file P.F.

The National City Bank
of New York
ESTABLISHED 1812

New York October 1, 1940

CABLE ADDRESS "CITIBANK"

IN REPLYING PLEASE QUOTE INITIALS REC

Comptroller's Department.

Honorable Franklin D. Roosevelt
The White House
Washington, D. C.

Sir:

On August 13, 1940 in connection with the regular examination of our City Bank Farmers Branch we forwarded a statement of your account to that date showing a balance of $14,474.03. As we do not appear to have received your confirmation of this balance we are enclosing a duplicate verification form.

It will be appreciated if you will kindly sign this form officially, noting thereon any difference existing between your records and ours in the space provided for that purpose and return it to us at your early convenience in the enclosed envelope.

Yours very truly,

W J L Patton

W. J. L. Patton
Assistant Cashier

PF

October 17, 1940

Dear Mr. Delano:

The President has asked me to return herewith the releases in connection with Mrs. Forbes will, which he has signed in duplicate and has had attested before a notary, as you requested.

He has retained one copy for his files.

Kindest regards.

Very sincerely yours,

M. A. LeHAND
Private Secretary

Honorable Frederic A. Delano,
220 State Department Building,
Washington, D. C.

Enclosures

tmb

FREDERIC A. DELANO
220 STATE DEP'T BUILDING
WASHINGTON, D. C.
—
570 LEXINGTON AVENUE
NEW YORK CITY

Washington,D.C.,
October 15, 1940.

My dear Miss Le Hand: -

I enclose herewith some important papers in connection with Mrs. Forbes' will. The releases to be signed by the President should be signed in duplicate and attested before a notary, he to retain one copy and return to me two copies. Will you kindly attend to this at your earliest convenience?

Yours sincerely,

Frederic A. Delano

Enclosure

Miss Le Hand,
Private Secretary
to the President,
The White House.

RECEIPT AND RELEASE

I, FRANKLIN DELANO ROOSEVELT of Hyde Park, New York, nephew of DORA DELANO FORBES, DECEASED, do hereby acknowledge the receipt from the CENTRAL HANOVER BANK AND TRUST COMPANY and FREDERIC A. DELANO, Trustees under a certain original Agreement in Trust made by said DORA DELANO FORBES on November 30, 1926, of the full sum of $25,000., being the full amount of the trust legacy given to me in paragraph "B" of said trust agreement; and in consideration of said payment, I do hereby release, exonerate and discharge said Trustees, and each of them, from further responsibility or liability to me under said Trust Agreement. I further agree to execute and deliver to said Trustees any additional acquittances that may be deemed necessary.

Witness my hand and seal, in duplicate, this   day of October, 1940.

____

STATE OF)
: SS.:
COUNTY OF)

On the   day of   October   , 1940, before me came FRANKLIN DELANO ROOSEVELT, to me known and known to me to be the individual described in and who executed the foregoing instrument and he acknowledged to me that he executed the same.

____

PF

October 15, 1940.

Guaranty Trust Company of New York,
524 Fifth Avenue,
New York City,
New York.

Gentlemen:-

I have as yet had no confirmation of receipt of check for deposit in the account of Franklin D. Roosevelt, in the amount of $6,250, which should have reached you last week. Will you be good enough to let me know if you have received it?

Very truly yours,

M. A. Le Hand
PRIVATE SECRETARY

General Cable Corporation
correspondence

GENERAL CABLE CORPORATION

420 LEXINGTON AVENUE

NEW YORK, N. Y.

P. D. RENSENHOUSE,
Secretary

REVOCATION OF PROXY

The undersigned stockholder of General Cable Corporation hereby revokes any proxy heretofore given to vote at the special meeting of stockholders called to be held on May 23, 1940, or any adjournment thereof.

WITNESS the hand and seal of the undersigned this__________

day of______________________________, 1940.

______________________________(L.S.)

The foregoing ***should be dated*** and legibly signed. When signing as attorney, executor, administrator, trustee or guardian, the full title as such should be given.

City Bank Farmers Trust Company
CHARTERED 1822

22 William Street

CABLE ADDRESS: FARMTRUST

New York October 2, 1940

IN REPLY PLEASE QUOTE

INVT:FH

Honorable Franklin D. Roosevelt
The White House
Washington, D. C.

Sir:

We refer to our previous correspondence concerning the 300 shares of General Cable Corporation Class A no par value stock.

In a circular letter dated September 24, 1940 received from the corporation, it is stated that the special meeting of stockholders scheduled to be held on May 23, 1940 to consider a proposed plan of recapitalization, a copy of which we previously forwarded to you, was adjourned from time to time until September 24, 1940. It is reported that at the adjourned special meeting held on September 24 sufficient proxies were not received from holders of the preferred stock to permit adoption of the plan and the special meeting was therefore adjourned indefinitely.

In view of the foregoing, the Company states that all proxies heretofore given in connection with the plan of recapitalization are of no further force or effect.

Very truly yours,

H. M. Peterson,
Assistant Trust Officer

file
personal financial

City Bank Farmers Trust Company
CHARTERED 1822

22 William Street

CABLE ADDRESS: FARMTRUST

New York August 8, 1940

IN REPLY PLEASE QUOTE INVT-REORG FH

Honorable Franklin D. Roosevelt
The White House,
Washington, D.C.

Dear Sir:

Among the securities held for your account are 300 shares of General Cable Corporation Class A no par value stock. We enclose for your information a letter from the Company dated August 1, 1940 addressed to holders of the preferred stock. The sending of this enclosure is not to be deemed as an expression of either approval or disapproval on our part of any of its contents. For specific information we refer you to the enclosure.

Briefly, it is stated in the letter, that the consummation of the proposed Plan of Reorganization, a copy of which we have previously sent you, has been enjoined by the Court of Chancery of New Jersey as the result of a Bill of Complaint against the plan. The plan is scheduled for submission to stockholders at a special meeting which has been called for September 24, 1940.

Very truly yours,

H. M. Peterson

H. M. Peterson,
Assistant Trust Officer

GENERAL CABLE CORPORATION

420 LEXINGTON AVENUE

NEW YORK

August 1, 1940

TO OUR PREFERRED STOCKHOLDERS:

As you know, on May 22, 1940 four holders of an aggregate of 1,700 shares of the 7% Cumulative Preferred Stock of this Corporation filed a Bill of Complaint in the Court of Chancery of New Jersey urging that the consummation of the proposed Plan of Recapitalization be enjoined. A temporary restraining order was issued in these proceedings, the effect of which was to prevent the Plan from being made effective until after a further hearing by the Court, although the restraining order provided that the stockholders were not prevented thereby from holding a meeting and taking a vote on the Plan.

The Management was and is willing to accede to the procedure which the Complainants invoked, and to accept the determination of a Court on the question of the fairness of the Plan. It, therefore, attempted to secure a hearing on the merits of the Plan, but the Complainants urged upon the Court that no hearing should be granted until such time as the required number of shares had been voted in favor of the Plan.

On July 18, 1940, the Court entered an order providing, in part:

"That no hearing be had on the said order to show cause, which shall involve a discussion or consideration of said plan on its merits, until and unless the stockholders have voted on, and the requisite number shall have approved, the said plan;"

****

"That the restraint contained in said order of May 22nd, 1940, be and the same is hereby continued until the further order of this Court."

SINCE THE RELEASE OF THE PLAN TO STOCKHOLDERS ON APRIL 23, 1940, HOLDERS OF A TOTAL OF 104,821 SHARES OF THE PREFERRED STOCK HAVE AT ONE TIME OR ANOTHER GIVEN PROXIES IN FAVOR OF THE PLAN, WHICH TOTAL IS MORE THAN TWO-THIRDS OF THE OUTSTANDING STOCK.

As a result of the action of those Preferred stockholders who have circularized the stockholders in opposition to the Plan, revocations of proxies previously given in favor of the Plan have been received, so that the number of Preferred shares now in favor of the Plan is less than the two-thirds required.

THE PLAN NEVERTHELESS HAS THE APPROVAL OF A SUBSTANTIAL MAJORITY OF THE TOTAL OUTSTANDING STOCK OF THE CORPORATION. THE NUMBER OF SHARES OF PREFERRED IN FAVOR OF THE PLAN IS 2.8 TIMES THE NUMBER OF SHARES AGAINST THE PLAN.

The following table shows the status of proxies for and against the Plan as of July 31, 1940:

	Preferred	Class A	Common
Number of shares outstanding	150,000	306,689	671,858
2/3 Vote Required	100,000	204,459	477,905
In favor of Plan (excluding shares owned by American Smelting and Refining Company)	73,865	111,075	238,745
Per cent of outstanding shares	49.	36.2	35.5
In favor of Plan - shares owned by American Smelting and Refining Company	12,320	148,908	260,042
Per cent of outstanding shares	8.2	48.6	38.7
Total in favor of Plan	86,185	259,983	498,787
Per cent of outstanding shares	57.4	84.7	74.2
Total against Plan	30,479	5,323	42,072
Per cent of outstanding shares	20.3	1.7	6.2
Shares not acting	33,336	41,383	130,999
Per cent of outstanding shares	22.2	13.4	19.4

The Management continues to be strongly of the opinion that the Plan as proposed is in the best interests of the Corporation and fair to each class of its stockholders and believes that it has an obligation to the large majority of stockholders who favor the Plan, not to take the final vote until a further effort has been made to secure the necessary proxies.

The Management appeals particularly to those stockholders who have not acted, as well as to those who have acted against the Plan now to send proxies in favor of it as it is the Management's belief that this is in the interest of all. The Management wishes to point out that if the Plan is formally approved by the holders of the requisite number of shares of each class of stock it cannot become effective unless the Court of Chancery declares it to be fair and equitable. It is believed that a Court of Chancery, after hearing a full presentation of all the facts and circumstances and the arguments of counsel, is in the best possible position to appraise the fairness of the Plan. As such a large majority of the Preferred stock favors the Plan (86,185 shares versus 30,479 shares), the minority, including the Complainants who brought the suit now pending, should be willing to accept the decision of the Court. The Management assures the stockholders that it will use every effort to have the pending case heard as soon as possible after the required number of proxies have been received.

EACH PREFERRED STOCKHOLDER IS URGED TO SEND IN A PROXY FAVORING THE PLAN AS SOON AS POSSIBLE BECAUSE OF THE FACT THAT UNTIL THE HOLDERS OF TWO-THIRDS OF SUCH CLASS HAVE INDICATED THEIR CONSENT TO THE PLAN A HEARING OF THE CASE ON ITS MERITS CANNOT BE HELD. SUCH ACTION ON THE PART OF PREFERRED STOCKHOLDERS WILL MAKE POSSIBLE A DETERMINATION BY AN IMPARTIAL JUDICIAL BODY AS TO WHETHER THE PLAN IS FAIR TO EACH CLASS OF STOCKHOLDERS, AS WE CONTEND, OR WHETHER IT IS UNFAIR TO PREFERRED STOCKHOLDERS, AS CONTENDED BY THE COMPLAINANTS REFERRED TO ABOVE.

We enclose another proxy and urge you to execute it in favor of the Plan and mail it. Such execution will automatically repeal any previous proxy against the Plan, or any revocation of proxy in favor of the Plan, which you may have previously executed.

By order of the Board of Directors,

P. D. RENSENHOUSE,

Secretary.

File
personal + financial

City Bank Farmers Trust Company
CHARTERED 1822

22 William Street

CABLE ADDRESS: FARMTRUST

New York July 1, 1940

IN REPLY PLEASE QUOTE
INVT REORG:FH

Honorable Franklin D. Roosevelt
The White House
Washington, D. C.

Sir,

We refer to our previous correspondence regarding the shares of General Cable Corporation stock held for your account. We enclose for your information a letter dated June 21, 1940, addressed to holders of the above described shares by the corporation. The sending of this enclosure is not to be deemed as an expression of either approval or disapproval on our part of any of its contents. For specific information, we refer you to the enclosure.

If you wish any action taken, please advise us.

Very truly yours,

H. M. Peterson,
Assistant Trust Officer

ENCLOSURE

GENERAL CABLE CORPORATION

420 LEXINGTON AVENUE

NEW YORK

June 21, 1940

TO OUR PREFERRED STOCKHOLDERS:

In recent weeks you no doubt have received communications from James I. Marsh or Carl M. Loeb, Rhoades & Co. urging that you vote against our proposed Plan of Recapitalization or that you withdraw your proxy if you have already indicated your approval of the Plan. The contention is made that the Plan is unfair to Preferred stockholders but the arguments made in such communications do not stand up under analysis. Though conscious of the multiplicity of communications you have received, the management feels impelled to make reference to the views advanced in these letters, in the interests of all classes of stockholders.

1. Why the Plan is Necessary

Due to conditions largely beyond the control of the Corporation, a number of the twenty-one plants originally owned by the Corporation have been closed. A number have been sold or are held for sale. For the past seven years the Corporation has operated and now operates only eight plants. The total assets of the Corporation have shrunk from about \$63,000,000 as of December 31, 1929 to about \$33,000,000 as of December 31, 1939. The net worth of the Corporation has shrunk from about \$39,000,000 as of December 31, 1929 to about \$19,000,000 as of December 31, 1939.

During the twelve years of operations ending December 31, 1939 it has been possible to pay to Preferred stockholders dividends averaging only \$3.08 per share per year. Payments to this extent were possible only because the Class A and Common stockholders in 1931 and 1936 agreed to a reduction of about \$16,000,000 in the stated value of their equity in order to wipe out accumulated deficits, which if continued in existence would, under the laws of the State of New Jersey, have prohibited the payment of dividends to Preferred stockholders in 1936 and 1937, or the payment of any future dividends until such deficit had been eliminated. Except to the foregoing extent, therefore, the 7% Preferred dividend rate has meant nothing to Preferred stockholders, so far as dividends are concerned, but a dividend accumulation having a stated value per share of \$50.75 as of May 1, 1940.

It is stated in one of these communications that if "the company can pay \$4.50 on the new preferred, it can certainly make a partial payment of \$4.50 on the old". However, a partial payment of \$4.50 per annum on the present Preferred Stock would not solve the problem of the \$50.75 of accumulated dividends (as of May 1, 1940) but would only result in the further accumulation of \$2.50 per annum and in the aggravation of the present unsatisfactory situation.

Those who have attacked the Plan as unfair referred to the average earnings of the Corporation for the past five years as an "estimate of earning power" and stated that such average earnings, which amounted to $653,000 per year, should have been adjusted in certain ways to a present basis. The letter contended that on the basis of such adjustments, "the earning power of the company appears ample to pay the $7 preferred dividend". Apparently in support of this argument, it is then stated that earnings for the six months ended March 31, 1940 amounted to approximately $1,416,000. The management does not believe that the amount of average earnings for the past five years should be used as an "estimate of earning power", nor did it intend to use it as such. For this reason, the management did not make any such adjustments. In order to estimate the future earning power of the Corporation, many factors in addition to past earnings should be considered. Moreover, to attempt to estimate the ability of the Corporation to pay the present 7% rate on the Preferred Stock on the sole basis of the earnings for the six months' period ended March 31, 1940 is to lose sight of two important factors:

(1) The earnings of a Corporation such as ours are subject to great fluctuations because (a) it must by necessity bear the risk of wide swings in the market value of its principal raw material, which risk has been reduced but, in the opinion of the management, by no means eliminated by certain recent changes, and (b) the demand for the Corporation's products varies greatly from time to time depending on business conditions in capital goods industries.

(2) Your Corporation is in need of additional working capital. It cannot prudently pay out substantially all its earnings in dividends until the amount of its working capital is improved. To attempt to accumulate the needed cash capital out of future earnings on the basis of the continuance of the present capitalization would take a great length of time and, in addition, would prevent the payment of the existing dividend arrears or involve the accumulation of additional arrears on the Preferred Stock. However, it is believed that if the present improvement in earnings continues and the Plan is adopted regular dividends on the new Preferred Stock can be initiated and maintained without preventing the Corporation from securing the needed cash capital.

2. Why the Plan is Fair

As already stated, dividends have accumulated and are in arrears on the Preferred Stock in the amount of $50.75 per share. It is believed that the present dividend requirement is larger than the business of the Corporation will permit it to bear. To correct this situation, it is proposed by the Plan to change each share of Preferred Stock with its accumulated dividends into eight shares of the Common Stock of the Corporation and one share of new Preferred Stock carrying a rate of dividend preference more nearly in line with the management's appraisal of the Corporation's ability to pay dividends in the future.

It has been claimed that a share of the new Preferred Stock will be worth only 65% of a share of the present Preferred Stock because the dividend rate of the new will be only 65% of the dividend rate of the old. We believe this claim to be entirely without foundation. The market values of stocks are more likely to be related to the amount of dividends actually being paid rather than to the rate of the stated dividend preference. Many 4½% Preferred Stocks with good dividend records are selling at higher prices than 7% Preferred Stocks with less satisfactory dividend records.

Before rumors of our Plan of Recapitalization began to circulate, the market appraised the value of our present 7% Preferred Stock with its rights, preferences and accumulated dividends at about $58 per share, the closing price of March 15, 1940. When formal announcement of the Plan was made to stockholders, the market price moved up sharply and closed at $74.25 on May 9, 1940. During this same period from March 15, 1940 to May 9, 1940, the market price of fifty other industrial stocks, as compiled by Standard Statistics Company, Inc. increased only .3%, while our Preferred Stock increased 28%. Two of our principal competitors have listed stocks and during this period the average prices of their stocks declined 4%. This would indicate that the market believed that a share of new $4.50 Preferred Stock and eight shares of Common Stock were worth considerably more than a share of the present 7% Preferred Stock with its accumulated dividends. While market opinion is by no means infallible, it represents a large cross section of unbiased analytical opinion.

Subsequent to May 9, 1940, the general market declined sharply. By June 1, 1940, the average market price of these fifty other industrial stocks, as compiled by Standard Statistics Company, Inc., had declined 24.4% from the prices of May 9, 1940, largely under the influence of the German invasion of Holland and Belgium. Our competitors' stocks mentioned above averaged a decline of 26.7%. The market price of our Preferred Stock, however, declined 32.7% during the same period. James I. Marsh and Carl M. Loeb, Rhoades & Co. disclosed their intention to oppose our Plan of Recapitalization in that interval.

Standard Statistics Company, Inc. has made a detailed study of the Plan of Recapitalization and its effects upon the rights and preferences of the several classes of the Corporation's stocks. We quote the following brief excerpt from the conclusions reached:

> "As observed at the outset, there must be some sacrifices in any voluntary recapitalization, otherwise there could be no change at all. The important consideration is whether the sacrifices made by one group are as nearly like those of another group. <u>In this case, after a careful consideration of all the factors it seemed that the sacrifices were about as evenly distributed as they possibly could be</u> and upon this premise it was concluded that the plan was fair." (Underscoring ours.)

3. Position of American Smelting and Refining Company

It has been inferred that American Smelting and Refining Company originated the proposed Plan. This is far from the truth. The Plan was originated by Smith, Barney & Co. in response to the management's interest in seeing the Corporation relieved of its top-heavy capital structure. Naturally, the Plan after it was formulated was discussed with American Smelting and Refining Company as the largest stockholder of the Corporation.

It has also been inferred that American Smelting and Refining Company has sought to control the Corporation for the particular interest of the Class A and Common stockholders and that by the elimination of Preferred stockholders claims to dividend arrears and the reduction of the rate of the dividend preference on the Preferred stock it will benefit unduly by the adoption of the Plan. In this connection, the management wishes to point out that in addition to its holdings of Class A and Common Stock, American Smelting and Refining Company is the largest single holder of Preferred Stock (12,320 shares) and upon consummation of the Plan would give up a claim to about $625,000 in accrued dividends. It would also give up its $4 annual preference on its Class A Stock, i.e., the right to receive about $595,000 in any year before the Common Stock is entitled to receive anything.

At present American Smelting and Refining Company owns 37.3% of all the voting shares of the Corporation. Under the Plan its ownership will shrink to 29.7% of the total voting shares. American Smelting and Refining Company, however, is willing to relinquish its voting strength to that extent and otherwise change its present position because it believes that the Plan, by correcting the difficulties now existing, will prove of real benefit to the Corporation and to all stockholders.

4. Conclusion

Whenever a corporation so situated as yours with the necessary elimination of plants etc., over a period of years cannot support its capitalization, and unpaid dividends on Preferred Stock accumulate beyond any reasonable hope of liquidation from earnings, it is obvious that the capital structure and rates of return are definitely in need of revision. The effect is not only unfavorable to the market value of all classes of stock, but it also develops a certain conflict of interest between classes of stockholders which is not helpful in the management's efforts to operate the business for all the stockholders. Policies which might be regarded as desirable by one class of stock might very well be regarded as detrimental by another class and no matter how conscientious the management may be in attempting to formulate policies solely in the interest of the company as a whole, it adds a heavy burden upon the management.

The Preferred stockholders should not be unmindful of the fact that while at present they hold only 13.3% of the voting shares of the Corporation, under the proposed Plan they would hold 41.5% of the voting shares, and in addition have the right separately to elect two members of the Board of Directors, now numbering seventeen, if Preferred dividends should be four quarterly payments in arrears.

If any voluntary recapitalization plan is to be successful, the various groups of stockholders must agree to a change in their charter rights in order to simplify or otherwise revise the capital structure. The Corporation's management believes that the proposed Plan gives a maximum benefit to Preferred stockholders while recognizing that it is necessary to obtain the consent of two-thirds of each of the other classes of stockholders. Numerous letters have been received from Class A and Common stockholders asserting that unduly favorable treatment was being accorded the Preferred stockholders. In our opinion it would be wholly impossible to secure the necessary approval of any plan more favorable to the interests of the Preferred stockholders. The management of the Corporation, after thorough study of a number of plans, is convinced that the proposed Plan best serves the interest of the business for the benefit of all stockholders. It, therefore, urges the adoption of the Plan in its present form.

The temporary restraining order secured by certain Preferred stockholders against the consummation of the Plan has been continued in effect until July 1, 1940, by which time it is expected that the matter will have been decided. At the adjourned meeting, now set for July 2, 1940, the Corporation hopes to have an overwhelming vote of stockholders recorded in favor of the Plan. Up to June 10, 1940, the holders of 67.6% of the Preferred Stock, 85.5% of the Class A Stock and 75.3% of the Common Stock originally had expressed their approval of the Plan; while the holders of 20.5% of the Preferred Stock, 1.8% of the Class A Stock and 6.9% of the Common Stock had indicated their disapproval. As a result of the communications addressed to Preferred stockholders by James I. Marsh and Carl M. Loeb, Rhoades & Co., however, revocations of proxies previously given in favor of the Plan were received from some stockholders, with the result that as of June 10, 1940 the percentage of Preferred Stock represented by proxies favoring the Plan, was reduced to 56.9%. Notwithstanding the Marsh and Loeb efforts, the great majority of the Preferred stockholders still believe that the Plan is desirable, since shares represented by proxies in favor of it were more than 2.7 times as numerous as those against it. These communications have resulted in sufficient revocations to defeat the Plan unless the holders of about 15,000 additional Preferred Shares send in affirmative proxies. The Preferred stockholders must, therefore, decide whether they will follow the advice of those experienced in the management of the Corporation's affairs or that of persons lacking such experience and not appreciating the management's opinion as to how the present capitalization adversely affects the business of the Corporation.

If you have not voted as yet, or have revoked a previous proxy, we urge that you send in an affirmative proxy at once. If you have voted "No", we urge that you send an affirmative proxy to replace your present negative one. The delay occasioned by the temporary restraining order is a matter of sincere regret to your management.

We would welcome the opportunity for personal discussion of these issues with any stockholder who should so desire.

Very truly yours,

P. D. RENSENHOUSE

Secretary

File
personal
financial

City Bank Farmers Trust Company

CHARTERED 1822

22 William Street

CABLE ADDRESS: FARMTRUST

New York June 1, 1940

IN REPLY PLEASE QUOTE INVT-REORG-FH

Honorable Franklin D. Roosevelt
The White House
Washington, D. C.

Sir:

Among the securities held for your account are 300 shares of General Cable Corporation Class "A" stock no par value. We enclose for your information a letter from Carl M. Loeb, Rhoades & Company, dated May 27, 1940 addressed to holders of these securities, and a further notice dated May 31, 1940 from the company. The sending of these enclosures is not to be deemed as an expression of either approval or disapproval on our part of any of their contents. For specific information we refer you to the enclosures.

If you wish any action taken please advise us.

Very truly yours,

[signature]

Assistant Trust Officer

CARL M. LOEB, RHOADES & CO.
61 Broadway

MEMBERS

New York Stock Exchange — New York Cocoa Exchange, Inc.
New York Curb Exchange — Chicago Board of Trade
New York Cotton Exchange — The Winnipeg Grain Exchange
Commodity Exchange, Inc. — Liverpool Cotton Ass'n Ltd.
N.Y. Coffee & Sugar Exchange, Inc. — London Cocoa Terminal Market Ass'n

London Paris Amsterdam

NEW YORK May 27, 1940

To the Holders of the 7% Cumulative
Preferred Stock of General Cable Corporation:

Our efforts to bring about a modification of the unfair treatment accorded the preferred stockholders under the General Cable Corporation plan of recapitalization having been unsuccessful, a suit has been brought by John L. Loeb, a partner of our firm, as trustee, and by others, to prevent its consummation. The special stockholders' meeting to vote upon this plan was adjourned until June 6th.

The plan penalizes the preferred stockholders to the extraordinary benefit of the Class A and common stockholders. We are opposing the plan on behalf of owners of 6,719 shares of preferred stock for the following reasons:

(1) The present $7 preferred stock callable at 110 is to receive a new $4.50 stock also callable at 110 and, for the $50.75 in arrears, is to receive 8 shares of new common. <u>Acceptance of the $4.50 preferred means a substantial loss in principal value</u> as the $4.50 preferred is obviously worth only 65% of a $7 preferred, and is most unlikely ever to be called. In contrast the $7 preferred stock under favorable conditions might sell at 110.

(2) For the arrearages of $50.75 the plan proposes to give 8 shares of new common. The value of the new common is problematical due to a more than quadrupling of the present number of common shares currently quoted at 4½.

(3) The net asset value of the corporation according to the balance sheet of December 31, 1939, was approximately $19,576,000, or $130.50 per preferred share, which compares with $24,112,000, or $160.75 per share to which the preferred, including arrearages, is entitled on redemption or liquidation. <u>There is no asset value available for the Class A or common shares.</u>

(4) The company recapitalization plan states that average annual earnings over the last five years were $653,000 per annum. No attempt has been made to readjust the estimate of earning power to the present basis of lower interest charges, normal depreciation on plants in use, and avoidance of excessive inventory losses of the past. On such a basis the earning power of the company appears ample to pay the $7 preferred dividend. For the six months ended March 31, 1940, the earnings for the preferred stock were $1,416,000, or $9.44 per preferred share.

(5) It is interesting to note that the American Smelting & Refining Company, which dominates the Board of Directors, is the owner of only 8% of the preferred stock, as against 48% of the Class A and 38% of the common.

(6) An implied inducement of the plan is that acceptance will mean the payment of $4.50 on the new preferred. This is misleading. If the company can pay $4.50 on the new preferred, it can certainly make a partial payment of $4.50 on the old.

The plan is unfair to the preferred stockholders and you should not vote in favor of it. In case you have already assented to the plan, we suggest you write the company at 420 Lexington Avenue, New York, N. Y., revoking your proxy, and we enclose herewith a postcard for your convenience. Failure to revoke your proxy promptly, means surrender of your rights. It is to your interest to resist the extraordinary solicitation on the part of the company in the form of letters, telegrams and professional canvassers.

We are bringing our views to your attention as you may not have given full consideration to the sacrifices which you are asked to make. It is not our intention to solicit proxies or to communicate with you again.

Very truly yours,

CARL M. LOEB, RHOADES & CO.

GENERAL CABLE CORPORATION

TO ALL STOCKHOLDERS

At the special meeting of stockholders of General Cable Corporation held on Thursday, May 23, 1940, in connection with the proposed Plan of Recapitalization of the Corporation, the only action which was taken was the adjournment of the meeting to Thursday, June 6, 1940, on which date (subject to the possibility of further adjournment) the adjourned meeting will be held at the principal office of the Corporation, 15 Exchange Place, Jersey City, New Jersey, at 11:00 o'clock in the forenoon, Eastern Daylight Saving Time.

On May 22, 1940 four holders of an aggregate of 1700 shares of 7% Cumulative Preferred Stock filed a bill of complaint in the Court of Chancery of New Jersey praying that the consummation of the proposed Plan of Recapitalization be enjoined. A temporary restraining order was issued in these proceedings without notice to the Corporation and a hearing thereon was set for June 3, 1940, but has been adjourned to June 10, 1940. The Corporation believes that it will be successful in defeating this action, and it is hoped that a decision to that effect may be obtained at the earliest date possible.

Your Board of Directors continues to be strongly of the opinion that a recapitalization of the Corporation is in the interests of all of its stockholders and that the proposed Plan of Recapitalization is fair and equitable to the holders of each class of stock. The basis of this opinion is set forth in the following pages and is respectfully urged to your attention. This material is reprinted from the Letter to Stockholders dated April 22, 1940, but has been revised as will appear in the first paragraph on page 4, the paragraph preceding the last tabulation on page 5 and the second paragraph on page 6.

The opinion of your Board of Directors is further supported by the approval already accorded to the Plan of Recapitalization by the holders of more than a majority of the shares of each class of stock, owned by others than American Smelting and Refining Company. Your Board of Directors earnestly hopes that any stockholder who has not yet forwarded his proxy will take advantage of the opportunity afforded by the adjournment to do so at once, no matter how small his holding, in order that the will of the stockholders may be expressed as fully as possible.

If you have already forwarded your proxy, no further action is necessary with respect to the adjourned meeting to be held on June 6, 1940. *If you have not previously forwarded your proxy, or if you have previously forwarded a proxy disapproving the proposed amendments to the Certificate of Incorporation and now wish to change your vote, you are urged to execute and return the enclosed proxy promptly.* Such proxy will by its terms revoke any proxy previously given. All proxies are revocable at any time prior to the voting thereof.

It has come to the attention of your Board of Directors that a few of the persons employed to solicit proxies have made the statement that the way to secure dividends is for stockholders to vote in favor of the Plan. All such statements are unauthorized. Obviously, the payment of dividends will be dependent upon earnings available therefor; although it is true that the Corporation ought to be able to pay more regularly the more reasonable requirements of the proposed new Preferred Stock.

Your Board of Directors wishes to emphasize that in the opinion of counsel for the Corporation the Plan of Recapitalization, when approved by the vote of the holders of the required number of shares of each class of stock, will be binding on all stockholders and that this is not, therefore, a situation in which any stockholder by withholding his approval can obtain more favorable treatment than other stockholders of the same class.

By Authority of the Board of Directors,

DWIGHT R. G. PALMER,
President.

May 31, 1940

GENERAL CABLE CORPORATION

BUSINESS AND EARNINGS

The Corporation manufactures copper wire and cable products of all types and appropriate accessories. Its customers include:

(1) Electric utility, telephone, telegraph and transportation companies;

(2) Manufacturers of electrical appliances and equipment;

(3) Electrical contractors serving the building industry, automotive manufacturers and shipbuilders.

With the expansion or contraction of the activities of these principal users of wire and cable, the volume of your Corporation's business rises and falls. Much of the Corporation's output may be considered as "capital goods" and is thus subject to the wide swings in demand characteristic of that class of product. The decline in the rate of new construction activities of the electric utility companies has particularly affected your Corporation's business. These facts should be remembered in considering the proposed Plan of Recapitalization. Reflecting this situation, earnings of the Corporation in the highly prosperous period from its formation in 1927 through 1929 were at the rate of $4,053,000 per annum, whereas during the depression years 1930 to 1934, inclusive, the Corporation sustained net losses which averaged $2,911,000 per annum. During the next five years 1935 to 1939, net profits averaged $653,000 per annum. In only two of the ten years since 1929 was the Preferred dividend of $1,050,000 earned—in 1936 when there were net profits of $1,654,178, and in 1937 when there were net profits of $1,364,278.

Net income as reported for the year 1939 was $733,166, of which approximately $689,000 was earned in the last three months of the year. Earnings in the first quarter of 1940 have continued at about the same rate as in the final quarter of 1939, but the actual figures are still in process of preparation. Part of this improvement has been due to buying of your Corporation's products by domestic users and part has been due to orders from belligerent countries. In the opinion of your Board of Directors, profits resulting from the latter type of business must be considered as being even more fluctuating and unpredictable than those derived from sales to the Corporation's public utility, manufacturing and building customers.

RECOMMENDATION OF DIRECTORS

Your Board of Directors believes that the Corporation should have a capital structure more nearly in line with demonstrated earnings and that a revision of its present capitalization to this end would result in advantages to all concerned. Accordingly, your Directors have made an intensive study of many possible plans and have consulted with and sought assistance from outside experts. To each plan has been applied the test of what would be to the best interests of each class of stockholders within the limits of the Corporation's ability to support the resulting capitalization while bearing in mind that the plan must receive the approval of all three classes of stock. It is obvious that any plan designed to correct defects in the financial structure of a corporation must inevitably entail some readjustment of the existing rights of the stockholders of each class. The question is whether, with the defects corrected, stockholders of each class will not be better off under the proposed new arrangement than they were before.

The Plan of Recapitalization enclosed with this letter and described below is the one which, in the opinion of your Directors, meets most successfully the test applied and provides fair compensation for whatever sacrifices of rights or preferences are involved. The Board of Directors therefore recommends its adoption by the stockholders.

BRIEF OUTLINE OF THE PLAN

The Plan provides in essence that each outstanding share of 7% Cumulative Preferred Stock with all accumulated and unpaid dividends shall be changed into one share of new 4½% Cumulative Preferred Stock and 8 shares of Common Stock, and that each outstanding share of Class A Stock shall be changed into 4 shares of Common Stock. Dividends on such new 4½% Preferred Stock will accrue from May 1, 1940. Holders of the Common Stock will retain their present holdings. Based on 1939 earnings and assuming the Plan to have been in effect, dividends on the new 4½% Preferred Stock would have been earned about 1.1 times, and earnings on the Common Stock would have amounted to about 2 cents per share. Based on 1936 earnings of $1,654,178, dividends on the new 4½% Preferred Stock would have been earned about 2.4 times, and earnings on the Common Stock would have amounted to about 31 cents per share. Under the Plan, holders of the present Preferred Stock and Class A Stock would share in any distribution made to Common stockholders. When and if such distributions amount to 31 cents per share per annum, each present Preferred stockholder would receive as much per annum as the annual dividend rate on each share of present Preferred Stock.

If the Plan is consummated and if the improvement in earnings which started last fall continues, your Board of Directors believes that payment of dividends on the new 4½% Preferred Stock could be inaugurated on the first dividend payment date after the Plan becomes effective. Payment of dividends must obviously always be contingent on earnings and the cash requirements of the enterprise, but the possibility of regular payment of Preferred dividends should be enhanced by a reduction in the amount of the annual requirement. Furthermore it is hoped that if the improved earnings of the last few months are sustained the Corporation might at some later date, after consummation of the Plan, be able to refund at a lower interest rate its outstanding First Mortgage 5½% Sinking Fund Bonds.

Application will be made for the listing on the New York Stock Exchange and for the registration under the Securities Exchange Act of 1934, of the new 4½% Cumulative Preferred Stock and of the additional shares of Common Stock to be outstanding upon consummation of the Plan.

Consummation of the Plan will require the approval at a special meeting of stockholders called for May 23, 1940, by the holders of at least two-thirds of each class of outstanding stock, of amendments to the Certificate of Incorporation of the Corporation changing (1) the outstanding 7% Cumulative Preferred Stock into new 4½% Cumulative Preferred Stock and Common Stock, and (2) the outstanding Class A Stock into Common Stock, on the bases stated above.

American Smelting and Refining Company is the owner, directly or indirectly through a wholly owned subsidiary, of 12,320 shares (8.21%) of the outstanding Preferred Stock, 148,908 shares (48.55% as of April 1, 1940) of the outstanding Class A Stock and 260,042 shares (38.70% as of April 1, 1940) of the outstanding Common Stock of the Corporation, constituting in the aggregate 37.33% of the total voting shares. Upon consummation of the Plan American Smelting and Refining Company would hold 12,320 shares of 4½% Preferred Stock and 954,234 shares of Common Stock of the Corporation, constituting in the aggregate 29.75% of the total voting shares. The Corporation is advised that American Smelting and Refining Company favors the Plan as being in the best interests of the Corporation and of the holders of each class of stock, and that it will vote the shares of each class held by it in favor of the Plan but only when it has become apparent that the holders of at least a majority of the shares of that class represented at the meeting, exclusive of the shares owned by American Smelting and Refining Company, are in favor of the Plan. In effect, therefore, the other stockholders represented at the meeting will decide whether the Plan is to be adopted.

Your Directors recommend the Plan and urge you to execute and return the enclosed proxy promptly.

DESCRIPTION OF THE PLAN OF RECAPITALIZATION

I. *Proposed changes of shares*

Upon the consummation of the Plan each outstanding share of Preferred Stock and Class A Stock will be changed as follows:

	Shares into which *each outstanding share* is to be changed
7% Cumulative Preferred Stock...	1 share 4½% Cumulative Preferred Stock ($100 par) and 8 shares Common Stock (no par)
Class A Stock....................	4 shares Common Stock (no par)

Under the Plan holders of the Common Stock will retain their present holdings, but such holdings in the aggregate will be reduced to approximately 21.7% of the total number of shares of Common Stock to be outstanding.

Upon consummation of the Plan, the 150,000 shares of 7% Cumulative Preferred Stock now outstanding will be changed into 150,000 shares of 4½% Cumulative Preferred Stock and 1,200,000 shares of Common Stock. The 306,689 shares of Class A Stock outstanding on April 1, 1940, will be changed into 1,226,756 shares of Common Stock, but this number of shares of Common Stock will be reduced if any Class A Stock should be converted into Common Stock between April 1 and the effective date of the Plan. The 150,000 shares of Preferred Stock now authorized but unissued will be eliminated; and the 336,132 shares of Class A Stock now authorized but unissued will be changed into a like number of shares of authorized Common Stock, thus increasing the total number of shares of authorized Common Stock to the number shown below.

Reflecting these changes, the capital stock of the Corporation as of April 1, 1940, would have been as follows:

	Authorized	Outstanding
4½% Cumulative Preferred Stock ($100 par)..........	150,000	150,000
Common Stock (no par)............................	3,336,132	3,098,614

II. *Description of new 4½% Cumulative Preferred Stock*

The 4½% Cumulative Preferred Stock will be entitled to receive, when and as declared by the Board of Directors, quarterly dividends at the rate of $4.50 per share per annum before any dividends are paid on the Common Stock. Such dividends will be cumulative and will accrue from May 1, 1940. It will have a par value of $100 per share and will be redeemable at $110 per share plus accrued dividends on any quarterly dividend date at the option of the Corporation on 30 days' notice. In voluntary or involuntary liquidation it will be entitled to receive $110 per share plus accrued dividends before any distribution of assets is made on the Common Stock. It will have one vote per share and will also be entitled, upon the conditions set forth in the proposed amendments to the Certificate of Incorporation, to elect two members of the Board of Directors of the Corporation in case dividends accrued and in arrears shall equal or be in excess of $4.50 per share. In short, the rights and preferences of the 4½% Preferred Stock will be the same as those of the existing Preferred Stock, except for the reduction in the dividend rate, the satisfaction of the accumulated dividends on such stock and the additional voting rights mentioned above. For further details concerning the 4½% Cumulative Preferred Stock, reference is made to the proposed amendments to the Certificate of Incorporation attached to the enclosed Plan of Recapitalization.

III. *Effect of Plan on earnings applicable to each class of stock*

The table below shows how reported earnings for 1939 and 1936 would have been applicable to the various stocks outstanding on April 1, 1940 (disregarding Preferred dividend arrears), and proposed to be outstanding upon consummation of the Plan. Earnings for these years are chosen for illustration because 1939 is the most recent year and because net income in 1936 was the highest reported in any year of the last decade.

	1939		1936	
	Present	Proposed	Present	Proposed
Net Income as reported.............	$733,166	$733,166	$1,654,178	$1,654,178
Dividend requirement of 4½% Cumulative Preferred Stock..........	—	675,000	—	675,000
Dividend requirement of 7% Cumulative Preferred Stock...........	1,050,000	—	1,050,000	—
Income applicable to Class A and Common Stocks	Deficit	58,166	604,178	979,178
Dividend preference of Class A Stock	1,226,756	—	1,226,756	—
Income applicable to Common Stock..	Deficit	58,166	Deficit	979,178
Times Preferred Dividend Earned....	0.7	1.1	1.6	2.4
Income per share of Class A Stock...	Deficit	—	$1.97	—
Income per share of Common Stock...	Deficit	$0.02	Deficit	$0.31

IV. *Effect on holders of present Preferred Stock*

As stated above, dividends accrued and unpaid on the existing Preferred Stock to February 1, 1940 amounted to $49 per share or an aggregate of $7,350,000. An additional $1.75 per share, or an aggregate of $262,500, will accrue on May 1, 1940. The extreme difficulty of liquidating such arrears out of earnings is illustrated by the fact that even if the Corporation's net income in each future year should equal that reported for 1936 (the highest reported in any year during the 10 years 1930-1939), then it would require approximately 12 years to pay the arrears together with dividends continuing to accrue during the period, assuming that the entire amount of net income were applied for the purpose.

The Plan provides that each outstanding share of Preferred Stock shall be changed into one share of new 4½% Cumulative Preferred Stock and 8 shares of Common Stock, thus compensating for the accumulated dividend arrears and for the reduction in the rate of the dividend preference. As a practical matter that preference has meant very little in the form of actual dividends, since past operating results have not justified the regular payment of dividends. Your Board of Directors is hopeful, however, that future annual earnings will exceed the average of what they have been in recent years and with the smaller Preferred dividend requirement feels that the possibility of regular dividend payments should be enhanced, although obviously they can give no assurance to that effect. In addition, if earnings should return to levels justifying the payment of dividends on the Common Stock, the present Preferred stockholders would share in such distribution as holders of Common Stock.

V. *Effect on holders of Class A Stock*

The Class A Stock is preferred over the Common Stock as to dividends to the extent of $4 per share per annum (cumulative only if available earnings equal $8 per share in any calendar year). It has not been possible, however, for the Corporation to pay dividends on the Class A Stock for ten years, nor have earnings of the Corporation in any year during that time been sufficiently high to cause Class A dividends to accumulate. The Class A Stock is also preferred over the Common Stock as to assets in liquidation to the extent of $50 per share, but, since the book value of the Corporation's assets at December 31, 1939, after deducting all liabilities and reserves, was insufficient to meet the prior claims of the present Preferred Stock, there would have been no net assets, taken at their book value, distributable to the Class A Stock if the Corporation had been liquidated on that date. Each share of Class A Stock is convertible into 2 shares of Common Stock at the option of the holder.

The proposed change of each share of Class A Stock into 4 shares of Common Stock not only satisfies the conversion privilege in full but also provides 2 shares of Common Stock in return for the relinquishment of the preferences of the Class A Stock as to assets in liquidation and as to dividends. The position of the present holders of the Class A Stock relative to earnings and dividends would be improved by the reduction in the annual prior charge of the Preferred Stock and by the immediate satisfaction of the large dividend arrears on the present Preferred Stock. These arrears, so long as they remain unsatisfied, completely block dividend payments on the Class A Stock. Adoption of the Plan, however, would permit the Class A stockholders, as owners of Common Stock, to share directly in any distributions of earnings in excess of dividend payments on the new 4½% Preferred Stock.

VI. *Effect on holders of Common Stock*

Under the present capital structure the Corporation must pay the dividend arrears which have accumulated on the Preferred Stock in the amount of $7,350,000 or $49 per share, together with annual dividends aggregating $2,276,756 on the Preferred and Class A Stocks, before any earnings can be distributed to the Common stockholders. The amount of this annual dividend priority alone, without taking into account the accumulation of past dividends on the Preferred Stock, is substantially larger than the highest earnings reported by the Corporation in any year during the last decade. No dividends have been paid on the Common Stock since the organization of the Corporation in its present form in 1927, and it is obvious that as matters now stand any prospect of dividends on the Common Stock is extremely remote.

Under the proposed new capital structure, however, the prospects of the Common stockholders will, in the opinion of the Board of Directors, be materially bettered. This is brought about *first*, by

the satisfaction of the large Preferred dividend arrears now representing a prior claim on future earnings, *second*, by the reduction in the annual rate of Preferred dividends, and *third*, by the elimination from the capital structure of the Class A Stock with its annual dividend preference. On the basis of the proposed new capital structure there would have been a small amount of earnings applicable to the Common Stock in 1939, when reported net income of the Corporation amounted to $733,166.

VII. *Federal Income Tax*

The Commissioner of Internal Revenue has issued a ruling to the effect that there will be no taxable gain or loss to stockholders under the existing Federal Income Tax Law by reason of the change, pursuant to the Plan, of shares of the present Preferred Stock, with accumulated dividends thereon, into shares of 4½% Cumulative Preferred Stock and Common Stock, or by reason of the change of shares of Class A Stock into shares of Common Stock.

VIII. *Employment of financial advisers*

In connection with the preparation of the Plan of Recapitalization, the Corporation has employed the investment banking firm of Smith, Barney & Co., 14 Wall Street, New York, N. Y., as its financial advisers. As compensation to that firm for their services in aiding in the preparation of the Plan, for advising the Corporation in respect to the financial problems involved, and for employing their own counsel to work with the Corporation and its counsel on legal details, the Corporation will pay $50,000 to Smith, Barney & Co. If the Plan is not consummated, however, Smith, Barney & Co. will not receive any compensation for their services but will be reimbursed for their out-of-pocket expenditures, including the fees and disbursements of their counsel, in an amount not to exceed $5,000.

IX. *Consummation of the Plan*

The Plan will become effective when and if the proposed amendments to the Certificate of Incorporation have been approved by vote of the holders of at least two-thirds of each class of outstanding stock and upon the filing of an appropriate Certificate of Amendment of the Certificate of Incorporation in the office of the Secretary of State of New Jersey. Such amendments, in the opinion of counsel for the Corporation, will have the effect of changing each outstanding share of Preferred Stock into one share of 4½% Cumulative Preferred Stock and eight shares of Common Stock, and of changing each outstanding share of Class A Stock into four shares of Common Stock, whether or not the holder of such share has voted in favor of the amendments.

The Board of Directors believes that the adjustments proposed in the Plan of Recapitalization would result in a capital structure more in line with the realities of the Corporation's present position, and would serve the best interests of the holders of each class of stock. Accordingly your Directors recommend approval of the Plan by all stockholders.

Inasmuch as consummation of the Plan requires the affirmative vote of two-thirds (⅔) of the Preferred Stock, Class A Stock and Common Stock, each voting as a class, *you are urged to execute and return your proxy as soon as possible.*

By Order of the Board of Directors,

Dwight R. G. Palmer,
President.

May 31, 1940.

file
personal financial

P.F.

May 3, 1940.

Sir:-

I am requested by the President to acknowledge your letter of April 30th in regard to the special meeting of stockholders of General Cable Corporation.

In view of the President's official position he does not care to sign any proxy for this meeting.

Very truly yours,

M. A. Le Hand
PRIVATE SECRETARY

H. M. Peterson, Esq.,
Assistant Trust Officer,
City Bank Farmers Trust Co.,
22 William Street,
New York, N. Y.

City Bank Farmers Trust Company
CHARTERED 1822

22 William Street

CABLE ADDRESS: FARMTRUST

New York, April 30,1940.

IN REPLY PLEASE QUOTE

INVT:REORG:FH

Honorable Franklin D. Roosevelt
The White House
Washington, D.C.

Sir:

Among the securities held for your account are 300 shares of General Cable Corporation Class "A" stock no par value. We enclose for your information a notice of special meeting of stockholders and a letter from the President of the Company dated April 22,1940 addressed to holders of these securities. The sending of these enclosures is not to be deemed an expression of our approval or disapproval of any of their contents. For specific information we refer you to the enclosure.

According to our understanding the General Cable Corporation at the special meeting of stockholders to be held on May 23,1940 will act on a proposal to amend the Certificate of Incorporation of the Company, under which each share of Class "A" stock will be exchanged into four shares of common stock, no par value.

It is stated that the proposed plan of Recapitalization requires the approval of the holders of two thirds of each Class of outstanding stock at the forthcoming meeting or any adjournment thereof and will become effective upon receiving such approval and filing of an appropriate Certificate of Amendment of the Certificate of Incorporation in the Office of the Secretary of State of New Jersey. For your information the presently outstanding Class "A" stock of the Company is currently quoted at about 22-5/8 and the common stock is currently quoted at about 7-1/8.

The Corporation requests stockholders who cannot personally be present at the meeting to execute its form of proxy, a copy of which is enclosed in favor of the proposals to be considered. Will you please advise us whether you do or do not wish to exchange the Preferred stock held for your account pursuant to the terms of the Plan in the event it is approved. For your convenience when replying we enclose a copy of this letter on which you may indicate your instructions.

Very truly yours,

H. M. Peterson,
Asst. Trust Officer.

ENCLOSURE

8309 PS

CITY BANK FARMERS TRUST COMPANY

NEW YORK, N. Y.

, April 30,1940.

INVT:REORG:FH

Honorable Franklin D. Roosevelt
The White House
Washington, D.C.

Sir:

Among the securities held for your account are 300 shares of General Cable Corporation Class "A" stock no par value. We enclose for your information a notice of special meeting of stockholders and a letter from the President of the Company dated April 22,1940 addressed to holders of these securities. The sending of these enclosures is not to be deemed an expression of our approval or disapproval of any of their contents. For specific information we refer you to the enclosure.

According to our understanding the General Cable Corporation at the special meeting of stockholders to be held on May 23,1940 will act on a proposal to amend the Certificate of Incorporation of the Company, under which each share of Class "A" stock will be exchanged into four shares of common stock, no par value.

It is stated that the proposed plan of Recapitalization requires the approval of the holders of two thirds of each Class of outstanding stock at the forthcoming meeting or any adjournment thereof and will become effective upon receiving such approval and filing of an appropriate Certificate of Amendment of the Certificate of Incorporation in the Office of the Secretary of State of New Jersey. For your information the presently outstanding Class "A" stock of the Company is currently quoted at about 22-5/8 and the common stock is currently quoted at about 7-1/8.

The Corporation requests stockholders who cannot personally be present at the meeting to execute its form of proxy, a copy of which is enclosed in favor of the proposals to be considered. Will you please advise us whether you do or do not wish to exchange the Preferred stock held for your account pursuant to the terms of the Plan in the event it is approved. For your convenience when replying we enclose a copy of this letter on which you may indicate your instructions.

Very truly yours,

H.M.Peterson
Asst. Trust Officer.

MMF

1. (Exchange) (Do not exchange) shares held for above account ______________

GENERAL CABLE CORPORATION

Proxy for Special Meeting of Stockholders to Be Held May 23, 1940

The undersigned hereby appoints DWIGHT R. G. PALMER, F. M. POTTER and P. D. RENSENHOUSE, and each of them, the attorneys and agents of the undersigned, with several power of substitution, for and in the name and stead of the undersigned to vote at the special meeting of stockholders of GENERAL CABLE CORPORATION, to be held at the office of the Corporation, No. 15 Exchange Place, Jersey City, New Jersey, on May 23, 1940, and at any adjournment or adjournments thereof, according to the number of votes the undersigned would be entitled to cast if then personally present. The undersigned directs said attorneys and agents, or their substitute or substitutes, to vote ________ (insert "yes" or "no") upon the proposed amendments to the Certificate of Incorporation of the Corporation, as amended, referred to in the Plan of Recapitalization of the Corporation, dated April 1, 1940, attached to the notice of said meeting, and set out in Exhibit A to said Plan, it being understood that in case no specification is made by the undersigned in the appropriate space above as to the action to be taken by said attorneys and agents upon said amendments, said attorneys and agents, or their substitute or substitutes, will vote in favor thereof.

A majority of all or any of said attorneys and agents, or substitute or substitutes, who shall be present and act at the meeting (or if only one be present and act, then that one) shall have all the powers of said attorneys and agents.

The undersigned acknowledges receipt of a Notice of the Meeting and a Proxy Statement, both dated April 22, 1940, and of a copy of said Plan and Exhibit A thereto attached.

WITNESS the hand and seal of the undersigned this ________ day of ________________, 1940.

FRANKLIN DELANO ROOSEVELT.

% CITY BK. FARMERS TR. CO.,
22 WILLIAM ST., N.Y. CITY.

5066

________________________(L.S.)
Please Sign Legibly

(When signing as attorney, executor, administrator, trustee or guardian please give full title as such.)

PLEASE MAIL PROMPTLY

GENERAL CABLE CORPORATION

TO ALL STOCKHOLDERS

It has become increasingly apparent to your Board of Directors, and doubtless also to many of the stockholders, that the capitalization of your Corporation is in need of revision. Experience over a period of years has shown that the annual dividend requirement of $1,050,000 on the Preferred Stock is a heavier charge against earnings than the Corporation can regularly meet. As a result unpaid dividends have accumulated on the Preferred Stock amounting to $49 per share and aggregating $7,350,000 as of February 1, 1940. Holders of the Preferred Stock have enjoyed little, if any, tangible benefit from their preferential right to 7% cumulative dividends, while holders of the Class A and Common Stocks have been adversely affected because the Preferred dividend accumulations have precluded any possible distribution to them. At the same time the increasing burden of these accumulations tends to impair the Corporation's credit position and to have an intangible though important adverse effect on its trade relations and standing.

The advantages which would accrue to you as stockholders and to your Corporation from a readjustment of its capitalization have caused your Board of Directors to give very careful consideration to the problem and to recommend the Plan of Recapitalization submitted herewith and described in the following pages.

By Order of the Board of Directors,

Dwight R. G. Palmer,
President.

April 22, 1940

IMPORTANT

You are urged to execute and return the enclosed Proxy promptly. Approval of the Plan requires the favorable vote of the holders of two-thirds of each class of outstanding stock.

GENERAL CABLE CORPORATION

BUSINESS AND EARNINGS

The Corporation manufactures copper wire and cable products of all types and appropriate accessories. Its customers include:

(1) Electric utility, telephone, telegraph and transportation companies;

(2) Manufacturers of electrical appliances and equipment;

(3) Electrical contractors serving the building industry, automotive manufacturers and shipbuilders.

With the expansion or contraction of the activities of these principal users of wire and cable, the volume of your Corporation's business rises and falls. Much of the Corporation's output may be considered as "capital goods" and is thus subject to the wide swings in demand characteristic of that class of product. The decline in the rate of new construction activities of the electric utility companies has particularly affected your Corporation's business. These facts should be remembered in considering the proposed Plan of Recapitalization. Reflecting this situation, earnings of the Corporation in the highly prosperous period from its formation in 1927 through 1929 were at the rate of $4,053,000 per annum, whereas during the depression years 1930 to 1934, inclusive, the Corporation sustained net losses which averaged $2,911,000 per annum. During the next five years 1935 to 1939, net profits averaged $653,000 per annum. In only two of the ten years since 1929 was the Preferred dividend of $1,050,000 earned—in 1936 when there were net profits of $1,654,178, and in 1937 when there were net profits of $1,364,278.

Net income as reported for the year 1939 was $733,166, of which approximately $689,000 was earned in the last three months of the year. Earnings in the first quarter of 1940 have continued at about the same rate as in the final quarter of 1939, but the actual figures are still in process of preparation. Part of this improvement has been due to buying of your Corporation's products by domestic users and part has been due to orders from belligerent countries. In the opinion of your Board of Directors, profits resulting from the latter type of business must be considered as being even more fluctuating and unpredictable than those derived from sales to the Corporation's public utility, manufacturing and building customers.

RECOMMENDATION OF DIRECTORS

Your Board of Directors believes that the Corporation should have a capital structure more nearly in line with demonstrated earnings and that a revision of its present capitalization to this end would result in advantages to all concerned. Accordingly, your Directors have made an intensive study of many possible plans and have consulted with and sought assistance from outside experts. To each plan has been applied the test of what would be to the best interests of each class of stockholders within the limits of the Corporation's ability to support the resulting capitalization while bearing in mind that the plan must receive the approval of all three classes of stock. It is obvious that any plan designed to correct defects in the financial structure of a corporation must inevitably entail some readjustment of the existing rights of the stockholders of each class. The question is whether, with the defects corrected, stockholders of each class will not be better off under the proposed new arrangement than they were before.

The Plan of Recapitalization enclosed with this letter and described below is the one which, in the opinion of your Directors, meets most successfully the test applied and provides fair compensation for whatever sacrifices of rights or preferences are involved. The Board of Directors therefore recommends its adoption by the stockholders.

BRIEF OUTLINE OF THE PLAN

The Plan provides in essence that each outstanding share of 7% Cumulative Preferred Stock with all accumulated and unpaid dividends shall be changed into one share of new 4½% Cumulative Preferred Stock and 8 shares of Common Stock, and that each outstanding share of Class A Stock shall be changed into 4 shares of Common Stock. Dividends on such new 4½% Preferred Stock will accrue from May 1, 1940. Holders of the Common Stock will retain their present holdings. Based on 1939 earnings and assuming the Plan to have been in effect, dividends on the new 4½% Preferred Stock would have been earned about 1.1 times, and earnings on the Common Stock would have amounted to about 2 cents per share. Based on 1936 earnings, dividends on the new 4½% Preferred Stock would have been earned about 2.4 times, and earnings on the Common Stock would have amounted to about 31 cents per share. Under the Plan, holders of the present Preferred Stock and Class A Stock would benefit from any improvement in earnings, since they would hold substantial amounts of Common Stock.

If the Plan is consummated and if the improvement in earnings which started last fall continues, your Board of Directors believes that payment of dividends on the new 4½% Preferred Stock could be inaugurated on the first dividend payment date after the Plan becomes effective. Payment of dividends must obviously always be contingent on earnings and the cash requirements of the enterprise, but the possibility of regular payment of Preferred dividends should be enhanced by a reduction in the amount of the annual requirement. Furthermore it is hoped that if the improved earnings of the last few months are sustained the Corporation might at some later date, after consummation of the Plan, be able to refund at a lower interest rate its outstanding First Mortgage 5½% Sinking Fund Bonds.

Application will be made for the listing on the New York Stock Exchange and for the registration under the Securities Exchange Act of 1934, of the new 4½% Cumulative Preferred Stock and of the additional shares of Common Stock to be outstanding upon consummation of the Plan.

Consummation of the Plan will require the approval at a special meeting of stockholders called for May 23, 1940, by the holders of at least two-thirds of each class of outstanding stock, of amendments to the Certificate of Incorporation of the Corporation changing (1) the outstanding 7% Cumulative Preferred Stock into new 4½% Cumulative Preferred Stock and Common Stock, and (2) the outstanding Class A Stock into Common Stock, on the bases stated above.

American Smelting and Refining Company is the owner, directly or indirectly through a wholly owned subsidiary, of 12,320 shares (8.21%) of the outstanding Preferred Stock, 148,908 shares (48.55% as of April 1, 1940) of the outstanding Class A Stock and 260,042 shares (38.70% as of April 1, 1940) of the outstanding Common Stock of the Corporation, constituting in the aggregate 37.33% of the total voting shares. Upon consummation of the Plan American Smelting and Refining Company would hold 12,320 shares of 4½% Preferred Stock and 954,234 shares of Common Stock of the Corporation, constituting in the aggregate 29.75% of the total voting shares. The Corporation is advised that American Smelting and Refining Company favors the Plan as being in the best interests of the Corporation and of the holders of each class of stock, and that it will vote the shares of each class held by it in favor of the Plan but only when it has become apparent that the holders of at least a majority of the shares of that class represented at the meeting, exclusive of the shares owned by American Smelting and Refining Company, are in favor of the Plan. In effect, therefore, the other stockholders represented at the meeting will decide whether the Plan is to be adopted.

Your Directors recommend the Plan and urge you to execute and return the enclosed proxy promptly.

DESCRIPTION OF THE PLAN OF RECAPITALIZATION

I. *Proposed changes of shares*

Upon the consummation of the Plan each outstanding share of Preferred Stock and Class A Stock will be changed as follows:

	Shares into which *each outstanding share* is to be changed
7% Cumulative Preferred Stock...	1 share 4½% Cumulative Preferred Stock ($100 par) and 8 shares Common Stock (no par)
Class A Stock....................	4 shares Common Stock (no par)

Under the Plan holders of the Common Stock will retain their present holdings, but such holdings in the aggregate will be reduced to approximately 21.7% of the total number of shares of Common Stock to be outstanding.

Upon consummation of the Plan, the 150,000 shares of 7% Cumulative Preferred Stock now outstanding will be changed into 150,000 shares of 4½% Cumulative Preferred Stock and 1,200,000 shares of Common Stock. The 306,689 shares of Class A Stock outstanding on April 1, 1940, will be changed into 1,226,756 shares of Common Stock, but this number of shares of Common Stock will be reduced if any Class A Stock should be converted into Common Stock between April 1 and the effective date of the Plan. The 150,000 shares of Preferred Stock now authorized but unissued will be eliminated; and the 336,132 shares of Class A Stock now authorized but unissued will be changed into a like number of shares of authorized Common Stock, thus increasing the total number of shares of authorized Common Stock to the number shown below.

Reflecting these changes, the capital stock of the Corporation as of April 1, 1940, would have been as follows:

	Authorized	Outstanding
4½% Cumulative Preferred Stock ($100 par)..........	150,000	150,000
Common Stock (no par)............................	3,336,132	3,098,614

II. *Description of new 4½% Cumulative Preferred Stock*

The 4½% Cumulative Preferred Stock will be entitled to receive, when and as declared by the Board of Directors, quarterly dividends at the rate of $4.50 per share per annum before any dividends are paid on the Common Stock. Such dividends will be cumulative and will accrue from May 1, 1940. It will have a par value of $100 per share and will be redeemable at $110 per share plus accrued dividends on any quarterly dividend date at the option of the Corporation on 30 days' notice. In voluntary or involuntary liquidation it will be entitled to receive $110 per share plus accrued dividends before any distribution of assets is made on the Common Stock. It will have one vote per share and will also be entitled, upon the conditions set forth in the proposed amendments to the Certificate of Incorporation, to elect two members of the Board of Directors of the Corporation in case dividends accrued and in arrears shall equal or be in excess of $4.50 per share. In short, the rights and preferences of the 4½% Preferred Stock will be the same as those of the existing Preferred Stock, except for the reduction in the dividend rate, the satisfaction of the accumulated dividends on such stock and the additional voting rights mentioned above. For further details concerning the 4½% Cumulative Preferred Stock, reference is made to the proposed amendments to the Certificate of Incorporation attached to the enclosed Plan of Recapitalization.

III. *Effect of Plan on earnings applicable to each class of stock*

The table below shows how reported earnings for 1939 and 1936 would have been applicable to the various stocks outstanding on April 1, 1940, and proposed to be outstanding upon consummation of the Plan. Earnings for these years are chosen for illustration because 1939 is the most recent year and because net income in 1936 was the highest reported in any year of the last decade.

	1939		1936	
	Present	Proposed	Present	Proposed
Net Income as reported..............	$733,166	$733,166	$1,654,178	$1,654,178
Dividend requirement of 4½% Cumulative Preferred Stock..........	—	675,000	—	675,000
Dividend requirement of 7% Cumulative Preferred Stock...........	1,050,000	—	1,050,000	—
Income applicable to Class A and Common Stocks	Deficit	58,166	604,178	979,178
Dividend preference of Class A Stock	1,226,756	—	1,226,756	—
Income applicable to Common Stock..	Deficit	58,166	Deficit	979,178
Times Preferred Dividend Earned....	0.7	1.1	1.6	2.4
Income per share of Class A Stock...	Deficit	—	$1.97	—
Income per share of Common Stock...	Deficit	$0.02	Deficit	$0.31

IV. *Effect on holders of present Preferred Stock*

As stated above, dividends accrued and unpaid on the existing Preferred Stock to February 1, 1940 amounted to $49 per share or an aggregate of $7,350,000. An additional $1.75 per share, or an aggregate of $262,500, will accrue on May 1, 1940. The extreme difficulty of liquidating such arrears out of earnings is illustrated by the fact that even if the Corporation's net income in each future year should equal that reported for 1936 (the highest reported in any year during the 10 years 1930-1939), then it would require approximately 12 years to pay the arrears together with dividends continuing to accrue during the period, assuming that the entire amount of net income were applied for the purpose.

The Plan provides that each outstanding share of Preferred Stock shall be changed into one share of new 4½% Cumulative Preferred Stock and 8 shares of Common Stock, thus compensating for the accumulated dividend arrears and for the reduction in the rate of the dividend preference. As a practical matter that preference has meant very little in the form of actual dividends. Earnings should cover the more reasonable requirements of the proposed 4½% issue more frequently or by a wider margin than would be the case if the present Preferred dividend requirement were continued. The Directors feel, therefore, that the possibility of regular dividend payments should be enhanced, although obviously they can give no assurance to that effect. In addition, if earnings should return to higher levels, the present Preferred stockholders would benefit from the improvement as holders of a substantial amount of the Common Stock.

V. *Effect on holders of Class A Stock*

The Class A Stock is preferred over the Common Stock as to dividends to the extent of $4 per share per annum (cumulative only if available earnings equal $8 per share in any calendar year). It has not been possible, however, for the Corporation to pay dividends on the Class A Stock for ten years, nor have earnings of the Corporation in any year during that time been sufficiently high to cause Class A dividends to accumulate. The Class A Stock is also preferred over the Common Stock as to assets in liquidation to the extent of $50 per share, but, since the book value of the Corporation's assets at December 31, 1939, after deducting all liabilities and reserves, was insufficient to meet the prior claims of the present Preferred Stock, there would have been no net assets, taken at their book value, distributable to the Class A Stock if the Corporation had been liquidated on that date. Each share of Class A Stock is convertible into 2 shares of Common Stock at the option of the holder.

The proposed change of each share of Class A Stock into 4 shares of Common Stock not only satisfies the conversion privilege in full but also provides 2 shares of Common Stock in return for the relinquishment of the preferences of the Class A Stock as to assets in liquidation and as to dividends. The position of the present holders of the Class A Stock relative to earnings and dividends would be improved by the reduction in the annual prior charge of the Preferred Stock and by the immediate satisfaction of the large dividend arrears on the present Preferred Stock. These arrears, so long as they remain unsatisfied, completely block dividend payments on the Class A Stock. Adoption of the Plan, however, would permit the Class A stockholders, as owners of Common Stock, to share directly in any distributions of earnings in excess of dividend payments on the new 4½% Preferred Stock.

VI. *Effect on holders of Common Stock*

Under the present capital structure the Corporation must pay the dividend arrears which have accumulated on the Preferred Stock in the amount of $7,350,000 or $49 per share, together with annual dividends aggregating $2,276,756 on the Preferred and Class A Stocks, before any earnings can be distributed to the Common stockholders. The amount of this annual dividend priority alone, without taking into account the accumulation of past dividends on the Preferred Stock, is substantially larger than the highest earnings reported by the Corporation in any year during the last decade. No dividends have been paid on the Common Stock since the organization of the Corporation in its present form in 1927, and it is obvious that as matters now stand any prospect of dividends on the Common Stock is extremely remote.

Under the proposed new capital structure, however, the prospects of the Common stockholders will, in the opinion of the Board of Directors, be materially bettered. This is brought about *first*, by the satisfaction of the large Preferred dividend arrears now representing a prior claim on future earnings, *second*, by the reduction in the annual rate of Preferred dividends, and *third*, by the elimination from the capital structure of the Class A Stock with its annual dividend preference. On the basis of the proposed new capital structure there would have been a small amount of earnings applicable to the Common Stock in 1939, when reported net income of the Corporation amounted to $733,166.

VII. *Federal Income Tax*

The Commissioner of Internal Revenue has issued a ruling to the effect that there will be no taxable gain or loss to stockholders under the existing Federal Income Tax Law by reason of the change, pursuant to the Plan, of shares of the present Preferred Stock, with accumulated dividends thereon, into shares of 4½% Cumulative Preferred Stock and Common Stock, or by reason of the change of shares of Class A Stock into shares of Common Stock.

VIII. *Employment of financial advisers*

In connection with the preparation of the Plan of Recapitalization, the Corporation has employed the investment banking firm of Smith, Barney & Co., 14 Wall Street, New York, N. Y., as its financial advisers. As compensation to that firm for their services in aiding in the preparation of the Plan, for advising the Corporation in respect to the financial problems involved, and for employing their own counsel to work with the Corporation and its counsel on legal details, the Corporation will pay $50,000 to Smith, Barney & Co. If the Plan is not consummated, however, Smith, Barney & Co. will not receive any compensation for their services but will be reimbursed for their out-of-pocket expenditures, including the fees and disbursements of their counsel, in an amount not to exceed $5,000.

IX. *Consummation of the Plan*

The Plan will become effective when and if the proposed amendments to the Certificate of Incorporation have been approved by vote of the holders of at least two-thirds of each class of outstanding stock and upon the filing of an appropriate Certificate of Amendment of the Certificate of Incorporation in the office of the Secretary of State of New Jersey. Such amendments, in the opinion of counsel for the Corporation, will have the effect of changing each outstanding share of Preferred Stock into one share of 4½% Cumulative Preferred Stock and eight shares of Common Stock, and of changing each outstanding share of Class A Stock into four shares of Common Stock, whether or not the holder of such share has voted in favor of the amendments.

The Board of Directors believes that the adjustments proposed in the Plan of Recapitalization would result in a capital structure more in line with the realities of the Corporation's present position, and would serve the best interests of the holders of each class of stock. Accordingly your Directors recommend approval of the Plan by all stockholders.

Inasmuch as consummation of the Plan requires the affirmative vote of two-thirds (⅔) of the Preferred Stock, Class A Stock and Common Stock, each voting as a class, *you are urged to execute and return your proxy as soon as possible.*

By Order of the Board of Directors,
Dwight R. G. Palmer,
President.

April 22, 1940.

GENERAL CABLE CORPORATION

Notice of Special Meeting of Stockholders

TO THE STOCKHOLDERS: April 22, 1940.

A special meeting of the stockholders of General Cable Corporation, a New Jersey corporation (herein called the "Corporation"), will be held at the principal office of the Corporation, 15 Exchange Place, Jersey City, New Jersey, on Thursday, May 23, 1940, at 11:00 o'clock in the forenoon, Eastern Daylight Saving Time, for the following purposes:

1. Considering and taking action upon proposed amendments to the Certificate of Incorporation of the Corporation, as amended, declared advisable by the Board of Directors of the Corporation, which amendments will effect changes in the capital stock of the Corporation and otherwise amend said Certificate, and which amendments are referred to in the Plan of Recapitalization of the Corporation, dated April 1, 1940, attached to this notice of meeting and are set out in Exhibit A to said Plan.

2. Transacting any other business which may lawfully come before the meeting or any adjournment or adjournments thereof.

Only stockholders of record at the close of business on May 2, 1940, will be entitled to vote. If you cannot be personally present at the meeting, please sign, date and return the accompanying proxy in the enclosed addressed envelope.

BY ORDER OF THE BOARD OF DIRECTORS,

P. D. RENSENHOUSE,
Secretary.

PROXY STATEMENT

(Pursuant to Regulation X-14, as amended, of the Securities and Exchange Commission)

The enclosed proxy is solicited by the management of the Corporation and is revocable at any time prior to the voting thereof. The cost of preparing, assembling and distributing this proxy statement, the form of proxy and any additional material to be furnished to stockholders concurrently herewith or subsequently hereto and relating to the same meeting or subject matter will be borne by the Corporation. Solicitations of proxies from some stockholders of the Corporation may be made by employees of the Corporation, by personal interview, mail, telephone or telegraph, following up the original solicitation. The investment banking firm of Smith, Barney & Co., 14 Wall St., New York, N. Y., may also solicit proxies in a similar manner, but will not receive any compensation for any such solicitation. As set forth in the accompanying Letter to Stockholders, however, the Corporation will, whether or not Smith, Barney & Co. make any such solicitations, pay to them, if the proposed Plan of Recapitalization is consummated, a fee of $50,000 as compensation for their services and advice in connection with the preparation of the Plan, but only reimburse them, if the Plan is not consummated, for their out-of-pocket expenses in an amount not to exceed $5,000. The cost of any such further solicitations, which it is anticipated will not exceed $500, will be borne by the Corporation.

The Corporation has retained Mr. Lloyd W. Georgeson, 24 Broad Street, New York, N. Y., to assist in soliciting proxies in the form enclosed herewith. It has agreed to pay him a flat fee of $3,750 for his services and to reimburse him for his reasonable disbursements. A number of other persons to be selected by Mr. Georgeson as his assistants with the approval of the Corporation will also solicit proxies as special employees of the Corporation. Each such special employee will receive from the Corporation a salary of not in excess of $100 per week, and will also be reimbursed for out-of-pocket expenses reasonably incurred in the course of such employment. It is estimated that the aggregate of the above-mentioned fee, salaries and expenses will not exceed $8,500. It is anticipated that Mr. Georgeson and the special employees will solicit proxies by personal interview, mail, telephone or telegraph, and that they will request brokerage houses, custodians, nominees and fiduciaries to forward the soliciting material to the beneficial owners of the stock held of record by such persons.

The directors and officers of the Corporation, and associates of certain directors and officers, are interested, directly or indirectly, in the stocks of the Corporation, as follows:

On April 1, 1940, directors and officers of the Corporation were beneficial owners of shares of stock of the Corporation as follows: K. H. Behr, a director, 5 shares of Common Stock; F. H. Brownell, Chairman of the Board of Directors, 10 shares of Common Stock; K. C. Brownell, a director, 10 shares of Common Stock; C. D. Dallas, a director, 100 shares of 7% Cumulative Preferred Stock and 5 shares of Common Stock; Charles Earl, a director, 10 shares of Class A Stock; J. C. Emison, a director, 9 shares of 7% Cumulative Preferred Stock and 10 shares of Common Stock; H. A. Guess, a director, 10 shares of Common Stock; M. A. Kent, a Vice President and director, 54 shares of Class A Stock and 320 shares of Common Stock; C. R. Myer, a Vice President and director, 10 shares of Common Stock; Dwight R. G. Palmer, President and a director, 25 shares of Class A Stock and 250 shares of Common Stock; F. M. Potter, Vice Chairman of the Board of Directors, 300 shares of Class A Stock; P. D. Rensenhouse, Vice President, Secretary, Treasurer and a director, 10 shares of Class A Stock and 50 shares of Common Stock; D. M. Simmons, a Vice President and director, 125 shares of Class A Stock and 175 shares of Common Stock; Roger W. Straus, a director, 300 shares of Class A Stock and 100 shares of Common Stock; W. L. Trammell, a Vice President and a director, 10 shares of Common Stock; and H. Y. Walker, a director, 300 shares of 7% Cumulative Preferred Stock and 10 shares of Class A Stock. Messrs. F. H. Brownell, K. C. Brownell, Charles Earl, J. C. Emison, H. A. Guess, Roger W. Straus and H. Y. Walker are officers and directors, Charles D. Hilles, a director of the Corporation, is a director, and W. L. Trammell is an officer, of American Smelting and Refining Company. On April 1, 1940, American Smelting and Refining Company was the owner, directly or indirectly through a wholly owned subsidiary, of 12,320 shares (8.21%) of the outstanding 7% Cumulative Preferred Stock, 148,908 shares (48.55%) of the outstanding Class A Stock, and 260,042 shares (38.70%) of the outstanding Common Stock of the Corporation.

On April 1, 1940, associates of certain directors and officers of the Corporation were beneficial owners of shares of stock of the Corporation as follows: Josephine N. Brownell, wife of F. H. Brownell, 600 shares of 7% Cumulative Preferred Stock; Elizabeth H. Brownell, wife of K. C. Brownell, 205 shares of 7% Cumulative Preferred Stock; Kenneth Hyde Brownell, son of K. C. Brownell, 2 shares of Common Stock; Harriet H. Dallas, wife of C. D. Dallas, 150 shares of 7% Cumulative Preferred Stock; Dollie W. Hilles, wife of Charles D. Hilles, 300 shares of 7% Cumulative Preferred Stock; Florence R. Kent, wife of M. A. Kent, 4 shares of 7% Cumulative Preferred Stock and 15 shares of Class A Stock; Bertha C. Myer, wife of C. R. Myer, 100 shares of Common Stock; Rachel McKnight Simmons, wife of D. M. Simmons, 24 shares of 7% Cumulative Preferred Stock, 8 shares of Class A Stock and 409 shares of Common Stock; and Gladys G. Straus, wife of Roger W. Straus, 200 shares of 7% Cumulative Preferred Stock and 300 shares of Common Stock.

There are attached hereto copies of the balance sheet of the Corporation as at December 31, 1939, the profit and loss and surplus accounts, and a schedule of supplementary profit and loss information of the Corporation for the three years ended on that date. Further financial statements of the Corporation are on file at the office of the Securities and Exchange Commission in Washington, D. C., and of the New York Stock Exchange in New York City.

For a brief statement of the purpose and general effect of the proposed amendments to the Certificate of Incorporation, titles of the issues and amounts of outstanding securities to be modified, material differences between such securities and the modified securities, and dividends in arrears on securities to be modified and the effect of the Plan thereon, reference is made to the attached Plan of Recapitalization dated April 1, 1940.

In so far as the information contained in this proxy statement rests peculiarly within the knowledge of persons other than the Corporation, the Corporation has relied upon information furnished by others for the accuracy and completeness thereof.

By order of the Board of Directors,

P. D. Rensenhouse,
Secretary.

Dated, April 22, 1940.

ACCOUNTANTS' REPORT

To the Board of Directors,
General Cable Corporation,
New York, N. Y.

We have examined the Balance Sheet of General Cable Corporation as at December 31, 1939 and the Profit and Loss and Surplus Accounts and the supporting schedule of Supplementary Profit and Loss Information for the three years ended on that date, have reviewed the system of internal control and the accounting procedures of the Corporation and, without making a detailed audit of the transactions, have examined or tested accounting records and other supporting evidence, by methods, at times and to the extent we deemed appropriate.

As more fully set forth in Note 2 to the Profit and Loss Account, the Corporation during the year 1939 changed its method of computing cost of goods sold as to copper from an "average cost" to a method of costing copper at the price at which the sale was made, thereby taking into account its copper commitments.

In our opinion, the accompanying Balance Sheet and related Profit and Loss and Surplus Accounts, with notes thereon, present fairly the position of General Cable Corporation at December 31, 1939, and the results of the operations for the three years ended on that date, in conformity with generally accepted accounting principles applied on a consistent basis throughout the period under review, except as set forth in the preceding paragraph; and the supporting schedule of Supplementary Profit and Loss Information, in our opinion, presents fairly the information required to be stated therein.

Peat, Marwick, Mitchell & Co.

New York, N. Y.
April 5, 1940.

GENERAL CABLE CORPORATION

Balance Sheet as at December 31, 1939

ASSETS

Current Assets:			
Cash on Hand and Demand Deposits (Note 1)			$ 1,352,824.16
Notes and Accounts Receivable:			
Trade		$ 3,417,894.68	
Other		77,152.37	
		3,495,047.05	
Less Reserves:			
For Doubtful Accounts	$ 161,976.96		
For Unrealized Profit on Returnable Containers	208,357.30	370,334.26	3,124,712.79
Inventories (See Note 2 to Profit and Loss Account):			
Raw Materials		967,067.08	
Copper Scrap		294,352.97	
Work in Process and Finished Goods		3,489,158.43	
Shipping Reels and Spools and Cases (Note 2)		829,537.13	
Repair Parts, Materials and Supplies (Note 2)		360,294.26	
Miscellaneous		87,958.33	6,028,368.20
Total Current Assets			10,505,905.15
Prepaid Expenses:			
Prepaid Insurance Premiums and Premium Deposits with Insurance Companies		111,941.46	
Prepaid State and Local Taxes		45,383.44	
Sundry Other Prepaid Expenses and Deferred Charges		19,138.05	
Due from Employees		1,483.92	177,946.87
Own Bonds Held in Treasury (Principal Amount—$2,000 Series B)—at cost		1,997.50	
Cash Deposited with Mortgage Trustee, upon Release of Assets		31,111.53	
Cash on Deposit with Mortgage Trustee, for Sinking Fund		165,457.50	198,566.53
Investments (Note 3):			
Revere Copper and Brass Incorporated—Securities		2,821,860.15	
Canada Wire and Cable Company, Ltd.—Securities		1,464,236.13	
U. S. Government and Municipal Securities Deposited under State Labor and Insurance Laws		69,994.07	
Miscellaneous, less reserve of $34,656.97		192,884.07	4,548,974.42

Property, Plant and Equipment, based on appraised sound values in 1927 or prior (discounted approximately 20%), plus subsequent additions at cost and less special write-offs and reserves:

	Gross	Depreciation Reserve	Net	
Land and Buildings:				
Useful in Operations:				
Plants in Operation	$10,444,158.47	2,739,724.02	7,704,434.45	
Plant not in Operation—Baltimore	626,934.93	131,428.51	495,506.42	
Total Plants Useful In Operations	11,071,093.40	2,871,152.53	8,199,940.87	
Excess Properties Held for Sale	3,392,472.34	812,830.19	2,579,642.15	
Machinery and Equipment:				
Useful in Operations	12,412,874.16	7,050,041.90	5,362,832.26	
Not needed in Production and Held for Sale	2,018,897.54	1,394,659.94	624,237.60	
Diamond Dies and Metal Dies (substantially below market prices)	427,020.85	—	427,020.85	
Factory Reels (at or below cost)	383,807.82	—	383,807.82	
Totals	$29,706,166.11	12,128,684.56	17,577,481.55	17,577,481.55

Drawings, Tracings and Patterns (less Reserve of $142,407.07 to Reduce to Nominal amount)	1.00
Patents—Nominal amount	1.00
Goodwill—Nominal amount	7.00
	$33,008,883.52

LIABILITIES

Current Liabilities:			
Accounts Payable:			
Trade and Sundry			$ 1,074,495.59
Liability to Customers for Goods Paid for in Advance of Shipment			596,237.01
Customers' Credit Balances			37,036.81
			1,707,769.41
Accrued Liabilities:			
Employees' Salaries and Wages		$ 75,581.83	
Federal, State and Local Taxes		251,131.21	
Other Accrued Liabilities		165,332.46	492,045.50
Total Current Liabilities			2,199,814.91
Reserves:			
Pension Plan (Note 4)		155,311.84	
Less Amount paid to The Equitable Life Assurance Society of the United States with Accrued Interest thereon		155,311.84	
		—0—	
Self-Insurance (Workmen's Compensation)		173,282.72	
General Reserve for Contingencies		264,464.32	
Extraordinary Reserve for Obsolescence, Contingencies, Etc.		1,595,698.54	2,033,445.58
First Mortgage 5½% Sinking Fund Bonds:			
Series A due July 1, 1947—Issued		16,000,000.00	
Less Retired and Cancelled		6,798,000.00	
		9,202,000.00	
Series B due July 1, 1950—Issued	$ 800,000.00		
Less Retired and Cancelled	538,000.00	262,000.00	9,464,000.00
Capital Stock and Surplus (Note 5):			
7% Cumulative Preferred Stock:			
Authorized, 300,000 shares of a par value of $100.00 each (liquidating preference $110.00 per share, plus accrued dividends).			
Issued and Outstanding, 150,000 shares (dividends accrued and unpaid from February 1, 1933 to December 31, 1939 of $48.41⅔ per share, amount $7,262,500.00)		15,000,000.00	
Class A Stock:			
Authorized, 646,471 shares of no par value.			
Issued and Outstanding, 310,339 shares of a stated value of $2.00 each (liquidating preference, after Preferred Stock, $50.00 per share)		620,678.00	
Common Stock:			
Authorized, 3,000,000 shares of no par value.			
Issued and Outstanding, 664,558 shares of a stated value of $1.00 each (Reserved for Conversion of Class A Stock, 620,678 shares.)		664,558.00	
Total Capital Stock		16,285,236.00	
Capital Surplus	2,198,874.79		
Earned Surplus (from January 1, 1936)	827,512.24	3,026,387.03	19,311,623.03
			$33,008,883.52

See Contingent Liabilities and Notes on page 8.

GENERAL CABLE CORPORATION

Profit and Loss Account for the Three Years Ended December 31, 1939

	Year Ended December 31— 1937	1938	1939
Net Sales and Charges for Fabricating excluding value of Metal owned by and fabricated for others	$37,838,123.09	21,403,101.17	31,342,093.38
Cost of Sales, before Depreciation (Note 1):			
Inventories at Beginning of Year (Note 2)	6,058,675.21	9,677,387.64	7,608,904.94
Purchases, Labor and Manufacturing Expenses (exclusive of undernoted expenses)	32,909,565.01	16,174,135.00	24,928,321.83
Maintenance and Repairs	694,062.67	397,549.85	528,734.81
Taxes (other than Federal Income Tax)	369,040.71	367,292.65	419,323.26
Management and Service Contract Fees	18,000.00	18,000.00	16,250.00
Rents	6,300.00	8,700.00	8,340.00
	40,055,643.60	26,643,065.14	33,509,874.84
Less Inventories at End of Year (Note 2)	9,677,387.64	7,608,904.94	6,028,368.20
Cost of Sales	$30,378,255.96	19,034,160.20	27,481,506.64
Gross Profit, before Depreciation	$ 7,459,867.13	2,368,940.97	3,860,586.74
Operating Charges (Net):			
Selling, Administrative and General Expenses:			
Selling, Administrative and General Expenses (exclusive of undernoted expenses)	1,609,153.26	1,408,200.88	1,388,209.89
Maintenance and Repairs	2,378.64	2,704.51	2,810.17
Taxes (other than Federal Income Tax)	25,617.35	32,445.72	33,552.22
Rents	118,176.31	115,332.63	111,400.73
	1,755,325.56	1,558,683.74	1,535,973.01
Capital Stock, Franchise, License and Other Taxes	130,263.28	100,149.43	98,063.32
Royalties Paid	127,710.49	46,628.37	67,834.96
Provision for Doubtful Accounts	12,000.00	6,000.00	6,000.00
	2,025,299.33	1,711,461.54	1,707,871.29
Expenses of Useful Plant not in Operation (Net), excluding Depreciation:			
Maintenance and Repairs	1,709.22	604.59	1,041.41
Taxes (other than Federal Income Tax)	8,265.67	8,304.88	8,694.77
Other Expenses	7,612.12	7,106.85	7,721.69
	17,587.01	16,016.32	17,457.87
Less Rentals Received	4,546.90	5,182.32	5,120.95
Net	13,040.11	10,834.00	12,336.92
Pension Payments and Other Miscellaneous Expenses:			
Maintenance and Repairs	302.57	2.50	99.35
Rents	—	—	6,000.00
Pension Payments and Other Charges	71,125.70	51,079.94	58,778.17
	71,428.27	51,082.44	64,877.52
Less Taxes (other than Federal Income Tax)—Undistributed Adjustments	1,853.61	—	—
	69,574.66	51,082.44	64,877.52
Total Operating Charges	2,107,914.10	1,773,377.98	1,785,085.73
Less Cash Discount on Purchases, Royalties, Bad Debt Recoveries and Other Operating Income	278,221.78	205,337.57	229,557.59
Total Operating Charges (Net)	$ 1,829,692.32	1,568,040.41	1,555,528.14
Net Operating Profit before Depreciation and Raw Material Profit or Loss	$ 5,630,174.81	800,900.56	2,305,058.60

(Continued on next page)

GENERAL CABLE CORPORATION

Profit and Loss Account For the Three Years Ended December 31, 1939 (Continued)

	Year Ended December 31— 1937	1938	1939
Raw Material Losses (Profit):			
Net Loss (Profit) on Metal Content of Sales (Note 2)	$ 415,704.41	189,647.68	(54,916.17)
Losses arising from Write-down of Inventories to Market Prices	2,113,446.28	—	—
	2,529,150.69	189,647.68	(54,916.17)
Less General Reserve for Inventories existing at December 31, 1936	100,000.00	—	—
	$ 2,429,150.69	189,647.68	(54,916.17)
Net Operating Profit before Depreciation	$ 3,201,024.12	611,252.88	2,359,974.77
Provision for Depreciation:			
Plant, Machinery and Equipment Useful in Operations	817,566.74	815,327.43	829,166.11
Excess Buildings held for sale	82,223.20	71,370.66	68,705.31
Machinery and Equipment not needed in Production and held for sale	122,508.87	106,165.95	103,801.92
	$ 1,022,298.81	992,864.04	1,001,673.34
Net Operating Profit (Loss)	$ 2,178,725.31	(381,611.16)	1,358,301.43
Other Income:			
Dividends Received	31,035.50	30,990.50	36,893.00
Interest Received	8,866.51	8,694.34	7,389.93
	39,902.01	39,684.84	44,282.93
Net Income from Rentals of Excess Land and Buildings held for sale, excluding Depreciation:			
Rentals Received	113,070.64	116,243.41	112,069.91
Less:			
Maintenance and Repairs	9,759.72	4,428.80	13,361.34
Taxes (other than Federal Income Tax)	55,576.43	47,803.01	49,053.21
Other Expenses	45,994.17	40,682.65	39,604.87
	111,330.32	92,914.46	102,019.42
Net	1,740.32	23,328.95	10,050.49
Total Other Income	$ 41,642.33	63,013.79	54,333.42
	$ 2,220,367.64	(318,597.37)	1,412,634.85
Other Charges:			
Expenses of Negotiations for Refinancing which was not consummated in 1937:			
First Mortgage Bonds	72,347.56	—	—
Sale of Revere Copper and Brass Incorporated Securities	28,660.66	—	—
	101,008.22	—	—
Interest Paid—other than on Funded Debt	13,343.09	10,049.75	18,461.57
Total Other Charges	$ 114,351.31	10,049.75	18,461.57
Net Income (Loss) before Interest and Federal Income Tax	$ 2,106,016.33	(328,647.12)	1,394,173.28
Interest on Funded Debt:			
Interest on First Mortgage Bonds	607,382.63	551,019.53	526,947.65
Federal and State Taxes Paid on Bond Interest	15,696.32	14,047.53	14,059.60
	$ 623,078.95	565,067.06	541,007.25
Net Income (Loss) before Federal Income Tax	$ 1,482,937.38	(893,714.18)	853,166.03
Provision for Federal Income (Normal) Tax	118,659.59	—	120,000.00
Net Income (Loss)	$ 1,364,277.79	(893,714.18)	733,166.03

Amounts in parentheses denote red figures.

See Notes on page 9.

GENERAL CABLE CORPORATION

Contingent Liabilities and Notes to foregoing Balance Sheet

Contingent Liabilities:

The United States Department of Internal Revenue has alleged a deficiency in Federal Income Taxes for the years 1928 and 1929 of approximately $89,000, which, if sustained, would, with interest accrued to December 31, 1939, aggregate a total deficiency of approximately $142,000. The Corporation is contesting the Department's position and it is not now practicable to estimate what amount, if any, may ultimately be payable. The returns for the years 1930 to 1937, inclusive, have been examined by the Department and no deficiencies have been asserted. The tax return for the year 1938 is subject to review and the return for the year 1939 has not yet been filed.

Notes:

(1) After payment of bond interest, $260,260.00, due January 1, 1940 and after discharge of sinking fund requirement of January 1, 1940 by delivery of Corporation bonds in principal amount of $55,000.00, acquired at a cost of $54,952.50 and deposit of cash in the amount of $165,193.75.

(2) These items are classified as current although not fully realizable within one year, in accordance with what is considered trade practice.

(3) The aggregate amount of the investments shown in the Balance Sheet, at quoted market prices at December 31, 1939—quotations in Canadian Dollars as to $1,037,391.00 and book figures as to $192,884.07—was $4,038,011.51, including $2,729,623.63 applicable to the Class A Stock and Common Stock of Revere Copper and Brass Incorporated and $1,037,391.00 applicable to the securities of Canada Wire and Cable Company, Ltd. Such quoted market prices do not purport to represent the amounts which could be realized upon the sale of the entire amount of securities owned or the cost at which such securities could be repurchased.

The Revere Copper and Brass Incorporated Class A Stock and Common Stock shown in the Balance Sheet are stated at the amounts at which such stocks appear on the books of the Corporation. Such stocks, together with other securities of Revere Copper and Brass Incorporated, were received by a wholly-owned subsidiary (subsequently dissolved) of the Corporation as the consideration for the transfer to Revere Copper and Brass Incorporated (then known as Republic Brass Corporation) of properties of such subsidiary in 1928. The securities so received were originally set up on the books of such subsidiary, and subsequently on the books of the Corporation, at the net amount at which such properties were carried on the books of such subsidiary at the time of transfer. This amount was apportioned between the various classes of securities so received on the basis of an average of the book, earnings and market values thereof at the date of dissolution of the subsidiary, and the Class A and Common Stocks owned at December 31, 1939 are carried on the Balance Sheet on the basis of amounts so determined.

The investment of $1,464,236.13 in Canada Wire and Cable Company, Ltd. consists of 61,023 shares of Class B Common Stock. Of this investment, securities carried at $353,320.44 were received in exchange for securities of the Standard Underground Cable Company of Canada, Limited. Securities carried at $299,750.00 were acquired for cash. Securities representing the balance of the investment, carried at $811,165.69, were acquired in exchange for Class A Stock of the Canada Wire and Cable Company, Ltd., of which stock carried at $708,765.69 was received in exchange for securities of the Standard Underground Cable Company of Canada, Limited and the remainder, carried at $102,400.00, was acquired for cash. The Standard Underground Cable Company of Canada, Limited was a subsidiary of one of the vendor companies whose assets were acquired by the Corporation in 1927 and its securities were among the assets so acquired. Such securities were set up upon their acquisition in 1927 based upon the net equity applicable thereto as shown by the Balance Sheet of the subsidiary as of June 30, 1927. This amount plus the cost of additional securities acquired for cash has been allocated to the securities of the Canada Wire and Cable Company, Ltd. received in exchange therefor.

The United States Government and Municipal Securities are stated at cost and the miscellaneous securities at or below cost, less a reserve of $34,656.97 for estimated shrinkage.

(4) This reserve and cash deposited thereagainst represents partial coverage against present and future liability, if any, for pension payments, the amount of which is indeterminate. Pension payments are currently provided through charges to Profit and Loss Account.

(5) In the event of any liquidation, dissolution or winding up of the affairs of the Corporation the preference of each share of 7% Cumulative Preferred Stock is $110.00 plus an amount equal to all accrued and unpaid dividends thereon. In respect of the 150,000 shares of 7% Cumulative Preferred Stock outstanding as at December 31, 1939, the aggregate liquidating preference amounted to $16,500,000.00 plus an amount equal to the accrued and unpaid dividends thereon, namely $7,262,500.00. The amount of the excess of the aggregate liquidating preference of the 7% Cumulative Preferred Stock (including such accrued and unpaid dividends) over the aggregate par value thereof was $8,762,500.00, which amount exceeded the sum of the aggregate stated value of the outstanding Class A Stock and Common Stock and the surplus. In respect of the 310,339 shares of Class A Stock outstanding as at December 31, 1939, the aggregate liquidating preference (which is junior to the aggregate liquidating preference in respect of the 7% Cumulative Preferred Stock) amounted to $15,516,950.00, which amount exceeded the aggregate stated value of the Class A Stock by $14,896,272.00. The amount of the excess of the aggregate liquidating preference of the 7% Cumulative Preferred Stock and the Class A Stock over the aggregate of their par or stated value was $23,658,772.00, which amount exceeded the sum of the aggregate stated value of the Common Stock and the surplus. Counsel to the Corporation has furnished an opinion that, based on the assumption that no liquidation, dissolution or winding up of the affairs of the Corporation is contemplated, there is no restriction upon the surplus of the Corporation with respect to payment of dividends by reason of the difference between the aggregate liquidating preference of the 7% Cumulative Preferred and Class A Stocks and their par or stated value.

GENERAL CABLE CORPORATION

Notes to foregoing Profit and Loss Account

(1) Cost of Sales as stated is before Depreciation charged to "costs" of $693,267.74 for 1937, $708,645.02 for 1938 and $735,309.09 for 1939.

(2) Inventories are stated at the lower of cost or market on the basis of physical inventories at November 30, 1936, August 28, 1937, and November 30, 1938 and 1939 adjusted to December 31 in each year.

In order to reflect the results of operations more accurately by accounting periods, the Corporation, during the year 1939, changed its method of computing cost of goods sold as to copper from an "average cost" method to a method (now acceptable under the tax regulations of the Internal Revenue Department) of costing copper at the price at which the sale was made, thereby taking into account its copper commitments. The effect of this change has been to decrease the profit for the year 1939 by approximately $250,000.00 as compared with the amount which would have been shown under the former method, and to decrease correspondingly the amount at which copper is carried in the inventory at December 31, 1939.

(3) Losses aggregating $477,412.11 in 1937, $239,850.54 in 1938 and $97,210.37 in 1939 sustained on the sale or scrapping of Excess Plant and Equipment have been charged to the Extraordinary Reserve for Obsolescence, Contingencies, Etc. previously provided therefor.

(4) At the time of their issue as at July 1, 1927, the Corporation wrote off the full amount ($1,176,262.87) of discount and expense on its First Mortgage 5½% Sinking Fund Bonds, Series A. Amortization of this item on a straight line method over the life of the bonds would have resulted in annual charges of $58,813.00 to the Profit and Loss Account.

GENERAL CABLE CORPORATION

Surplus Accounts

For the Three Years Ended December 31, 1939

CAPITAL SURPLUS

	Year Ended December 31 1937	1938	1939
Balance at beginning of year arising from reduction in 1936 of the amount of Class A and Common Stock Capital	$2,207,624.79	2,198,874.79	2,198,874.79
Deduct Expenditures on Patents Written Off	8,750.00	—	—
Balance at End of Year	$2,198,874.79	2,198,874.79	2,198,874.79

EARNED SURPLUS FROM JANUARY 1, 1936

	Year Ended December 31 1937	1938	1939
Balance at Beginning of Year	$ 588,707.88		
Add Adjustment of Provision for Federal Taxes on Income Applicable to prior year	31,643.05		
Balance at Beginning of Year as Adjusted	$ 620,350.93	943,167.51	66,116.45
Add:			
Net Income (Loss) for Year	$1,364,277.79	(893,714.18)	733,166.03
Profit Realized on Sale of Securities	45,290.04	—	26,934.76
Discount (Premium) on Own Bonds Purchased and Cancelled (Net)	(36,751.25)	16,663.12	1,295.00
	$1,372,816.58	(877,051.06)	761,395.79
	$1,993,167.51	66,116.45	827,512.24
Deduct Dividend Paid December 17, 1937, on Preferred Stock—7%	1,050,000.00	—	—
Balance at End of Year	$ 943,167.51	66,116.45	827,512.24

Amounts in parentheses denote red figures.

GENERAL CABLE CORPORATION

Schedule of Supplementary Profit and Loss Information

For the Three Years Ended December 31, 1939

	Charged to Costs	Charged Direct to Profit and Loss Account	Total
Maintenance and Repairs:			
1937	$694,062.67	14,150.15	708,212.82
1938	397,549.85	7,740.40	405,290.25
1939	528,734.81	17,312.27	546,047.08
Depreciation:			
1937	$693,267.74	329,031.07	1,022,298.81
1938	708,645.02	284,219.02	992,864.04
1939	735,309.09	266,364.25	1,001,673.34
Taxes (other than Federal Income Tax):			
1937	$369,040.71	233,565.44	602,606.15
1938	367,292.65	202,750.57	570,043.22
1939	419,323.26	203,423.12	622,746.38
Management and Service Contract Fees:			
1937	$ 18,000.00	—	18,000.00
1938	18,000.00	—	18,000.00
1939	16,250.00	—	16,250.00
Rents:			
1937	$ 6,300.00	118,176.31	124,476.31
1938	8,700.00	115,332.63	124,032.63
1939	8,340.00	117,400.73	125,740.73
Royalties:			
1937	$ —	127,710.49	127,710.49
1938	—	46,628.37	46,628.37
1939	—	67,834.96	67,834.96

GENERAL CABLE CORPORATION

Plan of Recapitalization

1. The number of shares of each class of capital stock of the Corporation which is now authorized and the number of shares of each class of such capital stock which is now outstanding are as follows:

	Authorized	Outstanding
7% Cumulative Preferred Stock ($100 par)	300,000	150,000
Class A Stock (no par)	642,821	306,689
Common Stock (no par)	3,000,000	671,858

2. The 150,000 shares of 7% Cumulative Preferred Stock which are now authorized but unissued shall be eliminated.

3. The 150,000 shares of 7% Cumulative Preferred Stock which are now outstanding, together with all accumulated and unpaid dividends accrued and in arrears thereon, shall be changed into a like number of shares of 4½% Cumulative Preferred Stock and 1,200,000 shares of Common Stock, on the basis of one share of 4½% Cumulative Preferred Stock and eight shares of Common Stock for each share of 7% Cumulative Preferred Stock now outstanding. The shares of 7% Cumulative Preferred Stock now outstanding are entitled to cumulative dividends at the rate of $7.00 per share per annum in preference to the Class A Stock and Common Stock, and are entitled to one vote per share. Unpaid dividends amounting to $49 per share, or an aggregate of $7,350,000, as of February 1, 1940, have accumulated and are in arrears on the 7% Cumulative Preferred Stock, and an additional $1.75 per share, or an aggregate of $262,500, will accrue on May 1, 1940. The shares of 4½% Cumulative Preferred Stock will be entitled to cumulative dividends at the rate of $4.50 per share per annum accruing from May 1, 1940, in preference to the Common Stock, and will be entitled to one vote per share. In addition, the 4½% Cumulative Preferred Stock, voting separately as a class, will be entitled, upon the conditions set forth in the proposed amendments to the Certificate of Incorporation mentioned below, to elect two members of the Board of Directors of the Corporation in case dividends accrued and in arrears on the 4½% Cumulative Preferred Stock shall equal or be in excess of $4.50 per share.

4. The total authorized number of shares of Common Stock shall be increased from 3,000,000 to 3,336,132 by changing the 336,132 shares of Class A Stock which are now authorized but unissued into a like number of shares of authorized Common Stock.

5. The 306,689 shares of Class A Stock which are now outstanding, less the number of such shares which may be converted into shares of Common Stock prior to the effective date of the Plan, shall be changed into shares of Common Stock, on the basis of four shares of Common Stock for each share of Class A Stock. The Class A Stock is entitled to one vote per share and is preferred over the Common Stock as to dividends to the extent of $4 per share per annum (cumulative only if available earnings equal $8 per share in any calendar year), is preferred over the Common Stock to the extent of $50 per share plus accumulated dividends, if any, in voluntary or involuntary liquidation, and is convertible at the option of the holder at any time into two shares of Common Stock. The shares of Common Stock into which shares of Class A Stock are to be changed will likewise be entitled to one vote per share, but will have no preferences or conversion rights.

6. When the foregoing has been accomplished, the number of shares of each class of capital stock of the Corporation which will be authorized and the number of shares of each class of such capital stock which will be outstanding, subject to reduction of the outstanding Common Stock by reason of conversions of shares of Class A Stock prior to the effective date of the Plan, will be as follows:

	Authorized	Outstanding
4½% Cumulative Preferred Stock ($100 par)	150,000	150,000
Common Stock (no par)	3,336,132	3,098,614

The shares of Common Stock which will be authorized but unissued may be issued by the Board of Directors without further authority from the stockholders, but the Board has no present intention of issuing any such shares.

7. The provisions of Article Ninth of the Certificate of Incorporation, as amended, with respect to Class A Stock Subscription Warrants, which Warrants became void on July 1, 1932, shall be eliminated and Article Tenth shall be re-numbered Article Ninth.

8. To accomplish the foregoing, appropriate action shall be taken to amend the Certificate of Incorporation of the Corporation, as amended, in the respects set forth in Exhibit A hereto attached. The proposed amendments, if adopted by the holders of at least two-thirds in interest of each class of stock, will become binding upon all stockholders. The Plan will become effective upon the filing of an appropriate Certificate of Amendment of the Certificate of Incorporation in the office of the Secretary of State of New Jersey. The date of such filing is herein sometimes referred to as the "effective date" of the Plan.

9. The Board of Directors of the Corporation may authorize the doing of such things and the taking of such action as may be necessary or desirable in connection with or to carry out the Plan.

By order of the Board of Directors,

Dwight R. G. Palmer,
President.

Dated, April 1, 1940.

EXHIBIT A TO PLAN OF RECAPITALIZATION

GENERAL CABLE CORPORATION

Proposed Amendments to the Certificate of Incorporation

It is proposed to amend Article Fourth of the Certificate of Incorporation, as heretofore amended, so that it shall be and read as follows:

Fourth: (a) The total authorized capital stock of this corporation (herein called the "Company") is 150,000 shares of 4½% Cumulative Preferred Stock of the par value of $100 per share and 3,336,132 shares of Common Stock without any nominal or par value. Shares of stock without any nominal or par value of any class may be issued and sold by the Company from time to time in such manner and for such consideration as from time to time may be fixed by the Board of Directors of the Company. The designations, preferences, voting powers and relative, participating, optional and other special rights and qualifications, limitations and restrictions thereof of said classes of stock of the Company are as follows:

(1) The 4½% Cumulative Preferred Stock shall be designated "4½% Cumulative Preferred Stock" and the Common Stock shall be designated "Common Stock."

(2) Dividends upon the 4½% Cumulative Preferred Stock, when and as declared by the Board of Directors, shall be payable in cash at the rate of $4.50 per share per annum, and no more, in equal instalments of $1.12½ each on February 1, May 1, August 1 and November 1 in each year (said dates being hereinafter called Preferred quarterly dividend dates), accruing from May 1, 1940, before any dividends shall be declared or paid or set apart for payment upon the Common Stock. Such dividends on the 4½% Cumulative Preferred Stock shall be cumulative, so that if dividends at the rate of $4.50 per share per annum shall not have been declared, and paid or set apart for payment, upon the 4½% Cumulative Preferred Stock, as aforesaid, for all past quarterly dividend periods and for the then current quarterly dividend period of the 4½% Cumulative Preferred Stock, the deficiency shall be declared, and paid or set apart for payment, upon the 4½% Cumulative Preferred Stock at the time outstanding before any dividend shall be declared or paid or set apart for payment upon the Common Stock.

(3) So long as any of the 4½% Cumulative Preferred Stock shall be outstanding, no dividend whatsoever, whether in cash, property, stock or otherwise, shall in any year be declared or paid or set apart for payment upon the Common Stock, until full cumulative dividends upon the 4½% Cumulative Preferred Stock as aforesaid shall have been declared, and paid or set apart for payment, upon the 4½% Cumulative Preferred Stock at the time outstanding, for all past quarterly dividend periods and for the then current quarterly dividend period of the 4½% Cumulative Preferred Stock, but subject to the foregoing provisions of this subdivision (3), such dividends, whether in cash, property, stock or otherwise, as may be determined from time to time by the Board of Directors, may be declared, and paid or set apart for payment, upon the Common Stock from the remaining surplus and/or from the remaining net profits arising from the business of the Company available therefor.

(4) The Company, at its option, may redeem the whole or any part of the 4½% Cumulative Preferred Stock at any time outstanding, on any Preferred quarterly dividend date, by paying therefor in cash $110 per share plus accrued dividends thereon to the date fixed for such redemption (herein sometimes called the "Redemption Price"). If at any time the Company shall determine to redeem less than the whole of the 4½% Cumulative Preferred Stock then outstanding, the particular 4½% Cumulative Preferred Stock to be redeemed shall be ascertained in such manner, whether by lot or pro rata, as may be provided in the By-Laws of the Company or, in the absence of such provision in the By-Laws, as may be determined from time to time by the Board of Directors. At least thirty and not more than sixty days' notice of every such redemption, specifying the time and place of redemption within the Borough of Manhattan, City and State of New York, shall

be given to the holders of record of 4½% Cumulative Preferred Stock to be redeemed, by mailing such notice to such holders at their respective addresses as the same shall appear on the stock transfer books of the Company, and also by publishing such notice at least once a week in four consecutive weeks in a daily newspaper of general circulation, printed in the English language and published in the Borough of Manhattan, City and State of New York, the first publication of such notice to be at least thirty and not more than sixty days prior to the date specified therein for such redemption; provided, however, anything herein to the contrary notwithstanding, that every such redemption shall be had in accordance with all applicable provisions of law. From and after the date specified in such notice as the date of redemption, unless the Company shall fail to provide, at the time and place specified in such notice, sufficient moneys for the payment of the Redemption Price, all dividends on the 4½% Cumulative Preferred Stock thereby called for redemption shall cease to accumulate, and all rights of the holders thereof as stockholders of the Company, except the right to receive the Redemption Price, shall cease and terminate. Any 4½% Cumulative Preferred Stock so redeemed shall be retired by resolution of the Board of Directors of the Company and shall not be reissued and the authorized amount of 4½% Cumulative Preferred Stock shall be deemed to be reduced to the extent of the shares thereof so redeemed and retired. Except as now or hereafter otherwise provided by law, subject to the express provisions of this subdivision (4), the Board of Directors shall have full power and discretion to prescribe and regulate from time to time the procedure to be followed in and all other matters concerning the redemption of 4½% Cumulative Preferred Stock.

(5) Each share of stock of the Company of any class from time to time issued and outstanding shall have voting powers of one vote. If at any time accrued dividends on the 4½% Cumulative Preferred Stock shall equal or be in excess of $4.50 for each outstanding share thereof, the holders of the 4½% Cumulative Preferred Stock shall thereafter also have the right, voting separately as a class, at the annual meetings of stockholders (provided that the holders of at least a majority of the 4½% Cumulative Preferred Stock then outstanding shall be present in person or represented by proxy at such meetings) to elect two members of the Board of Directors of the Company until such time as all such accrued dividends shall have been declared and paid or set apart for payment; provided, however, that immediately upon the declaring and paying or setting apart for payment of such accrued dividends such right shall cease, subject to revesting in the event accrued dividends subsequently shall equal or be in excess of $4.50 for each outstanding share of 4½% Cumulative Preferred Stock.

(6) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, or any distribution of assets other than by way of dividends as above provided, (a) there shall be paid or set apart for payment upon the 4½% Cumulative Preferred Stock then outstanding, an aggregate amount equal to $110 per share, plus an amount equal to accrued dividends thereon to the date of such payment (whether or not the Company shall have a surplus and/or net profits available for dividends), and no more, before any sum or dividend shall be declared or paid or set apart for payment or any assets distributed upon the Common Stock, and (b) after the aggregate amount payable upon the 4½% Cumulative Preferred Stock pursuant to this subdivision (6) shall have been paid or set apart for payment upon the 4½% Cumulative Preferred Stock then outstanding, the remaining assets of the Company shall be payable and distributable ratably, and may be paid and distributed ratably, upon the Common Stock. A merger or consolidation of the Company shall not be deemed to be a liquidation, dissolution or winding up of the Company or a distribution of assets, nor shall a purchase by the Company of shares of its capital stock if made out of surplus or net profits arising from the business of the Company, be deemed to be a distribution of assets within the meaning of this Article.

(7) No merger of the Company into any other corporation or corporations and no merger of any other corporation or corporations into the Company and no consolidation of the Company with any other corporation or corporations shall be had unless a majority in interest of each class of stockholders having voting powers (or such larger amount or percentage in interest of each such class as may be required by law) shall vote in favor thereof at a meeting of the stockholders duly

called for the purpose; provided, however, that no such merger or consolidation shall be had without complying in addition with all applicable provisions of law.

(8) The term "accrued dividends" whenever used herein with reference to the 4½% Cumulative Preferred Stock, shall mean an amount in cash at the rate of $4.50 per share per annum from May 1, 1940, to the date in question, less the aggregate amount of all cash dividends declared, and paid or set apart for payment, upon such 4½% Cumulative Preferred Stock.

(9) The term "dividend in stock" shall be deemed to mean (a) a dividend declared after May 1, 1940 payable in Common Stock, (b) a change after May 1, 1940 of the number of shares of Common Stock held by each holder of Common Stock into a greater number of shares of Common Stock, (c) Common Stock issued or sold after May 1, 1940 to holders of Common Stock in lieu of the whole or any part of a cash dividend payable to the holders of Common Stock and/or (d) Common Stock issued or sold after May 1, 1940 to holders of Common Stock contemporaneously or substantially contemporaneously with the declaration of a cash dividend upon the Common Stock, to the extent that the number of shares of Common Stock so issued or sold are deemed paid for (i) by any part or all of such cash dividend or (ii) by an amount not exceeding the amount of such cash dividend.

(b) Each share of 7% Cumulative Preferred Stock of the Company outstanding on the date on which the Certificate of Amendment setting forth this amendment is filed in the office of the Secretary of State, together with all accumulated and unpaid dividends accrued and in arrears thereon as of said date, is hereby changed into one share of 4½% Cumulative Preferred Stock and eight shares of Common Stock of the Company, and upon the filing of such Certificate of Amendment each holder of record of shares of 7% Cumulative Preferred Stock on the date of such filing shall forthwith be and become the holder of record of the number of shares of 4½% Cumulative Preferred Stock and of Common Stock to which he is entitled under this amendment, but shall be entitled to certificates for such shares of 4½% Cumulative Preferred Stock and of Common Stock only upon surrender of his certificate or certificates for 7% Cumulative Preferred Stock.

(c) The total authorized number of shares of Common Stock is hereby increased from 3,000,000 to 3,336,132 by changing each share of Class A Stock of the Company authorized but not issued on the date on which the Certificate of Amendment setting forth this amendment is filed in the office of the Secretary of State into one share of authorized Common Stock of the Company.

(d) Each share of Class A Stock of the Company issued and outstanding on the date on which the Certificate of Amendment setting forth this amendment is filed in the office of the Secretary of State is hereby changed into four shares of Common Stock of the Company and upon the filing of such Certificate of Amendment each holder of record of shares of Class A Stock on the date of such filing shall forthwith be and become the holder of record of the number of shares of Common Stock to which he is entitled under this amendment, but shall be entitled to a certificate or certificates for such shares of Common Stock only upon surrender of his certificate or certificates for Class A Stock.

(e) All of the shares of Common Stock into which outstanding shares of 7% Cumulative Preferred Stock or Class A Stock shall be changed, as hereinabove provided, shall be fully paid and non-assessable. Such change of outstanding shares of 7% Cumulative Preferred Stock into shares of 4½% Cumulative Preferred Stock and of Common Stock and such change of outstanding shares of Class A Stock into shares of Common Stock shall not have the effect of capitalizing nor of transferring to the stated capital of the Company any of the surplus of the Company; and the amount of capital represented by the shares of Common Stock to be outstanding upon the filing of the Certificate of Amendment setting forth this amendment in the office of the Secretary of State shall be $1,285,236.

It is further proposed to strike out Article Ninth of the Certificate of Incorporation, which relates to the Class A Stock Subscription Warrants (which became void on July 1, 1932), and to re-number Article Tenth thereof so that it will be Article Ninth and shall be and read as follows:

NINTH: Any meeting or meetings of the stockholders of the Company may be held at its principal office in the State of New Jersey or, outside the State of New Jersey, at the principal office of the Company in the Borough of Manhattan, City and State of New York.

No. 14480

DATE Nov, 1. 1940

DEMOCRATIC NATIONAL CAMPAIGN COMMITTEE
HOTEL BILTMORE
NEW YORK, N. Y.

RECEIVED FROM Five Hundred---------------------------*DOLLARS*

Honorable Franklin D. Roosevelt,
White House,
Washington, D. C.

CONTRIBUTION TO DEMOCRATIC NATIONAL CAMPAIGN COMMITTEE

17

OLIVER A. QUAYLE, JR., Treasurer

[illegible]

Resident individuals subject to tax on net income must report their taxable income on page 2 of return and compute the Normal Tax and Emergency Tax on page 1.

Resident individuals having gain (or loss) from the sale or exchange of stocks, bonds, lands, buildings, or other property (except land or depreciable property used in business), must report in Schedule B, page 4 of return, and compute the Net Capital Gain Tax thereon.

Individuals carrying on an unincorporated business the gross income of which is more than $10,000, or the net income more than $5,000 (or a prorata part thereof for a period less than twelve months) must make additional report thereof on Form 202 and attach to this return.

Nonresidents must use Form 203.

Form 201. Page 1 of Return

NEW YORK STATE INCOME TAX
RESIDENT RETURN

For the Calendar Year 1940 or Fiscal Period

Begun .... 19 ...... and Ended .... 19 ......

1940

DO NOT WRITE IN THESE SPACES

Serial Number

Paid $

Date

ROOSEVELT, FRANKLIN D 57664 092
~~HYDE PARK N~~ Y

ATTACH REMITTANCE HERE

1. Did you file a N. Y. State return for 1938? No 1939? Yes
2. If so, give any address other than that above used on such returns ....
3. If no return for 1939 was filed, state reasons ....
4. Were you married and living with your wife (or husband) during your taxable year? Yes
4a. If so, state name of your wife (or husband) Anna Eleanor Roosevelt
5. Did your wife (or husband) have separate income? Yes
5a. If so, is such income included in this return? No
6. If separate return was filed, give address on such return ....
7. If not married, were you during your taxable year the "head of a family"? .... If so, explain ....
8. How many dependent persons (other than husband or wife) under eighteen years of age, or mentally or physically defective, were receiving their chief support from you during your taxable year? ....
9. What is the relationship to you of the dependent persons for whose support you claim exemption under Questions 7 and 8? ....
10. If your status with respect to Questions 4-7-8 changed during the year, state the date and nature of such change ....

CALCULATION OF NORMAL TAX

11. Net income (Item 35, page 2)	$59241	03
12. Personal exemption and credit for dependents	2500	00
13. Taxable balance (Item 11 minus Item 12)	$56741	03
14a. Tax at 2% (First $1000 of Item 13)	$ 20	00
14b. Tax at 3% (2nd and 3rd $1000 of Item 13)	60	00
14c. Tax at 4% (4th and 5th $1000 of Item 13)	80	00
14d. Tax at 5% (6th and 7th $1000 of Item 13)	100	00
14e. Tax at 6% (8th and 9th $1000 of Item 13)	120	00
14f. Tax at 7% (All over $9000 of Item 13)	3341	87
15. Normal Tax (Total of Items 14a to 14f incl.)	$ 3721	87

CALCULATION OF EMERGENCY TAX

17. Emergency Tax—1% on Item 13	$ 567	41

SUMMARY—TOTAL TAX TO BE PAID

18. Normal Tax (Item 15)	$3721	87
19. Emergency Tax (Item 17)	567	41
19a. Net Capital Gain Tax (Item 39, page 4)		
19b. Unincorporated Business Tax { Item 4, Sch. O, p. 2 of Form 202		
20. Total Tax Due (Total of above Items)	4289	28

DATE—NUMBER	AMOUNT PAID		EMERGENCY TAX	NORMAL TAX	

(These spaces for office use only)

Make checks or money orders payable to STATE TAX COMMISSION. Do not mail currency.

The one per cent (1%) Emergency Tax (Item 19) MAY BE PAID IN FULL at the time this return is filed, or it may be paid in two installments, ONE-HALF THEREOF at the time of filing and ONE-HALF within two months thereafter.

The Normal Tax (Item 18) and the Net Capital Gain Tax (Item 19a) MAY BE PAID IN FULL at the time this return is filed, or MAY BE PAID in three installments, ONE-HALF THEREOF to be paid at the time of filing, ONE-QUARTER within two months, and ONE-QUARTER within six months from the original due date.

The Unincorporated Business Tax (Item 19b) MUST BE PAID IN FULL at the time this return is filed.

I hereby certify that this return, including the accompanying schedules and statements, has been examined by me, and to the best of my knowledge and belief, is a true and complete return made in good faith for the taxable year stated, pursuant to the New York State Tax Law and the Regulations.

(Signature of individual or agent)

Dated this ________ day of ______________________, 1941

(Address of Agent)

[201] [1940]

RETURN OF NET CAPITAL GAIN SUBJECT TO NET CAPITAL GAIN TAX

SCHEDULE E.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF STOCKS, BONDS, LANDS, BUILDINGS, AND OTHER PROPERTY—(See Instruction—Schedule E).

Include all property sold or exchanged, except stock in trade, or property includible in inventory, or property held primarily for sale to customers in the ordinary course of trade or business, or land or depreciable property used in business. Losses through securities claimed to be worthless are to be reported here.

Each transaction must be computed separately. As to property acquired prior to January 1, 1919, in the case of an actual gain, use cost or January 1, 1919 value, whichever is higher; in the case of an actual loss, use cost or January 1, 1919 value, whichever is lower; if the sales price falls between cost and January 1, 1919 value, report neither gain nor loss.

Where the securities sold were owned jointly or in common with others or where an interest in a group, pool, syndicate, or joint venture was held, a partnership return must be filed. The share of each such joint owner, etc., must be reported in the individual return as partnership gain or loss.

If the transactions are too numerous to enter here, a separate schedule in the same form giving COMPLETE details must be submitted.

1. Description of Securities or Property	2. No. of Shares / Amount of Bonds	3. Date Acquired	4. Sales Price	5. Cost or Other Basis	6. Value on January 1, 1919 (If acquired prior thereto)	7. Depreciation Allowed or Allowable	8. Gain	9. Loss
			$	$	$	$	$	$
1. If you were a member of a partnership, include here your distributive share of net capital gain (or loss) of partnership as reported at Item 4, column 6, page 1 of partnership return								
2. Totals							$	$
3. Net capital gain (excess of column 8 over column 9). Enter at Item 36 below							$	XXXX XX

If stock dividends or stock rights were received or stock rights exercised during the period of ownership with respect to any of the stocks sold, state whether cost and January 1, 1919 value (if acquired prior to January 1, 1919) were properly adjusted..........

If property sold was acquired prior to January 1, 1919, submit statement showing (a) original purchase price; (b) permanent improvements since purchase; (c) depreciation since purchase; (d) exchange value January 1, 1919; (e) permanent improvements since January 1, 1919; (f) depreciation since January 1, 1919.

CALCULATION OF NET CAPITAL GAIN TAX

36. Net capital gain (Item 3—Schedule E above)	$
37. Less capital deductions (Submit details)	
37a. Balance	$
37b. Balance of personal exemption not deducted in {Item 12, page 1★}	
38. Amount subject to Net Capital Gain Tax	$

38a. Tax at 1% (First $1,000 of Item 38)	$
38b. Tax at 1½% (2nd and 3rd $1,000 of Item 38)	
38c. Tax at 2% (4th and 5th $1,000 of Item 38)	
38d. Tax at 2½% (6th and 7th $1,000 of Item 38)	
38e. Tax at 3% (8th and 9th $1,000 of Item 38)	
38f. Tax at 3½% (All over $9,000 of Item 38)	
39. Net Capital Gain Tax. (Total of Items 38a to 38f incl.) Enter Item 39 on page 1, Item 19a	$

★IMPORTANT.—In computing the tax on net capital gain, no exemption is permitted unless net income reported on page 1 of the return is less than the personal exemptions, in which case the amount of exemption unused in computation of the Normal Tax may be offset against net capital gain.

This space for office use only

AUDITED BY: ____________

IMPORTANT

First read the instructions carefully. If you cannot fill out the return, go to any district office and assistance will be rendered without charge. File your return as early as possible.

DETACH THIS SHEET BEFORE FILING YOUR RETURN

A. WHO MUST MAKE A RETURN

1. A return must be made if the total of the gross income and capital gain (without deduction for capital losses) from whatever source derived, both from within and without the State of New York, is $5,000 or over, or if the total of the net income and net capital gain equals or exceeds:—
   - (a) $1,000 if unmarried, or married and not living with wife (or husband) during the entire taxable year;
   - (b) $2,500 if married and living with wife (or husband) during the entire taxable year;
   - (c) The personal exemption allowable if taxpayer was married and living with wife (or husband) during only part of the taxable year; (See paragraph 4 below).

2. If the aggregate of the combined net income and net capital gain of husband and wife is $2,500 or over, or if the aggregate of their combined gross income and capital gain (without deduction for capital losses) is $5,000 or over, including in each case the earnings of minor children, if their parents have the legal right to the same, all such income must be reported in a joint return or in separate returns of husband and wife. In the absence of proof to the contrary, a parent will be presumed to have the legal right to the earnings of a minor and must include such earnings in his return.

3. If not living together, husband and wife must file separate returns as single persons.

4. Additional exemption as the head of a family or for dependents is not to be considered in deciding whether to make a return.

5. A taxpayer changing his status during the year from that of resident to nonresident or from that of nonresident to resident must file two returns, one for each period, provided the aggregate of the net income and net capital gain from all sources while a resident and from sources within the State while a nonresident equals or exceeds the limitations referred to in paragraph 1 above; or provided the aggregate of the gross income and capital gain (without deduction for capital losses) from all sources while a resident and from sources within the State while a nonresident is $5,000 or over.

B. ACCRUED OR RECEIVED INCOME

1. A return may be made:
   - (a) On a cash basis; that is, reporting income received and expenses, etc., paid, or,
   - (b) On an accrual basis; that is, showing income accrued and expenses, etc., incurred or accrued,

in accord with the method of accounting regularly employed in keeping books, provided such method clearly reflects true net income and net capital gain.

2. If the taxpayer's books are not kept on the accrual basis, report should be made on a strictly cash basis, of all income received and expenses paid, including income constructively received, such as bank interest credited but not withdrawn, or interest coupons due but not collected even though such income is not entered on taxpayer's books.

C. PERIOD TO BE COVERED BY RETURN

1. The period covered by the return must be plainly stated at the head of the return.

2. The return must be for the calendar year 1940 unless taxpayer's books of account were regularly closed at the end of some month other than December, in which case the return should be made for the fiscal year ended when the books were closed.

3. This form should be used for filing a return for a fiscal year ending in 1941, by correcting the dates at the head of the return and in the certification.

D. PERSONAL EXEMPTIONS

1. The personal or family exemption must be supported by answers to questions 4 to 10.

A single person or a married person not living with husband or wife during the entire taxable year may claim a personal exemption of $1,000. A person who during the entire taxable year was the head of a family, or a husband and wife living together during the entire taxable year, and filing a joint return of income may claim an exemption of $2,500. If husband and wife file separate returns, the personal exemption may be taken by either or divided between them.

A "head of a family" is an individual who actually supports and maintains as a family unit one or more dependent individuals who are closely connected with him by blood relationship, relationship by marriage or by adoption, and whose right to exercise family control and provide for these dependent individuals is based upon some moral or legal obligation.

An additional allowance of $400 may be claimed for each person (other than husband or wife) under 18 years of age, or incapable of self support because mentally or physically defective, receiving his or her chief support from the taxpayer. This allowance can be claimed only by the person who provides the chief support and cannot be divided between two individuals.

As to any of the exemptions above stated, if the status of the taxpayer changes during his taxable year, such exemptions shall be apportioned in accordance with the number of months before and after such change.

E. NON-TAXABLE INCOME

The following classes of income are exempt from taxation and must be entered in Schedule D, page 3 of the return:

1. Interest on bonds or other obligations of the United States.

2. Interest on bonds or other obligations of the State of New York or of any municipal corporation or political subdivision of the State of New York (but interest on the obligations of other states and their political subdivisions is taxable).

3. Gifts, and money and property acquired under a will or by inheritance (but the income derived therefrom must be included in gross income). Bonuses or other compensation received in consideration for services rendered are, however, taxable.

4. The amount received from accident and health insurance and under Workmen's Compensation Acts and the amount of any damages received by suit or agreement on account of personal injuries or sickness. However, compensation which is paid by an employer to an employee during a period of sickness is taxable.

5. Pensions (other than those specifically exempt under the law) must be reported when they exceed the aggregate of contributions made by the taxpayer toward the pensions.

6. Proceeds of life insurance policies and contracts paid on the death of the insured to individual beneficiaries (but the income therefrom must be reported).

F. RETURNS: WHEN AND WHERE TO BE FILED

1. Offices are located at the following places:

MAIN OFFICE

Albany: State Office Building

DISTRICT OFFICES

Albany: State Office Building
New York City: State Office Building, 80 Centre Street
Brooklyn: 320 Schermerhorn Street
Buffalo: State Office Building, Niagara Square
Rochester: 55 Broad Street
Syracuse: 236 West Genesee Street
Utica: 200 Oriskany Street, East

2. A return may be filed at any of the offices above listed.

3. If this return is for the calendar year 1940, it should be filed on or before April 15, 1941. If the return is for a period other than a calendar year, it should be filed on or before the 15th day of the fourth month following the close of such period.

G. PENALTIES

The law imposes severe penalties for failing to make a return, or to pay the tax when due, or for making a false or fraudulent return, or for making a false certification.

TAXES TO BE PAID—SPECIFIC INSTRUCTIONS, CONCERNING ITEMS 18, 19, 19a AND 19b OF PAGE 1.

1. NORMAL TAX

1. Rates of normal tax are 2 per cent on the first $1,000; 3 per cent on the second and third $1,000; 4 per cent on the fourth and fifth $1,000; 5 per cent on the sixth and seventh $1,000; 6 per cent on the eighth and ninth $1,000, and 7 per cent on all over $9,000 of net income, less the personal exemptions, as computed at Item 13, page 1.

2. If the taxpayer elects the installment method of payment each installment must be paid when due. If any installment is not so paid the entire balance of tax will become due immediately and penalties will be imposed. Failure to receive notice of the amount of the installment will not relieve the taxpayer from the necessity of paying the installment when due.

2. EMERGENCY TAX

In addition to the normal tax an emergency tax of one per cent on "net income" is imposed. The emergency tax is based on the same net income as computed for normal tax purposes. Personal exemptions are allowed against net income in computing the emergency tax.

The emergency tax may be paid in full at time of filing of return, or it may be paid in two installments, one-half at time of filing and one-half within two months.

3. NET CAPITAL GAIN TAX

1. Capital gains and losses are not to be included in the computation of net income. Instead a tax at one-half the normal rates (see "1" above) is imposed upon net capital gain computed separately.

2. Tax on net capital gain is to be computed separately on page 4 and the amount carried to page 1, to be paid at the same time and in the same manner as the normal tax. Personal exemption shall not be allowed against net capital gain, except to the extent that the allowable exemptions exceed the net income subject to normal tax. (See Instruction—Schedule E).

4. UNINCORPORATED BUSINESS TAX

If gross income from business carried on in New York State amounted to more than $10,000, or if the net income from such sources exceeded $5,000 (or a prorata part thereof for a period less than twelve months), make additional report thereof on Form 202 and attach to this return. The tax is to be computed on Form 202 and the amount due is to be entered on page 1 of Form 201, to be paid in full at time of filing of return.

FORM 201—SPECIFIC INSTRUCTIONS, CONCERNING PAGE 2

NOTE: The following instructions are numbered to correspond with the items of the return.

INSTRUCTION 21 — INCOME FROM PERSONAL SERVICES, SALARIES, WAGES, FEES, COMMISSIONS, BONUSES, ETC.

Report personal service compensation received by you, your wife (or husband), and each dependent minor child from each employer, on a separate line together with the occupation or position and the employer's name and address.

INSTRUCTION 22 — INCOME FROM INTEREST

Report here all interest received (or accrued) during the year except nontaxable interest as shown in Instruction E, page 1 of instructions.

INSTRUCTION 23 — INCOME FROM DIVIDENDS

Report all dividends received in cash from corporate stock and dividends received in property, except true stock dividends. The fair market value of such property (or scrip) when subject to your demand and control should be reported. Dividends paid in the stock of the corporation declaring such dividends (true stock dividends) should not be included. Dividends received from personal service corporations must be included in gross income.

INSTRUCTION 24 — INCOME FROM PARTNERSHIPS, ESTATES AND TRUSTS

(a) Report your share (whether distributed or not) of the income of the estate or trust, or of the net income (or loss) of the partnership, syndicate, pool, or joint venture, other than capital gains or capital losses. Report distributive share of net capital gain (or loss) of partnership, syndicate, pool or joint venture at Item 1 of Schedule E on page 4. If the accounting period of the partnership or the estate or trust differs from the period covered by this return, report your share for the accounting period of the partnership or estate or trust which ended during your taxable year.

(b) If you received a salary from a partnership in addition to the amount reported in this item, report such salary at Item 21.

INSTRUCTION 25 — INCOME (OR LOSS) FROM BUSINESS OR PROFESSION (INCLUDING FARMING)

Schedule A, page 3, should be completed before entering any amount at Item 25, page 2. Individuals having several businesses should submit a separate schedule for each business in the same form as Schedule A, and should enter the combined total net income (or loss) other than capital gains or losses at Item 25, page 2, of the return.

Report at Schedule A income (or loss) other than capital gains or losses from business of any kind owned and conducted by you or from any profession practiced on your own account. Do not report here salary received by you if employed by another, nor partnership profits or dividends from personal service corporations.

Individuals operating a farm on an inventory and accrual basis should fill in Schedule A and submit such other schedules as may be required to reflect properly the results of their operations. In lieu of other forms a copy of the farm schedule (1040-F) filed with the Collector of Internal Revenue for federal income tax purposes will be accepted. Individuals conducting farms on a strictly cash basis may use Farm Schedule Form 207, a separate blank, which will be furnished upon application. The net income (or loss) other than capital gains or losses computed on any schedule so prepared should be entered at Item 25, page 2 of the return.

In filling in Schedule A on page 3 the following specific instructions should be observed:

SCHEDULE A

INCOME FROM PROFESSIONS: In reporting income from a profession, disregard the schedule of "cost of goods sold" and include all your business expenses under the head of "other business deductions." (Items 13-21.)

Item 1.—Kind of business: State kind of goods dealt in or kind of services rendered and whether manufacturer, wholesaler, retailer, as "*Wholesale dry goods,*" "*Manufacturer of shoes,*" *etc.*

Items 5-12.—Cost of goods sold: Do not include cost of business equipment or furniture, expenditures for permanent improvements to property, or living and family expenses. Do not include interest on your own investment in your business.

Item 13.—Salaries, etc.: Do not deduct salary or wages for your own services or services of your family unless these items are included as income at Item 21 of the return, or reported in a separate return, and do not deduct any withdrawal of profits.

Item 14.—Rent for business property: Do not include the rental value of building owned by you unless the rent is included in "Income from rents" at Schedule B of the return.

Item 15.—Interest on business indebtedness to others: Report only interest paid or accrued on business indebtedness to others. Do not include interest on your capital investment in or advances to the business.

Item 16.—Taxes: Do not include income taxes or assessments for local improvements of a kind tending to increase the value of the property assessed, as for paving, etc.

Item 17.—Depreciation and depletion. Report here:

(a) A reasonable allowance for exhaustion, wear, tear and obsolescence during the period covered by this return to the extent not offset by repairs, replacements or losses claimed as deductions in this return. (Restricted to property, the income from which is to be included in gross income.)

(b) Any claim for depletion of mines, oil and gas wells or timber lands.

Do not claim depreciation for articles that have been included in your inventory.

The amount claimed for depreciation should be based on some approved accounting method and taken against the cost of the property, or, if acquired prior to January 1, 1919, its fair market value as of that date. (For definition of "cost" see Regulations.)

Item 18.—Losses, other than capital losses, not compensated by insurance: Losses from sales or exchanges of capital assets should be entered in Schedule E of return.

Item 19.—Bad debts: Report here debts which you ascertained to be worthless and charged off during the year, or a reasonable addition to a reserve for bad debts. Show in Schedule 1 on page 2 of the return the years when the debts now written off were created and how they were ascertained to be worthless.

Bad debts arising out of personal loans should be reported at Item 31d.

Debts arising from sales or services are not deductible unless the original amount has been reported as income.

Corporation stock which became worthless, and bonds, notes, debentures or certificates of indebtedness with interest coupons or in registered form, not dealt in as a business, but carried as business assets, ascertained to be worthless during the taxable year are considered losses from "sales or exchanges" and are to be reported in Schedule E of return.

INSTRUCTION 26 — INCOME FROM RENTS AND ROYALTIES

Schedule B, page 3, should be completed before entering any amount at Item 26, page 2.

Amount of rent: Include in income from rents any amount deducted by you at Item 14, Schedule A, as the rental value of building owned by you and occupied by you for business purposes.

If you accepted crops or other property in lieu of cash rents, report the income as though the rent had been paid in cash.

Repairs, depreciation, and other expenses. See Instruction 25, Item 17, above.

Do not deduct repairs, depreciation, and other expenses on a dwelling occupied by you. If you rented or used for business or professional purposes any part of a building owned by you and in which you resided, apportion the deduction for repairs, depreciation, and other expenses, deducting only the part attributed to that portion of the building which was rented or used for business purposes.

INSTRUCTION 27-28

Gains and losses arising from the sale or exchange of property fall into two classifications (a) those involving capital assets, and (b) those involving non-capital assets. Gains and losses from the sale or exchange of capital assets must be reported in Schedule E, page 4, for purposes of the Net Capital Gain Tax. Gains or losses arising from transactions involving non-capital assets, whether through sale or exchange, or otherwise, must be supported by a schedule attached to the return in which information similar to that required by Schedule E, page 4, must be given. Gains must be reported at Item 29, page 2, and losses at Item 31d, page 2.

INSTRUCTION 29—OTHER INCOME

Amounts received in payment of accounts previously written off as worthless or any other items of income not mentioned in these instructions should be included here (except exempt income).

INSTRUCTION 31—GENERAL DEDUCTIONS

1. (a) *Interest on personal indebtedness:* Report here interest paid or accrued on personal indebtedness as distinguished from business indebtedness, which should be reported at Item 15, Schedule A, or Item (e), Schedule B.

(b) *Taxes on real property:* Report here all taxes upon real property except taxes or assessments for local improvements of a kind tending to increase the value of the property assessed, and except those deducted at Item 16, Schedule A.

(c) *Other taxes:* Do not deduct estate, inheritance, legacy, succession, gift and income taxes. Taxes on club dues and on admissions may be deducted.

(d) *Bad debts:* Bad debts arising out of personal loans may be reported here.

Corporation stock, which became worthless, and bonds, notes, debentures, or certificates of indebtedness with interest coupons or in registered form, ascertained to be worthless during the taxable year are considered losses from "sales or exchanges," and are to be reported in Schedule E of the return.

2. Deductions connected with the production of exempt income are not allowed.

3. Deductions should be explained and itemized in Schedule 1.

INSTRUCTION 34—CONTRIBUTIONS

Contributions should be explained and itemized in Schedule 2.

Report here only contributions made during the taxable year (a) to the United States, any state, territory, or any political subdivision thereof, or to the District of Columbia, for exclusively public purposes, or (b) to any corporation or trust, or community chest, fund, or foundation organized and operated exclusively for religious, charitable, scientific, literary or educational purposes, no part of the net earnings of which inures to the benefit of any private stockholder or individual; (c) to a post or organization of war veterans, or auxiliary units or societies thereof organized in the United States or any of its possessions or (d) to a fraternal society, order, or association, operating under the lodge system, if such contributions are to be used exclusively for religious, charitable, scientific, literary, or educational purposes. The deduction for contributions must not exceed in the aggregate 15 per cent of the net taxable income computed without the benefit of this deduction.

INSTRUCTION—SCHEDULE E. GAIN (OR LOSS) FROM SALE OR EXCHANGE OF CAPITAL ASSETS

DEFINITIONS.—"Net capital gain" means the excess of capital gains over capital losses and capital deductions.

"Capital gain" means gain or profit, and "capital loss" means loss, resulting from the sale or exchange of capital assets.

"Capital assets" means all property held by the taxpayer (whether or not connected with his trade or business) other than "non-capital assets".

"Non-capital assets" means stock in trade of the taxpayer, or property includible in inventory, or property held primarily for sale to customers, or land or depreciable property used in the taxpayer's trade or business. The words "sale or exchange" include (a) short sales (b) failure to exercise options (c) retirement of stocks, bonds and other evidence of corporate indebtedness with interest coupons or in registered form (d) corporate stock which became worthless, and bonds or other evidences of corporate indebtedness with interest coupons or in registered form determined to be worthless and charged off during the taxable year (e) complete or partial liquidation of a corporation whereby a stockholder receives liquidating dividends.

"Capital deductions" means such deductions as are properly allocable to or chargeable against capital assets sold or exchanged.

Schedule E should contain complete information called for in respect of each sale or exchange of capital assets during the taxable year. If the amount shown as the basis is other than actual cost of the property sold or exchanged, full details must be furnished regarding the acquisition of the property.

If the capital gains exceed the capital losses, and capital deductions, the excess thereof is net capital gain on which the tax is computed.

If the capital losses exceed the capital gains, no deduction of the excess is allowed against any other item of income and no tax on net capital gain will result.

In computing the tax on net capital gain, no exemption is permitted unless net income reported on page 1 of the return is less than the personal exemption, in which case the amount of exemption unused in computation of the normal tax may be offset against net capital gain.

If the property was acquired prior to January 1, 1919, see Regulations, Art. 491.

In certain cases when property is exchanged for other property, no gain or loss results. (See Tax Law, sections 354 and 355.)

FORM 1040
Treasury Department
Internal Revenue Service

UNITED STATES
INDIVIDUAL INCOME AND DEFENSE TAX RETURN

Page 1

1940

(Auditor's Stamp)

FOR GROSS INCOMES OF MORE THAN $5,000 FROM SALARIES, WAGES, DIVIDENDS, INTEREST, ANNUITIES, AND FOR INCOMES FROM OTHER SOURCES REGARDLESS OF AMOUNTS

For Calendar Year 1940

or fiscal year beginning ...., 1940, and ended ...., 1941

To be filed with the Collector of Internal Revenue for your district not later than the 15th day of the third month following the close of your taxable year

PRINT NAME AND ADDRESS PLAINLY. (See Instruction C)

....
(Name) (Use given names of both husband and wife, if this is a joint return)

....
(Street and number, or rural route)

....
(Post office) (County) (State)

(Do not use these spaces)

File Code

Serial No.

District

(Cashier's Stamp)

Cash—Check—M. O.

First Payment

$................

Item and Instruction No.

INCOME

1. Salaries and other compensation for personal services. (From Schedule A)	$74797 27		
2. Dividends	3147 60		
3. Interest on bank deposits, notes, mortgages, etc.			
4. Interest on corporation bonds	840 00		
5. Taxable interest on Government obligations, etc. (From Schedule B)	143 73		
6. Income (or loss) from partnerships, syndicates, pools, etc. (other than capital gains or losses). (Furnish names and addresses):			
7. Income from fiduciaries. (Furnish names and addresses): B. Oliver 120 Broadway N.Y. City	1853 27		
8. Rents and royalties. (From Schedule C)	3429 64		
9. Income (or loss) from business or profession. (From Schedule D)			
10. (a) Net short-term gain from sale or exchange of capital assets. (From Schedule F)			
(b) Net long-term gain (or loss) from sale or exchange of capital assets. (From Schedule F)			
(c) Net gain (or loss) from sale or exchange of property other than capital assets. (From Schedule G)			
11. Other income (including income from annuities). (State nature) Fed Savings Loan Div	20		
12. Total income in items 1 to 11. (Enter nontaxable income in Schedule I)		$80,800 29	

DEDUCTIONS

13. Contributions paid. (Explain in Schedule H)	$10339 84	
14. Interest. (Explain in Schedule H)	187 50	
15. Taxes. (Explain in Schedule H)	11680 49	
16. Losses from fire, storm, shipwreck, or other casualty, or theft. (Explain in Schedule H)		
17. Bad debts. (Explain in Schedule H)		
18. Other deductions authorized by law. (Explain in Schedule H)		
19. Total deductions in items 13 to 18		22207 83
20. Net income (item 12 minus item 19)		$58592 46

COMPUTATION OF TAX

21. Net income (item 20 above)		$58592 46	28. Normal tax (4% of item 27)	$2281 15
			29. Surtax on item 24. (See Instruction 29)	15670 68
22. Less: Personal exemption. (From Schedule J-1)	$2,000		30. Total (item 28 plus item 29)	$17951 83
23. Credit for dependents. (From Schedule J-2)		2000	31. Total income tax (item 30, or if you had a net long-term capital gain or loss, enter line 16, Schedule F)	$17951 83
			32. Less: Income tax paid at source	$
24. Balance (surtax net income)		$58592 46	33. Income tax paid to a foreign country or U. S. possession. (Attach Form 1116)	
25. Less: Interest on Government obligations, etc. (See Instruction 25)	$163 75		34. Balance of income tax (item 31 minus items 32 and 33)	$17951 83
26. Earned income credit. (From Schedule K-1 or K-2)	1400	1563 75	35. Defense tax (10% of item 31). (See Instruction 35)	1795 19
27. Balance subject to normal tax		$57028 71	36. Total income and defense taxes due (Item 34 plus Item 35)	$19747 02

NOTE.—In order that this return may be accepted as meeting the requirements of the Internal Revenue Code, the data called for herein must be set forth FULLY and CLEARLY.

16—17104

Schedule A.—INCOME RECEIVED FROM OTHERS CONSISTING OF SALARIES, WAGES, FEES, COMMISSIONS, BONUSES, AND OTHER COMPENSATION FOR PERSONAL SERVICES. (See Instruction 1)

1. Name and address of employer—If a governmental unit, indicate whether "Federal," "State," or "Local"	2. Amount	3. Expenses (itemize)	4. Amount
Gov. Federal	$75,000	Paid Printing & Binding	$652.71
Sale of Books	679.25	Editing & Typing	229.27
	75679.25		881.98
Total of column 2 minus total of column 4 (enter as item 1, page 1)			+ 74797.27

Schedule B.—INTEREST ON GOVERNMENT OBLIGATIONS, ETC. (See Instruction G)

1. Obligations or securities	2. Amount owned at end of year including your proportionate share of such obligations held by estates, trusts, partnerships, or common trust funds	3. Interest received or accrued during the year	4. Amount of principal, interest on which is exempt from taxation	5. Interest on amount in excess of exemption
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia, or United States possessions	$	$	All	xxxxxxxx xx
(b) Obligations issued under Federal Farm Loan Act, or under such Act as amended			All	xxxxxxxx xx
(c) Obligations of United States issued on or before September 1, 1917			All	xxxxxxxx xx
(d) Treasury Notes, Treasury Bills, and Treasury Certificates of Indebtedness			All	xxxxxxxx xx
(e) United States Savings Bonds and Treasury Bonds	10,000		$5,000	$143.75
(f) Obligations of instrumentalities of the United States (other than obligations to be reported in (b) above)	10,000		None	
(g) Total (enter as item 5, page 1)				$143.75

Schedule C.—INCOME FROM RENTS AND ROYALTIES. (See Instruction 8)

1. Kind of property	2. Amount	3. Depreciation (explain in Schedule E)	4. Repairs (explain below)	5. Other expenses (itemize below)	6. Net profit (column 2 minus sum of columns 3, 4, and 5) (enter as item 8, page 1)
Farms Dutchess Co NY	$1427.50	$	$	$4063.45	−2635.95
" Warm Springs Ga				793.71	− 793.71
					−3429.66

Explanation of deductions claimed in columns 4 and 5. Operating costs

Schedule D.—PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION. (See Instruction 9)

(State (1) nature of business ; (2) number of places of business ; (3) business name and address if different from name and address on page 1)

1. Total receipts $

COST OF GOODS SOLD (To be used where inventories are an income-determining factor)		OTHER BUSINESS DEDUCTIONS	
2. Inventory at beginning of year	$	11. Salaries and wages not included as "Labor" (do not deduct compensation for yourself)	$
3. Merchandise bought for sale		12. Interest on business indebtedness	
4. Labor		13. Taxes on business and business property	
5. Material and supplies		14. Losses (explain below)	
6. Other costs (itemize below)		15. Bad debts arising from sales or services	
7. Total of lines 2 to 6	$	16. Depreciation, obsolescence, and depletion (explain in Schedule E)	
8. Less inventory at end of year		17. Rent, repairs, and other expenses (itemize below or on separate sheet)	
9. Net cost of goods sold (line 7 minus line 8)	$	18. Total of lines 11 to 17	$
10. Gross profit (line 1 minus line 9)	$	19. Net profit (or loss) (line 1 minus lines 9 and 18) (enter as item 9, page 1)	$

If the production, manufacture, purchase and sale of merchandise is an income-producing factor, inventories are required. Enter "C," or "C or M," on lines 2 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.

Explanation of deductions claimed in lines 6, 14, and 17

Schedule E.—EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES C, D, F, AND G

1. Kind of property (If buildings, state material of which constructed)	2. Date acquired	3. Cost or other basis (Do not include land or other nondepreciable property)	4. Assets fully depreciated in use at end of year	5. Depreciation allowed (or allowable) in prior years	6. Remaining cost or other basis to be recovered	7. Estimated life used in accumulating depreciation	8. Estimated remaining life from beginning of year	9. Depreciation allowable this year
Farms & Rental Houses		$	$ none	$ Taken	$			$

Schedule F.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF CAPITAL ASSETS. (See Instruction 10)

1. Kind of property (if necessary attach statement of descriptive details not shown below)	2. Date acquired Mo. Day Year	3. Date sold Mo. Day Year	4. Gross sales price (contract price)	5. Cost or other basis	6. Expense of sale and cost of improvements subsequent to acquisition or March 1, 1913	7. Depreciation allowed (or allowable) since acquisition or March 1, 1913 (explain in Schedule E)	8. Gain or loss (column 4 plus column 7 minus the sum of columns 5 and 6)	Gain or loss to be taken into account: 9. Percentage	10. Amount
SHORT-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD NOT MORE THAN 18 MONTHS									
			$	$	$	$	$	100	$
								100	
								100	
								100	
Total net short-term capital gain or loss (enter in line 1, column 3, of summary below)									$
LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 18 MONTHS BUT NOT FOR MORE THAN 24 MONTHS									
			$	$	$	$	$	66⅔	$
								66⅔	
								66⅔	
								66⅔	
LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 24 MONTHS									
			$	$	$	$	$	50	
								50	
								50	
								50	
Total net long-term capital gain or loss (enter in line 2, column 3, of summary below)									$

SUMMARY OF CAPITAL NET GAINS OR LOSSES

1. Classification	2. Net short-term capital loss of preceding taxable year (not in excess of net income for such year)	3. Net gain or loss to be taken into account from column 10, above: Gain	Loss	4. Net gain or loss to be taken into account from partnerships and "common trust funds": Gain	Loss	5. Total net gain or loss to be taken into account in columns 2, 3, and 4 of this summary: Gain	Loss
1. Total net short-term capital gain or loss (enter as item 10 (*a*), page 1, amount of gain shown in column 5)	$	$	$	$	$	$	No net loss allowable (see Instruction 10)
2. Total net long-term capital gain or loss (enter as item 10 (*b*), page 1, amount of gain or loss shown in column 5)		$	$	$	$	$	$

COMPUTATION OF ALTERNATIVE TAX

Use only (1) If you had a net long-term *capital gain*, and item 24, page 1, exceeds $22,000
(2) If you had a net long-term *capital loss*, and such loss plus item 24, page 1, exceeds $22,000

1. Net income (item 20, page 1). (See Instruction 10)		$	10. Normal tax (4% of line 9)	$
2. (*a*) Net long-term capital gain (item 10 (*b*), page 1)			11. Surtax on line 6. (See Instruction 29)	
(*b*) Net long-term capital loss (item 10 (*b*), page 1)			12. Partial tax (line 10 plus line 11)	$
3. Ordinary net income (line 1 minus line 2 (*a*) or line 1 plus line 2 (*b*)). (See Instruction 10)		$	13. (*a*) 30% of net long-term capital gain (30% of line 2 (*a*))	
4. Less: Personal exemption. (From Schedule J–1)	$		(*b*) 30% of net long-term capital loss (30% of line 2 (*b*))	
5. Credit for dependents. (From Schedule J–2)			14. Alternative tax (line 12 plus line 13 (*a*) or line 12 minus line 13 (*b*))	$
6. Balance (surtax net income)		$	15. Total normal tax and surtax (item 30, page 1)	$
7. Less: Interest on Government obligations, etc. (See Instruction 25)	$		16. Tax liability (if a net long-term capital gain, on line 2 (*a*), enter line 14 or line 15, whichever is the lesser; if a net long-term capital loss, on line 2 (*b*), enter line 14 or line 15, whichever is the greater). (Enter as item 31, page 1)	$
8. Earned income credit. (From Schedule K–1 or K–2). (See Inst. 10)				
9. Balance subject to normal tax		$		

Schedule G.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY OTHER THAN CAPITAL ASSETS (See Instruction 10)

1. Kind of property	2. Date acquired	3. Gross sales price (contract price)	4. Cost or other basis	5. Expense of sale and cost of improvements subsequent to acquisition or March 1, 1913	6. Depreciation allowed (or allowable) since acquisition or March 1, 1913 (explain in Schedule E)	7. Gain or loss (column 3 plus column 6 minus the sum of columns 4 and 5)
		$	$	$	$	$
Total net gain (or loss) (enter as item 10 (*c*), page 1)						$

State the family, fiduciary, or business relationship to you, if any, of purchaser of any of the items on this page: ....

If any of such items were acquired by you other than by purchase, explain fully how acquired: ....

Schedule H.—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 13, 14, 15, 16, 17, AND 18

1. Item No.	2. Explanation	3. Amount		1. Item No. (Continued)	2. Explanation (Continued)	3. Amount (Continued)	
13	See Schedule Annexed	$11,142		15	N. Y. City	$4345	60
14	Int. on Mtg. Wash Hollow	187	50	"	Campobello	155	35
15	Hyde Park Hos	716	79	"	State Income	4757	63
"	Warm Springs	463	70	"	[illegible], auto, Safe Deposit fund	73	54 ?
"	Wash Hollow	175	80				

Schedule I.—NONTAXABLE INCOME OTHER THAN INTEREST REPORTED IN SCHEDULE B. (See Instruction G)

1. Source of income	2. Nature of income	3. Amount	
		$	

Schedule J.—EXPLANATION OF CREDITS CLAIMED IN ITEMS 22 AND 23. (See Instructions 22 and 23)

(1) Personal Exemption

Status	Number of months during the year in each status	Credit claimed	
Single, or married and not living with husband or wife		$	
Married and living with husband or wife	12		
Head of family (explain below)			

(2) Credit for Dependents

Name of dependent and relationship	Number of months during the year: Under 18 years old	Over 18 years old	Credit claimed	
			$	

Reason for support if over 18 years old

Schedule K.—COMPUTATION OF EARNED INCOME CREDIT. (See Instruction 26)

(1) If your net income is $3,000 or less, use only this part of schedule

Net income (item 20, page 1)	$	
Earned income credit (10% of net income, above)		

(2) If your net income is more than $3,000, use only this part of schedule

Earned net income (not more than $14,000)	$14,000	
Net income (item 20, page 1)		
Earned income credit (10% of earned net income or 10% of net income, above, whichever amount is smaller, but do not enter less than $300)	1400	

QUESTIONS

1. State your principal occupation or profession
2. Check whether you are a citizen ☐ or a resident alien ☐.
3. Did you file a return for any prior year? .... If so, what was the latest year? .... To which Collector's office was it sent?
4. Are items of income or deductions of both husband and wife included in this return?
5. State (a) Name of husband or wife if separate return was made
   (b) Personal exemption, if any, claimed thereon
   (c) Collector's office to which it was sent
6. Check whether this return was prepared on the cash ☐ or accrual ☐ basis.
7. Did you at any time during your taxable year own directly or indirectly any stock of a foreign corporation or a personal holding company as defined by section 501 of the Internal Revenue Code? (Answer "yes" or "no") .... (If answer is "yes," attach statement required by Instruction J.)

AFFIDAVIT. (See Instruction E)

I/we swear (or affirm) that this return (including any accompanying schedules and statements) has been examined by me/us, and to the best of my/our knowledge and belief is a true, correct, and complete return, made in good faith, for the taxable year stated, pursuant to the Internal Revenue Code and the regulations issued under authority thereof.

Subscribed and sworn to by ....

before me this .... day of ...., 194...

(Signature and title of officer administering oath)

A return made by an agent must be accompanied by power of attorney. (See Instruction E.)

(Signature) (See Instruction E)

(Signature)

(If this is a joint return (not made by agent), it must be signed by both husband and wife. It must be sworn to before a proper officer by the spouse preparing the return. If neither or both prepare the return, it must be sworn to by both spouses.)

AFFIDAVIT. (See Instruction E)

(If this return was prepared for you by some other person, the following affidavit must be executed)

I/we swear (or affirm) that I/we prepared this return for the person or persons named herein and that the return (including any accompanying schedules and statements) is a true, correct, and complete statement of all the information respecting the tax liability of the person or persons for whom this return has been prepared of which I/we have any knowledge.

Subscribed and sworn to before me this .... day

of ...., 194...

(Signature of person preparing the return)

(Signature of person preparing the return)

(Signature and title of officer administering oath)

(Name of firm or employer, if any)

U. S. GOVERNMENT PRINTING OFFICE 16—17104

INSTRUCTIONS FOR FORM 1040, UNITED STATES INDIVIDUAL INCOME AND DEFENSE TAX RETURN

(References are to the Internal Revenue Code, unless otherwise noted)

GENERAL INSTRUCTIONS

A. WHO MUST MAKE A RETURN.—Every citizen and resident of the United States having during the taxable year *gross income* (income derived from any source whatever, unless exempt from tax by law) in an amount specified below, *regardless of the amount of net income*, shall make a return if:

(1) *Single, or married and not living with husband or wife for any part of the taxable year.* If having a gross income of $800 or over.

(2) *Married and living with husband or wife for the entire taxable year.* If each has income and their combined gross income is $2,000 or over, they must each make a return or file a joint return. If only one has income and his gross income is $2,000 or over, only that one is required to make a return.

(3) *Married and living with husband or wife for only part of the taxable year.* If each has income and their combined gross income is $2,000 or over, or equal to, or in excess of, their total personal exemption (not including credit as head of a family or for dependents), they must each make a return or file a joint return. If only one has income and his gross income is $2,000 or over, or equal to, or in excess of, his personal exemption (not including credit as head of a family or for dependents), only that one is required to make a return. (See Specific Instruction 22 as to personal exemption.)

Joint return.—May be filed by husband and wife *only* if they are (1) both citizens or residents of the United States and (2) living together at the end of the taxable year. A joint return is permissible even though one has no gross income.

Deceased individuals.—Return required on Form 1040 or 1040A if gross income to date of death is $800 or over, if single, or married and not living with spouse for any part of the taxable year, or equal to, or in excess of, credit for personal exemption (not including credit as head of a family or for dependents), if married and living with spouse for all or any part of the taxable year. The return for a decedent shall include all items of income and deductions accrued up to the date of death, regardless of the fact that the decedent may have kept his books on a cash basis or kept no books.

B. FORM OF RETURN.—Individuals (1) whose gross income exceeds $5,000, or (2) who have any income or losses from rental or sale of property, or (3) make returns on accrual basis, or (4) make returns for a fiscal year, or (5) conduct their own business or profession, or are members of a partnership, use Form 1040. Nonresident aliens use Form 1040B or 1040NB. Fiduciaries use Form 1041. All other individuals use Form 1040A.

C. FILING OF RETURNS AND PAYMENT OF TAX.—File on or before 15th day of 3d month following close of taxable year with collector for the district in which the taxpayer has his legal residence or principal place of business. If the taxpayer has no legal residence or place of business in United States, file with collector at Baltimore, Md. The taxpayer's home address must be given and a permanent business address may be added. Pay in cash at collector's office or by check or money order payable to "Collector of Internal Revenue." Pay in full with return or in four equal installments, on or before the 15th day of the 3d, 6th, 9th, and 12th month from close of taxable year.

D. PENALTIES.—Severe penalties are imposed for not filing a return, for filing a false or fraudulent return, or failing to file on time.

E. AFFIDAVITS.—Return must be sworn to by taxpayer or his agent. Return may be made by agent if taxpayer (1) is too ill to make it or (2) is absent from United States for 60 days before due date. Power of attorney on Form 935 or 936 (husband and wife) must accompany return made by agent. Person preparing return must execute affidavit on page 4. Return may be sworn to before any collector, deputy collector, or internal revenue agent (without charge), or other person authorized by law to administer oaths for general purposes, except taxpayer's agent.

F. RECEIVED OR ACCRUED INCOME.—If books are kept on accrual basis, report all income accrued, even though not received or entered on books, and expenses incurred even though not paid. If books are not kept on accrual basis, or if no books are kept, report all income actually or constructively received, and all expenses paid.

G. ITEMS EXEMPT FROM TAX.—Explain items claimed to be exempt in Schedule I, except interest to be reported in Schedule B.

1. Interest on governmental obligations:

(*a*) *Entirely exempt.*—The interest on (1) obligations of a State, Territory, or political subdivision thereof, or the District of Columbia, or United States possessions; (2) obligations issued under Federal Farm Loan Act, or under such Act as amended; (3) obligations of the United States issued on or before September 1, 1917; and (4) Treasury notes, Treasury bills, Treasury certificates of indebtedness, postal savings obligations, adjusted service bonds, and certain other obligations of the United States.

(*b*) *Partially exempt.*—The interest on (1) United States savings bonds and Treasury bonds owned in excess of $5,000 and (2) obligations of instrumentalities of the United States is subject only to surtax.

2. Proceeds of insurance policies.—The proceeds of life insurance policies, paid by reason of the death of the insured, are exempt. If any part of the proceeds is held by the insurer under an agreement to pay interest, the interest is taxable. Amounts received under a life insurance or endowment policy, not payable by reason of the death of the insured, are not taxable until the aggregate of the amounts received exceeds the premiums or consideration paid for the policy. See Specific Instruction 11 as to taxation of annuities.

3. Federal savings and loan associations.—Dividends on share accounts in Federal savings and loan associations are subject only to surtax.

4. Miscellaneous items wholly exempt from tax:

(*a*) Gifts (not received as a consideration for service rendered) and money and property acquired by bequest, devise, or inheritance (but income therefrom is taxable);

(*b*) Amounts received through accident or health insurance or under workmen's compensation acts, as compensation for personal injuries or sickness, plus the amount of any damages received, whether by suit or agreement, on account of such injuries or sickness;

(*c*) The rental value of a dwelling house and appurtenances thereof furnished to a minister of the gospel as part of his compensation;

(*d*) Pensions and compensation received by veterans from the United States and pensions received from the United States by the family of a veteran, for services rendered by the veteran in time of war; and

(*e*) Amounts received as earned income from sources without the United States (except amounts paid by the United States or any agency thereof) by an individual citizen of the United States, a bona fide nonresident for more than 6 months during the taxable year (no deduction may be taken for any amount properly allocable to or chargeable against amounts so excluded).

H. DEPRECIATION AND DEPLETION.—A reasonable allowance for exhaustion, wear and tear, including obsolescence, of property used in trade or business may be deducted, based on cost if acquired by purchase after February 28, 1913. If acquired before March 1, 1913, or other than by purchase, see section 114.

For depletion deduction, see sections 23 (m) and 114 and Regulations 103.

I. INFORMATION AT SOURCE.—Every person making payments of (1) interest, rents, commissions, or other fixed or determinable income of $800 or more during the calendar year 1940 to an individual, a partnership, or a fiduciary, or (2) salary or wages of $800 or more to a single person or $2,000 or more to a married person shall make a return on Forms 1096 and 1099.

J. STOCK OWNED IN FOREIGN CORPORATIONS AND PERSONAL HOLDING COMPANIES.—If at any time during the year you owned directly or indirectly stock of a foreign corporation, or a personal holding company (section 501), attach a statement showing name and address of each such company and total number of shares of each class of outstanding stock owned. If at any time during the year you owned stock in a foreign personal holding company (section 331), include in income as a dividend the amount required by section 337, and if you owned 5 percent or more in value of the outstanding stock of such company, attach a statement giving in detail the information required by section 337 (d).

SPECIFIC INSTRUCTIONS

(Numbered to correspond with item numbers on page 1 of return)

1. SALARIES, ETC.—Include compensation received as an officer or employee of a State or political subdivision or any agency or instrumentality thereof. For treatment of compensation for a period of 5 years or more, see section 107.

2. DIVIDENDS.—Enter total of all taxable dividends. Enter in Schedule I all dividends claimed to be nontaxable. Enter in item 11 dividends on share accounts in Federal savings and loan associations.

6, 7. INCOME FROM PARTNERSHIPS, FIDUCIARIES, ETC., WHOSE TAXABLE YEAR ENDS WITHIN THE TAXABLE YEAR COVERED BY THIS RETURN.—Enter as item 6 your share of profits (whether received or not) or losses of a partnership (including a syndicate, pool, etc., not taxable as a corporation) except capital gains and losses, which enter in Schedule F. Enter as item 7 income from an estate or trust. Enter in Schedule B your share of interest on obligations of the United States, etc., owned by partnership, estate, or trust. Include in item 13, and explain in Schedule H, your share of any contribution or gift, payment of which was made by the partnership within its taxable year. Enter in items 32 and 33, respectively, your share of credits for Federal income tax paid at source and foreign income taxes.

8. RENTS AND ROYALTIES.—Include rent received in property or crops. Report crops received on crop-share basis in year in which disposed of (unless return is made on accrual basis).

9. BUSINESS OR PROFESSION.—Fill in Schedule D. Farmers keeping no books of account, or books on cash basis, must attach Form 1040F. A taxpayer electing to include in gross income amounts received during the year as loans from the Commodity Credit Corporation should file with his return a statement showing the details of such loans. (See section 123.)

If installment method is used, attach schedule showing separately for years 1937, 1938, 1939, and 1940: (*a*) Gross sales; (*b*) cost of goods sold; (*c*) gross profits; (*d*) percentage of profits to gross sales; (*e*) amount collected; (*f*) gross profit on amount collected.

Bad debts may be deducted either (1) when ascertained to be wholly or partially worthless, or (2) by a reasonable addition to a reserve. (No change of method without permission of Commissioner.)

10. GAINS AND LOSSES FROM SALES OR EXCHANGES OF CAPITAL ASSETS AND OTHER PROPERTY.—Report details in Schedules F and G.

"Capital assets" defined.—The term "capital assets" means property held by the taxpayer (whether or not connected with his trade or business), but not stock in trade or other property of a kind which would properly be included in his inventory if on hand at the close of the taxable year, or property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business, or property used in the trade or business of a character which is subject to the allowance for depreciation provided in section 23 (l).

Description of property.—State following facts: (*a*) For real estate, location and description of land and improvements; (*b*) for bonds or other evidences of indebtedness, name of issuing corporation, particular issue, denomination and amount; and (*c*) for stocks, name of corporation, class of stock, number of shares, and capital changes affecting basis (including nontaxable distributions).

Basis.—In determining GAIN in case of property acquired before March 1, 1913, use the cost or the fair market value as of March 1, 1913, adjusted as provided in section 113 (b), whichever is greater, but in determining LOSS use cost so adjusted. If the property was acquired after February 28, 1913, use cost, except as otherwise provided in section 113.

Losses on securities becoming worthless.—If (1) shares of stock become worthless during the year or (2) corporate securities with interest coupons or in registered form are ascertained to be worthless and charged off during the year, and are capital assets, the loss therefrom shall be considered as from the sale or exchange of capital assets as of the last day of such taxable year.

Classification of capital gains and losses.—The phrase "short-term" applies to gains and losses from the sale or exchange of capital assets held for 18 months or less; the phrase "long-term" to capital assets held for more than 18 months.

Limitation on short-term capital losses.—Short-term capital losses shall be allowed only to the extent of short-term capital gains. However, any net short-term capital loss (not in excess of the net income for the year involved) may be carried over in the succeeding year and applied against the short-term capital gains not already offset by short-term capital losses in such year. The carry-over is restricted to 1 year.

Alternative tax.—In the case of a net long-term capital gain or loss, an alternative tax is imposed in lieu of the normal tax and surtax imposed upon net income. (See Computation of Alternative Tax, Schedule F.) In calculating the alternative tax in the case of a long-term capital loss, the base (1) for computing the 15 percent limitation with respect to the deduction for charitable contributions is the "ordinary net income" as shown in line 3, Computation of Alternative Tax, Schedule F, increased by item 13, page 1, and (2) for computing the earned income credit is the "ordinary net income" as adjusted for the charitable contributions deduction.

Capital gains and losses of husband and wife.—A husband and wife, whether a joint or separate return is made, are separate taxpayers insofar as short-term capital gains and losses are concerned. Hence, such gains and losses of one spouse may not be offset against the gains and losses of the other. In a joint return, such limitation does not apply to long-term capital gains and losses, but capital transactions of each must be shown in separate schedules.

"Wash sales" losses.—Loss from sale or other disposition of stock or securities cannot be deducted unless sustained in connection with the taxpayer's trade or business, if, within 30 days before or after the date of sale or other disposition, the taxpayer has acquired (by purchase or by an exchange upon which the entire amount of gain or loss was recognized by law), or has entered into a contract or option to acquire, substantially identical stock or securities.

Losses in transactions between certain persons.—No deduction is allowable for losses from sales or exchanges of property directly or indirectly between (*a*) members of a family, (*b*) a corporation and an individual owning more than 50 percent of its stock (liquidations excepted), (*c*) a grantor and fiduciary of any trust, or (*d*) a fiduciary and a beneficiary of the same trust.

11. OTHER INCOME.—Enter any other taxable income, including taxable income from annuities and insurance proceeds, dividends on share accounts in Federal savings and loan associations, and earnings of minor children if parent is legally entitled thereto. Amounts received as an annuity under an annuity or endowment contract shall be included in gross income to the extent of 3 percent of the aggregate premiums or consideration paid for such annuity. If the aggregate of the amounts received and excluded from gross income equals the aggregate premiums or consideration paid for such annuity, the entire amount thereafter received must be included in gross income.

13. CONTRIBUTIONS PAID.—Enter (not to exceed 15 percent of your net income computed without the benefit of this deduction) contributions or gifts, payment of which was made within the year to or for the use of—

(*a*) A corporation, trust, or community chest, fund, or foundation, created or organized in the United States or in any possession thereof or under the law of the United States or of any State or Territory or of any possession of the United States, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation;

(*b*) The United States, any State, Territory, or any political subdivision thereof, or the District of Columbia, or any possession of the United States, for exclusively public purposes;

(*c*) The special fund for vocational rehabilitation authorized by section 12 of the World War Veterans' Act, 1924;

(*d*) Posts or organizations of war veterans, or auxiliary units or societies of any such posts or organizations, if such posts, organizations, units, or societies are organized in the United States or any of its possessions, and if no part of their net earnings inures to the benefit of any private shareholder or individual; or

(*e*) A domestic fraternal society, order, or association, operating under the lodge system, but only if such contributions or gifts are to be used exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals.

14. INTEREST.—Enter interest on personal indebtedness as distinguished from business indebtedness (which should be entered in Schedules C and D). For limitations on deductions for unpaid expenses and interest, see section 24 (c).

15. TAXES.—Enter taxes imposed on you and paid or accrued during the taxable year, except taxes entered in Schedules C and D. Do not include taxes assessed against local benefits, Federal income taxes or estate, inheritance, legacy, succession, gift taxes, taxes imposed on your interest as shareholder of a corporation which are paid by the corporation without reimbursement from you, nor income taxes claimed as a credit in item 33. Federal social security and employment taxes paid by or for an employee are not deductible by the employee.

16. LOSSES.—Enter property losses (not claimed in Schedule D), from fire, storm, shipwreck, or other casualty, or from theft, not compensated for by insurance or otherwise. Explain in Schedule H giving description of property, date acquired, cost, subsequent improvements, depreciation allowable, insurance, salvage value and deductible loss.

17. BAD DEBTS.—Enter bad debts other than those claimed in Schedule D. Show in Schedule H: (*a*) of what the debts consisted; (*b*) name and family relationship, if any, of debtor; (*c*) when created; (*d*) when due; (*e*) efforts made to collect; and (*f*) how determined to be worthless. Enter in Schedule F losses from corporate securities with interest coupons or in registered form ascertained to be worthless and charged off within the year, and which are capital assets.

18. OTHER DEDUCTIONS.—Enter other authorized deductions, including net operating loss deduction allowed by section 23 (s). Every taxpayer claiming a deduction due to a net operating loss for the preceding taxable year shall file with his return the statement required by section 19.122–1, Regulations 103.

Do not deduct losses in transactions not connected with your trade or business or not entered into for profit. Losses from wagering transactions are allowable to the extent of gains therefrom.

22, 23. CREDIT FOR PERSONAL EXEMPTION AND DEPENDENTS.—A single person, or a married person not living with spouse, is allowed a personal exemption of $800. A person who, during the entire taxable year, was the head of a family or was married and living with spouse, is allowed an exemption of $2,000. On separate returns, the personal exemption may be taken by either husband or wife or divided between them.

A "head of a family" is one who supports in one household one or more dependent individuals closely connected with him by blood relationship, relationship by marriage, or by adoption, and whose right to exercise family control is based upon some moral or legal obligation.

A credit of $400 is allowed for each person (other than husband or wife) under 18 years of age, or incapable of self-support because mentally or physically defective, whose chief support was received from the taxpayer.

If taxpayer's status, with respect to personal exemption and credit for dependents, changed during the taxable year, such exemption and credit shall be apportioned according to the number of months before and after such change. A fractional part of a month is disregarded unless it exceeds half a month, when it shall be considered a month.

25. CREDIT FOR INTEREST, ETC.—Enter interest reported as item 5, and also dividends on share accounts in Federal savings and loan associations reported in item 11.

26. EARNED INCOME CREDIT.—"Earned income" means wages, salaries, professional fees, and other amounts received as compensation for personal services actually rendered. Where a taxpayer is engaged in a trade or business in which both personal services and capital are material income-producing factors, a reasonable allowance as compensation for the personal services actually rendered by the taxpayer, not in excess of 20 percent of his share of the net profits of such trade or business, shall be considered as earned income. "Earned net income" means the excess of the amount of the earned income over the sum of the "earned income deductions," which are the ordinary and necessary expenses properly chargeable against earned income. In a joint return each spouse is allowed the same earned income credit allowable in separate returns. They must show separately the earned income, earned income deductions, earned net income, and net income of each spouse.

29. SURTAX.—The computation of the surtax, shown in the table below, is illustrated as follows: If your surtax net income (item 24) is $9,261.84, the surtax on $8,000 is $200 and the surtax on the excess of $1,261.84 is 8 percent of that amount, or $100.95, making a total surtax of $300.95 to be entered as item 29.

SURTAX RATES

Amount of surtax net income	Rate percent	Total surtax	Amount of surtax net income	Rate percent	Total surtax
A	B	C	A	B	C
$0 to $4,000					
4,000 to 6,000	4	$80	$60,000 to $70,000	47	$20,880
6,000 to 8,000	6	200	70,000 to 80,000	50	25,880
8,000 to 10,000	8	360	80,000 to 90,000	53	31,180
10,000 to 12,000	10	560	90,000 to 100,000	55	36,780
12,000 to 14,000	12	800	100,000 to 150,000	58	65,780
14,000 to 16,000	15	1,100	150,000 to 200,000	60	95,780
16,000 to 18,000	18	1,460	200,000 to 250,000	62	126,780
18,000 to 20,000	21	1,880	250,000 to 300,000	64	158,780
20,000 to 22,000	24	2,360	300,000 to 400,000	66	224,780
22,000 to 26,000	27	3,440	400,000 to 500,000	68	292,780
26,000 to 32,000	30	5,240	500,000 to 750,000	70	467,780
32,000 to 38,000	33	7,220	750,000 to 1,000,000	72	647,780
38,000 to 44,000	36	9,380	1,000,000 to 2,000,000	73	1,377,780
44,000 to 50,000	40	11,780	2,000,000 to 5,000,000	74	3,597,780
50,000 to 60,000	44	16,180	5,000,000 up	75	

32. INCOME TAX PAID AT SOURCE.—Enter 2 percent of interest on bonds on which Federal income tax was paid by debtor corporation.

33. FOREIGN TAX CREDIT.—If credit is claimed for taxes paid to a foreign country or possession of United States, submit Form 1116 and receipts for such payments. If credit is claimed for taxes accrued, attach to Form 1116 certified copy of return on which tax was based.

35. DEFENSE TAX.—The amount of the tax to be entered as item 35 shall not exceed 10 percent of the amount by which the net income exceeds the tax computed without reference to defense tax.

U. S. GOVERNMENT PRINTING OFFICE 16—17104

FORM 1040
Treasury Department
Internal Revenue Service

UNITED STATES
INDIVIDUAL INCOME AND DEFENSE TAX RETURN

Page 1

1940

(Auditor's Stamp)

FOR GROSS INCOMES OF MORE THAN $5,000 FROM SALARIES, WAGES, DIVIDENDS, INTEREST, ANNUITIES, AND FOR INCOMES FROM OTHER SOURCES REGARDLESS OF AMOUNTS

For Calendar Year 1940

or fiscal year beginning ...., 1940, and ended ...., 1941

To be filed with the Collector of Internal Revenue for your district not later than the 15th day of the third month following the close of your taxable year

PRINT NAME AND ADDRESS PLAINLY. (See Instruction C)

....
(Name) (Use given names of both husband and wife, if this is a joint return)

....
(Street and number, or rural route)

....
(Post office) (County) (State)

(Do not use these spaces)

File Code ....

Serial No. ....

District ....

(Cashier's Stamp)

Cash—Check—M. O.

First Payment

$ ....

Item and Instruction No.	INCOME		
1.	Salaries and other compensation for personal services. (From Schedule A)	$74797 77	
2.	Dividends	3147	
3.	Interest on bank deposits, notes, mortgages, etc.		
4.	Interest on corporation bonds	840	
5.	Taxable interest on Government obligations, etc. (From Schedule B)	143 75	2¢
6.	Income (or loss) from partnerships, syndicates, pools, etc. (other than capital gains or losses). (Furnish names and addresses):		
7.	Income from fiduciaries. (Furnish names and addresses):	1853 27	– increased
8.	Rents and royalties. (From Schedule C)	– 3429 66	
9.	Income (or loss) from business or profession. (From Schedule D)		omitted
10.	(a) Net short-term gain from sale or exchange of capital assets. (From Schedule F)		– addition corrected
	(b) Net long-term gain (or loss) from sale or exchange of capital assets. (From Schedule F)		
	(c) Net gain (or loss) from sale or exchange of property other than capital assets. (From Schedule G)		
11.	Other income (including income from annuities). (State nature)	20	
12.	Total income in items 1 to 11. (Enter nontaxable income in Schedule I)		$77371 63

	DEDUCTIONS — Reduced to 15% of net income as corrected		
13.	Contributions paid. (Explain in Schedule H)	$9824 05	
14.	Interest. (Explain in Schedule H)	187 50	– increased 10¢
15.	Taxes. (Explain in Schedule H)	11690 49	
16.	Losses from fire, storm, shipwreck, or other casualty, or theft. (Explain in Schedule H)		
17.	Bad debts. (Explain in Schedule H)		
18.	Other deductions authorized by law. (Explain in Schedule H)		
19.	Total deductions in items 13 to 18	1800 not deducted	21702 04
20.	Net income (item 12 minus item 19)		$55669 59

COMPUTATION OF TAX

21. Net income (item 20 above)		$55669 59	28. Normal tax (4% of item 27)	$2084 23	
			29. Surtax on item 24. (See Instruction 29)	13394 62	
22. Less: Personal exemption. (From Schedule J-1)	$2000		30. Total (item 28 plus item 29)	$15478 85	
23. Credit for dependents. (From Schedule J-2)		2000	31. Total income tax (item 30, or if you had a net long-term capital gain or loss, enter line 16, Schedule F)	$15478 85	
			32. Less: Income tax paid at source	$	
24. Balance (surtax net income)		$53669 59	33. Income tax paid to a foreign country or U. S. possession. (Attach Form 1116)		
25. Less: Interest on Government obligations, etc. (See Instruction 25)	$163 75		34. Balance of income tax (item 31 minus items 32 and 33)	$15478 85	
26. Earned income credit. (From Schedule K-1 or K-2)	1400	1563 75	35. Defense tax (10% of item 31). (See Instruction 35)	1547 89	
27. Balance subject to normal tax		$52105 84	36. Total income and defense taxes due (item 34 plus item 35)	$17026 74	

NOTE.—In order that this return may be accepted as meeting the requirements of the Internal Revenue Code, the data called for herein must be set forth FULLY and CLEARLY.

Schedule A.—INCOME RECEIVED FROM OTHERS CONSISTING OF SALARIES, WAGES, FEES, COMMISSIONS, BONUSES, AND OTHER COMPENSATION FOR PERSONAL SERVICES. (See Instruction 1)

1. Name and address of employer—If a governmental unit, indicate whether "Federal," "State," or "Local"	2. Amount	3. Expenses (itemize)	4. Amount
	$		$
Total of column 2 minus total of column 4 (enter as item 1, page 1)			$

Schedule B.—INTEREST ON GOVERNMENT OBLIGATIONS, ETC. (See Instruction G)

1. Obligations or securities	2. Amount owned at end of year including your proportionate share of such obligations held by estates, trusts, partnerships, or common trust funds	3. Interest received or accrued during the year	4. Amount of principal, interest on which is exempt from taxation	5. Interest on amount in excess of exemption
(a) Obligations of a State, Territory, or political subdivision thereof, or the District of Columbia, or United States possessions	$	$	All	xxxxxxxx xx
(b) Obligations issued under Federal Farm Loan Act, or under such Act as amended			All	xxxxxxxx xx
(c) Obligations of United States issued on or before September 1, 1917			All	xxxxxxxx xx
(d) Treasury Notes, Treasury Bills, and Treasury Certificates of Indebtedness			All	xxxxxxxx xx
(e) United States Savings Bonds and Treasury Bonds			$5,000	$
(f) Obligations of instrumentalities of the United States (other than obligations to be reported in (b) above)			None	
(g) Total (enter as item 5, page 1)				$

Schedule C.—INCOME FROM RENTS AND ROYALTIES. (See Instruction 8)

1. Kind of property	2. Amount	3. Depreciation (explain in Schedule E)	4. Repairs (explain below)	5. Other expenses (itemize below)	6. Net profit (column 2 minus sum of columns 3, 4, and 5) (enter as item 8, page 1)
	$1477 50	$	$	$4113 45	$ −2635 95
				793 71	− 793 71
					− 3429 66

Explanation of deductions claimed in columns 4 and 5

Schedule D.—PROFIT (OR LOSS) FROM BUSINESS OR PROFESSION. (See Instruction 9)

(State (1) nature of business ; (2) number of places of business ; (3) business name and address if different from name and address on page 1)

1. Total receipts		$

COST OF GOODS SOLD (To be used where inventories are an income-determining factor)		OTHER BUSINESS DEDUCTIONS	
2. Inventory at beginning of year	$	11. Salaries and wages not included as "Labor" (do not deduct compensation for yourself)	$
3. Merchandise bought for sale		12. Interest on business indebtedness	
4. Labor		13. Taxes on business and business property	
5. Material and supplies		14. Losses (explain below)	
6. Other costs (itemize below)		15. Bad debts arising from sales or services	
7. Total of lines 2 to 6	$	16. Depreciation, obsolescence, and depletion (explain in Schedule E)	
8. Less inventory at end of year		17. Rent, repairs, and other expenses (itemize below or on separate sheet)	
9. Net cost of goods sold (line 7 minus line 8)	$	18. Total of lines 11 to 17	$
10. Gross profit (line 1 minus line 9)	$	19. Net profit (or loss) (line 1 minus lines 9 and 18) (enter as item 9, page 1)	$

If the production, manufacture, purchase and sale of merchandise is an income-producing factor, inventories are required. Enter "C," or "C or M," on lines 2 and 8 to indicate whether inventories are valued at cost, or cost or market, whichever is lower.

Explanation of deductions claimed in lines 6, 14, and 17

Schedule E.—EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED IN SCHEDULES C, D, F, AND G

1. Kind of property (If buildings, state material of which constructed)	2. Date acquired	3. Cost or other basis (Do not include land or other nondepreciable property)	4. Assets fully depreciated in use at end of year	5. Depreciation allowed (or allowable) in prior years	6. Remaining cost or other basis to be recovered	7. Estimated life used in accumulating depreciation	8. Estimated remaining life from beginning of year	9. Depreciation allowable this year
		$	$	$	$			$

Schedule F.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF CAPITAL ASSETS. (See Instruction 10)

1. Kind of property (if necessary attach statement of descriptive details not shown below)	2. Date acquired Mo. Day Year	3. Date sold Mo. Day Year	4. Gross sales price (contract price)	5. Cost or other basis	6. Expense of sale and cost of improvements subsequent to acquisition or March 1, 1913	7. Depreciation allowed (or allowable) since acquisition or March 1, 1913 (explain in Schedule E)	8. Gain or loss (column 4 plus column 7 minus the sum of columns 5 and 6)	Gain or loss to be taken into account: 9. Percentage	10. Amount
SHORT-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD NOT MORE THAN 18 MONTHS									
			$	$	$	$	$	100	$
								100	
								100	
								100	
Total net short-term capital gain or loss (enter in line 1, column 3, of summary below)									$
LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 18 MONTHS BUT NOT FOR MORE THAN 24 MONTHS									
			$	$	$	$	$	66⅔	$
								66⅔	
								66⅔	
								66⅔	
LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD FOR MORE THAN 24 MONTHS									
			$	$	$	$	$	50	
								50	
								50	
								50	
Total net long-term capital gain or loss (enter in line 2, column 3, of summary below)									$

SUMMARY OF CAPITAL NET GAINS OR LOSSES

1. Classification	2. Net short-term capital loss of preceding taxable year (not in excess of net income for such year)	3. Net gain or loss to be taken into account from column 10, above: Gain	Loss	4. Net gain or loss to be taken into account from partnerships and "common trust funds": Gain	Loss	5. Total net gain or loss to be taken into account in columns 2, 3, and 4 of this summary: Gain	Loss
1. Total net short-term capital gain or loss (enter as item 10 (*a*), page 1, amount of gain shown in column 5)	$	$	$	$	$	$	No net loss allowable (see Instruction 10)
2. Total net long-term capital gain or loss (enter as item 10 (*b*), page 1, amount of gain or loss shown in column 5)		$	$	$	$	$	$

COMPUTATION OF ALTERNATIVE TAX

Use only (1) If you had a net long-term *capital gain*, and item 24, page 1, exceeds $22,000
(2) If you had a net long-term *capital loss*, and such loss plus item 24, page 1, exceeds $22,000

1. Net income (item 20, page 1). (See Instruction 10)		$	10. Normal tax (4% of line 9)	$
2. (*a*) Net long-term capital gain (item 10 (*b*), page 1)			11. Surtax on line 6. (See Instruction 29)	
(*b*) Net long-term capital loss (item 10 (*b*), page 1)				
3. Ordinary net income (line 1 minus line 2 (*a*) or line 1 plus line 2 (*b*)). (See Instruction 10)		$	12. Partial tax (line 10 plus line 11)	$
4. Less: Personal exemption. (From Schedule J-1)	$		13. (*a*) 30% of net long-term capital gain (30% of line 2 (*a*))	
5. Credit for dependents. (From Schedule J-2)			(*b*) 30% of net long-term capital loss (30% of line 2 (*b*))	
6. Balance (surtax net income)		$	14. Alternative tax (line 12 plus line 13 (*a*) or line 12 minus line 13 (*b*))	$
7. Less: Interest on Government obligations, etc. (See Instruction 25)	$		15. Total normal tax and surtax (item 30, page 1)	$
8. Earned income credit. (From Schedule K-1 or K-2). (See Inst. 10)			16. Tax liability (if a net long-term capital gain, on line 2 (*a*), enter line 14 or line 15, whichever is the lesser; if a net long-term capital loss, on line 2 (*b*), enter line 14 or line 15, whichever is the greater). (Enter as item 31, page 1)	$
9. Balance subject to normal tax		$		

Schedule G.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY OTHER THAN CAPITAL ASSETS (See Instruction 10)

1. Kind of property	2. Date acquired	3. Gross sales price (contract price)	4. Cost or other basis	5. Expense of sale and cost of improvements subsequent to acquisition or March 1, 1913	6. Depreciation allowed (or allowable) since acquisition or March 1, 1913 (explain in Schedule E)	7. Gain or loss (column 3 plus column 6 minus the sum of columns 4 and 5)
		$	$	$	$	$
Total net gain (or loss) (enter as item 10 (*c*), page 1)						$

State the family, fiduciary, or business relationship to you, if any, of purchaser of any of the items on this page: ....

If any of such items were acquired by you other than by purchase, explain fully how acquired: ....

Schedule H.—EXPLANATION OF DEDUCTIONS CLAIMED IN ITEMS 13, 14, 15, 16, 17, AND 18

1. Item No.	2. Explanation	3. Amount		1. Item No. (Continued)	2. Explanation (Continued)	3. Amount (Continued)	
		$				$ 4757	63
	Taxes	1716	79			75	54
		463	78				
		175	80		Total	11690	49
		4345	60				
		155	35				

Schedule I.—NONTAXABLE INCOME OTHER THAN INTEREST REPORTED IN SCHEDULE B. (See Instruction G)

1. Source of income	2. Nature of income	3. Amount	
		$	

Schedule J.—EXPLANATION OF CREDITS CLAIMED IN ITEMS 22 AND 23. (See Instructions 22 and 23)

(1) Personal Exemption

Status	Number of months during the year in each status	Credit claimed	
Single, or married and not living with husband or wife		$	
Married and living with husband or wife			
Head of family (explain below)			

(2) Credit for Dependents

Name of dependent and relationship	Number of months during the year: Under 18 years old	Over 18 years old	Credit claimed	
			$	

Reason for support if over 18 years old ....

Schedule K.—COMPUTATION OF EARNED INCOME CREDIT. (See Instruction 26)

(1) If your net income is $3,000 or less, use only this part of schedule

Net income (item 20, page 1)	$	
Earned income credit (10% of net income, above)		

(2) If your net income is more than $3,000, use only this part of schedule

Earned net income (not more than $14,000)	$	
Net income (item 20, page 1)		
Earned income credit (10% of earned net income or 10% of net income, above, whichever amount is smaller, but do not enter less than $300)		

QUESTIONS

1. State your principal occupation or profession ....
2. Check whether you are a citizen ☐ or a resident alien ☐.
3. Did you file a return for any prior year? .... If so, what was the latest year? .... To which Collector's office was it sent? ....
4. Are items of income or deductions of both husband and wife included in this return? ....
5. State (*a*) Name of husband or wife if separate return was made ....
   (*b*) Personal exemption, if any, claimed thereon ....
   (*c*) Collector's office to which it was sent ....
6. Check whether this return was prepared on the cash ☐ or accrual ☐ basis.
7. Did you at any time during your taxable year own directly or indirectly any stock of a foreign corporation or a personal holding company as defined by section 501 of the Internal Revenue Code? (Answer "yes" or "no") .... (If answer is "yes," attach statement required by Instruction J.)

AFFIDAVIT. (See Instruction E)

I/we swear (or affirm) that this return (including any accompanying schedules and statements) has been examined by me/us, and to the best of my/our knowledge and belief is a true, correct, and complete return, made in good faith, for the taxable year stated, pursuant to the Internal Revenue Code and the regulations issued under authority thereof.

Subscribed and sworn to by ....

before me this .... day of ...., 194..

....
(Signature and title of officer administering oath)

A return made by an agent must be accompanied by power of attorney. (See Instruction E.)

....
(Signature) (See Instruction E)

....
(Signature)

(If this is a joint return (not made by agent), it must be signed by both husband and wife. It must be sworn to before a proper officer by the spouse preparing the return. If neither or both prepare the return, it must be sworn to by both spouses.)

AFFIDAVIT. (See Instruction E)

(If this return was prepared for you by some other person, the following affidavit must be executed)

I/we swear (or affirm) that I/we prepared this return for the person or persons named herein and that the return (including any accompanying schedules and statements) is a true, correct, and complete statement of all the information respecting the tax liability of the person or persons for whom this return has been prepared of which I/we have any knowledge.

Subscribed and sworn to before me this .... day of ...., 194..

....
(Signature and title of officer administering oath)

....
(Signature of person preparing the return)

....
(Signature of person preparing the return)

....
(Name of firm or employer, if any)

Personal Financial
1940
881.98
679.25
202.73

THE PRESIDENT'S GENERAL PERSONAL ACCOUNT
Warm Springs Foundation - 1940

Harris County Taxes	83.81	
Meriwether County Taxes	379.97	
Fire Insurance	31.24	
Electrical service	1.00	
Plumbing Repairs	4.25	
Electrical service	1.00	
Coal and Wood	2.50	
Coal and Wood	8.00	
Yard work	3.50	
Supplies	.45	
Plumbing repairs	4.33	
" "	2.25	
Electrical service	1.00	
Fire Protection	15.00	
Plumbing ~~xxxxxx~~ repairs	1.65	
Hand controls for car	24.80	
Fettilizer	.63	
Commissary	2.22	
"	5.46	
"	4.82	
"	4.48	
"	2.72	
"	6.17	
"	5.44	
"	4.81	
"	3.24	
"	5.31	
"	40	
Replacing window planes	1.67	
Checking lights and turning on water	3.50	
Commissary	5.30	
"	1.16	
"	1.24	
"	3.41	
"	3.45	
"	3.46	
Building fire	.40	
Commissary	5.26	
Commissary Credit		3.24
Drayage	.25	
Commissary	2.94	
"	.92	
Brace shop - new braces	120.00	
Rental on James Roosevelt Cottage		20.00
Electrical Service	1.00	
" "	15.05	
" "	1.00	
Filling fire extinguisher	4.00	
" " "	1.00	
Electrical Service	1.00	
Brace shop7	1.00	
Electrical Service	1.00	
" "	1.00	
Plumbing repairs	1.20	
Yard work	3.50	
Electrical Service	1.00	
General Repairs - Little White House	79.49	
" " " " "	10.78	
Electrical Service	1.00	
Commissary	1.30	
Repairs to Little White House	2.33	

DETAILED ACCOUNT OF OTIS MOORE & ROOSEVELT FARM
February 13, 1940 to April 30, 1940

Salary - January	75.00
Overdraft - Bank of Manchester	42.19
Telephone rental - Nov. 1938 to Aug. 1939	25.00
Payment to Tropical Paint Co. for paint	47.75
Payment to Tennessee Lumber Co. for hardware	15.19
Salary - February	75.00
Payment D. M. Boggs for soy beans	4.00
Payment to Greenville Warehouse	49.00
Payment telephone call in connection with above	.30
Payment Georgia Power Company for electrical service through Feb. 6, 1940	23.28
	356.71

DETAILED ACCOUNT OF SAW MILL EXPENSES ON ROOSEVELT FARM

Payments - March 21, 1940 to Dec. 31, 1940

Valley Tractor & Truck Company - tractor/power unit	50.00	
International Harvester Company - notes on power	73.78	
" " " tractor unit	23.76	
" " " " " "	23.76	
" " " " " "	23.76	
Two notes due on sawmill - payment of	51.67	
International Harvester Company - notes on power tractor unit	23.76	
Credit payment by Otis Moore		25.00
Freight on Sawmill	26.00	
International Harvester Co - notes on tractor unit	23.76	
" " " " " " "	23.76	
" " " - Final Payment	47.52	
Grant Bros. Garage - for welding sawmill	1.50	
Labor by Ed Fowler for work on sawmill	5.00	
E. C. Adkins & Co. - repairs to saw	6.55	
Labor by Ed Fowler for repairs on saw	1.50	
Replacement all woodwork on saw by Maintenance Dept	110175	
Frick & Co. - for sawmill parts	43.23	
Evans Implement Co.-sawmill	187.41	
Total - less credit	722.47	

DETAILED ACCOUNT OTHER EXPENSES ROOSEVELT FARM

Payments - Jan. 20, 1940 to March 15, 1940

O. A. Riehle - for clearing fire breaks	64.00
" " " " " " "	64.00
" " " " " " "	65.00
" W" " " " " "	81.25
" " " " " " "	16.00
Gasoline & oil used in clearing firebreaks	17.90
Labor & Material and general repairs to house &land	370.99

Bill due Georgie Pine Mountain Valley Rural Community Corp. - 3/1/40 to 12/31/40

Salary due Roy Durham (new farmer)	360.00	
Other labor for farm help	437.50	
Permanent Improvements (repairs	236.84	
Seeds	169.16	
Live Stock feed	41.87	
Fertilizer	326.50	
Grape - debit balance - repairs, etc	7.50	
General Farm supplies	45.63	
Sale of Cotton - credit		204.23
Balance Due	1,420.77	

Due Georgia Warm Springs Foundation for farm operations by Roy Durham - March 1, 1940 to December 31, 1940

Advance given Roy Durham

Credit sale - three mules	160.00
" " beef	59.10
" " beef	106.33
" " "	206.54
	531.97
Farm labor	208.85
Equipment bought	90.00
Livestock purchase	55.00
Livestock feed	363.14
General Farm supplies	24.00
Electrical service	32.73
Miscellaneous	
Drayage - moving Mr. Durham into farmhouse	5.00
Cash for additional moving expenses	56.00
Harrowing	21.00
Payment Georgia Power Company for labor on water works	5.00
Sharpening saws	.60
Drayage for Harrow	1.00
	88.60

P.F.
3-1940.

COPY

January 10, 1940.

Dear Doc:

Thank you for the check for $1,158.70, representing dividends on stock of Trust during year 1939.

It will be duly entered on line # 7 of my income tax return, giving your name and address as Fiduciary.

I have endorsed the check to you as Trustee and I return it herewith for reinvestment as apart of the Trust.

As ever your,

Basil O'Connor, Esq.,
120 Broadway,
New York City
New York.

(enclosure)

See:Personal Financial-Drawer 3-1939 for Mr. O'Connor's letter relating to the above.

file
personal
financial

GEORGIA WARM SPRINGS FOUNDATION

120 BROADWAY

NEW YORK

January 6, 1941.

The President,
The White House,
Washington, D. C.

My dear Mr. President:

This will acknowledge your letter of December 26, 1940, enclosing check for $10,000.00 as a donation to this Foundation, which you may be sure is greatly appreciated by all of the other Trustees.

Faithfully yours,

Basil O'Connor

Chairman, Executive Committee.

BASIL O'CONNOR
JOHN C. FARBER
ARNOLD T. KOCH

KENNETH L. HOFFMAN
HENRY K. URION
WILLIAM F. SNYDER
MAURICE MOUND
EARLE R. KOONS
STEPHEN V. RYAN, JR.

O'CONNOR & FARBER
COUNSELORS AT LAW
120 BROADWAY
NEW YORK

file
personal.
personal
with memo.

January 6, 1941.

The President,
The White House,
Washington, D. C.

My dear Mr. President:

In reply to your inquiry of December 26th, there is no Federal gift tax on a gift to a charitable corporation. The $10,000 donation to the Georgia Warm Springs Foundation is a deduction if it, when added to any other allowable charitable donation, does not exceed 15% of your net income as computed before deducting the donations.

Enclosed is a check for $1,853.27 representing income received by your Trust during the year 1940. I assume you will wish to endorse and return this check to me for deposit in the Trust.

This amount should be entered on line "7" of your personal Federal income tax return furnishing my name and address as the Fiduciary.

Of the above amount $853.27 should be entered on line "24(a)" of your personal New York State income tax return furnishing my name and address as the Fiduciary.

Faithfully yours,

Basil O'Connor

Enc.

January 8, 1941.

Dear Basil:-

Thank you for yours of January sixth with check for $1,853.27, representing income received by my Trust during the year 1940.

I have endorsed the check to your order as Trustee for you to deposit in the Trust.

As ever yours,

Basil O'Connor, Esq.,
120 Broadway,
New York, N. Y.

(Enclosure)

September 1,1940

FDR

TO

GHR

- -

TO: Installation of Philgas and equipment for
RUSSELL W. LINAKA

Installation charge ....$	9.75
1 #240 Range	32.30
1 #20 Ruud Water Heater	20.35
	$ 62.40

R E C E I V E D

P A Y M E N T

G Hall Roosevelt

PLEASE DETACH BEFORE DEPOSITING CHECK

1940

RANDOM HOUSE
INCORPORATED
20 E 57TH ST
NEW YORK

In settlement:

DATE	TERMS	AMOUNT
	first serial income from Life Magazine on NAVAL SKETCHES OF THE WAR IN CALIFORNIA	250.00

Less discount: %

Balance herewith:

Form 1—Revised Feb. 1926
TREASURY DEPARTMENT
INTERNAL REVENUE SERVICE

RECEIPT FOR PAYMENT OF TAXES
ORIGINAL

Income 1939
(Class of tax)

Collector's Office ...., *District of* Maryland

at .... *Date* ....

(NAME AND ADDRESS OF TAXPAYER)

Franklin D. Roosevelt,
The White House,
Washington, D.C.

PAID
District of Maryland
Washington Branch Office
Cashier #2
SEP 16 1940
M. HAMPTON MAGRUDER
Coll. Int. Rev.

(Description of collection: tax, penalty, interest, or offer in compromise, etc.)

ck. Guaranty Trust
Co. of New York

(Period covered)

Amount, $ 3120.04

Received payment,

U. S. GOVERNMENT PRINTING OFFICE 3—2792

Collector of Internal Revenue.

Form 1—Revised Feb. 1926
TREASURY DEPARTMENT
INTERNAL REVENUE SERVICE

RECEIPT FOR PAYMENT OF TAXES
ORIGINAL

1939 Income Tax
(Class of tax)

Collector's Office ...., *District of* Maryland

at Baltimore, Maryland *Date* March 15, 1940

(NAME AND ADDRESS OF TAXPAYER)

Franklin D. Roosevelt
White House
Washington, D. C.

(Description of collection: tax, penalty, interest, or offer in compromise, etc.)

PAID-Cashier No. 1
COLLECTOR OF INTERNAL REVENUE
DISTRICT OF MARYLAND
MAR 15 1940

(Period covered)

Amount, $ 8,057.30

Received payment,
BALTIMORE OFFICE

Bal due after adjustment
of amended return 6240.07

U. S. GOVERNMENT PRINTING OFFICE 3—2792

Collector of Internal Revenue.

P.F. 3
61

April 5, 1940.

My dear Mr. Commissioner:-

I enclose herewith amended individual income tax return for the calendar year 1939. This shows a reduction of tax due by the amount of $1,827.23. This is caused by adding to Item #13 a contribution made by me to the United States Government in the amount of $4,226.13, representing value of land contributed by me to the United States of America on July 24, 1939. I enclose itemized statement showing how this sum is arrived at.

I have already paid by check, on March 15th, the sum of $8,057.30. On the basis of this amended return, showing total tax of $14,297.37, the amount still due the United States is, therefore, in the sum of $6,240.07.

Very sincerely yours,

Hon. Guy T. Helvering,
Commissioner of Internal Revenue,
Washington, D. C.

(Enclosures)

PF

March 18, 1940.

My dear Commissioner:-

I enclose herewith original personal income tax return for calendar year 1939, with copy thereof, together with check for $8,087.50, representing one-half of the total tax.

As I advised you early this morning, the value of the property at Hyde Park, deeded to the United States Government by my Mother and myself last Summer, is about $5,400. It comprises
(18) approximately ~~thirty~~-eight een acres and I believe that because of its road frontage it is worth the above amount. The deduction of this either by my Mother or myself, or divided between us, can be worked out in relation to her personal income tax for 1939 or mine or both.

Very sincerely yours,

Honorable Guy T. Helvering,
Commissioner of Internal Revenue,
Washington, D. C.

(Enclosures)

PF
3

April 15, 1940.

Dear Cortland:-

I am enclosing herewith my Income Tax return for the calendar year 1939, together with check for $4,757.63.

This is, under an unofficial ruling of the Attorney General of the United States, the first year that my salary as President has been taxable by the State of New York.

As you know, I have paid no State Income Tax since the tax on the calendar year 1932 because in each of the succeeding years the total of losses and contributions has greatly exceeded the income from sources other than my salary as President.

I am stating this again for the records of your office and, of course, if you would care to have copies of my Federal Income Tax returns for the years 1933 to 1938 inclusive, I will be very glad to furnish them to you.

I hope to be at Hyde Park for occasional weekends in May and June and if you would care to run down there, it would give me very great pleasure to see you again.

Very sincerely yours,

Hon. Cortland A. Wilber,
Director, Income Tax Bureau,
Department of Taxation and Finance,
State Office Building,
Albany, N. Y.

file
Personal

P.F.

CORTLAND A. WILBER
DEPUTY COMMISSIONER
DIRECTOR INCOME TAX BUREAU

DEPARTMENT OF TAXATION AND FINANCE
ALBANY, NEW YORK
April 22, 1940

THE WHITE HOUSE
APR 24 8 58 AM '40
RECEIVED

Dear Franklin:

Yours of April 15th, together with your New York State income tax return for 1939, and check for $4757.63 came directly to me and I will see to it that it is properly taken care of.

I do not need the Federal returns from 1933 to 1938 at present. If I should wish to see them later, I will write you.

The invitation to Hyde Park is very gratifying and I hope to be able to take advantage of it. It is quite a long time since we have met face to face.

Sincerely,

Cortland A. Wilber.

Hon. Franklin D. Roosevelt
White House
Washington D. C.

F 2

CITY BANK FARMERS TRUST COMPANY

22 WILLIAM STREET
NEW YORK

3-40

C709 DATE 12/2/40 No. 274713

TO

HONORABLE FRANKLIN DELANO ROOSEVELT
THE WHITE HOUSE
WASHINGTON D C

IN ACCORDANCE WITH INSTRUCTIONS WE HAVE **BOUGHT** THE SECURITIES DESCRIBED BELOW, AND ON DELIVERY TO US WE WILL CHARGE THE FOLLOWING ACCOUNT

NCB CBF BR A/C FRANKLIN DELANO ROOSEVELT

PAR VALUE OR SHARES	SECURITY	PRICE
200 SHS	SIMMONS CO CAPITAL NO PAR	20 1/2 BKGE

ACCRUED INTEREST FROM TO

THE ABOVE SECURITIES WILL BE HELD IN THE FOLLOWING SECURITY ACCOUNT:

CUST A/C FRANKLIN DELANO ROOSEVELT

THIS IS ONLY A NOTICE OF THE EXECUTION OF ABOVE ORDER. COMPLETE ADVICE OF CHARGE WILL FOLLOW AFTER DELIVERY OF THE SECURITIES TO US.

OK YOURS VERY TRULY,

CITY BANK FARMERS TRUST COMPANY

F 2

CITY BANK FARMERS TRUST COMPANY

22 WILLIAM STREET
NEW YORK

C 709 DATE 12/2/40 No. 274508

TO

HONORABLE FRANKLIN DELANO ROOSEVELT
THE WHITE HOUSE
WASHINGTON D C

IN ACCORDANCE WITH INSTRUCTIONS WE HAVE **BOUGHT** THE SECURITIES DESCRIBED BELOW, AND ON DELIVERY TO US WE WILL CHARGE THE FOLLOWING ACCOUNT

NCB CBF BR A/C FRANKLIN DELANO ROOSEVELT

PAR VALUE OR SHARES	SECURITY	PRICE
200 SHS	R J REYNOLDS TOBACCO CO CLASS B NON VOTING STOCK $10.PAR VALUE	32 1/2 & BKGE

ACCRUED INTEREST FROM TO

THE ABOVE SECURITIES WILL BE HELD IN THE FOLLOWING SECURITY ACCOUNT:

CSTD A/C FRANKLIN DELANO ROOSEVELT

THIS IS ONLY A NOTICE OF THE EXECUTION OF ABOVE ORDER. COMPLETE ADVICE OF CHARGE WILL FOLLOW AFTER DELIVERY OF THE SECURITIES TO US.

OK YOURS VERY TRULY,

CITY BANK FARMERS TRUST COMPANY

United States Committee for the Care of European Children, Inc.

NEW YORK, N. Y.

PPF

Your deposit received through our local committee at New York, N. Y. has been deposited in a special bank account for disbursement as indicated below:

UNITED STATES COMMITTEE FOR THE CARE OF EUROPEAN CHILDREN, INC.
BY MARSHALL FIELD, PRESIDENT

DEPOSIT

September 25 1940

President Franklin D. Roosevelt
The White House
Washington, D. C.

Investig. Tax, Visa.	$
Trust Fund	$
Recep. care & Transp.	$
Ocean Transp.	$ 240.00
TOTAL	$ 240.00

SPONSOR'S DEPOSIT CONFIRMATION ORIG. A/C No. 1278

No. 1805

F 9435

2

CITY BANK FARMERS TRUST COMPANY
22 WILLIAM STREET
NEW YORK

C 709 DATE 12/2/40 No. 274513

TO

HONORABLE FRANKLIN DELANO ROOSEVELT
THE WHITE HOUSE
WASHINGTON D C

IN ACCORDANCE WITH INSTRUCTIONS WE HAVE **BOUGHT** THE SECURITIES DESCRIBED BELOW, AND ON DELIVERY TO US WE WILL CHARGE THE FOLLOWING ACCOUNT

NCB CBF BR A/C FRANKLIN DELANO ROOSEVELT

PAR VALUE OR SHARES	SECURITY	PRICE
100 SHS	LAMBERT COMPANY CAPITAL STOCK NO PAR VALUE	12 7/8 BK

ACCRUED INTEREST FROM TO

THE ABOVE SECURITIES WILL BE HELD IN THE FOLLOWING SECURITY ACCOUNT:

CSTD A/C FRANKLIN DELANO ROOSEVELT

THIS IS ONLY A NOTICE OF THE EXECUTION OF ABOVE ORDER. COMPLETE ADVICE OF CHARGE WILL FOLLOW AFTER DELIVERY OF THE SECURITIES TO US.

OK YOURS VERY TRULY,

CITY BANK FARMERS TRUST COMPANY

F 9435

2

CITY BANK FARMERS TRUST COMPANY
22 WILLIAM STREET
NEW YORK

C709 DATE 12/2/40 No. 274714

TO

HONORABLE FRANKLIN DELANO ROOSEVELT
THE WHITE HOUSE
WASHINGTON D C

IN ACCORDANCE WITH INSTRUCTIONS WE HAVE **BOUGHT** THE SECURITIES DESCRIBED BELOW, AND ON DELIVERY TO US WE WILL CHARGE THE FOLLOWING ACCOUNT

NCB CBF BR A/C FRANKLIN DELANO ROOSEVELT

PAR VALUE OR SHARES	SECURITY	PRICE
100 SHS	UNION PACIFIC RR CO 4% NON CUM PFD $100 PAR	85 B

ACCRUED INTEREST FROM TO

THE ABOVE SECURITIES WILL BE HELD IN THE FOLLOWING SECURITY ACCOUNT:

CUST A/C FRANKLIN DELANO ROOSEVELT

THIS IS ONLY A NOTICE OF THE EXECUTION OF ABOVE ORDER. COMPLETE ADVICE OF CHARGE WILL FOLLOW AFTER DELIVERY OF THE SECURITIES TO US.

OK YOURS VERY TRULY,

CITY BANK FARMERS TRUST COMPANY

F 5435

2

CITY BANK FARMERS TRUST COMPANY
22 WILLIAM STREET
NEW YORK

C 709 DATE 12/3/40 No. 274526

TO

HONORABLE FRANKLIN DELANO ROOSEVELT
THE WHITE HOUSE
WASHINGTON D C

IN ACCORDANCE WITH INSTRUCTIONS WE HAVE **BOUGHT** THE SECURITIES DESCRIBED BELOW, AND ON DELIVERY TO US WE WILL CHARGE THE FOLLOWING ACCOUNT
NCB CBF BR A/C FRANKLIN DELANO ROOSEVELT

PAR VALUE OR SHARES	SECURITY	PRICE
1000.	ATLANTIC COAST LINE RAILROAD CO COLL TRUST NOTES 5% DUE 5/1/45	69 5/8 INT & BK

ACCRUED INTEREST FROM 11/1/40 TO 12/5/40

THE ABOVE SECURITIES WILL BE HELD IN THE FOLLOWING SECURITY ACCOUNT:
CSTD A/C FRANKLIN DELANO ROOSEVELT

THIS IS ONLY A NOTICE OF THE EXECUTION OF ABOVE ORDER. COMPLETE ADVICE OF CHARGE WILL FOLLOW AFTER DELIVERY OF THE SECURITIES TO US.

ak YOURS VERY TRULY,

CITY BANK FARMERS TRUST COMPANY

F 5435

2

CITY BANK FARMERS TRUST COMPANY
22 WILLIAM STREET
NEW YORK

C 709 DATE 12/2/40 No. 274514

TO

HONORABLE FRANKLIN DELANO ROOSEVELT
THE WHITE HOUSE
WASHINGTON D C

IN ACCORDANCE WITH INSTRUCTIONS WE HAVE **BOUGHT** THE SECURITIES DESCRIBED BELOW, AND ON DELIVERY TO US WE WILL CHARGE THE FOLLOWING ACCOUNT
NCB CBFBR A/C FRANKLIN DELANO ROOSEVELT

PAR VALUE OR SHARES	SECURITY	PRICE
100 SHS	LAMBERT COMPANY CAPITAL SOCK NO PAR VALUE	12 7/8 BK

ACCRUED INTEREST FROM TO

THE ABOVE SECURITIES WILL BE HELD IN THE FOLLOWING SECURITY ACCOUNT:
CSTD A/C FRANKLIN DELANO ROOSEVELT

THIS IS ONLY A NOTICE OF THE EXECUTION OF ABOVE ORDER. COMPLETE ADVICE OF CHARGE WILL FOLLOW AFTER DELIVERY OF THE SECURITIES TO US.

ak YOURS VERY TRULY,

CITY BANK FARMERS TRUST COMPANY

2

CITY BANK FARMERS TRUST COMPANY
22 WILLIAM STREET
NEW YORK

C 709 DATE 12/3/40 No. 274527

TO

HONORABLE FRANKLIN DELANO ROOSEVELT
THE WHITE HOUSE
WASHINGTON D C

IN ACCORDANCE WITH INSTRUCTIONS WE HAVE BOUGHT THE SECURITIES DESCRIBED BELOW, AND ON DELIVERY TO US WE WILL CHARGE THE FOLLOWING ACCOUNT

NCB CBF BR A/C FRANKLIN DELANO ROOSEVELT

PAR VALUE OR SHARES	SECURITY	PRICE
9000.	ATLANTIC COAST LINE RAILROAD CO COLL TRUST NOTES 5% DUE 5/1/45	69 1/2 INT & BK

ACCRUED INTEREST FROM 11/1/40 TO 12/5/40

THE ABOVE SECURITIES WILL BE HELD IN THE FOLLOWING SECURITY ACCOUNT:

CSTD A/C FRANKLIN DELANO ROOSEVELT

THIS IS ONLY A NOTICE OF THE EXECUTION OF ABOVE ORDER. COMPLETE ADVICE OF CHARGE WILL FOLLOW AFTER DELIVERY OF THE SECURITIES TO US.

YOURS VERY TRULY,

CITY BANK FARMERS TRUST COMPANY

CITY BANK FARMERS TRUST COMPANY
22 WILLIAM STREET
NEW YORK

CONFIRMATION AND ADVICE OF CHARGE

709 DATE OF PURCHASE 12/2/40

No. 274514

DATE OF CHARGE DEC 10 1940

TO

HONORABLE FRANKLIN DELANO ROOSEVELT
THE WHITE HOUSE
WASHINGTON D C

SUTRO BROS & CO

AVE RECEIVED THE SECURITIES DETAILED BELOW AND
ACCORDINGLY CHARGED THE FOLLOWING ACCOUNT:

B CBFBR A/C FRANKLIN DELANO ROOSEVELT

E OR SHARES	SECURITY	PRICE	PRINCIPAL AMOUNT
00 SHS	LAMBERT COMPANY CAPITAL SOCK NO PAR VALUE	12 7/8 BK	1301.50

INTEREST FROM TO INCOME

AMOUNT OF CHARGE → 1301.50

VE SECURITIES WILL BE HELD IN THE FOLLOWING SECURITY ACCOUNT:

CSTD A/C FRANKLIN DELANO ROOSEVELT

BK 14.00

CITY BANK FARMERS TRUST COMPANY

BY [signature] Stevens

F 5426A
1

CITY BANK FARMERS TRUST COMPANY
22 WILLIAM STREET
NEW YORK

CONFIRMATION AND
ADVICE OF CHARGE

C 709 DATE OF PURCHASE 12/3/40

No. 274527

DATE OF CHARGE DEC 6 - 1940

TO HONORABLE FRANKLIN DELANO ROOSEVELT
THE WHITE HOUSE
WASHINGTON D C

VILAS & HICKEY

WE HAVE RECEIVED THE SECURITIES DETAILED BELOW AND
HAVE ACCORDINGLY CHARGED THE FOLLOWING ACCOUNT:

NCB CBF BR A/C FRANKLIN DELANO ROOSEVELT

PAR VALUE OR SHARES	SECURITY	PRICE	PRINCIPAL AMOUNT
9000.	ATLANTIC COAST LINE RAILROAD CO COLL TRUST NOTES 5% DUE 5/1/45	69 1/2 INT & BK	6277.50

ACCRUED INTEREST FROM 11/1/40 TO 12/5/40 INCOME 42.50

AMOUNT OF CHARGE→ 6320.00

THE ABOVE SECURITIES WILL BE HELD IN THE FOLLOWING SECURITY ACCOUNT:

CSTD A/C FRANKLIN DELANO ROOSEVELT

BKGE 22.50

1

CITY BANK FARMERS TRUST COMPANY

BY Stevens

F 5426A
1

CITY BANK FARMERS TRUST COMPANY
22 WILLIAM STREET
NEW YORK

CONFIRMATION AND
ADVICE OF CHARGE

C 709 DATE OF PURCHASE 12/2/40

No. 274513

DATE OF CHARGE DEC 10 1940

TO HONORABLE FRANKLIN DELANO ROOSEVELT
THE WHITE HOUSE
WASHINGTON D C

SUTRO BROS & CO

WE HAVE RECEIVED THE SECURITIES DETAILED BELOW AND
HAVE ACCORDINGLY CHARGED THE FOLLOWING ACCOUNT:

NCB CBF BR A/C FRANKLIN DELANO ROOSEVELT

PAR VALUE OR SHARES	SECURITY	PRICE	PRINCIPAL AMOUNT
100 SHS	LAMBERT COMPANY CAPITAL STOCK NO PAR VALUE	12 7/8 BK	1301.50

ACCRUED INTEREST FROM TO INCOME

AMOUNT OF CHARGE→ 1301.50

THE ABOVE SECURITIES WILL BE HELD IN THE FOLLOWING SECURITY ACCOUNT:

CSTD A/C FRANKLIN DELANO ROOSEVELT

BK 14.00

CITY BANK FARMERS TRUST COMPANY

4

BY Stevens

F 5426A
1

CITY BANK FARMERS TRUST COMPANY
22 WILLIAM STREET
NEW YORK

CONFIRMATION AND ADVICE OF CHARGE

C709

DATE OF PURCHASE 12/2/40

No. 274713

DATE OF CHARGE DEC 5 - 1940

TO

HONORABLE FRANKLIN DELANO ROOSEVELT
THE WHITE HOUSE
WASHINGTON D C

HAYDEN STONE & CO

WE HAVE RECEIVED THE SECURITIES DETAILED BELOW AND HAVE ACCORDINGLY CHARGED THE FOLLOWING ACCOUNT:

NCB CBF BR A/C FRANKLIN DELANO ROOSEVELT

PAR VALUE OR SHARES	SECURITY	PRICE	PRINCIPAL AMOUNT
200 SHS	SIMMONS CO CAPITAL NO PAR	20 1/2 BKGE	4130.00

ACCRUED INTEREST FROM TO INCOME

AMOUNT OF CHARGE → 4130.00

THE ABOVE SECURITIES WILL BE HELD IN THE FOLLOWING SECURITY ACCOUNT:

CUST A/C FRANKLIN DELANO ROOSEVELT

BK 30.00

CITY BANK FARMERS TRUST COMPANY

BY Stevens

F 5426A
1

CITY BANK FARMERS TRUST COMPANY
22 WILLIAM STREET
NEW YORK

CONFIRMATION AND ADVICE OF CHARGE

C 709 DATE OF PURCHASE 12/3/40

No. 274526

DATE OF CHARGE DEC 5 - 1940

TO

HONORABLE FRANKLIN DELANO ROOSEVELT
THE WHITE HOUSE
WASHINGTON D C

VILAS & HICKEY

WE HAVE RECEIVED THE SECURITIES DETAILED BELOW AND HAVE ACCORDINGLY CHARGED THE FOLLOWING ACCOUNT:

NCB CBF BR A/C FRANKLIN DELANO ROOSEVELT

PAR VALUE OR SHARES	SECURITY	PRICE	PRINCIPAL AMOUNT
1000.	ATLANTIC COAST LINE RAILROAD CO COLL TRUST NOTES 5% DUE 5/1/45	69 5/8	698.75

INT & BK

ACCRUED INTEREST FROM 11/1/40 TO 12/5/40 INCOME 4.72

AMOUNT OF CHARGE → 703.47

THE ABOVE SECURITIES WILL BE HELD IN THE FOLLOWING SECURITY ACCOUNT:

CSTD A/C FRANKLIN DELANO ROOSEVELT

BKGE 2.50

CITY BANK FARMERS TRUST COMPANY

BY Stevens

P.F.

January 3, 1941

Dear Mrs. Klotz:

Enclosed herewith is the President's check for $37.50 representing interest of the Washington Hollow Property.

Very truly yours,

M. A. LeHand
Private Secretary

Mrs. H. S. Klotz,
2211 Thirtieth Street, N. W.,
Washington, D. C.

Enclosure.

2211 THIRTIETH STREET
WASHINGTON, D. C.

December 30, 1940.

Dear Miss LeHand:

To-day I sent Mr. Morgenthau's check for $75.00 to Judge John E. Mack paying the interest on the mortgage covering the Washington Hollow property to December 31st.

May I please have your check for $37.50, at your convenience.

Sincerely,

Miss Marguerite LeHand,
The White House.

100 U.P. Pfd	$ 8,400.
200 Rep. Tob B	3,300.
200 Lambert Co.	2,600.
200 Simmons Co	4,200. ✓
Atl Coast Line 5's 1945	7,000
	$ 25,550

November 29, 1940.

City Bank Farmers Trust Co.,
22 William Street,
New York, N. Y.

Gentlemen:-

Recently I deposited with you a check for twenty-five thousand dollars which I received as a legacy from my Aunt, Mrs. Forbes. Would you be good enough to purchase the following and hold for me as custodian:

100	U. P. Pfd. - - - - - - - - -	$8,450	approximate value	8512.50
200	Reynolds Tob. B. - - - - -	3,300		6533
200	Lambert Co. - - - - - - -	2,600		2631
200	Simmons Co. - - - - - - -	4,200		4160
10,000	Atlantic Coast Line 5's 1945 - - - - - - -	7,000		7045.50
				28873.00

Very truly yours,

the original of this is lost

November 29, 1940

City Bank Farmers Trust Co.,
22 William Street,
New York, New York.

Gentlemen:

Recently I deposited with you a check for twenty-five thousand dollars which I received as a legacy from my Aunt, Mrs. Forbes. Would you be good enough to purchase the following and hold for me as custodian:

100 U. P. Pfd. - - - -	-$8,450
200 Reynolds Tob. B. - -	- 3,300
200 Lambert Co. - - - - -	- 2,600
200 Simmons Co. - - - -	- 4,200
Atlantic Coast Line 5's 1945	- 1,000

Very truly yours,

mal/tmb

City Bank Farmers Trust Company
CHARTERED 1822
22 William Street
E ADDRESS: FARMTRUST

New York December 4, 1940
IN REPLY PLEASE QUOTE Cust.

Honorable Franklin Delano Roosevelt,
The White House,
Washington, D. C.

Sir:

Your letter of November 29th was received by us after the close of business, November 30th, hence your orders for the purchase of various securities were not entered by us until Monday morning, December 2nd. You should have received from us advices of the execution of these orders and we enclose herewith final advices showing the amounts charged to your account in connection with the purchase of 100 shares Union Pacific Railroad Company Preferred and 200 shares R. J. Reynolds Tobacco Company Class "B". Final advices on the other securities will be mailed to you as soon as they are received from the broker and paid for to the debit of your account.

We might mention that on December 2nd we received an exact duplicate of your letter of November 29th with the exception that on the first letter received you had filled in by hand $10,000 Atlantic Coast Line 5s and had also bracketed and written in ink - approximate value. We assume the second letter to be a duplicate of the first. If this is not entirely in order kindly advise us.

Very truly yours,

H. M. Peterson,
Assistant Trust Officer.

HMP/MVS

ENCLOSURE (2)

F 5428A
1

CITY BANK FARMERS TRUST COMPANY
22 WILLIAM STREET
NEW YORK

CONFIRMATION AND ADVICE OF CHARGE

C709 DATE OF PURCHASE 12/2/40

No. 274714
DATE OF CHARGE DEC 4 1940

TO
HONORABLE FRANKLIN DELANO ROOSEVELT
THE WHITE HOUSE
WASHINGTON D C

DOMINICK & DOMINICK

WE HAVE **RECEIVED** THE SECURITIES DETAILED BELOW AND HAVE ACCORDINGLY **CHARGED** THE FOLLOWING ACCOUNT:

NCB CBF BR A/C FRANKLIN DELANO ROOSEVELT

PAR VALUE OR SHARES / SECURITY	PRICE	PRINCIPAL AMOUNT
100 SHS UNION PACIFIC RR CO 4% NON CUM PFD $100 PAR	85 BK	8521.00

ACCRUED INTEREST FROM TO INCOME

AMOUNT OF CHARGE → 8521.00

THE ABOVE SECURITIES WILL BE HELD IN THE FOLLOWING SECURITY ACCOUNT:

CUST A/C FRANKLIN DELANO ROOSEVELT

BK 21.00

CITY BANK FARMERS TRUST COMPANY

BY J. Stevens

F 5428A
1

CITY BANK FARMERS TRUST COMPANY
22 WILLIAM STREET
NEW YORK

CONFIRMATION AND ADVICE OF CHARGE

C 709 DATE OF PURCHASE 12/2/40

No. 274508
DATE OF CHARGE DEC 4 1940

TO HONORABLE FRANKLIN DELANO ROOSEVELT
THE WHITE HOUSE
WASHINGTON D C

LAIRD & CO

WE HAVE **RECEIVED** THE SECURITIES DETAILED BELOW AND HAVE ACCORDINGLY **CHARGED** THE FOLLOWING ACCOUNT:

NCB CBF BR A/C FRANKLIN DELANO ROOSEVELT

PAR VALUE OR SHARES / SECURITY	PRICE	PRINCIPAL AMOUNT
200 SHS R J REYNOLDS TOBACCO CO CLASS B NON VOTING STOCK $10.PAR VALUE	32 1/2 & BKGE	6532.00

ACCRUED INTEREST FROM TO INCOME

AMOUNT OF CHARGE → 6532.00

THE ABOVE SECURITIES WILL BE HELD IN THE FOLLOWING SECURITY ACCOUNT:

CSTD A/C FRANKLIN DELANO ROOSEVELT

BK 32.00

CITY BANK FARMERS TRUST COMPANY

BY J. Stevens

G. HALL ROOSEVELT
~~xxxxxxxxxx~~ Hyde Park
NEW YORK

Missy to take care of bill & file the other

September 10,1940

Miss Marguerite LeHand
White House
Washington, D.C.

Dear Missy:

I am enclosing herewith a copy of this months Trial Balance together with a bill for the Philgas installation at Linaka's house.

Sincerely,

Hall.

September 1,1940

TRIAL BALANCE

Insurance ....$	582.77	FDR ....$	10721.19
General Expense.........	1103.06	GHR	6414.64
Landscaping	170.98	Accounts Payable	2247.34
Petty Cash	17.16	Cash	250.84
Philgas	8.44	Discounts	109.91
Electricity	63.81		
Laborers Salaries	6436.20		
Project No. VIII -......	664.15		
Arnold Berge	20.12		
Office	1279.54		
Telephone	283.63		
Purchases	8744.81		
Social Security	70.62		
Cookingham	6.00		
N.Y. State Unemployment	222.06		
Supervision	304.75		
PROJECTS NOS. IV.......	2.90	PROJECTS: Nos. I.......	8.11
VI	73.76	II	45.00
VII	132.75	III	228.63
		V	161.85
	$ 20187.51		$ 20187.51

or other correspondence
n the President's Farm at Warm
prings.

ee:Warm Springs Folder-Drawer 3-1940

GEORGIA WARM SPRINGS FOUNDATION
120 BROADWAY
NEW YORK

PRESIDENT
NKLIN D. ROOSEVELT
TREASURER
ASIL O'CONNOR

January 22, 1940.

The President,
The White House,
Washington, D. C.

Dear Mr. President:

Your inquiry in your letter of January 18, 1940, as to whether capital improvements on your farm costing approximately $2,000 could be deducted as a capital loss in your income tax return for the year in which the farm is sold, presents more of a problem in connection with the sale of the farm than can be answered by simply "right" or "wrong". Generally speaking any loss that you incur at the time of the sale of the farm will be deductible as a capital loss, including in the cost basis, not only improvements, but the original cost as well.

That brings up the subject of depreciation. Any items of a depreciable nature such as buildings, equipment, etc. acquired at the time the farm was purchased and any such additions thereto will have to be depreciated from their respective acquisition dates and at their respective rates in arriving at the present cost basis for tax purposes. That is true even though you have not included a deduction for depreciation in the annual loss incurred in running the farm. Unless this can be readily determined from your accounts it will present somewhat of a problem as to do it correctly, means, that the original cost should be apportioned between land and depreciable items and the same procedure followed as to any improvements or additions. If you wish to send me your figures in as much detail as possible I will be glad to examine them and see what further information is necessary, if any.

Faithfully yours,

Doc

COPY

January 18, 1940

Dear Doc:

I entirely approve Mr. Haughey's suggestions and will try to get you the amounts of the original purchase prices by me for the farm lands.

Am I right in the following:

Each year except one, I have deducted from my personal income tax an amount equal to my loss in running the farm, this loss not including the cost of permanent improvements such as road building, house building and tree plantations. The total cost of these is not very high -- not more than two thousand dollars, but I think I can deduct this two thousand dollars as a loss in next years return because it represents capital. Am I right?

As ever yours,

Franklin D. Roosevelt

Basil O'Connor, Esq.,
120 Broadway,

File

Personal financial 3-40

October 28, 1940

Dear Mr. Benson:

I am enclosing herewith the President's check in the amount of five hundred dollars as his contribution to the Dutchess County Democratic Committee.

Very truly yours,

M. A. LeHAND
Private Secretary

tmb

Honorable James A. Benson,
Chairman, Dutchess County
Democratic Committee,
35 Market Street
Poughkeepsie, New York.

Enclosure

tmb

Check No. 311 drawn on Guaranty Trust Company of New York 10/28/40 to the order of Treasurer, Dutchess Co. Democratic Committee in the amount of $500.00 signed FDR by MALeH., Atty.

PF

October 17, 1940

PERSONAL

Dear Ed:

The President has asked me to send you the enclosed check for five hundred dollars as a contribution to the Democratic National Committee.

I am also enclosing a United Air Lines bill covering Jimmy's expenses from California to Albuquerque, New Mexico and return. As you know, he was pressed to go into New Mexico to "hobnob" with Jack Dempsey in order to help him in his campaign. I am wondering if the National Committee can take care of this expense.

With every best wish.

Very sincerely yours,

M. A. LeHAND
Private Secretary

Honorable Edward J. Flynn,
Chairman, Democratic National Committee,
Hotel Biltmore,
New York, New York.

Enclosures Check #289 drawn on Guaranty Trust Company of NY 10/14/40 to order of Dem. Nat. Com. in the amount of $500 signed FDR by M. A. LeH., Atty.
United Air Lines bill in amount of $69.10 sold to Globe Productions Inc., 9336 Washington Blvd., Culver City, Cal 9/13 held by James Roosevelt.

THE WHITE HOUSE
WASHINGTON

October 4, 1940

MISSY:

To make a check out for $500 as contribution to the Democratic National Committee and at the same time ask Ed Flynn if this bill can be paid by the Committee.

F.D.R.

Globe Productions, Inc.
9336 WASHINGTON BOULEVARD
CULVER CITY, CALIFORNIA
TELEPHONE ASHLEY 4-2931
NEW YORK OFFICE
729 SEVENTH AVENUE

JAMES ROOSEVELT
PRESIDENT

CABLE ADDRESS
"GLOPROD"

September 30, 1940

Miss Margaret LeHand
The White House
Washington, D.C.

Dear Missy:

Enclosed is a statement from United Airlines. This was a little trip I took at Father's suggestion. Do you think you could get the Democratic National Committee to pay it? I'm pretty much broke, trying to get my pictures out. If not, send it back to me, and I'll try to scrape the money up somehow.*

Much love.

Sincerely,

Jimmy

James Roosevelt

enc

* I don't want Father to pay it under any circumstances.

Oct. 17. 1940 -

Dear Miss Tully;

Somehow this doesn't look quite as formal as it should but I think it probably is what you need. I hope so.

And of course a bare document can never express the gratitude I feel. I am most appreciative of the help which you have given me as well as for the check itself.

with sincerest thanks

Wynant Hubbard -

Washington D.C.
October, 17, 1940

This is to acknowledge receipt by me of a loan of $300.00 from Mr. Franklin D. Roosevelt. This loan to be repaid in installments begining November, 1940-

Wynant Hubbard -

/

THE WHITE HOUSE
WASHINGTON

X Personal Financial

January 9, 1941

MEMORANDUM FOR H.M. Jr.

I agree with you about the Washington Hollow property -- that we should take $5,000 for the part east of the county highway. Since Mack's letter, the budget has probably been sent to the Legislature and if it contains any new money for the Parkway the value of everything around Washington Hollow will begin to go up.

F.D.R.

16 Personal Financial

RECEIVED DEC 31 4 ...

2211 THIRTIETH STREET
WASHINGTON, D. C.

December 31, 1940

My dear Mr. President:

I am inclosing herewith a copy of a letter which I have received from John E. Mack in regard to our Washington Hollow property.

The expenses of the property are approximately as follows:

Taxes	$360.00
Interest	300.00
Insurance	140.00
Total	$800.00

I take it that the property that Mack refers to is that portion of it which has the buildings on it. I would be willing to sell that part of the property for $5,000.00. Would you please let me know how you feel about it.

Yours sincerely,

Henry

The President,
The White House.

C O P Y

JOHN E. MACK

John E. Mack, Jr.
Edward J. Mack

234 Main Street

Poughkeepsie, N.Y.

DEC 18 '40 WHITE HOUSE

December 18, 1940

Hon. Henry Morgenthau, Jr.,
2211 Thirtieth Street,
Washington, D.C.

Dear Henry:

As you probably know, for sometime I have had a large "For Sale" sign up on the Washington Hollow property. A young chap from Millbrook named Irving Chadwell came in to see me about it and I gave him access to the property. He asked me for the price and I told him Seventy-five Hundred Dollars ($7500.00) and finally told him that if he would pay Six Thousand Dollars ($6,000.00) I would probably sell it. He came back and offered me Four Thousand Dollars ($4,000.00) for the property. I told him I would think it over and let him know, but I thought the amount was so small it couldn't be taken.

As you know, the portion which is being offered for sale simply lies to the north of the turnpike and east of the Mid-County road, reserving the balance of the property.

I had hoped that the Parkway would be built as far as the Dutchess Turnpike this Fall. This would make the entrance to the Parkway less than half a mile away and with the Berkshire traffic going by the property, it surely would improve its value. Due to the demand for monies the Legislature and Governor have seen fit not to continue the Parkway and no one knows just what is coming next year.

I assume you would not recommend the sale of the property at the offered figure but felt I should send you the figure when received.

Yours, as ever,

John E. Mack /s/

JEM:EAM

File Personal
Financial

City Bank Farmers Trust Company

CHARTERED 1822

22 William Street

DRESS: FARMTRUST

New York October 8, 1940.

IN REPLY PLEASE QUOTE Cust.

Honorable Franklin D. Roosevelt,
The White House,
Washington, D. C.

Sir:

We have just received a letter from the Bank of New York, 48 Wall Street, together with a check for $7500., which amount we are crediting to your account with our affiliate, The National City Bank, at this address, inasmuch as your cash account is on the books of the Bank.

Very truly yours,

H. M. Peterson

H. M. Peterson,
Assistant Trust Officer.

THE WHITE HOUSE
WASHINGTON

October 10, 1940

Dear Mr. Winton:

The President asks me to send you his check for seventy-five hundred dollars ($7500) in payment of the note given you by Elliott Roosevelt.

If Elliott Roosevelt has not paid the small amount of interest due on this note, please let me know and the President will send you a check for this amount, thus closing this transaction.

Very sincerely yours,

M. A. LeHAND
Private Secretary

Ed H. Winton, Esq.,
Executive Vice President,
Continental National Bank of
Fort Worth,
Fort Worth, Texas.

Enclosure

Check No. 288 on Guaranty Trust Company of NY dated October 10, 1940 to order of Continental National Bank of Fort Worth for $7,500 signed FDR by M. A. LeHand, Atty.

STANDARD FORM No. 14A
APPROVED BY THE PRESIDENT
MARCH 10, 1926

TELEGRAM

OFFICIAL BUSINESS—GOVERNMENT RATES

FROM The White House
Washington

October 5, 1940.

U. S. GOVERNMENT PRINTING OFFICE: 1934

Ed. Winton, Esq.,
Executive Vice President,
Continental National Bank,
Fort Worth, Texas

On Tuesday next I will send you draft on City Bank Farmers Trust Company, New York, for seven thousand five hundred dollars. Please take Elliott Roosevelt's note for this amount of advance to him for ten days. This constitutes endorsement on my part.

Franklin D. Roosevelt

TELEGRAM

WUD

The White House
Washington

Fort Worth Texas October 5 1940.

The President
viaThe White House

Referring your wire October fifth, will gladly comply your request.

Ed H Winton,
Executive Vice President,
Continental National Bank of Fort Worth.

130pm/d.

$ 7,500.00 COLLECT INTEREST

FORT WORTH, TEXAS October 7 - - - - 19 40

Ten days - - - - - - - - AFTER DATE, WITHOUT GRACE, FOR VALUE RECEIVED, I, WE OR EITHER OF US, PROMISE TO PAY TO THE ORDER OF

CONTINENTAL NATIONAL BANK

OF FORT WORTH

AT ITS OFFICE IN FORT WORTH, TEXAS

Seven thousand five hundred and no/100 - - - - - - - - - - - DOLLARS,

WITH INTEREST FROM ~~XXXXX~~ date AT THE RATE OF ~~XXX~~ five PER CENT. PER ANNUM.

IF THIS NOTE IS NOT PAID AT MATURITY AND IS PLACED IN THE HANDS OF AN ATTORNEY FOR COLLECTION, OR IF SUIT IS INSTITUTED THEREON, OR IF COLLECTED THROUGH THE PROBATE COURT, THEN I, WE OR EITHER OF US, AGREE TO PAY AS ATTORNEY'S FEES AN ADDITIONAL SUM OF TEN PER CENT. ON THE PRINCIPAL AND INTEREST DUE. ALL SIGNERS AND ENDORSERS OF THIS NOTE ARE TO BE REGARDED AS PRINCIPALS, SO FAR AS THEIR LIABILITY TO PAYEE IS CONCERNED, AND EACH OF US (INCLUDING ENDORSERS) WAIVE PRESENTATION HEREOF FOR PAYMENT, PROTEST AND NOTICE OF NON PAYMENT, AND I, WE, AND EACH OF US (INCLUDING ENDORSERS) CONSENT THAT THE PAYEE OR OTHER OWNER OF THIS NOTE MAY AT ANY TIME AND FROM TIME TO TIME, UPON REQUEST OF OR BY AGREEMENT WITH ANY OF US, EXTEND THE DATE OF MATURITY HEREOF WITHOUT CONSULTING THE OTHER SIGNERS OR ENDORSERS, WHO SHALL REMAIN BOUND FOR THE PAYMENT HEREOF. WE AND EACH OF US (INCLUDING ENDORSERS) AGREE THAT IN CASE OF RENEWAL OR OF EXTENSION OF MATURITY OF THIS NOTE, ANY AND ALL SECURITIES OR LIENS GIVEN THE PAYEE BY US OR ANY OF US AT ANY TIME SHALL REMAIN IN FULL FORCE AND EFFECT AS SECURITY FOR PAYMENT OF THE RENEWED OR EXTENDED NOTE.

-PAID-
Discount Department
OCT 14 1940
Continental Nat'l Bank
FORT WORTH, TEXAS

DUE 10-17-40

No. C P.O.

Elliott Roosevelt

Elliott Roosevelt

CONTINENTAL NATIONAL BANK
OF FORT WORTH

FORT WORTH, TEXAS

October 14, 1940

ED H. WINTON,
EXECUTIVE VICE-PRESIDENT

Miss M. A. LeHand, Private Secretary
The White House
Washington, D. C.

Dear Miss LeHand:

This will acknowledge receipt of your letter of October 10, 1940, advising that at President Roosevelt's request, you were enclosing his personal check for $7500.00 in payment of the note given us by Elliott Roosevelt.

We have accordingly used the check in payment of note dated October 7, 1940, in amount of $7500.00, due ten days after date, executed by Elliott Roosevelt. We enclose said note duly cancelled.

Please express to President Roosevelt our pleasure in having handled this transaction in keeping with his and Elliott's wishes.

With sincere good wishes, I am

Yours very truly,

Ed H. Winton,
Executive Vice President.

EHW:ls

TELEGRAM

The White House
Washington

21WU.RA. 12-

Fort Worth, Texas, October 5, 1940

THE PRESIDENT.

Referring your wire October fifth, will gladly comply your request.

Ed H. Winton, Executive Vice President,
Continental National Bank of Fort Worth.

Sent to Hyde Park RV-C D 1:25 pm

COPY

January 16, 1940

Mr. Julius F. Haller
OBrion, Russell & Co
108 Water Street
Boston, Mass.

Dear Julie:

Thanks for your note and figures of the 9th.

I hope to be able to send you a check for the entire amount very shortly.

Don't you plan ever to get down this way?

As always,

James Roosevelt

COPY

OBRION, RUSSELL & CO
108 Water Street
Boston

PERSONAL

January 9, 1940

Mr. James Roosevelt
c/o Samuel Goldwyn, Inc.
7210 Santa Monica Blvd.
Los Angeles, California

Dear Jimmy:

The Loan Account stands as follows: The original note, $10,000 plus interest at $307.78, unpaid, made a total of $10,307.78.

Cash of $5,000 which was paid on December 28, 1936, and $2,000 on May 25, 1938, left a balance of $3,307.78.

The interest for the year 1938 amounting to $132.31 and for the first six months of 1939 of $68.80, amounting to $201.11 were paid by you on July 5, 1939.

Besides the principle of $3,307.78, there is now due interest for the last six months of $66.65.

Sincerely yours,

Julie

Julius F. Haller

$ 5307 78/100

Boston, December 28. 1936

One year after date I promise to pay to the order of Brown Russell & Co

Fifty-three hundred and seven 78/100 Dollars

at Any bank with interest at 4%.

Value received

No. ______ Due ______

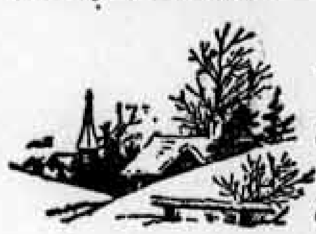
James Roosevelt

Thomas Groom & Co., Inc. Boston FORM 5386

$ 5,307.78

Hold

March 21st, 19 37.



One year After date, for value received, I promise to pay to the order of JAMES ROOSEVELT

the sum of Five Thousand Three Hundred Seven and 78/100-- Dollars

at four per cent interest per annum with interest at the rate of ______ per centum per annum until paid; said interest payable ______

No. 2. Due March 21st, 1938.

Franklin D Roosevelt

E. M. BRYAN CO., INC. WASHINGTON, D. C.

return to Pres. [illegible]

Paid May 25. 1938

On account $2000.00

J. Burr Russell

JAMES ROOSEVELT
7210 SANTA MONICA BOULEVARD
LOS ANGELES, CALIFORNIA

file
personal

April 11, 1940

Dearest Pa:

Just a note to enclose the only note which I had with reference to Elliott's indebtedness which you paid off through your letter of February 15th. The difference in amount is due to payment by me of $2,000.00 on the principal on May 28, 1938. That's my little contribution toward helping the situation out.

I think it would be a good idea for you to write Elliott, telling him that I have personally paid off $2,000.00 of the amount which he owed, and that you have paid the balance amounting to $3,575.54. You can then ask him for a note for the amount you have paid, or forget it--whatever you think best. I don't know what the situation is and so don't know just how you will want to handle it.

Enclosed is all the correspondence, in case you want to make some copies for your files. I'd appreciate your returning them to me when you have finished with them.

So glad you are feeling better and hope you get a really grand vacation in Warm Springs.

The papers seem to make the whole world a pretty terrible prospect, but it's so hard to tell just what the facts are, and as a result we plain citizens feel as though the whole thing is a fantasy. Here's hoping we can continue to feel that way.

Love to you all, and do have a good rest.

Affectionately,

Jimmy

The President
The White House
Washington, D. C.

Enc

P.F. 9

ELLIOTT ROOSEVELT
FORT WORTH, TEXAS

May 8, 1940

Dear Pa:

Thought you might be interested in the thoughts expressed in the enclosed, which is a copy of one of my programs. I'd be interested in getting your reaction to same.

Enclosed also is my note for $8,575.54.

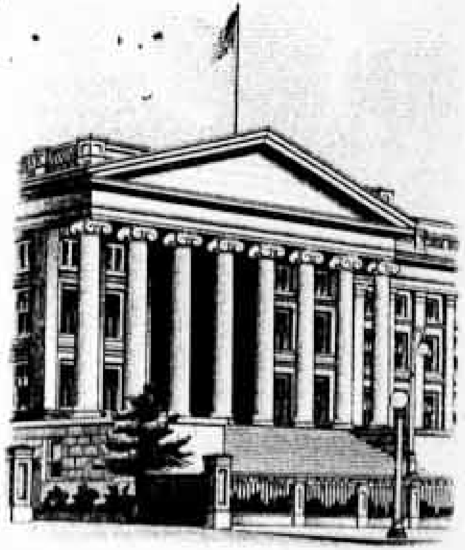
In addition, Ruth asked me to find out from you whether, when you are down here, you would prefer not to have any entertainment at all or whether it would be all right to have a small dinner party, possibly at Charlie Roeser's house or at our house. We would be glad to follow whatever your wishes in the matter should be.

Much love,

Elliott

ER:b

For copy of program -
See: Elliot Roosevelt folder - Drawer 3 - 1940



$ 8,575.54 May 8, 1940 19

after date I promise to pay

to the order of Franklin D. Roosevelt

Eight thousand, five hundred seventy-five and ---------54/100 Dollars

~~at~~ with interest at the rate of 5% per annum

Value received

No. Due 1 year from date Elliott Roosevelt

P.F.
3

April 29, 1940

Dear Bunny:

It was perfectly grand to have you and Ruth and the Roeser's for that little visit and I do wish you could have stayed longer. The weather continued perfect and I am dictating this on the train on the way back to Washington.

I am somewhat concerned over the European situation. It looks definitely worse and I do wish the country would begin to realize at little that a German-Italian-Russian-Japanese victory would affect the lives of every human being in the United States --affect them most adversely.

I meant to show you this file which Jimmy sent me. His letter of April 11, 1940 explains itself.

I think for the sake of good business you ought to send me your note for $3,575.54 and also a note to me for the five thousand dollars which I loaned you before. You know, of course, that there will be no pressing on these but in case in the future you "strike it rich", I think you should repay these amounts and also the two thousand dollars which Jimmy put up -- because in a sense this is my capital and eventually goes to all five of you in equal parts.

It is grand that the radio is working

out and I hope the refinancing can be done. Be sure to let me know before you are coming to Washington as I want to be there and in the next month and a half will be away occasionally for week ends at Hyde Park.

Much love to you both and to the children.

Affectionately,

Elliott Roosevelt, Esq.,
1101 Penn Street,
Fort Worth,
Texas.

fdr/tmb

Enclosures

Let to the President from James Roosevelt, 7210 Santa Monica Boulevard, Los Angeles, California 4/11/40 enclosing only note which he had with reference to Elliott's indebetness which the Pres. paid off through his letter of Feb. 15. The difference in amount is due to payment by James of $2,000.00 on the principal on May 28, 1938
Note dated March 21, 1937 signed by the President to pay one year after date to the order of James Roosevelt in the sum of Five thousand three hundred seven and 78/100 at four per cent interest per annum
Note dated Dec. 28, 1936 signed by James Roosevelt to pay in the sum of fifty-three hundred and seven and 78/100 at four per cent interest
Letters -- copies attached.

JAMES ROOSEVELT
7210 Santa Monica Boulevard
Los Angeles, California

April 11, 1940

Dearest Pa:

Just a note to enclose the only note which I had with reference to Elliott's indebtedness which you paid off through your letter of February 15th. The difference in amount is due to payment by me of $2,000.00 on the principal on May 28, 1938. That's my little contribution toward helping the situation out.

I think it would be a good idea for you to write Elliott, telling him that I have personally paid off $2,000.00 of the amount which he owed, and that you have paid the balance amounting to $3,575.54. You can then ask him for a note for the amount you have paid, or forget it-- whatever you think best. I don't know what the situation is and so don't know just how you will want to handle it.

Enclosed is all the correspondence, in case you want to make some copies for your files. I'd appreciate your returning them to me when you have finished with them.

So glad you are feeling better and hope you get a really grand vacation in Warm Springs.

The papers seem to make the whole world a pretty terrible prospect, but it's so hard to tell just what the facts are, and as a result we plain citizens feel as though the whole thing is a fantasy. Here's hoping we can continue to feel that way.

Love to you all, and do have a good rest.

Affectionately,

Jimmy

The President,
The White House,
Washington, D. C.

COPY

O'BRION, RUSSELL & CO.
108 Water Street
Boston

PERSONAL

February 27, 1940

Hon. James Roosevelt
c/o Globe Productions, Inc.
1041 No. Formosa,
Hollywood, California

Dear "Shamus":

As March 17th approaches, I thought I would give this letter a real touch of the good old South Boston Irish. But getting back to business, I want to thank you for your letter of February 21st enclosing check to balance the Loan Account.

In view of the fact that you had paid $201.11 interest and this was included in the check, I am forwarding you our check for that amount and also the original note signed by your Dad and your own note. I believe that these are the papers you should have in your possession.

I am still longing for a trip to the Pacific Coast but the Globe Productions get further and further away. However when my youngest daughter is old enough to travel by automobile I do plan to bring the whole family out there. By that time who knows but that I might have a prospect in my three girls for the movies.

With kindest regards to you, hoping that you are enjoying the best of health, I remain your loyal servant in the far East.

Sincerely

Julie

Julius F. Haller.

COPY

February 21, 1940

Mr. Julius F. Haller,
OBrion, Russell & Co.
108 Water Street,
Boston, Mass.

Dear Julie:

Englosed is a check issued to me by Father and endorsed over to OBrion, Russell & Co. for the total balance on the Loan Account.

Would you please send me just as soon as you can any notes you have on the total obligation, the history of it, etc., so that I can have it all in writing?

Best wishes,

Sincerely,

JAMES ROOSEVELT

enc-ck

COPY

February 15, 1940

Dearest Jimmy:

I have been slow in answering yours of January sixteenth in regard to what Elliott owes you. I am enclosing check for the full amount of the balance he owes you or $3,307.78, plus interest in 1938 of $132.31 and interest of $135.45 for the year 1939. This makes a total of $3,575,54. Would you be good enough to let me know in writing whether you hold Elliott's note for this balance and just what you think I should do to transfer Elliott's obligation from you to me?

I think Elliott is going to work this out all right but it is very important for you, for me and for him to get this total obligation and the history thereof reduced to writing.

Affectionately,

FDR

James Roosevelt, Esq.,
Globe Productions, Inc.,
1041 North Formosa,
Hollywood,
California.

COPY

January 16, 1940

Dear Father:

As you know, Elliott owes me a balance of $3,307.78, plus interest in 1938 of $132.31, and $135.45 for the year 1939.

As you understand the difficulties of my present financial situation, I would greatly appreciate it if you could arrange to take up this amount, as it doesn't seem to me that Elliott will be able to do so.

I wouldn't ask for it, but in trying to get everything cleared up for the other arrangement, I'm really up against it.

Many thanks. Hope to see you soon.

Much love,