY GERMANY ACCORDING TO CONTRACT JUNE 30, 1950

Date due	Funding agreement		Moratorium agreement	Total
	Principal	Interest		
Total to June 30, 1949 (reichsmarks)	1, 106, 500, 000	424, 418, 250. 00	30, 580, 989. 00	[1] 1, 561, 499, 239. 00
Sept. 30, 1940 (reichsmarks)	38, 050, 000	25, 562, 875. 00		63, 612, 875. 00
Mar. 31, 1950 (reichsmarks)	38, 050, 000	26, 392, 781. 25		64, 442, 781. 25
Total (reichsmarks)	1, 182, 600, 000	476, 373, 906. 25	30, 580, 989. 00	1, 689, 554, 895. 25
Total (in dollars, at 40.33 cents to the reichsmark)	$476, 942, 580	$192, 121, 596. 37	$12, 333, 312. 86	$681, 397, 489. 15

[1] See footnote 2, Part I.

TABLE 112.—*Accounts receivable under active agreements with foreign governments involving lend-lease articles and surplus property, June 30, 1950 (World War II)*

Country	Lend-lease settlement agreements	Surplus-property agreements	Other lend-lease accounts	Total [1]
Australia	$108,311.66	$6,141,643.48	$8,395,444.80	$14,645,399.94
Austria		8,647,286.16		8,647,286.16
Burma		4,678,772.47		4,678,772.47
China	46,988,637.41		21,248,921.75	68,237,559.16
Czechoslovakia		5,588,945.77		5,588,945.77
Denmark [2]		904,637.20	4,969.32	909,606.52
Ethiopia	200,000.00	147,097.53	3,857,777.78	4,204,875.31
Finland		17,995,830.51		17,995,830.51
France	353,300,000.00	300,000,000.00		653,300,000.00
Germany		66,382,216.90		66,382,216.90
Greece		54,244,985.57		54,244,985.57
Hungary		14,088,969.02		14,088,969.02
India	2,336,102.67	10,792,424.24	165,212,575.84	178,341,102.75
Iran	711,753.36	2,145,417.59	111,391.93	2,968,562.88
Italy		143,858,747.17		143,858,747.17
Japan		14,032,716.93		14,032,716.93
Korea		20,950,019.42		20,950,019.42
Lebanon		622,765.21		622,765.21
Liberia			17,778,957.47	17,778,957.47
Middle East			15,996.40	15,996.40
Netherlands	47,813,137.51	17,052,895.54	40,346,553.70	105,212,586.75
New Zealand		4,092,375.32		4,092,375.32
Norway	5,900,000.00	4,183,800.37	74,004.75	10,157,805.12
Philippines		2,345,150.80		2,345,150.80
Poland			250.00	250.00
Saudi Arabia			15,158,129.77	15,158,129.77
South Africa		1,296,567.74		1,296,567.74
South Rhodesia			43,579.29	43,579.29
Thailand		5,431,515.81		5,431,515.81
Turkey		3,351,848.57	34,087.06	3,385,935.63
Union of Soviet Socialist Republics	222,552,917.04		13,249,613.28	235,802,530.32
United Kingdom	553,163,889.73	53,486,566.63	62,769,949.42	669,420,405.78
Yugoslavia	900,000.00			900,000.00
American Republics	27,737,091.72	3,663,988.11	17,218,542.08	48,619,621.91
Federal agencies			642,741.02	642,741.02
Total	1,261,711,841.10	766,127,184.06	366,163,485.66	2,394,002,510.82

[1] Includes $50,892,551.23, which represents billings considered past due as of July 1, 1949, and items which are the subject of negotiations between the foreign governments and the Department of State.
[2] Not eligible for lend-lease.

OWNERSHIP OF GOVERNMENTAL SECURITIES

TABLE 113.—*Estimated ownership of all interest-bearing governmental securities outstanding, classified by type of issuer, June 30, 1937–50*

[Par value.[1] In billions of dollars]

June 30	Total amount outstanding	Held by banks			Held by nonbank investors							
		Total	Commercial banks	Federal Reserve Banks	Total	Individuals [2]	Insurance companies	Mutual savings banks	Corporations [3]	State, local, and territorial governments [4]	U. S. Government investment accounts	Miscellaneous investors [5]
	I. Securities of U. S. Government and Federal instrumentalities guaranteed by United States [6]											
1937	40.5	16.7	14.2	2.5	23.8	9.6	5.0	2.4	2.2	0.2	3.6	0.7
1938	41.4	16.3	13.7	2.6	25.1	9.2	5.5	2.7	2.0	.3	4.8	.6
1939	45.3	17.9	15.3	2.6	27.4	9.5	5.9	3.0	2.1	.4	5.9	.6
1940	47.9	18.6	16.1	2.5	29.3	9.4	6.5	3.1	2.1	.4	7.1	.7
1941	54.7	21.8	19.7	2.2	32.9	10.6	7.1	3.4	2.0	.6	8.5	.7
1942	76.5	28.7	26.0	2.6	47.8	17.3	9.2	3.9	4.9	.9	10.6	1.1
1943	139.5	59.4	52.2	7.2	80.0	29.6	13.1	5.3	12.9	1.5	14.3	3.4
1944	201.1	83.3	68.4	14.9	117.7	44.6	17.3	7.3	19.9	3.2	19.1	6.4
1945	256.8	106.0	84.2	21.8	150.8	57.6	22.7	9.6	21.9	5.3	24.9	8.9
1946	268.6	108.2	84.4	23.8	160.4	61.7	r 25.1	11.5	17.6	6.5	29.1	8.8
1947	255.2	91.9	70.0	21.9	163.3	64.9	r 24.8	12.1	13.9	7.1	32.8	7.6
1948	250.1	85.9	64.6	21.4	164.2	64.3	r 23.1	12.0	13.5	7.8	r 35.8	7.8
1949	250.8	82.4	63.0	19.3	168.4	65.7	r 20.8	11.6	15.1	8.0	38.3	8.9
1950	255.2	83.9	65.6	18.3	171.3	66.3	20.1	11.6	18.3	8.2	37.8	9.0
	II. Securities of Federal instrumentalities not guaranteed by United States [7]											
1937	2.3	0.4	0.4	----------	1.9	0.9	(*)	(*)	0.2	----------	0.8	(*)
1938	2.3	.4	.4	----------	1.8	.8	(*)	(*)	.2	----------	.8	(*)
1939	2.3	.4	.4	----------	1.9	.8	(*)	(*)	.2	----------	.8	(*)
1940	2.2	.5	.5	----------	1.8	.7	(*)	(*)	.2	----------	.8	(*)
1941	2.2	.6	.6	----------	1.6	.6	(*)	(*)	.2	----------	.8	(*)
1942	2.2	.7	.7	----------	1.5	.6	(*)	(*)	.1	----------	.8	(*)
1943	1.9	.6	.6	----------	1.3	.6	(*)	(*)	.1	----------	.6	(*)
1944	1.5	.6	.6	----------	.9	.6	(*)	(*)	.1	----------	.2	(*)
1945	1.0	.5	.5	----------	.5	.4	(*)	(*)	.1	----------	(*)	(*)
1946	1.1	1.0	1.0	----------	.1	.1	(*)	(*)	(*)	----------	----------	(*)
1947	.5	.4	.4	----------	.1	.1	(*)	(*)	(*)	----------	----------	(*)
1948	.8	.6	.6	----------	.2	.1	(*)	0.1	(*)	----------	----------	(*)
1949	.9	.7	.7	----------	.2	.1	(*)	.1	(*)	----------	----------	(*)
1950	.7	.6	.6	----------	.1	.1	(*)	(*)	(*)	----------	----------	(*)

	III. Securities of State and local governments, Territories, and possessions [8]											
1937	19.3	2.8	2.8	----------	16.5	8.8	1.8	0.8	0.6	3.5	0.5	0.5
1938	19.3	2.8	2.8	----------	16.5	8.7	1.9	.7	.6	3.6	.5	.5
1939	19.8	3.2	3.2	----------	16.5	8.5	2.0	.6	.5	3.7	.4	.7
1940	20.0	3.6	3.6	----------	16.4	8.2	r2.2	.6	.5	3.8	.5	.7
1941	20.0	3.7	3.7	----------	16.3	7.9	2.2	.5	.5	3.9	.7	.6
1942	19.5	3.6	3.6	----------	15.9	7.6	2.2	.4	.5	3.9	.7	.6
1943	18.5	3.5	3.5	----------	15.0	7.5	r1.8	.2	.5	3.8	.6	.5
1944	17.3	3.5	3.5	----------	13.8	r7.3	1.6	.2	.4	3.4	.6	.4
1945	16.4	3.8	3.8	----------	12.6	r7.2	r1.1	.1	.4	2.9	.5	.4
1946	15.7	4.1	4.1	----------	11.6	r7.0	r.9	.1	.4	2.4	.5	.4
1947	16.6	5.0	5.0	----------	11.6	r6.9	r.9	.1	.4	2.4	.5	.4
1948	18.4	5.6	5.6	----------	12.8	r7.7	r1.1	.1	.4	2.5	.5	.5
1949	20.5	6.0	6.0	----------	14.6	8.9	r1.5	.1	.5	2.7	.4	.5
1950	23.3	7.4	7.4	----------	15.8	9.2	1.9	.1	.5	3.3	.4	.5

*Less than $50 million.

r Revised.

[1] Figures represent par values except in the case of data which include United States savings bonds of Series A–F, which are included on the basis of current redemption values.

[2] Includes partnerships and personal trust accounts. Nonprofit institutions and corporate pension trust funds are included under "Miscellaneous investors."

[3] Exclusive of banks and insurance companies.

[4] Comprises trust, sinking, and investment funds of State and local governments, Territories, and possessions.

[5] Includes savings and loan associations, nonprofit associations, corporate pension trust funds, dealers and brokers, and investments of foreign balances and international accounts in this country.

[6] Data on daily Treasury statement basis. Since data exclude noninterest-bearing debt, they differ slightly from those in discussion of debt ownership. Includes special issues to Federal agencies and trust funds, and excludes guaranteed securities held by the Treasury.

[7] See table 114, footnote 4.

[8] Excludes obligations of the Philippine Islands after June 30, 1946.

TABLE 114.—*Estimated distribution of interest-bearing governmental securities outstanding June 30, 1939–50, classified by tax status and type of issuer* [1]

[Par value.[2] In millions of dollars]

June 30	Securities of U. S. Government and Federal instrumentalities guaranteed by U. S.[3]					Securities of Federal instrumentalities not guaranteed by U. S.[4]				Securities of State, local, and territorial governments		
	Total	Tax-exempt: Wholly (5)	Tax-exempt: Partially [6]	Taxable [7]	Special issues [8]	Total	Tax-exempt: Wholly (5)	Tax-exempt: Partially [6]	Taxable [7]	Wholly tax-exempt [5]: Total	Wholly tax-exempt [5]: Issues of States and localities	Wholly tax-exempt [5]: Issues of Territories and possessions [9]
	I. Total amount outstanding											
1939	45,336	9,030	32,535	1	3,770	2,265	2,082	175	8	19,761	19,611	150
1940	47,874	8,142	34,953	4	4,775	2,199	2,054	134	11	20,044	19,891	153
1941	54,747	4,903	35,871	7,853	6,120	2,200	1,913	161	126	20,007	19,860	147
1942	76,517	4,260	32,987	31,386	7,885	2,210	1,721	109	380	19,517	19,379	138
1943	139,472	3,050	32,215	93,336	10,871	1,852	1,467	55	329	18,534	18,406	128
1944	201,059	1,414	27,489	157,869	14,287	1,453	1,108	-------	345	17,314	17,194	120
1945	256,766	196	25,656	212,103	18,812	1,008	579	-------	430	16,417	16,293	124
1946	268,578	180	21,335	224,732	22,332	1,093	-------	-------	1,093	15,736	15,626	110
1947	255,197	166	20,939	206,725	27,366	497	-------	-------	497	16,580	16,529	51
1948	250,132	164	17,826	201,931	30,211	827	-------	-------	827	18,399	18,354	45
1949	250,785	162	16,187	201,660	32,776	876	-------	-------	876	20,538	20,481	57
1950	255,226	160	12,877	209,833	32,356	746	-------	-------	746	23,260	23,178	82
	II. Held by U. S. Government investment accounts [10]											
1939	5,891	86	2,034	(*)	3,770	844	844	-------	-------	426	r 424	r 2
1940	7,080	86	2,219	(*)	4,775	844	844	-------	-------	479	r 476	r 3
1941	8,494	58	2,154	162	6,120	814	808	-------	6	697	r 692	r 5
1942	10,623	53	2,030	654	7,885	824	807	-------	17	735	r 732	r 3
1943	14,322	34	1,654	1,763	10,871	560	557	-------	3	634	r 632	r 2
1944	19,097	35	1,468	3,307	14,287	186	186	-------	-------	582	r 580	r 2
1945	24,940	35	1,281	4,812	18,812	1	(*)	-------	1	490	r 489	r 1
1946	29,130	36	992	5,770	22,332	-------	-------	-------	-------	467	r 466	r 1
1947	32,810	36	698	4,710	27,366	-------	-------	-------	-------	469	r 468	r 1
1948	r 35,761	37	r 503	r 5,010	30,211	-------	-------	-------	-------	506	r 505	r 1
1949	r 38,288	37	r 384	r 5,091	32,776	-------	-------	-------	-------	407	r 406	r 1
1950	37,830	37	371	5,066	32,356	-------	-------	-------	-------	423	422	1
	III. Held by Federal Reserve Banks											
1939	2,551	1,640	911	-------	-------	-------	-------	-------	-------	-------	-------	-------
1940	2,466	1,128	1,339	-------	-------	-------	-------	-------	-------	-------	-------	-------
1941	2,184	775	1,213	196	-------	-------	-------	-------	-------	-------	-------	-------
1942	2,645	634	1,181	830	-------	-------	-------	-------	-------	-------	-------	-------
1943	7,202	306	1,323	5,574	-------	-------	-------	-------	-------	-------	-------	-------
1944	14,901	49	943	13,908	-------	-------	-------	-------	-------	-------	-------	-------
1945	21,792	-------	873	20,919	-------	-------	-------	-------	-------	-------	-------	-------
1946	23,783	-------	529	23,254	-------	-------	-------	-------	-------	-------	-------	-------
1947	21,872	-------	529	21,343	-------	-------	-------	-------	-------	-------	-------	-------
1948	21,366	-------	559	20,807	-------	-------	-------	-------	-------	-------	-------	-------
1949	19,343	-------	210	19,132	-------	-------	-------	-------	-------	-------	-------	-------
1950	18,331	-------	117	18,215	-------	-------	-------	-------	-------	-------	-------	-------
	IV. Held in sinking funds of States, localities, Territories, and possessions											
1939	78	-------	78	-------	-------	-------	-------	-------	-------	1,789	1,768	21
1940	88	-------	88	-------	-------	-------	-------	-------	-------	1,730	1,713	25
1941	109	-------	109	-------	-------	-------	-------	-------	-------	1,681	1,658	23
1942	176	-------	106	70	-------	-------	-------	-------	-------	1,644	1,620	24
1943	373	-------	93	280	-------	-------	-------	-------	-------	1,622	1,608	14
1944	724	-------	65	659	-------	-------	-------	-------	-------	1,398	1,389	9
1945	947	-------	42	905	-------	-------	-------	-------	-------	1,150	1,135	15
1946	993	-------	25	968	-------	-------	-------	-------	-------	1,021	1,010	11
1947	976	-------	n. a.	n. a.	-------	-------	-------	-------	-------	1,004	1,004	-------
1948	855	-------	n. a.	n. a.	-------	-------	-------	-------	-------	1,002	1,001	1
1949	930	-------	n. a.	n. a.	-------	-------	-------	-------	-------	1,020	1,019	1
1950	1,035	-------	n. a.	n. a.	-------	-------	-------	-------	-------	1,235	1,235	(*)

Footnotes at end of table.

TABLE 114.—*Estimated distribution of interest-bearing governmental securities outstanding June 30, 1939–50, classified by tax status and type of issuer*—Con.

[Par value.[2] In millions of dollars]

June 30	Securities of U. S. Government and Federal instrumentalities guaranteed by U. S.[3]					Securities of Federal instrumentalities not guaranteed by U. S.[4]				Securities of State, local, and territorial governments		
		Tax-exempt					Tax-exempt			Wholly tax-exempt[5]		
	Total	Wholly (5)	Partially[6]	Taxable[7]	Special issues[8]	Total	Wholly (5)	Partially[6]	Taxable[7]	Total	Issues of States and localities	Issues of Territories and possessions[9]
	V. Held in trust and investment funds of States, localities, Territories, and possessions											
1939	308	-------	308	-------	-------	-------	-------	-------	-------	1,922	1,914	8
1940	336	-------	336	-------	-------	-------	-------	-------	-------	2,081	2,072	9
1941	510	-------	510	-------	-------	-------	-------	-------	-------	2,235	2,231	4
1942	699	-------	377	322	-------	-------	-------	-------	-------	2,227	2,227	-------
1943	1,087	-------	300	787	-------	-------	-------	-------	-------	2,210	2,202	8
1944	2,466	-------	226	2,240	-------	-------	-------	-------	-------	2,032	2,010	22
1945	4,309	-------	148	4,161	-------	-------	-------	-------	-------	1,747	1,731	16
1946	5,465	-------	114	5,351	-------	-------	-------	-------	-------	1,356	1,341	15
1947	6,133	-------	n. a.	n. a.	-------	-------	-------	-------	-------	1,433	1,424	9
1948	6,931	-------	n. a.	n. a.	-------	-------	-------	-------	-------	1,481	1,475	6
1949	7,070	-------	n. a.	n. a.	-------	-------	-------	-------	-------	1,713	1,707	6
1950	7,181	-------	n. a.	n. a.	-------	-------	-------	-------	-------	2,032	2,025	7
	VI. Privately held securities											
1939	36,508	7,304	29,204	1	-------	1,421	1,238	175	8	15,624	15,503	121
1940	37,903	6,928	30,971	4	-------	1,355	1,210	134	11	15,746	15,627	119
1941	43,450	4,070	31,885	7,495	-------	1,385	1,104	161	120	15,394	15,274	120
1942	62,375	3,573	29,293	29,510	-------	1,386	914	109	363	14,911	14,797	114
1943	116,488	2,710	28,845	84,933	-------	1,292	910	55	326	14,068	13,962	106
1944	163,870	1,330	24,788	137,753	-------	1,267	923	-------	345	13,302	13,214	89
1945	204,777	161	23,310	181,307	-------	1,007	579	-------	429	13,030	12,938	93
1946	209,206	144	19,675	189,388	-------	1,093	-------	-------	1,093	12,892	12,808	84
1947	193,406	130	n. a.	n. a.	-------	497	-------	-------	497	13,674	13,632	42
1948	[r]185,219	127	n. a.	n. a.	-------	827	-------	-------	827	15,410	15,372	38
1949	[r]185,154	125	n. a.	n. a.	-------	876	-------	-------	876	17,398	17,348	50
1950	190,849	123	n. a.	n. a.	-------	746	-------	-------	746	19,570	19,490	74

NOTE.—For data back to 1913, see 1946 annual report, p. 664, and 1949 annual report, p. 591.

* Less than $500,000.

[r] Revised.

n. a. Not available.

[1] The "total amount outstanding" of securities of the several issuers differs from the gross indebtedness of these issuers in that the former excludes noninterest-bearing debt. The "total privately held securities" differs from the net indebtedness of the borrowers in several additional respects. The former is derived by deducting from the total amount of interest-bearing securities outstanding the amount of such securities held by Federal agencies, Federal Reserve Banks, and by public sinking, trust, and investment funds. Net indebtedness, on the other hand, is derived by deducting from the gross indebtedness an amount equivalent to the total volume of sinking fund assets of the respective borrowers, but makes no allowance for any other public assets.

[2] In the case of data which include United States savings bonds, Series A–D, E, and F, the figures for these bonds represent current redemption values.

[3] On basis of daily Treasury statements. Excludes guaranteed securities held by the Treasury.

[4] Includes Electric Home and Farm Authority notes, Federal intermediate credit bank debentures, Federal National Mortgage Association notes, home loan bank debentures, War Finance Corporation bonds (World War I), and joint stock land bank bonds. Includes Federal land bank bonds only through June 30, 1946; on June 27, 1947, the United States proprietary interest in these banks ended. Excludes stocks and interagency loans.

[5] Securities the income from which is exempt from both the normal rates and surtax rates of the Federal income tax.

[6] Securities the income from which is exempt only from the normal rates of the Federal income tax. In the case of partially tax-exempt (1) Treasury bonds and (2) United States savings bonds, interest derived from $5,000 aggregate principal amount owned by any one holder is exempt from the surtax rates as well as the normal rates of the Federal income tax.

[7] Securities the income from which is subject to both the normal rates and the surtax rates of theFederal income tax.

[8] Special issues to Federal agencies and trust funds.

[9] Excludes obligations of the Philippine Islands after June 30, 1946.

[10] Excludes Federal Reserve Banks. Includes individual Indian trust funds.

TABLE 115.—*Summary of Treasury survey of ownership of interest-bearing public debt and guaranteed obligations, June 30, 1949 and 1950* [1]

[Par values. In millions of dollars]

	Held by investors covered by Treasury survey [1]										Held by all other investors [4]		Total amount outstanding	
	Banks [2]				Insurance companies				U. S. Government investment accounts and Federal Reserve Banks					
	Commercial [3]		Mutual savings		Life		Fire, casualty, and marine							
	June 30, 1949	June 30, 1950	June 30, 1949	June 30, 1950	June 30, 1949	June 30, 1950	June 30, 1949	June 30, 1950	June 30, 1949	June 30, 1950	June 30, 1949	June 30, 1950	June 30, 1949	June 30, 1950
Number of institutions	7,277	7,228	530	529	331	324	625	615	--------	--------	--------	--------	--------	--------
BY TYPE OF SECURITY														
Public marketable:														
Treasury bills	2,816	3,703	13	35	22	26	38	64	4,410	3,860	4,237	5,846	11,536	13,533
Certificates of indebtedness	9,561	5,354	207	64	51	107	551	274	6,883	5,364	12,175	7,255	29,427	18,418
Treasury notes	1,801	11,204	41	154	1	66	103	337	406	3,529	1,245	5,114	3,596	20,404
Treasury bonds—bank-eligible	41,091	37,746	1,886	1,223	1,837	1,104	1,656	1,334	3,495	2,771	10,824	8,981	60,789	53,159
Treasury bonds—bank-restricted [5]	951	945	8,881	9,401	13,288	12,776	1,534	2,035	9,486	8,121	15,495	16,358	49,636	49,636
Postal savings and Panama Canal bonds	14	13	(*)	--------	(*)	(*)	1	1	37	37	110	108	162	160
Guaranteed obligations (Federal Housing Administration debentures)[6]	4	7	1	1	6	6	(*)	(*)	--------	--------	2	2	13	16
Total public marketable	56,238	58,972	11,029	10,877	15,206	14,086	3,884	4,046	24,717	23,681	44,087	43,664	155,160	155,325
Public nonmarketable:														
United States savings bonds [7]	1,094	1,034	497	534	256	275	404	445	17	19	53,992	55,229	56,260	57,536
Treasury savings notes	36	130	(*)	20	1	(*)	10	207	7	5	4,806	8,109	4,860	8,472
Depositary bonds	321	244	(*)	(*)	--------	--------	--------	--------	--------	--------	48	41	369	285
Armed forces leave bonds	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	396	297	396	297
Treasury bonds, investment series	187	188	124	123	291	291	36	36	100	100	216	216	954	954
Guaranteed obligations (Commodity Credit Corporation demand obligations)	([8])	([8])	--------	--------	--------	--------	--------	--------	--------	--------	([8])	([8])	11	1
Total public nonmarketable	1,637	1,596	621	677	548	567	450	688	124	124	59,458	63,892	62,850	67,545
Special issues	--------	--------	--------	--------	--------	--------	--------	--------	32,776	32,356	--------	--------	32,776	32,356
Grand total	57,875	60,567	11,650	11,554	15,754	14,652	4,334	4,734	57,616	56,161	103,546	107,557	250,785	255,226

By Call Classes														
Public marketable, due or first becoming callable:														
Within 1 year	19,408	16,068	455	249	151	218	899	614	12,360	9,836	19,030	15,463	52,302	42,448
1 to 5 years	26,303	33,127	1,279	1,058	1,182	619	942	1,112	2,332	5,443	7,136	10,442	39,175	51,802
5 to 10 years	6,587	5,675	2,002	2,439	984	1,129	748	926	1,116	1,571	3,630	4,186	15,067	15,926
10 to 15 years	1,416	1,409	2,981	3,824	3,744	6,761	618	758	1,600	2,171	3,356	4,358	13,715	19,281
15 to 20 years	2,519	2,685	4,312	3,306	9,139	5,353	678	636	7,307	4,660	10,933	9,213	34,888	25,853
Over 20 years														
Various (Federal Housing Administration debentures)	4	7	1	1	6	6	(*)	(*)	-------	-------	2	2	13	16
Total public marketable	56,238	58,972	11,029	10,877	15,206	14,086	3,884	4,046	24,717	23,681	44,087	43,664	155,160	155,325

*Less than $500,000.

[1] Banks and insurance companies covered in Treasury survey of ownership of securities issued or guaranteed by U. S. Government account for approximately 95 percent of amount of such securities owned by all banks and insurance companies in United States. Details as to each issue of security are available in *Treasury Bulletin* (a) monthly for above investors and (b) quarterly through September 1947 *Bulletin* and semiannually thereafter for commercial banks classified by membership in Federal Reserve System.

[2] Securities held in trust departments are excluded.

[3] Includes trust companies and stock savings banks.

[4] Includes banks and insurance companies which are not covered in Treasury survey (see footnote 1).

[5] Issues which commercial banks (banks accepting demand deposits) are not permitted to acquire prior to specified dates, with three exceptions: (1) Concurrently with Fourth, Fifth, and Sixth War Loans and Victory Loan, commercial banks were permitted to subscribe for limited investment of their savings deposits; (2) commercial banks may temporarily acquire such issues through forfeiture of collateral; and (3) commercial banks may hold a limited amount of such issues for trading purposes. Bank-restricted issues as of June 30, 1949 and 1950, and the earliest dates on which commercial banks may own them are as follows:

Bank-restricted issue of Treasury bonds	Earliest date on which commercial banks may own bonds	Bank-restricted issue of Treasury bonds	Earliest date on which commercial banks may own bonds
2¼%, June 15, 1959–62	June 15, 1952	2½%, Dec. 15, 1964–69	Sept. 15, 1953
2¼%, Dec. 15, 1959–62	Dec. 15, 1952	2½%, Mar. 15, 1965–70	Feb. 1, 1954
2½%, June 15, 1962–67	May 5, 1952	2½%, Mar. 15, 1966–71	Dec. 1, 1954
2½%, Dec. 15, 1963–68	Dec. 1, 1952	2½%, June 15, 1967–72	June 15, 1962
2½%, June 15, 1964–69	Apr. 15, 1953	2½%, Dec. 15, 1967–72	Dec. 15, 1962

[6] Excludes guaranteed obligations held by Treasury.

[7] U. S. savings bonds other than Series G are included at current redemption values. They were reported at maturity value by banks and insurance companies covered in Treasury survey and have been adjusted to current redemption value for this table.

[8] Commodity Credit Corporation demand obligations in amounts of $11 million on June 30, 1949, and $1 million on June 30, 1950, are all held by commercial banks and are shown only in total amount outstanding; data for reporting banks are not available.

BUDGET ESTIMATES

TABLE 116.—*Budget receipts and expenditures, actual for the fiscal year 1950 and estimated for 1951 and 1952*

[On basis of 1952 Budget document]

	Actual,[1] fiscal year 1950	Estimated, fiscal year 1951	Estimated, fiscal year 1952
Budget receipts:			
Internal revenue:			
Corporation income and excess profits taxes	$10,854,351,109	[2]$13,560,000,000	[2]$20,000,000,000
Individual:			
Income tax withheld (daily Treasury statement basis)	10,073,191,564	13,202,000,000	16,358,000,000
Income tax other than withheld	7,264,332,309	8,397,000,000	9,667,000,000
Adjustment to daily Treasury statement basis [3]	+70,796,115		
Income tax other than withheld	7,335,128,424	8,397,000,000	9,667,000,000
Total individual	17,408,319,988	21,599,000,000	26,025,000,000
Total income and excess profits taxes	28,262,671,097	35,159,000,000	46,025,000,000
Miscellaneous internal revenue:			
Estate tax	657,441,481	660,000,000	700,000,000
Gift tax	48,785,057	50,000,000	55,000,000
Liquor taxes:			
Distilled spirits (domestic and imported) [4]	1,421,893,523	1,600,000,000	1,750,000,000
Fermented malt liquors	667,410,819	659,000,000	670,000,000
Rectification tax	30,065,912	32,000,000	37,000,000
Wines (domestic and imported)	72,600,998	76,000,000	80,000,000
Special taxes in connection with liquor occupations	14,647,435	14,000,000	15,000,000
Container stamps	11,816,605	14,000,000	16,000,000
All other	760,615	1,000,000	1,000,000
Total liquor taxes	2,219,195,907	2,396,000,000	2,569,000,000
Tobacco taxes:			
Cigarettes (small)	1,242,844,932	1,280,000,000	1,306,000,000
Tobacco (chewing and smoking)	35,069,748	34,000,000	34,000,000
Cigars (large)	42,112,339	43,000,000	43,000,000
Snuff	7,388,534	7,000,000	7,000,000
Cigarette papers and tubes	983,936	900,000	900,000
All other	64,857	100,000	100,000
Total tobacco taxes	1,328,464,346	1,365,000,000	1,391,000,000
Stamp taxes:			
Issues of securities, bond transfers, and deeds of conveyance	50,156,133	60,000,000	60,000,000
Stock transfers	23,823,427	35,000,000	35,000,000
Playing cards	10,546,118	11,400,000	11,400,000
Silver bullion sales or transfers	122,521	600,000	600,000
Total stamp taxes	84,648,199	107,000,000	107,000,000
Manufacturers' excise taxes [5]	1,826,702,567	[6] 2,088,000,000	[6] 1,757,000,000
Retailers' excise taxes:			
Jewelry, etc	190,820,386	204,000,000	222,000,000
Furs	45,781,127	56,000,000	62,000,000
Toilet preparations	94,995,377	112,000,000	121,000,000
Luggage, handbags, wallets, etc	77,531,531	83,000,000	92,000,000
Total retailers' excise taxes	409,128,421	455,000,000	497,000,000

Footnotes at end of table.

TABLE 116.—*Budget receipts and expenditures, actual for the fiscal year 1950 and estimated for 1951 and 1952*—Continued

	Actual,[1] fiscal year 1950	Estimated, fiscal year 1951	Estimated, fiscal year 1952
Budget receipts—Continued			
Internal revenue—Continued			
Miscellaneous internal revenue—Continued			
Miscellaneous excise taxes:			
Telephone, telegraph, radio and cable facilities, leased wires, etc.	$312, 339, 364	$350, 000, 000	$375, 000, 000
Local telephone service	247, 280, 578	290, 000, 000	310, 000, 000
Transportation of oil by pipe line	18, 919, 048	24, 000, 000	26, 000, 000
Transportation of persons	228, 738, 278	225, 000, 000	230, 000, 000
Transportation of property	321, 193, 154	380, 000, 000	400, 000, 000
Admissions, exclusive of cabarets, roof gardens, etc.	371, 244, 019	355, 000, 000	350, 000, 000
Cabarets, roof gardens, etc.	41, 453, 394	41, 000, 000	39, 000, 000
Club dues and initiation fees	28, 739, 745	30, 000, 000	32, 000, 000
Leases of safe deposit boxes	9, 554, 488	10, 000, 000	10, 000, 000
Coconut and other vegetable oils processed	15, 857, 340	16, 000, 000	18, 000, 000
Oleomargarine, etc., including special taxes and adulterated butter	29, 308, 508	(7)	(7)
Sugar tax	71, 188, 029	81, 000, 000	80, 000, 000
Coin-operated amusement and gaming devices	20, 174, 016	21, 000, 000	25, 000, 000
Bowling alleys and billiard and pool tables	3, 607, 557	4, 000, 000	4, 000, 000
All other miscellaneous excise taxes [8]	1, 576, 154	2, 000, 000	2, 000, 000
Total miscellaneous excise taxes	1, 721, 173, 672	1, 829, 000, 000	1, 901, 000, 000
Total miscellaneous internal revenue	8, 295, 539, 650	8, 950, 000, 000	8, 977, 000, 000
Adjustment to daily Treasury statement basis	+7, 530, 627		
Total miscellaneous internal revenue	8, 303, 070, 277	8, 950, 000, 000	8, 977, 000, 000
Employment taxes:			
Taxes on employment by other than carriers:			
Federal Insurance Contributions Act	2, 107, 344, 187	2, 960, 000, 000	3, 823, 000, 000
Adjustment to daily Treasury statement basis	−956, 381		
Total	2, 106, 387, 806	2, 960, 000, 000	3, 823, 000, 000
Federal Unemployment Tax Act	226, 295, 822	239, 000, 000	263, 000, 000
Adjustment to daily Treasury statement basis	+9, 908		
Total	226, 305, 730	239, 000, 000	263, 000, 000
Railroad Retirement Tax Act	550, 169, 408	565, 000, 000	613, 000, 000
Adjustment to daily Treasury statement basis	+2, 792		
Total	550, 172, 200	565, 000, 000	613, 000, 000
Total employment taxes under existing legislation	2, 882, 865, 736	3, 764, 000, 000	4, 699, 000, 000
Total internal revenue under existing legislation	39, 448, 607, 110	47, 873, 000, 000	59, 701, 000, 000
Proposed legislation:			
Medical care insurance			275, 000, 000
Total employment taxes under existing and proposed legislation	2, 882, 865, 736	3, 764, 000, 000	4, 974, 000, 000
Total internal revenue under existing and proposed legislation	39, 448, 607, 110	47, 873, 000, 000	59, 976, 000, 000

Footnotes at end of table.

TABLE 116.—*Budget receipts and expenditures, actual for the fiscal year 1950 and estimated for 1951 and 1952*—Continued

	Actual,[1] fiscal year 1950	Estimated, fiscal year 1951	Estimated, fiscal year 1952
Budget receipts—Continued			
Railroad Unemployment Insurance Act:			
Receipts from contributors	$6,482,014	$9,800,000	$10,000,000
Transfer from unemployment trust fund (adjustment for retroactive credits taken by contributors)	2,644,401		
Total	9,126,415	9,800,000	10,000,000
Customs	424,651,349	600,000,000	620,000,000
Adjustment to daily Treasury statement basis	−2,001,021		
Total	422,650,328	600,000,000	620,000,000
Miscellaneous receipts:			
Taxes: Miscellaneous taxes	12,133,115	13,575,010	13,600,010
Seigniorage and coinage	25,703,621	29,718,300	29,853,300
Fees for permits and licenses	55,573,640	56,541,875	57,882,364
Fines, penalties, and forfeitures	11,585,233	8,684,208	8,631,528
Gifts and contributions	471,029	287,790	286,790
Interest	126,523,705	153,488,193	237,809,013
Dividends and other earnings	196,383,827	264,057,011	192,128,858
Rents	51,853,618	70,041,233	66,731,585
Royalties	26,525,968	33,004,350	36,288,250
Sale of products	112,922,769	138,530,161	164,694,865
Fees and other charges for services	63,803,833	70,155,039	73,340,840
Sale of Government property	344,260,335	162,990,546	121,254,315
Realization upon loans and investments	171,256,943	202,170,641	220,194,865
Recoveries and refunds	180,858,967	121,426,292	110,630,417
Total miscellaneous receipts	1,379,856,603	1,324,670,649	1,333,327,000
Adjustment to daily Treasury statement basis	+50,387,396		
Total miscellaneous receipts	1,430,243,999	1,324,670,649	1,333,327,000
Total receipts	41,310,627,852	49,807,470,649	61,939,327,000
Deduct:			
Appropriation to Federal old-age and survivors insurance trust fund	2,106,387,806	2,960,000,000	3,823,000,000
Appropriation to medical care insurance trust fund: Proposed legislation			275,000,000
Refunds of receipts (excluding interest)	2,146,643,828	2,335,530,000	2,702,930,000
Adjustment to daily Treasury statement basis	+12,862,661		
Total refunds of receipts (excluding interest)	2,159,506,489	2,335,530,000	2,702,930,000
Net budget receipts	37,044,733,557	44,511,940,649	55,138,397,000

Footnotes at end of table.

TABLE 116.—*Budget receipts and expenditures, actual for the fiscal year 1950 and estimated for 1951 and 1952*—Continued

	Actual, fiscal year 1950 [10]	Estimated, fiscal year 1951	Estimated, fiscal year 1952
Budget expenditures: [9]			
Legislative branch	$56,755,649	$62,144,138	$68,776,345
The Judiciary	23,967,260	25,358,006	26,090,065
Executive Office of the President	8,406,888	21,261,139	34,461,071
Funds appropriated to the President	3,626,993,966	4,154,848,843	8,336,760,001
Independent offices:			
American Battle Monuments Commission	1,120,583	6,705,000	6,950,000
Atomic Energy Commission	550,198,502	817,587,587	1,277,017,666
Civil Service Commission	323,440,545	325,452,201	343,170,200
Displaced Persons Commission	3,585,134	6,880,000	8,020,000
Export-Import Bank of Washington	49,209,954	100,619,072	105,600,000
Federal Communications Commission	6,815,318	6,577,217	6,753,911
General Accounting Office	34,588,885	32,812,802	31,286,500
Interstate Commerce Commission	11,622,089	11,121,624	11,372,525
National Advisory Committee for Aeronautics	54,484,474	62,510,000	78,510,000
National Labor Relations Board	8,628,079	8,528,258	8,586,385
Philippine War Damage Commission	136,273,858	89,036,445	
Railroad Retirement Board	596,259,696	605,137,421	656,018,152
Reconstruction Finance Corporation	556,514,249	[a] 79,131,898	22,681,000
Securities and Exchange Commission	5,891,062	6,128,500	5,871,900
Selective Service System	9,119,799	37,039,519	45,000,000
Tennessee Valley Authority	19,195,577	170,523,819	236,597,000
Veterans' Administration	6,626,145,600	5,820,422,786	4,912,711,374
Other	40,406,521	45,638,780	289,519,435
Federal Security Agency	1,443,462,677	1,736,602,429	2,154,483,011
General Services Administration	574,394,845	1,116,300,295	1,650,896,325
Housing and Home Finance Agency	[a] 304,983,288	305,414,282	[a] 568,122,591
Department of Agriculture	2,958,829,246	1,182,769,341	1,629,330,672
Department of Commerce	863,082,852	954,936,384	1,115,980,772
Department of Defense:			
Military functions	11,889,056,476	20,000,000,000	40,000,000,000
Civil functions	1,344,715,194	1,063,983,509	856,940,116
Department of the Interior	568,435,344	704,439,495	609,886,961
Department of Justice	131,290,804	150,654,196	153,790,455
Department of Labor	257,043,997	217,772,202	220,777,795
Post Office Department (general fund)	592,656,339	631,756,688	160,000,000
Department of State	361,226,112	353,373,044	371,891,507
Treasury Department:			
Interest on the public debt	5,720,354,158	5,625,000,000	5,800,000,000
Other	676,010,020	774,482,472	739,651,123
District of Columbia (Federal contribution)	12,000,884	10,800,000	12,000,000
Reserve for contingencies		45,000,000	175,000,000
Adjustment to daily Treasury statement basis	+329,636,566		
Total budget expenditures	40,166,835,915	47,210,485,596	71,594,259,676
Budget deficit	3,122,102,357	2,698,544,947	16,455,862,676

[a] Deduct, excess of repayments and collections over expenditures.

[1] Amounts shown for the individual income tax withheld are on the daily Treasury statement basis; employment taxes, customs, and refunds of receipts are on the warrants-issued basis. Detail concerning income taxes not withheld is on the warrants-issued basis, which, in the case of these taxes, is the same as the collection basis. The detail of miscellaneous internal revenue is on the collection basis and the detail of miscellaneous receipts is on the warrants-issued basis. Receipts from the Railroad Unemployment Insurance Act are on the daily Treasury statement basis, which, for this tax, is the same as the warrants-issued basis. Adjustment in all cases is to the daily Treasury statement basis. (See table 7, "Note.")

[2] Includes the effect of the Excess Profits Tax Act of 1950, approved Jan. 3, 1951.

[3] The adjustment for total income and excess profits taxes other than withheld is arbitrarily assigned to the individual income tax.

[4] Collections for credit to trust funds are not included.

[5] No detail is shown in the manufacturers' excise tax group as it has been necessary to make arbitrary assumptions as to the amount and timing of material shortages as they affect the production of specific taxable commodities. In view of this, it is felt that only the total could be estimated with a reasonable degree of accuracy.

[6] Excludes estimated collections from the tax on fishing equipment.

[7] Estimated collections from the taxes on adulterated and process or renovated butter, mixed flour, and filled cheese are included in "All other" miscellaneous excise taxes.

[8] Includes collections from: Taxes on narcotics, adulterated and process or renovated butter, mixed flour and filled cheese, and taxes imposed under the National Firearms Act which are effective currently. In addition includes collections from excise taxes repealed or suspended (with the exception of manufacturers' excise tax on luggage).

[9] Classified by organization units, based on table 4 of the 1952 Budget document. The figures for 1950 are based upon the Treasury's *Combined Statement of Receipts, Expenditures and Balances*, and therefore differ from figures published in the daily Treasury statement.

[10] Includes $11,036,200 representing net investments in Federal securities by wholly owned Government corporations and agencies which are excluded from budget expenditures in the Budget document.

TABLE 117.—*Trust accounts, etc., receipts and expenditures, actual for the fiscal year 1950 and estimated for 1951 and 1952*

[On basis of 1952 Budget document]

	Actual, fiscal year 1950	Estimated, fiscal year 1951	Estimated, fiscal year 1952
Receipts:			
Federal employees' retirement funds:			
Deductions from employees' salaries and other receipts	$358, 581, 339	$327, 245, 115	$311, 305, 850
Interest and profits on investments	143, 827, 368	161, 159, 516	174, 506, 475
Transfers from general and special accounts	304, 691, 728	305, 000, 000	325, 077, 350
Federal old-age and survivors insurance trust fund:			
Appropriation from general account receipts	2, 107, 344, 187	2, 960, 000, 000	3, 823, 000, 000
Interest on investments	256, 778, 439	299, 189, 133	313, 160, 000
Transfers from general and special accounts	3, 604, 000	3, 694, 000	3, 734, 000
Medical care insurance trust fund			275, 000, 000
Railroad retirement account:			
Interest on investments	62, 201, 104	70, 399, 800	75, 200, 000
Transfers from general and special accounts	582, 832, 724	598, 172, 200	646, 000, 000
Unemployment trust fund:			
Deposits by States	1, 097, 797, 473	1, 201, 000, 000	1, 279, 000, 000
Deposits by Railroad Retirement Board	9, 728, 112	14, 000, 000	15, 000, 000
Interest on investments	167, 066, 534	174, 620, 000	182, 620, 000
Transfers from general and special accounts	5, 437, 873	186, 046	3, 128, 290
Veterans' life insurance funds:			
Premiums and other receipts	439, 759, 962	489, 820, 000	513, 925, 000
Interest on investments	249, 483, 803	209, 870, 000	204, 240, 000
Transfers from general and special accounts	474, 635, 465	89, 869, 884	68, 261, 108
Other trust accounts:			
Transfers from general and special accounts	12, 000, 000	10, 800, 000	12, 000, 000
Miscellaneous trust receipts	370, 764, 298	396, 326, 209	394, 915, 610
Adjustment to daily Treasury statement basis	+22, 199, 815		
Total trust account receipts	6, 668, 734, 224	7, 311, 351, 903	8, 620, 073, 683
Expenditures:			
Other than investments:			
Federal employees' retirement funds: Annuities and refunds	267, 836, 567	286, 831, 054	312, 056, 582
Federal old-age and survivors insurance trust fund: Benefit payments and administrative expenses	783, 103, 937	1, 673, 726, 449	2, 177, 023, 961
Medical care insurance trust fund: Benefit payments			35, 000, 000
Railroad retirement account: Benefit payments and other expenditures	304, 313, 279	329, 121, 697	349, 768, 000
Unemployment trust fund: Withdrawals by States and other expenditures	2, 013, 083, 964	962, 400, 000	715, 400, 000
Veterans' life insurance funds: Insurance losses and refunds	3, 101, 348, 571	812, 022, 934	1, 051, 079, 000
Other trust accounts: Miscellaneous trust expenditures	348, 385, 464	381, 037, 801	326, 122, 434
All other [1]	69, 671, 364	50, 507, 576	82, 996, 842
Adjustment to daily Treasury statement basis	+67, 926, 668		
Total expenditures other than investments	6, 955, 669, 814	4, 495, 647, 511	5, 049, 446, 819
Investments in Federal securities:			
Federal employees' retirement funds	542, 838, 500	506, 600, 000	498, 922, 000
Federal old-age and survivors insurance trust fund	1, 415, 000, 000	1, 739, 800, 000	1, 987, 000, 000
Railroad retirement account	337, 600, 000	341, 000, 000	371, 400, 000
Unemployment trust fund	[a] 724, 000, 000	432, 000, 000	467, 000, 000
Veterans' life insurance funds	[a] 1, 972, 041, 000	11, 000, 000	[a] 264, 500, 000
Other trust accounts	14, 529, 550	34, 353, 450	33, 129, 300
Wholly owned Government corporations	[2]	34, 232, 250	14, 103, 000
Total investments	[a] 386, 072, 950	3, 098, 985, 700	3, 107, 054, 300
Total trust account expenditures	6, 569, 596, 864	7, 594, 633, 211	8, 156, 501, 119
Net receipts, or expenditures (−)	99, 137, 360	−283, 281, 308	463, 572, 564

NOTE.—Detailed figures for 1950 are based upon the Treasury's *Combined Statement of Receipts, Expenditures and Balances*, and therefore differ from figures published in the daily Treasury statement.

[a] Excess of redemptions (deduct).

[1] Checking accounts of Government corporations (not wholly owned) with the Treasurer of the United States (net), other special deposit accounts (net), and sales and redemptions of obligations of Government agencies in the market (net).

[2] Classified as budget expenditures through June 30, 1950.

TABLE 118.—*Effect of financial operations on the public debt, actual for the fiscal year 1950 and estimated for 1951 and 1952*

[On basis of 1952 Budget document]

	Actual, fiscal year 1950	Estimated, fiscal year 1951	Estimated, fiscal year 1952
Budget deficit [1]	$3,122,102,357	$2,698,544,947	$16,455,862,676
Net expenditures of trust accounts, etc. [or receipts (−)] [1]	−99,137,360	283,281,308	−463,572,564
Decrease in clearing account for outstanding checks, etc. [or increase (−)]	−482,656,886	−22,090,914	7,709,888
Increase in Treasury general fund balance [or decrease (−)]	2,046,684,380	−17,087,692	
Increase in public debt	4,586,992,491	2,942,647,649	16,000,000,000
Treasury general fund balance:			
Beginning of year	3,470,403,312	5,517,087,692	5,500,000,000
Change during year	2,046,684,380	−17,087,692	
End of year	5,517,087,692	5,500,000,000	5,500,000,000
Public debt outstanding:			
Beginning of year	252,770,359,860	257,357,352,351	260,300,000,000
Change during year	4,586,992,491	2,942,647,649	16,000,000,000
End of year	257,357,352,351	260,300,000,000	276,300,000,000

[1] Investments of wholly owned Government corporations (amounting to $11,036,200 in the fiscal year 1950) are classified as budget expenditures through June 30, 1950, and as net expenditures of trust accounts, etc., thereafter.

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