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April 22, 1942
10:30 a.m.

FINANCING

Present: Mr. Buffington
Mr. Baker
Mr. Hadley
Mr. Mills
Mr. Haas
Mr. Murphy
Mr. Bell

H.M.JR: Yes, go ahead, Dan.

MR. BELL: Well, what we ought to discuss first, I suppose, is the tap issue that has been proposed by the Federal Reserve Board.

H.M.JR: All right, I have got that right here.

MR. BELL: You have been over the sheets we gave you, I think. The whole Federal Reserve Board seems to be pressing very hard for this, as well as the Federal Reserve Banks, particularly Alan Sproul. I haven't found very many people on the outside that are in favor of it. I think Mr. Eccles - the day he was here and talked about it gave us the impression - I don't think he said definitely, but I think he gave us the impression that the Federal Advisory Board had also approved it, but I understand from members of the Federal Advisory Board that it was not approached, that it was only discussed in very general terms at their meeting. They weren't asked to approve it. There was very little discussion of it except a statement by one or two that they were against it, so they did not have an opportunity of approving it. I have talked to Ecker of the Metropolitan Life, talked to Harrison of the New York Life, and they are both very much opposed to the long tap. They are not interested in the short tap. I have talked to some utility people that just happened to drop in. They would be in favor of the short tap, because they claim that they are going to have some funds accumulate as a result of restrictions put on their procurement of supplies, particularly in the maintenance field. They claim they are not going to have normal maintenance, and they will not be able to reinvest reserves for depreciation back in the plant, and they would be interested in this short tap, but I doubt if there would be a lot of money there. Personally I don't see any objection to the short tap. It might get some money, and I don't know that I would object seriously to the long tap, although I am very luke-warm on the thing.

I can't figure out in my own mind just what it is going to do to the long market. Of course, it does have a limitation of a million dollars on it, or it is proposed to have a limitation of a million dollars in one year, and it would give you an opportunity to see how it would work before you took the limit off. I am sure the Federal will propose, after it is in operation for a few months - these other gentlemen have been over it as much as I have, and they can speak for themselves.

H.M.JR: Dan, I think this whole thing gets down to having a field test. I think again we are talking about something that is highly theoretical, and we haven't got the slightest idea what the people who have surplus funds - I am convinced they are not very many - what they want to buy and I think the sooner that George gets out into the field, the better.

MR. BELL: Well, I think that is a good idea, and George did discuss it a little on his previous trip.

H.M.JR: I mean George Buffington.

MR. BUFFINGTON: I discussed the short tap with about forty-five corporations, and, one, I don't see many corporations with this accumulation of deferred maintenance, of those with whom I discussed it. I question also whether many of those corporations have enough idle funds to make it particularly attractive. We haven't made a thorough check of it. On the long tap, the market, I would say, of the insurance companies with whom I talked, would prefer a fixed coupon and fixed maturity rather than a tap issue. I don't know whether you saw those figures of the cash available on those eighty-two insurance companies or not. It was estimated--

MR. BELL: No, I didn't.

MR. BUFFINGTON: It was estimated on February 28 at around three hundred eighty-three million. I talked to Mr. Smith of New England Mutual, and he says he thinks it is a little above a billion.

MR. HAAS: I will have the figure this afternoon.

MR. BELL: You probably are going to have a request, if you put out a tap issue, from the banks to get some issue to them that will not have to go through the market fluctuations. Burgess told you that.

H.M.JR: I know. I am not going to - if we are going to do a tap issue, I am certainly not going to give it to the banks. I mean, that is out. If they kick too much, I won't do any tap issue.

MR. BELL: Well, this wasn't contemplated, you know, to go to the banks, either one of these. They were eliminated.

H.M.JR: If they kick too much, then we won't have any tap issue. I mean, rather than get the banks mad, I would rather not do a tap issue. I think the way to find out is this. I take it that this thing that Eccles wrote here on April 7 is about the way we would do it. I mean, has he described about the way we would do it?

MR. BELL: I think so.

H.M.JR: All right, George and Murphy and the rest of you boys? Is it about the way?

MR. HAAS: Which is that? I am not sure if I have seen it.

H.M.JR: I hope so.

MR. HAAS: Yes, I have seen it.

MR. BELL: It is just old now.

MR. MURPHY: There are some points of disagreement, but they are not major.

H.M.JR: Well, approximately?

MR. MURPHY: Approximately.

H.M.JR: All right, then the thing to do is let's get out some people - I don't know whether George can do it all.

MR. BELL: We can send Mills, probably.

H.M.JR: No, I am glad to see Mills, but - he can sit here, but he has got all he can do on this other thing. He has got a big job on this issuing agent business. He is my issuing agent agitator. (Laughter.)

MR. BELL: Would it be possible for him to do a little of both? I mean, when he is out for the other--

H.M.JR: I don't think so. I think when we get these figures this morning from Tickton, he will have all he can do. I had a call in for the Under Secretary of War, and I couldn't get him, and he passed me this morning and hopped out of his car and walked down with me, and he is sending for General Carter this morning. How is he?

MR. BELL: Fine. He is going to have our people over this afternoon to work on a form of letter.

H.M.JR: The weekly report shows we had four thousand concerns added to our pay-roll deduction plan in one week; and to get these big boys to become issuing agents, it will take all that Mills can do, plus John McKee. So it gets down to Buffington going out as my field tester, and how much help does he need. Now, why can't you take - use your security dealers to help you?

MR. BUFFINGTON: That is what I wanted to touch on. We will have in a day or two a report of the breakdown of this survey that they made of these ten thousand corporations which I would like to show you, showing the percentage of those corporations who now are borrowing or who have big requirements for additional working capital, which will tell us something, I think.

H.M.JR: Well, what I want, Dan, and I think what you want, is this. Today is what, Wednesday?

MR. BELL: Yes.

H.M.JR: I am ready to let George start out; and if he wants to go - he can go anywhere he wants, I don't care. Let him start tomorrow so he will be back here Monday. He can take these two Federal Reserve tap issues and go out and get the security fellows ready and say, "All right, how much of either one of these pieces of paper can we sell? We want to know, see." And let's do it on the basis - there is no use saying "How many of you want to buy a billion dollars," because hell, we wouldn't sell fifty million dollars of that stuff, a hundred million dollars worth of that stuff. I mean, if we kept it down - how much would we sell? I thought every bank in the country would take twenty-five thousand dollars of that last thing.

MR. BELL: Sixty-six million we sold of the twenty-five thousand dollars.

H.M.JR: It was a disappointment to me.

MR. BELL: There were a lot of country banks, of course, who were not much interested in the half percent.

They want longer bonds and higher coupons.

MR. BUFFINGTON: I was wondering about making as broad a check as possible, and I don't want to suggest it unless you feel it is a good thing to do, to use these securities people to make a broad check, or do you think - Dan doesn't.

H.M.JR: Why not?

MR. BELL: It seems to me you have got too many people trying to learn this thing in the shortest possible time and going around and discussing it. I think if you had a dozen or twenty-five people and tell them what this is all about, and the objections, and the questions we have had on it, then you would get a much better survey. I think if you get a thousand people working on it, you are going to get--

H.M.JR: Well, I want something. You have got Thursday, Friday, and Saturday, see. Now, what can you do? Can you do New York and Chicago?

MR. BUFFINGTON: Yes.

H.M.JR: What?

MR. BUFFINGTON: Yes, sir.

MR. BELL: Have you pretty well covered Chicago?

MR. BUFFINGTON: No, it has just been very spotty. I talked to seven or eight corporations, and you - I talked primarily to the big ones, and you ought to talk to utilities, insurance people, big ones and smaller corporations. That can be done.

H.M.JR: What?

MR. BUFFINGTON: That can be done by the end of the week. We could also delegate in some of these centers -

pick out maybe ten security people if you want to use them. I have no reason to want to use them, but you could take the ten best men in those communities and sit down with them on a program and have them do it very carefully.

H.M.JR: Well, if Dan is willing, I am willing. I am saying to you, "Here is a job. You have got all day to plan it."

MR. BELL: I would be willing for that, because I think they will understand it, but just to say to a group of security dealers over the country, "Here is a problem. I want you to go out and discuss it--"

MR. BUFFINGTON: No, I didn't have in mind, Dan, going that far.

MR. BELL: I don't think you will get--

H.M.JR: Well, today is the twenty-second. You would be back here on the twenty-seventh. I don't know whether we will be able to do this thing on the fourth or not. We haven't said we will do it on the fourth, have we?

MR. BELL: Oh, no.

H.M.JR: But you (Buffington) will be back here on the morning of the twenty-seventh?

MR. BUFFINGTON: Yes, sir.

H.M.JR: And then come back and say - take this tap issue with you. Do you want somebody from the Federal Reserve Board here to go with you?

MR. BUFFINGTON: I don't think that is necessary, Mr. Secretary.

H.M.JR: All right.

MR. BELL: This doesn't necessarily have to interfere with your financing. I don't think it should, because you couldn't get this started.

H.M.JR: I thought you were going to do this - I thought you were going to start this right away.

MR. BELL: Well--

H.M.JR: I thought you might want to do it this week.

MR. BELL: I don't think so. We have got to print securities. That takes some time to get the securities out. You see, we have got no security drawn or anything on this thing.

H.M.JR: That never worries me. (Laughter)

MR. BELL: No, I think I would do at least the next major financing irrespective of this decision. If we get this started by June first, we will do well.

H.M.JR: Well, I think we ought to find out anyway, don't you?

MR. BELL: Oh, sure, I think that is the thing to do.

H.M.JR: What?

MR. BELL: Yes, I do.

H.M.JR: Because we have been talking about this thing so much now. New York and Chicago pretty well answers the thing.

MR. BUFFINGTON: Yes, I think you would get as broad a cross section in those two cities as anywhere.

MR. BELL: You might go to Boston, because if your insurance companies--

MR. BUFFINTON: Well, you get the same thing in New York.

MR. BELL: I mean, next week he could do that. Or you could have somebody that you know in Boston do it.

MR. HAAS: It occurs to me, Mr. Secretary, that if it is not going to be done before the financing, and I kind of agree with Dan that it shouldn't be, it may be unwise to get the people all stirred up on these tap issues. It may cause some holding back on our marketable issues, waiting for something better to come out. You might as well do it right after you do this.

H.M.JR: I don't agree with Dan. Supposing there was a tremendous demand for this tap issue. Well then, I might say, "O.K., gents, she is wide open. Buy all you want, the sky is the limit." If Eccles is right, we would sell four or five billion.

MR. BUFFINGTON: George, there is an indication of that--

H.M.JR: Excuse me just a second. Hold your thought. If we don't do it, George, then Mr. Eccles comes back in here Monday or Tuesday and says, "Why don't you do them a tap issue?" I will say, "Well, because I can't raise any money that way." Or if he is right, and there are several billion dollars worth lying around, we will get out a tap issue.

MR. HAAS: Instead of this?

H.M.JR: Yes.

MR. HAAS: Oh, I see.

H.M.JR: We can give them a postage stamp as a receipt. I am not worrying about printing.

MR. BUFFINGTON: As an indication of what you have said, the steel corporation, which I would have expected to have wanted marketable securities were very much interested in this short tap issue, and turned around and subscribed to twenty-five million of the Certificates of Indebtedness, so I don't think that discussion in any way interfered with their interest in the marketable securities.

H.M.JR: The English sold about two billion dollars in one week. It was "Weapons Week," they called it, through the volunteer plan. I got a letter from Sir Frederick Phillips. They have got a wonderful sentence in there about saving by the volunteer plan and everything else, and I am sending it around to all the boosters for the volunteer plan like Wallace and Eccles, and so forth. They are all getting a copy. But it is a good letter. They call it "War Weapons Week," and then each community adopts a battleship or something. We have been talking about this thing for three months. I want to find out, George - and you can go in with Mr. Bell, and in the communities you can - I want answers in here from the Federal Reserve for the ones you can't cover, give me an estimate, how many billions of dollars are there that we could mop up in tap issues in idle funds. That is what I want, Dan. Where you can't cover it, George, you and Dan write out some telegrams and tell the people in the districts you can't cover to get it.

MR. BUFFINGTON: We may, however, use a small number of these securities people for it.

H.M.JR: You can do any damn thing you want so long as I have an intelligent report Monday morning, telling me how many millions of dollars there are that would like to be invested in this form of security. That is what I want. But I have got to get Eccles an answer.

MR. BELL: Yes.

H.M.JR: I have got to give him an answer. And you fix up cables between you and Bell to the rest of this gang, see.

MR. BELL: That is all right, but I still am a little worried about the major financing.

H.M.JR: That is all right. We will work on it Monday morning. There is no use talking about it today until I get this answer.

MR. BELL: No. I don't want to see this thing started in place of the major financing and then have it flop.

H.M.JR: I didn't say I am going to start it. I don't know. You don't know. Nobody in this room knows.

MR. BELL: Well, I don't know anything about the idle funds or how much is available, but I know we are going to be down to a billion dollars in the balance on May 15.

H.M.JR: I will go with you on May 4.

MR. BELL: I think it would be a little dangerous to do other types of financing and just rely on them entirely unless we have another program, either Treasury bills or something.

H.M.JR: Well, maybe we will have a long tap issue for the idle funds and a five year issue for the banks.

MR. BELL: You mean just a marketable issue?

H.M.JR: Yes, a five year issue for the banks, and a long tap issue for the non-banks.

MR. BELL: Well, I think we ought to have at this time a long bond.

H.M.JR: Well, make it a tap issue.

MR. MURPHY: Without a limit, Mr. Secretary?

H.M.JR: No limit.

MR. MURPHY: You are taking a quick dive.

MR. BELL: Did you see the frown come up on Murphy's face? (Laughter)

(Mr. Tickton entered the conference.)

MR. MILLS: Mr. Secretary, going back to Mr. - I don't quite agree with George on this. Even if there are a small number of the investment industries in that, isn't that going to give a very wide circulation to the idea of a tap issue, and maybe interfere with a market issue later on?

H.M.JR: You mean just going out and talking about it?

MR. MILLS: No, if besides him some of the key investment people are brought into it. They are extremely enthusiastic, and when they go out and interview this corporation and that corporation, they could very - might leave some impression that there was this more favorable issue that could damage the market on a larger issue that has to come ahead of the tap issue.

H.M.JR: Well, we have got to find out - this thing has been kicking around here now for three months, and the Federal Reserve Board is entitled to an answer from me. I keep asking Bell, "What is a long issue?" and he keeps telling me they are still figuring on it. (Facetiously) That is approximately true, isn't it?

MR. BELL: I guess so, yes.

H.M.JR: Now I meet with them Monday, and I say I want to do it just the way we have always done it. And then they say, "Why doesn't Morgenthau take a look at our stuff?" see, so the answer to you and Haas is that when he goes out he has got to be careful and emphasize that this is purely exploratory, and may not be - we may not do it until July.

MR. BELL: Ronald Ransom, I think, gave a good expression to it yesterday. He said this tap issue has become an obsession over in the Federal Reserve Board.

H.M.JR: Yes, there you are. (Laughter)

MR. BUFFINGTON: And you can cover just so much ground with limited personnel. If you want to really cover the ground and get the Secretary an answer, you have got to get enough points to get an answer.

H.M.JR: Well, I think these people are raising a very good cautious note. You have got to say, "I don't know whether he is going to do it; he may not do it this month; or he may do it in July; or he may not do it at all, but if he did it, what have you got?".

MR. BELL: Personally I would like to go ahead with our financing program for the month of May and let George take two or three weeks to go over this thing with outside people. He might give you a tentative report of the number of places he would be able to cover between now and Monday, but I wouldn't stop at that. I would let him cover a lot more in the following ten days.

H.M.JR: Well, let him make a cautious trip. O.K.?

MR. BELL: Yes.

H.M.JR: Now, I would like to talk with Bell, Tickton, Haas, and Mills.

MR. BELL: I take it now this ought to delay the decision on "F" and "G" limitations.

H.M.JR: Yes.

MR. BELL: Because if we go to a tap, I think we shouldn't go to "F" and "G."

H.M.JR: I am weakening on raising the limit. I mean, if you are going to do a tap, I think you shouldn't do it.

MR. BELL: I think that is the feeling here, too.

H.M.JR: Anything else?

MR. BELL: Anything about an open market meeting next week?

H.M.JR: Let's have one Tuesday.

MR. BELL: All right.

H.M.JR: We will have it Tuesday at eleven o'clock. Will you tell Stephens outside?

MR. HAAS: I think, Mr. Secretary, right after your agenda on financing, something should be done on reserves. I wouldn't do it before this financing, but I would certainly do it before the next one.

MR. BELL: That is right. I have both the Federal Reserve Board and the Federal Reserve Bank studying it to see whether or not something shouldn't be done in Chicago and New York.

H.M.JR: You don't want to do it before?

MR. BELL: I don't know that it is necessary. You still have two billion eight reserves.

H.M.JR: All right. Now let me see, if those people that I named will stay. George, you go over your trip with Bell. He will be here only five minutes.

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

OFFICE OF THE CHAIRMAN

April 7, 1942.

To - Mr. Bell

From - Mr. Eccles

As you suggested, I am sending you herewith the letter addressed to the Secretary about which I spoke to you on the telephone this afternoon in connection with the suggestion that the limit on Series F and G bonds should be raised from $50,000 to $100,000.

M S E

Enclosure

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

OFFICE OF THE CHAIRMAN

April 7, 1942

Dear Henry:

In reply to a request from Mr. Bell, I am submitting my views on the suggestion that the limit on Series F and G bonds should be raised from $50,000 to $100,000. I feel certain that the members of the Board as well as the Presidents of the Reserve Banks would agree with my position, since my views are in line with one aspect of the communication sent to you on January 28, 1942. A copy of this communication is enclosed.

I think that the question of increasing the limit on F and G bonds should be deferred pending decision about the long-term non-marketable issue which the Federal Reserve has proposed. The reasons for this position may be summarized as follows:

(1) The 2 1/2 per cent rate carried by 12-year F and G bonds is a subsidy rate designed primarily for small savers. Fifty thousand dollars is certainly not too low a limit for this type of saver.

(2) The issue proposed by the Federal Reserve would extend the maturity to eighteen years and remove the subsidy feature. It could, therefore, have a much higher limit. In fact, the million dollar limit proposed could later be raised or removed. The proposed issue would, therefore, go much farther in meeting the investors' demand than would an increase to $100,000 for F and G bonds.

(3) The 18-year 2 1/2 per cent non-market issue we propose would compete much less with long-term open-market issues which you may wish to offer from time to time. Twelve year 2 1/2 per cent bonds of the F and G type, if the limit be raised to $100,000, would definitely compete with open-market issues. The 18-year issue we propose, on the other hand, would be at 2 1/2 per cent much closer to the market and would not compete on a preferential basis with long-term open-market issues.

As you know, I am greatly in favor of resorting increasingly to non-market issues. I believe, however, for the reasons stated, that the purpose would be accomplished much more satisfactorily by offering a new 18-year non-marketable issue, with the other features proposed in our memorandum, than by raising the limit on F and G bonds.

Sincerely yours,

M. S. Eccles,
Chairman

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

Enclosure

TREASURY FINANCING

The President in his Budget Message submitted to the Congress on January 7 made the following statement concerning "Borrowing and the Menace of Inflation":

> "Last year, defense expenditures so stimulated private capital outlays that intensified use of private funds and private credit added to the inflationary pressure created by public spending.
>
> "Under a full war program, however, most of the increase in expenditures will replace private capital outlays rather than add to them. Allocations and priorities, necessitated by shortages of material, are now in operation; they curtail private outlays for consumers' durable goods, private and public construction, expansion and even replacements in nondefense plant and equipment. These drastic curtailments of nondefense expenditures add, therefore, to the private funds available for noninflationary financing of the Government deficit.
>
> "This factor will contribute substantially to financing the tremendous war effort without disruptive price rises and without necessitating a departure from our low-interest-rate policy."

This statement will only be borne out by the event if, in fact, private funds diverted from their normal uses are lent to the Government during the war period. It emphasizes the necessity of taking further steps to obtain the maximum amount of borrowed funds from lenders other than commercial banks.

Obtaining Borrowed Funds from Lenders Other than Commercial Banks

(1) The President's Budget Message indicated that expenditures of the Federal Government during the fiscal year 1942-1943 (beginning July 1, 1942) would be approximately $60 billions.

(2) On the basis of the estimates given in the Budget Message, including the revenue from proposed new taxes, the Federal debt will increase from $70.6 billion on June 30, 1942, to $110.4 billion on June 30, 1943, an increase of $39.8 billion.

(3) The net public borrowing contemplated in the fiscal year 1942-1943 totals $33.6 billion.

(4) Making allowance for possible sales of Defense Savings Bonds under the present selling program and a net increase over the fiscal year in the amount of tax anticipation notes and depositary bonds outstanding, it appears likely that $20 to $25 billions will have to be obtained by the sale of Government securities to banks and to other lenders and investors.

(5) The grave necessity of the Treasury's taking further steps to obtain the maximum amount of these borrowed funds from lenders and investors other than commercial banks is apparent, if fiscal and monetary policy is to contribute its share to the anti-inflation program. It will require more than additional pressure for the sale of the present series of Defense Savings Bonds, important as that is.

(6) The principal sources of funds, other than the banking system and the small income purchasers of the present series of Defense Savings Bonds, are:

(a) Insurance companies, other institutional investors of various kinds, public bodies, wealthy individuals, trustees, etc.

(b) Corporations and other business concerns which, in the aggregate, may now have or may accumulate large idle balances.

These two sources of funds must be tapped by the Government, and preferably should be tapped with obligations which have a special appeal for the holders of such funds but which cannot get into the commercial banking system.

(7) It is suggested that an attempt should be made to reach these funds with two issues, extending the present series of Defense Savings Bonds, one of longer term for insurance companies and similar long-term investors, and one of shorter term for business concerns (and public bodies) with temporarily idle funds.

The general features of such offerings might be as stated below. (The exact rates and maturities of these issues are, of course, subject to review. We are in agreement that the terms of these offerings should not be inconsistent with existing open-market rates and maturities having in mind suggested restrictions upon negotiability and other differences.):

(a) Long-term issue:
Interest rate: 2 1/2%.
Maturity: 15 years or thereabouts.
Redemption: At cost value with interest adjustment (as in the case of Series E, F, and G Savings Bonds) on six months' notice after bond has been held for one year.
Negotiability: Not negotiable in consideration of redemption feature.
Callable: Not callable prior to maturity.
Sales Restriction: For the present, limited sale to any one purchaser in any one year, upper limit to be not less than $1,000,000.

(b) Short-term issue:
Interest rate:

	Rate of interest payments	Yield
6 months	3/8	0.38
1 year	5/8	0.50
1 1/2 years	7/8	0.62
2	1 1/8	0.75
2 1/2	1 3/8	0.87
3	1 1/2	0.98
3 1/2	1 5/8	1.07
4	1 3/4	1.15
4 1/2	1 7/8	1.23
5	2	1.30

Maturity: 4 or 5 years, preferably 4 years.
Redemption: Redeemable -- after held six months, on 60 days' notice at any time.
Negotiability: Not negotiable.
Callable: Not callable.
Sales Restriction: Available in unlimited amounts.

(8) It is also suggested that there be an immediate increase in the supply of Treasury bills to at least $2.6 billion (not including tax period bills), which would contribute not only to the fluidity of the money market but would also provide an alternative medium for the temporary investment of idle public and business balances. With $2.6 billion of Treasury bills outstanding, there would still be an adequate margin of reserve buying power in this market to take care of emergency or temporary financing which it might be desirable or necessary to accomplish with additional offerings of bills.

It is also important that consideration regularly be given to issuing additional blocks of Treasury bills to mature in the three or four days following the quarterly tax payment dates.

(9) In so far as it is necessary to use bank credit in financing the Treasury's needs, money should be sought from banks with short-term open market issues, that is, with notes and bonds with maturities not exceeding ten years. It may be true that the breadth of the open market will be somewhat reduced by the sale of the restricted issues suggested above. It is more certainly true that to the extent such sales are successful in obtaining for Government use funds which otherwise would have lain idle, the amount of the issues which it will be necessary to place in the open market will be reduced. On balance, and over a period, it would seem most likely that the successful sale of these restricted issues would be a factor of strength, not of weakness, in the open market.

Pattern of Rates

(1) Our experience in the last war, the experience of other countries in this war, and our present capacity for the management of the monetary and credit resources of the country, all indicate that this program should not be cast in the old pattern of rising rates of interest as the war progresses. Price control is required in the field of credit, just as in other fields, when the Government is the principal borrower in the market and the cause of its borrowing is the defense of our national existence.

(2) It is, therefore, desirable, and the existing situation in the money market and the Government security market makes it practicable, to determine and establish a pattern of rates for United States Government securities which will fix, for the present, the general terms of Treasury financing.

(3) It is suggested that the range of rates established by such a pattern should be, for the present, from 1/4-1/2 to 2 1/2 per cent, for obligations other than Series E Defense Savings Bonds. The lower limit of the range and the short-term rates in general could have some flexibility without disturbing the maximum or long-term rate. The 2 1/2 per cent long-term rate approximates closely enough the general pattern of rates which has already been established, and steers a middle course between the danger of a substantial decline in the prices of outstanding securities on the one hand, and the danger of an unattractive program which will not draw the maximum funds from investors and investing institutions on the other.

(4) Within the terms of the general financing program we suggest, the establishment and maintenance of such a pattern of rates does not require the excessive volume of excess reserves which has characterized recent years. It does contemplate that should excess reserves shrink to a point which endangers maintenance of the pattern the Reserve System will provide a sufficient volume of reserves to enable banks to assist the Treasury's financing to whatever extent is necessary.

Mr. Robbins
Mr. Conrad
Mr. Sandelin
Mr. Fey
Mr. Lindow
Mr. Murphy
Mr. Haas

RY DEPARTMENT

ICE COMMUNICATION

DATE April 22, 1942

TO Secretary Morgenthau

FROM Mr. Haas

Subject: May Cash Market Financing

Summary and Conclusions

In the long run, the Treasury will have to depend primarily upon banks and individuals to purchase Government securities, as these are the only classes of investors whose demand may be made sufficiently extensible. A subsidiary source of funds may be unabsorbed depreciation reserves, etc., of corporations, but this source does not seem to have developed in an important measure as yet. Insurance companies, mutual savings banks, and other similarly situated classes of investors cannot be important factors in the long run, as their demand for Government securities must be relatively inflexible.

For the present financing, the greatest reliance must be placed upon commercial banks outside of New York City. New York City banks are unlikely to make substantial net additions to their portfolios because of their reserve position. The cash position of insurance companies is relatively good, and they may be expected to take a fair amount of the new securities.

It would be very difficult to confine the present financing to a single issue. It is recommended that it consist of a 2 percent bond and a 2-1/2 percent bond. In view of the limited amount of non-banking funds available, it is recommended that the 2-1/2 percent bond be for only $750 millions. It is not believed that an issue of this size would jeopardize the position of the outstanding 2-1/2's of 1967-72, while a larger issue might do so.

The proposal of Dr. Burgess for a serial bond issue and that of Dr. Goldenweiser for accepting all subscriptions offered without allotment are considered, but it is not recommended that either proposal be adopted for the present financing.

I. Funds Available to Purchase Marketable Government Securities

A. The Fundamental Situation

Prospective purchasers of marketable Government securities may be divided into four broad categories as follows:

(1) Commercial banks.
(2) Insurance companies and mutual savings banks.
(3) Other corporations.
(4) Individuals.

These groups differ very sharply in their ability to finance the war effort, in the ease with which securities may be sold to them, and in the economic effects of such sales. Chart I shows the amount of marketable Government securities which has been absorbed during the past year by the first and second of these groups, respectively, and by the third and fourth groups combined.

(1) Commercial banks. The ability of commercial banks to absorb Government securities is limited only by the willingness of the relevant Government agencies to provide them with excess reserves and, perhaps, capital funds. There are no fundamental difficulties in the way of doing this, provided that the relevant Government agencies cooperate for this purpose. There is no question but that the banks will buy as many Government securities as may be required of them if they are told that it is their public duty to do so and if they are provided with the requisite means.

The sale of Government securities to banks is highly inflationary, however, unless offset by the liquidation of other assets of the banks or by the accumulation of bona fide savings on their books. The sale of Government securities to commercial banks under existing circumstances is essentially a marginal resort, therefore, to be used only to the extent that the securities cannot be placed elsewhere.

(2) Insurance companies and mutual savings banks. These institutions have been very important in the financing of past years. Their ability to absorb Government securities is very inflexible, however. If insurance companies should devote their entire new resources to the purchase of Government securities, they could acquire only about $2 billions a year. The total resources of mutual savings banks are actually declining, so that they can increase their holdings of Government securities only by switches or by using idle cash. Trust accounts, eleemosynary institutions, and State and local governments are in essentially the same position as insurance companies and mutual savings banks. Barring some major innovation in the economy -- such as over-all rationing -- the largest amount of net purchases which can be expected from all of these institutions combined will be, perhaps, $3 billions a year.

(3) Other corporations. The net absorption of marketable Government securities by "other corporations" and by all other investors, including individuals, during the year ended March 31, 1942, amounted to only about $400 millions, or 7 percent of the total increase in marketable debt (Chart I). Data are not available for a further breakdown of the figures. The month-to-month movement of the figures is very much disturbed by variations in individual and corporate holdings of Treasury bills, largely for tax avoidance purposes. The figures for the complete year (from March to March) avoid this difficulty, however.

Non-financial corporations may buy Government securities from three sources: (a) existing idle balances, (b) current business savings, and (c) current accumulations from unabsorbed depreciation reserves, etc.

The amount of existing idle corporate balances is highly speculative and controversial. The cream of such balances has already been skimmed off for investment in tax notes. The net absorption of marketable Government securities during the past year by all investors other than banks and insurance companies, and the results of the inquiries of the investment bankers in connection with the recent certificate issue suggest, furthermore, that not much reliance should be placed on this source.*

Current business savings -- meaning the excess of corporate earnings over taxes and dividends -- are negligible and are likely to

* This conclusion is reenforced by the breakdown of subscriptions to the certificate issue. This breakdown is as follows:

Class of subscriber	Amount subscribed	Percent of total
	(Millions of dollars)	
Banking institutions	1,815	59
Insurance companies	485	16
Other corporations	576	19
All other	187	6
Total	3,063	100

"Other corporations" in the above table include incorporated dealers and other financial corporations. When complete data are available, it will be possible to segregate these and show the subscriptions entered by non-financial corporations alone.

continue to be so for sometime to come. Accumulations from unabsorbed depreciation reserves, etc., may become substantial during the next fiscal year, but do not appear to be important at the present time.

(4) Individuals. Individuals are the only class of investor other than banks potentially capable of absorbing an amount of Government securities equal to the needs of the war effort. Government bond purchases by individuals, furthermore, are non-inflationary unless made from idle funds or from the proceeds of the liquidation of other securities.

Purchases of Government bonds by individuals are very hard for the Treasury to secure, however, and to the extent secured, are more likely to be in savings bonds than in marketable securities. Increased sales of Government securities to individuals, therefore, are more likely to decrease the total amount of marketable securities which it is necessary to sell than to absorb a substantial proportion of those sold. Net purchases of marketable Government securities by individuals have been small during the past year, as may be seen from Chart I.

B. Funds Available at the Present Time

The funds actually now available to purchase an issue of medium- or long-term Government securities issued in the immediate future may be summarized as follows:

(1) Commercial banks. The most important factor in determining the appetite of commercial banks for Government securities is their reserve position. Recent fluctuations in the excess reserves of commercial banks inside and outside of New York City are shown in Chart II and recent changes in the Government bond holdings of each of these classes of banks are shown in Chart III. Excess reserves in New York City have continued tight, and New York City banks have continued

to be a poor market for any securities of longer maturity than certificates. The reserve position of out-of-town banks has also deteriorated somewhat since the last financing.* It is probable, however, that banks outside of New York City still continue to be a good market, particularly for securities in the 2 percent maturity range.

The reserve position of the banks must probably be accepted as a datum for this financing. It is highly desirable, however, that action be taken with respect to it shortly after this financing and well in advance of the next cash financing.

(2) Insurance companies and mutual savings banks. Insurance company cash has increased somewhat since the last financing, the cash balances of the 36 large life insurance companies reporting to the Treasury amounting to $986 millions on March 31 (Chart IV). Life insurance companies,

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* Total excess reserves and excess reserves of banks inside and outside of New York City are shown in the following table as of October 29, 1941, the last reporting date before the increase in reserve requirements; November 5, 1941, the first reporting date after the increase in reserve requirements; and April 15, 1942, the most recent reporting date:

	October 29, 1941	November 5, 1941	April 15, 1942
	(Millions of dollars)		
Banks in New York City	1,345	775	722
Banks outside of New York City	3,257	2,634	2,164
All member banks	4,602	3,409	2,886

therefore, may probably be counted upon for a good subscription to the new financing, particularly if it includes a long 2-1/2 percent bond.

Mutual savings banks are in a fundamentally weak position. Mutual savings banks in New York State, holding a little over half of all deposits of mutual savings banks in the United States, lost $157 millions in deposits during the first three months of this year. This is about 3 percent of their total deposits. If this experience is representative, relatively little may be expected from this quarter, except by way of switches. (In February all mutual savings banks acquired $193 millions of the new 2-1/4's of 1952-55, but increased their total holdings of Government securities on net balance by only $50 millions.)

(3) "All other investors". As may be seen from Chart I, "all other investors" (i.e., other than banks and insurance companies) have done better in the last two cash financings than was the case earlier. "All other investors" absorbed about $300 millions of the 2-1/4's of 1952-55 issued in February and kept their holdings of other marketable Government securities about constant. They can probably be counted upon to do as well or better this financing, particularly if it includes a long-term 2-1/2 percent bond.

II. Some Technical Problems

As the amount of Treasury financing in prospect is so much larger than anything for which there is precedent, it has naturally called forth a large number of suggestions for new methods of handling it. Most of these suggestions deal with present or proposed issues of non-marketable securities, and so are beyond the scope of this memorandum. It seems, however, that consideration should be given here to two important suggestions which have been made with respect to offerings of marketable securities.

A. Serial Issues

Dr. Burgess has suggested that the Treasury should offer serial bonds. Such issues might have equal annual maturities from 1 to 10 years and would be offered for subscription "in strips" -- i.e., equal amounts of each maturity. No subscriptions would be permitted for individual maturities. Subsequent issues of such bonds might be for a portion of the 10-year period only as, say, 1 to 5 years or 6 to 10 years, but the principle of "strip" subscription would be retained. As soon as they were allotted the individual serial maturities would be separable and freely negotiable.

Dr. Burgess recommends this method of offering only for issues in the maturity range of from 1 to 10 years, or thereabouts -- i.e., for issues directed primarily to commercial banks and idle funds. He believes that this method of offering short- and medium-term securities would permit commercial banks to adjust their portfolios much more effectively than they are able to do under the present method of offering. Longer-term issues of marketable securities would continue to be handled as at present.

Dr. Burgess' suggestion would, of course, greatly increase the number of individual issues of Government securities traded in the market, but this does not seem to be a major objection. Taken as a whole, the suggestion seems worthy of very careful consideration. It would seem better to hold it in reserve than to adopt it on the occasion of the present financing, however, since the market seems ready and willing to absorb longer maturities at the present time.

Another proposal which has been made for the issuance of "serial bonds" would provide that the Treasury offer simultaneously, say, five issues of securities, each with its own maturity and optional call date. Subscriptions could be made to these securities separately rather than in "strips" as in Dr. Burgess' proposal. It is maintained, however, that by offering four or five securities simultaneously a better coverage could be obtained of all investor preferences.

In essence, such an offering would not be one of "serial bonds" at all. It would merely be a four- or five-way issue. This seems further than it is necessary to go to meet investor preferences. Two out of the past three long-term cash financings have been one-way only; and, for reasons given in the last section of this memorandum, we believe that a two-way issue would be adequate at the present time.

B. Proposal To Take All That Is Offered

Dr. Goldenweiser has proposed that the Treasury, on its next cash financing, take all the money that is offered to it, allotting all subscriptions in full. It would, of course, be necessary to announce this in advance so that subscribers could adjust their subscriptions accordingly. It would probably be advisable also to leave an issue of this sort open for a few days.

The major advantage claimed for this proposal is that it is "realistic". There is at present a sort of pseudo-scarcity of Government securities existing at a time when all informed persons know that these securities will soon be available in abundance. An offering allotted in full would dispel this illusion immediately and so permit the market to adjust itself to the realities of the situation.

There are two major disadvantages of taking such action at the present time, however. First, the amount of money which would be obtained from such an issue would be indeterminate and would not be known until the books were closed. It is much more convenient for the Treasury, as long as it is able to do so, to fix the amounts which it desires to borrow. Second, it appears inevitable that such an issue, because of the very fact that it would dispel the illusion of scarcity in the market, would tend to put pressure on interest rates unless it were accompanied by adequate counter-measures.

It is probable that the Treasury will ultimately find it necessary to allot future issues of Government securities in full. It seems, however, upon consideration of all factors involved, that it would be better to postpone this date for the time being and continue the present system for a while longer.

III. Selection of Particular Issues

The following table shows the approximate maturities and premiums at which a 1-1/2 percent note, a 2 percent bond, and a 2-1/2 percent bond could be sold at the present time:

	Estimated Yield Basis*	Probable Price
	(Percent)	
1-1/2 percent note due December 15, 1946 (4 years, 7 months)	1.33	100-24/32
2 percent bond due March 15, 1949-51 (6 years, 10 months-8 years, 10 months)	1.81	101-7/32
2-1/2 percent bond due June 15, 1962-67 (20 years, 1 month-25 years, 1 month)	2.38	101-29/32

* Based on closing prices, April 22, 1942.

The above table does not include a 2-1/4 percent bond, as it seems desirable that this sector of the market be given a rest. (A 2-1/4 percent bond, if offered, would fall on top of the 2-1/4 percent bond of June 15, 1952-55, offered in February, or, as would probably be preferable, its terms could be altered slightly to make it a distinct issue.)

Upon the basis of the above figures and the reasoning of the preceding sections of the memorandum, it appears that it would be very difficult to confine this financing to a single issue only.

A single 2 percent issue would be streamlined too much for the banks and would ignore other sectors of demand, while sufficient funds do not appear to be available for a single 2-1/2 percent issue. This dilemma was avoided in February by a single 2-1/4 percent issue which straddled both types of demand, but this sector of the market -- a compromise sector, at best -- has now been just hit and deserves a rest.

The possibility of a long-term note remains to be considered. A 1-1/2 percent note such as that listed in the table would appear desirable from the standpoint of economy in interest rates. It would seem best, however, to save this section of the market until the reserve position of the New York City banks has been improved. In the meantime, the low yield on long notes serves to buttress the demand for medium-term bonds.

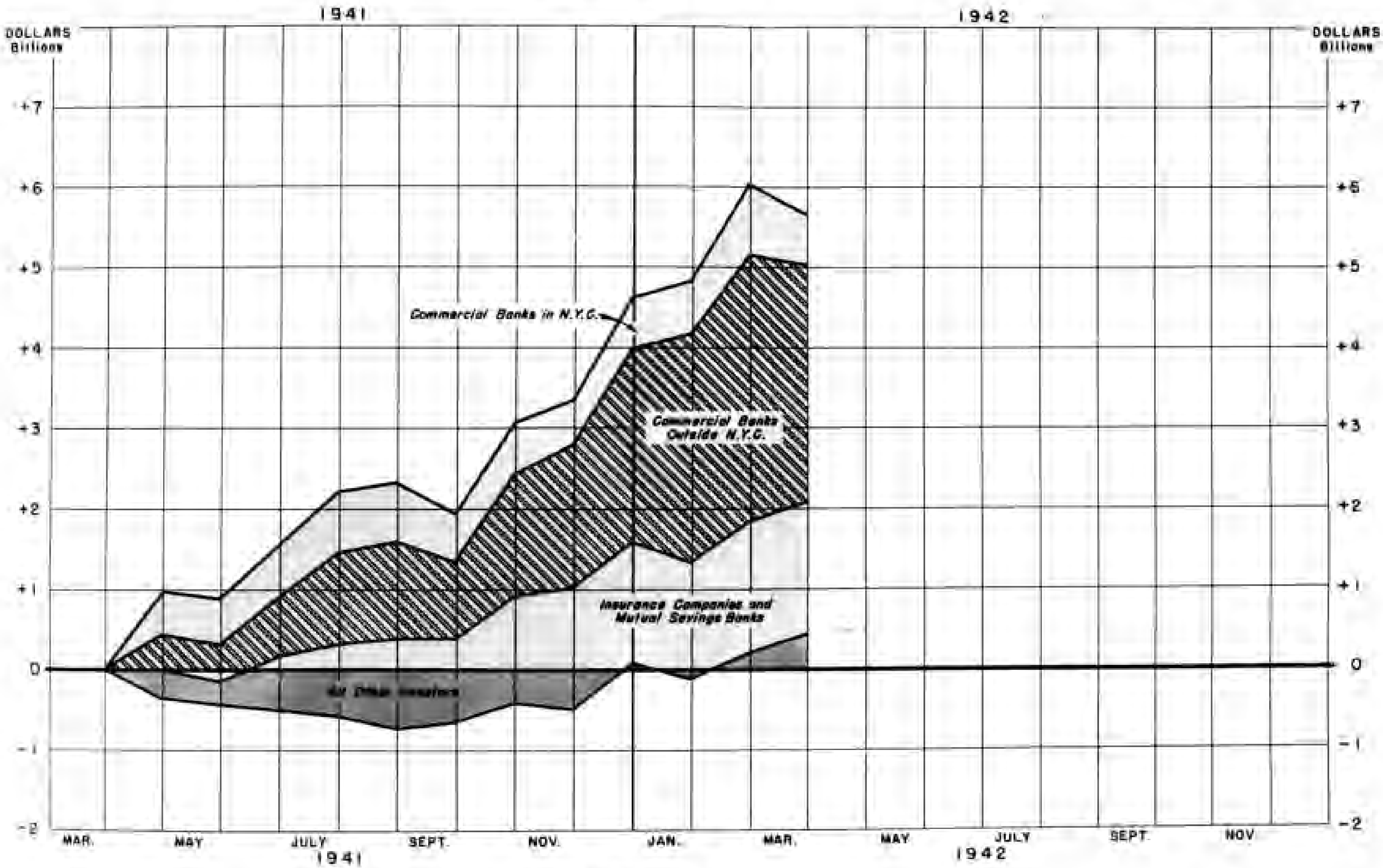
On the basis of these considerations, it is suggested that the financing be divided into two issues: one of 2 percent bonds, and the other of 2-1/2 percent bonds. In view of the limited amount of non-banking funds available, it is recommended that the 2-1/2 percent bond be for only $750 millions. It is not believed that an issue of this size, on the terms suggested, would jeopardize the position of the outstanding 2-1/2 percent bonds of 1967-72, while a larger issue on harsher terms might do so.

Attachments.

Chart I

ABSORPTION OF MARKETABLE U.S. SECURITIES,* BY CLASSES OF INVESTORS

Monthly, March 31, 1941 to Date

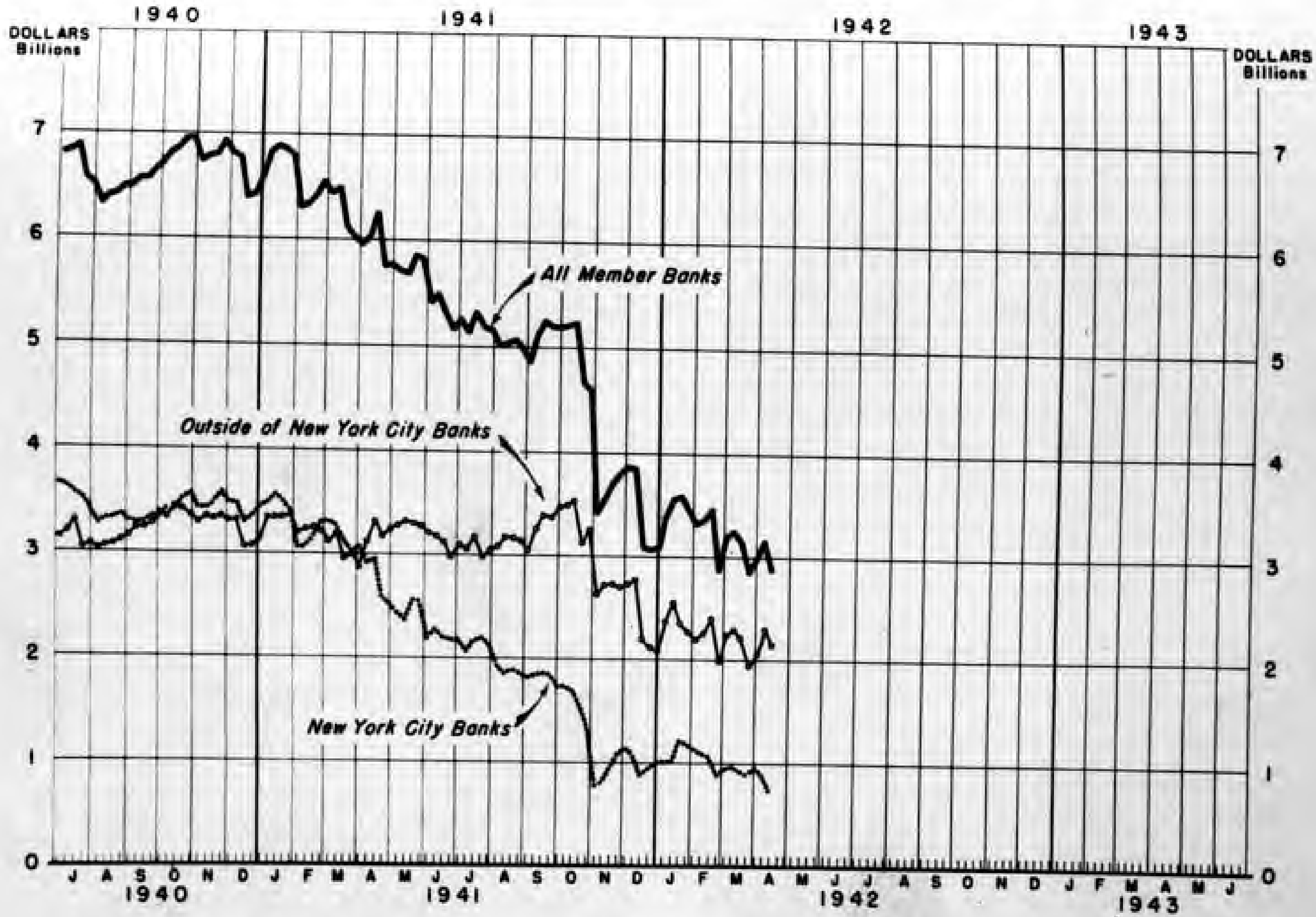


*Includes Guaranteed Securities

[illegible] of the Secretary of the Treasury
[illegible]

F-257

EXCESS RESERVES INSIDE AND OUTSIDE OF NEW YORK CITY



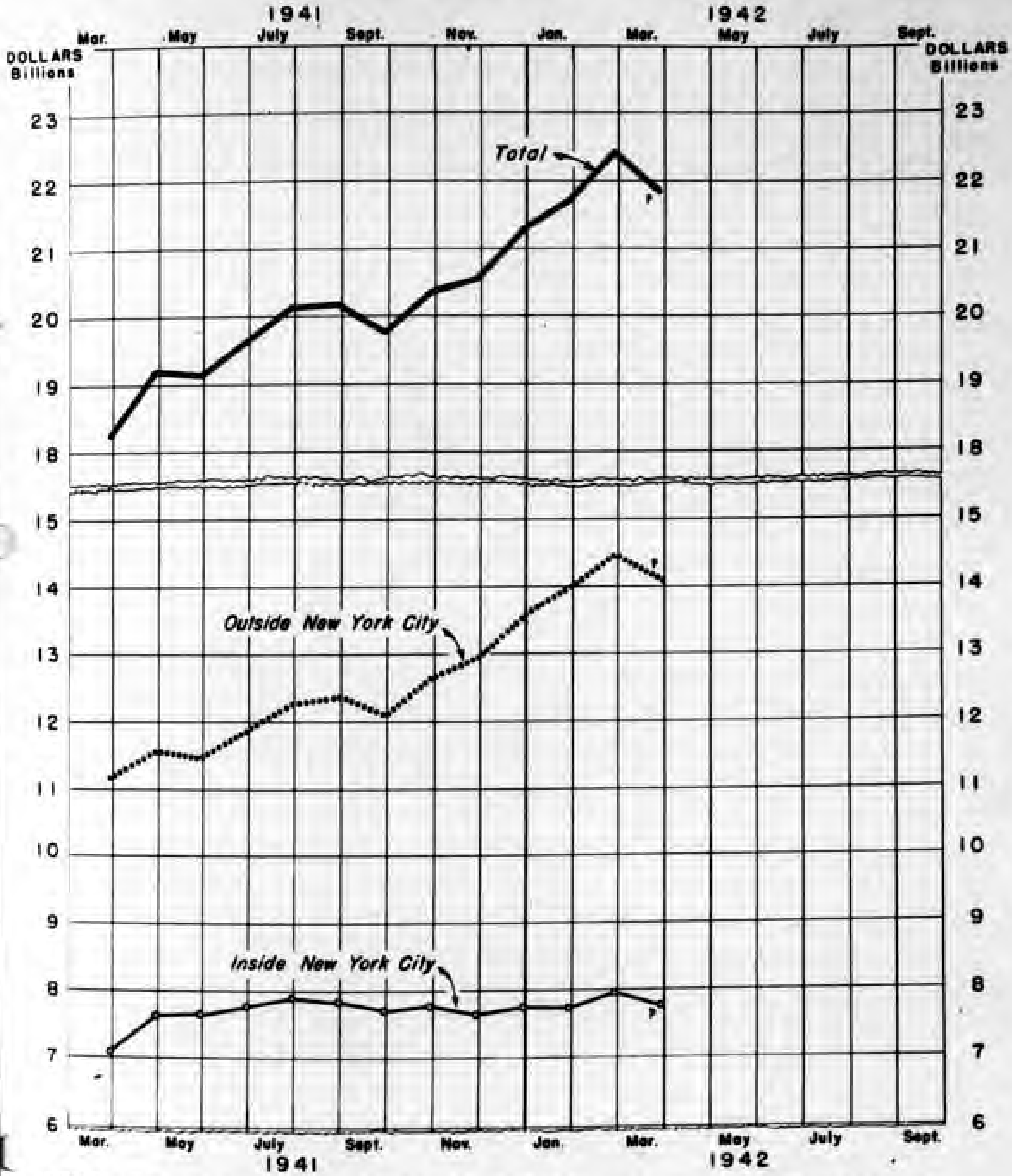
Office of the Secretary of the Treasury
Division of Research and Statistics

F-23?

35

Chart III

HOLDINGS OF MARKETABLE U.S. SECURITIES BY COMMERCIAL BANKS

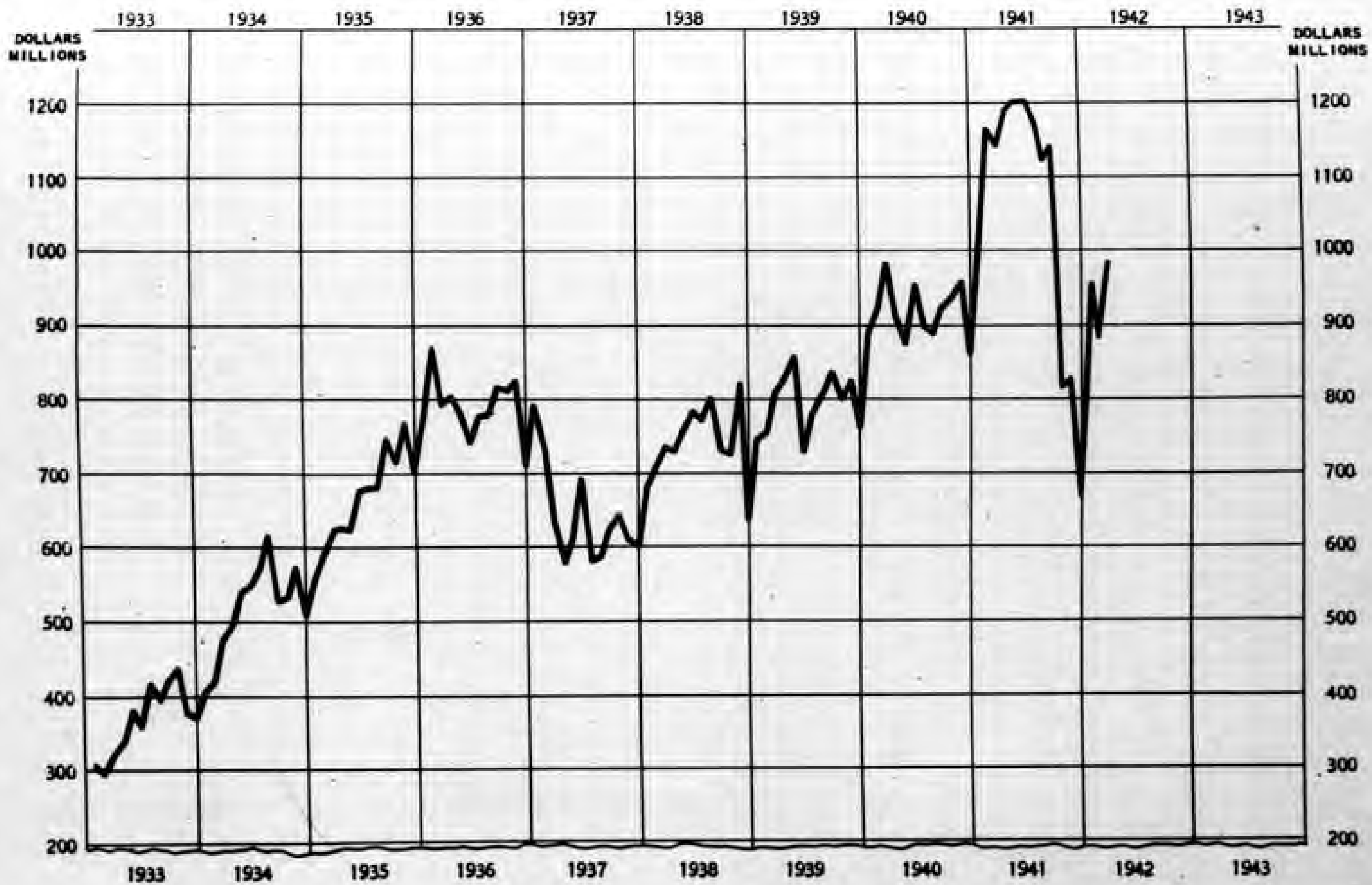


NOTE: The decrease in March is due to the run-off in Treasury bills.

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

F-225-A

LIFE INSURANCE COMPANY CASH HOLDINGS*



*36 LEGAL RESERVE COMPANIES HAVING 82 PERCENT OF TOTAL ADMITTED ASSETS OF ALL UNITED STATES LEGAL RESERVE LIFE INSURANCE COMPANIES.

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

April 22, 1942
11:00 a.m.

DEFENSE SAVINGS BONDS

Present:
Mr. Tickton
Mr. Bell
Mr. Haas
Mr. Mills

H.M.JR: What have you got?

MR. TICKTON: I have the information on the "E" flag and the companies - it arrived this morning. We are putting it together by plants and we will have to put it together by companies. We will put it on this table if you will let us have it back.

H.M.JR: I don't know whether I will or not.

MR. TICKTON: Then we will make it up over again. There are four hundred eighty-two firms over five thousand. We have checked every one of the ones that didn't have a plan and some of them came in with a plan this week. Now, there are nine that don't have the plan. This was all checked by telephone through Ted Gamble's office yesterday afternoon and those - here are the nine companies and this is what they say about them.

MR. BELL: All but nine?

MR. TICKTON: All but nine companies over five thousand employees have plans. Of those nine companies a couple of them were definite hold-outs. They just won't have any.

MR. HAAS: American Tobacco.

MR. TICKTON: American Tobacco and Cannon Mills.

MR. BELL: Woolworth?

MR. TICKTON: No, Woolworth is in.

MR. BELL: I don't think so.

MR. TICKTON: Well, they claimed it was in. We had to take their word.

MR. BELL: New York says it isn't in.

H.M.JR: Cannon Mills, I don't get that.

MR. HAAS: He has been very cooperative in the past. He sends those orders in and all that.

MR. BELL: We might hold up that hundred million dollar issue for American Tobacco on Thursday if they don't come in. (facetiously)

MR. HAAS: That is George Washington Hill.

H.M.JR: It is down to nine?

MR. TICKTON: Down to--

MR. BELL: That is pretty good.

MR. TICKTON: The first part of that is by the size of the company.

H.M.JR: I want Mr. Bell to have a copy of that.

MR. TICKTON: O.K.. That was made this morning. I made ten copies of the one we did last week.

H.M.JR: Now this, you see, is where Mills comes in, U.S. Steel, no; Bethlehem, no; Pennsylvania Railroad, no;

New York Central, no; and so forth.

MR. TICKTON: There are a hundred and thirty-eight of those four hundred eighty who are issuing agents. The rest of them aren't.

H.M.JR: How many?

MR. TICKTON: A hundred and thirty-eight out of that number.

H.M.JR: Well, Mills, just as soon as you get this accounting thing settled, I am willing to send personal telegrams, certainly, to everybody on the first page to install it. That wouldn't be you. No, that isn't you. That is my pay-roll deduction fellow. But--

MR. MILLS: Yes, that is the issuing agents.

H.M.JR: Well, you think of a way how to get these fellows in as issuing agents, will you?

MR. TICKTON: A few of them are going to come in because we have readjusted our operations so that we will let them keep the duplicate stuff. That was the purpose of that telegram you signed the other day. That helps in many cases.

MR. MILLS: Could this be done by Federal Reserve Districts, too? This is nationwide.

MR. BELL: I don't think Woolworth is in.

MR. TICKTON: I got that from the administrator and the Federal Reserve Bank. I have got them both on cards so I can tell you what Federal Reserve Bank and what administrator.

H.M.JR: Well, anyway, as of today, what do you think we should do about these nine?

MR. TICKTON: Our administrators, you remember, you sent telegrams to them. You asked Gamble to send telegrams to them last Thursday on the nineteenth, and they have pulled down to nine now, and they are working on those nine.

H.M.JR: Then I will wait for Gamble. You have got a big job to do.

MR. MILLS: Just running through the head, the way to do it, if we could get them by Federal Reserve Districts--

MR. TICKTON: We have got it.

H.M.JR: You will do it by states, won't you?

MR. TICKTON: It is already done by states. It is done by states over here.

MR. MILLS: Federal Reserve--

MR. TICKTON: By districts, we have got the cards all numbered by districts.

MR. MILLS: That would help a lot. The Federal Reserve Banks we will probably have in this thing by the - your figures can't be right up to date. You have to count on Federal Reserve reports to them, and then if the Secretary sent out wires he might get out a wire to some where you had already put it in, and you would almost have to check the Federal Reserve districts before a wire went out or they would make a mistake.

MR. TICKTON: That is right. The point is that I have got the reports up through Saturday. We - they will be up to date, but--

MR. BELL: Mr. Mills should do the Federal, shouldn't he, Mr. Secretary?

H.M.JR: Yes.

MR. BELL: Because they are in constant touch with

April 22, 1942
11:07 a.m.

HMJr: Hello.

Operator: Governor McKee.

HMJr: Hello.

Operator: Go ahead.

HMJr: Hello. McKee?

John McKee: Yeah.

HMJr: Morgenthau.

Mc: Yeah.

HMJr: How are you?

Mc: Fine, how are you?

HMJr: I'm okay. Do I understand that you're the man who's been designated to help us with getting these various companies to act as issuing agents, who have the payroll deduction plan in?

Mc: On all the - in the entire program, yes.

HMJr: Yeah.

Mc: I'm Exhibit A.

HMJr: You're Exhibit A.

Mc: Yeah.

HMJr: Well, now, Bell and I have got Mr. Mills working particularly on this issuing agent thing, see.

Mc: Yeah.

HMJr: I'd like him to come over, at your convenience, and tell you about where we are and what we've been doing in Detroit.

Mc: Yeah.

HMJr: With the Comptroller General.

Mc: Uh huh.

HMJr: And then I'd like to keep you posted, and I've given Mills the job of keeping you posted.

Mc: Uh huh.

HMJr: What time could you see him this morning?

Mc: Oh, about eleven thirty?

HMJr: He'll be there.

Mc: There's some reactions of this I'd like to give to you, which I think you ought to have.

HMJr: Right.

Mc: There is a field operation going on today that is quite elaborate. What progress it's making is subject to a lot of reactions.

HMJr: Yeah.

Mc: And I think you ought to have those reactions in your mind.

HMJr: Yeah.

Mc: I don't think we want to go too far in pressing for results to have people get disgusted with the payroll deduction plan.

HMJr: That's right.

Mc: Now, you just - that is so much more essential than their ability to qualify as an issuing agent to me, that we ought to go as far as we could, and then if we can't succeed, don't do anything to disturb that relationship.

HMJr: That's right. Well.....

Mc: So sometime when you've got a few minutes, I think we ought to sit down and I'm going to send you a memorandum that I have over here that you can digest - I'll give it to Mills so he can give it to you.

HMJr: All right. Well, the only thing we feel is that some of the Fed Banks are a little sluggish on this.

Mc: Yeah. Well, I imagine you'll find that.....

HMJr: We've got a lot of high-powered salesmen over here full of beans and enthusiasm.

Mc: Uh huh. Well, you'll find - well, you know the Fed Banks as well as I do.

HMJr: No I don't.

Mc: Some of them have got some of their pepper left, and some of them are pretty well at the end of it.

HMJr: Yeah. Well, Mills will be over there at eleven-thirty.

Mc: Okay. I'll be glad to see him.

HMJr: And - do I understand that you're tagged with the whole volunteer plan?

Mc: No, the presidents are. The presidents' conference - now, let me get you straight on that.

HMJr: Yeah, do that.

Mc: The presidents' conference appointed a committee on defense savings bonds.

HMJr: Yeah.

Mc: Which - that committee includes Allan Sproul as its Chairman, Al Williams of Philadelphia, and Chester Davis of St. Louis.

HMJr: Yeah.

Mc: And then they asked the Board to appoint a member as a liaison between your division and them.....

HMJr: Right.

Mc: .....to transmit to the field the pertinent facts. Now, we have some of our staff detailed to that responsibility at which I sort of work with them.

HMJr: Good.

Mc: Now that's your set-up.

HMJr: Good. Well, I'll have Mills be over there and give you this thing, and I'd like to keep you more posted and I'd appreciate if you'd do that to me, too.

Mc: Fine, fine. Well, we'll get together and get something out in order to encourage action. I do understand that there's about at least ten men out in the field in the New York district trying to do this one job.

HMJr: Fine.

Mc: And I'll send you a memorandum of the report on it.

HMJr: Well, of these five hundred companies employing five thousand or more, we've got all but nine now.

Mc: That's fine.

HMJr: I think it's wonderful.

Mc: That's fine.

HMJr: Yeah.

Mc: Well, all right. I'll be glad to see him.

HMJr: Thank you.

these people and they are having their own directors work on them in many cases.

H.M.JR: Oh, yes. Mills works through the Fed.

MR. BELL: Yes.

H.M.JR: Because this issuing thing is definitely - and you (Tickton) can work any way you want to.

MR. TICKTON: Well, the Fed is providing me with this list every week by either wire or air mail so I can get it on Monday.

H.M.JR: Just remember Bell and I are holding Mills responsible to get these issuing agents in, so whatever you do, work together.

MR. TICKTON: All right. I can get a daily list if you want them.

MR. MILLS: No, if I could get that thing broken down by Federal Reserve districts--

MR. TICKTON: That is no problem.

MR. HAAS: Before you send the wires out check everybody.

MR. TICKTON: That is right. That is no problem.

MR. BELL: Well, you will know from here on when they come in.

MR. MILLS: Yes. If I once get started then it is just checking them off.

(The Secretary held a telephone conversation with Mr. McKee of the Federal Reserve Board as follows)

H.M.JR: You (Mills) had better take this over with you so you will have something to show him, you see. What I would do is to tell him that when this is finished tonight you will send him over a copy, you see.

MR. TICKTON: O.K.

H.M.JR: Why isn't it a good idea to have Mills and let Harold Graves know that anything - I didn't know that - that we want the Federal Reserve Banks to know, that Mills keeps running over there and this does it.

MR. BELL: That is all right.

H.M.JR: See? Will you? What?

Take a note to Harold Graves, will you?

"You may already know this; but if you don't, this memorandum will serve a useful purpose.

Mr. John McKee of the Federal Reserve Board in Washington informs me that the twelve presidents of the Federal Reserve Banks appointed a committee to work with the Treasury on War Savings Bonds.

Mr. Alan Sproul is chairman of this committee, and Mr. Williams of the Philadelphia Bank and Mr. Davis of the St. Louis Bank are members of the committee with Mr. Sproul.

The Board designated Mr. McKee as the liaison officer between the Board, the Treasury, and the committee. In order to keep this committee and the Federal Reserve Board informed of what we are doing - and I don't think we have done a very good job of it - with Mr. Bell's approval, we are going to have Mr. Mills, in addition to devoting himself to getting the companies with pay-roll deduction plans to become issuing agents, act as liaison between the

Treasury and Federal Reserve Board on War Savings Bonds. Therefore, please see that he is kept posted daily so that he can inform Mr. McKee. I am very anxious that this be done, and done well."

April 22, 1942
11:33 a.m.

HMJr: I would like to see Mr. Roosevelt.

Grace Tully: Uh huh.

HMJr: And what I want to do is, we've gotten in a lot of very interesting figures on forty-one tax returns for corporations and individuals.

T: Uh huh.

HMJr: We took fifty-three companies that have war contracts.

T: Uh huh.

HMJr: Now, I don't know whether he wants to see me alone. I would like to bring Paul and Sullivan with me.

T: Uh huh.

HMJr: I would like to do it Thursday.

T: Uh huh.

HMJr: You might talk to him about it.

T: All right, fine. I'll see what's happening tomorrow. You mean morning.

HMJr: Yes. Is that tomorrow? Oh, yeah.

T: Tomorrow's Thursday, as far as I know.

HMJr: I don't know why. I'm a day behind.

T: You lost a day somewhere.

HMJr: Well, that trip down, I guess I checked that off.

T: (Laughs) All right, I'll find out for you. Mr. Secretary, while I have you on the telephone, Stanley Prenosil, who is down here in Washington, came in to see me this morning.

HMJr: Who?

T: He said that he had written - Stanley Prenosil one of the Cuff Link boys.

HMJr: Oh, yes.

T: And said that he'd written several weeks ago to you enclosing an application, I think, for - to ask if there was any chance that there'd be any vacancy for anybody with his qualifications. He's been in Wall Street, and has some financial background as well as newspaper background, and said he hadn't heard anything; so I told him if and when I saw you or had an opportunity, I'd mention it to you.

HMJr: I don't think I ever got the letter, to be honest.

T: Well, he said that - he was sending it at my direction - but not at my direction to you, but instead he was taking the liberty of sending it to you to ask you if you'd be good enough to forward it to the proper person in your department, you see. But he said he hadn't heard anything since.

HMJr: What's his name? Charlie.....

T: Stanley Prenosil.

HMJr: Is he the fellow with the thick glasses?

T: No. No, who's that? There's nobody in that group with thick glasses. He doesn't wear any glasses. He's bald-headed and fairly short - stocky, kind of.

HMJr: Used to be a telegraph operator?

T: No, no. He was a newspaper man with Steve. He covered the Navy Department during the last World War with the President, you know, and was one of that original group of Stephen, Mac, and Prenosil and McCarthy, and so on.

HMJr: I know McCarthy.

T: Prenosil is the bald-headed one.

HMJr: Yeah.

T: Short.

HMJr: Doesn't he wear glasses?

T: No. Never have seen him with them.

HMJr: Is he the one that gets up and does poetry?

T: No, not particularly. He may - oh, well, whenever we do, he does whatever he's supposed to do; but I mean.....

HMJr: Well.....

T: .....you'd know him when you see him.

HMJr: .....I'll look it up.

T: You've been going to birthday parties with him for years.

HMJr: (Laughs)

T: (Laughs)

HMJr: Don't scold me.

T: (Laughs) But he just happened to be in Washington, he came down with some friend, and he's here for a day or two, and I think he wants to get out of the Wall Street picture. He says there's nothing much in it for anybody any more, and that he really does have to take care of his family. He's got a wife, and he lost a child with infantile a couple of years ago. He's had pretty tough sledding for some time.

HMJr: Well, I tell you what we'll do.

T: And the President, of course, would be interested in helping him if we could find the spot, but I don't like to bother him with it if we can do it without.

HMJr: Tell him - let me just see a minute - if he will come to my office.....

T: Yes.

HMJr: .....at a quarter to three.....

T: A quarter to three.

HMJr: .....I will have him - I'll shake hands with him and turn him over to somebody whom I hope can use him.

T: Grand.

HMJr: A quarter of three.

T: Good. Fine, Mr. Secretary, that's very nice. I know that the President will appreciate it, because if I went in to ask him, I know he'd say, "Well, ask somebody to do something for him."

HMJr: Grace, your word's very good with me.

T: (Laughs) Thank God.

HMJr: Now, on this thing tomorrow.....

T: He belongs to a fraternity with you, anyway. The Cuff Links Fraternity - he belongs to the Cuff Links Fraternity.

HMJr: I know. Which is very important.

T: Yeah.

HMJr: Look, if he wants to see me alone.....

T: Yeah.

HMJr: .....then a bedside appointment would be very nice.

T: Yes.

HMJr: If he wants the other two gents to be there, then.....

T: The office would be all right, huh?

HMJr: The office. And what I like, is the number one appointment in the morning.

T: Right, sir. The first eleven o'clock one, huh?

HMJr: Yeah.

T: All right, grand.

HMJr: And you send Prenosil over.

T: All right, I will.

HMJr: Thank you.

T: Fine. Grand, Mr. Secretary. Good-bye.

April 22, 1942
2:10 p.m.

HMJr: Hello.

Grace Tully: Hello.

HMJr: Grace.

T: Yes, Mr. Secretary.

HMJr: This is for the President, you, and me, only.

T: Right, sir.

HMJr: Very extra-extra.

T: Yes, sir.

HMJr: There's a Mr. Brandt, B-r-a-n-d-t, an Englishman.....

T: Yeah.

HMJr: .....who's here, has been in charge of food for the Purchasing Mission for some time.

T: Yes.

HMJr: They're now talking or have made him Chairman of the English Purchasing Mission.

T: Yes.

HMJr: Now, he either is, or he was, one of the principal partners of Lazard Freres, of London.

T: Yeah.

HMJr: I think it's terrible, because we've kept the J. P. Morgans and the Lazard Freres and all of those out of this war purchasing.

T: Yes.

HMJr: And to put a man who's a member of the English firm.....

T: Yes.

HMJr: .....in charge, or Chairman, of the British Purchasing Mission, I think is God-awful.

T: Uh huh.

HMJr: And I wish you'd tell the President I think so.

T: Yeah. Well, do you suppose he can do anything about it if they've already named him?

HMJr: Well, I got it today. I think he's just in temporarily, but this Mr. Littleton has put him in. He isn't permanent.

T: I see. You think your little word dropped someplace might help.

HMJr: I'm sure it would, because I know that - well, I mean, Churchill's never played with these - international bankers, is what they are.

T: Uh huh. Yes.

HMJr: And I've kept them out of the U.S.A. end.

T: Yes.

HMJr: And to have them come in sitting here and on the inside of all of our military secrets.....

T: Yes.

HMJr: .....I think is awful.

T: All right, sir. I will pass it along and let you know what the Boss has to say.

HMJr: I thank you.

T: Grand, I'll call you. I haven't had a chance to take up the appointment yet, because I haven't seen the President; but I expect I'll see him within a few minutes. Their lunch ought to be over very shortly, and I hope to have a few minutes then and I'll let you know.

HMJr: While he's brushing his teeth, you could talk to him.

T: Yes, I will. (Laughs) All right. I tell you, people talk to him at every minute. When he's brushing his teeth, and every other time.

HMJr: (Laughs) You're telling me.

T: (Laughs) Yeah. And you're telling him. (Laughs)

HMJr: (Laughs)

T: The poor fellow. I feel sorry for him.

HMJr: Okay.

T: Right. Good-bye.

April 22, 1942
2:41 p.m.

HMJr: Hello.

Grace Tully: Hello.

HMJr: H. M., Jr.

T: H. M., Jr, nine-thirty tomorrow morning alone.

HMJr: (Laughs)

T: (Laughs) You asked for it either way.

HMJr: Yeah, I'm honored.

T: (Laughs) All right. Nine-thirty at his bedside in the morning.

HMJr: Yeah.

T: You can watch the brushing of the teeth then. And on the other, the President says to get hold of Halifax right away and frankly talk to him about it.

HMJr: Me?

T: Yes, sir.

HMJr: Who, me?

T: Yes, sir.

HMJr: Oh.

T: H. M., Jr. to do it.

HMJr: (Laughs) Aw, I don't want to.

T: No. Well, he.....

HMJr: Why didn't he tell Harry Hopkins to do that?

T: Well, I don't know. I said that you had called and that you had told me this, and he said, "Tell him to get hold of Halifax right away and talk frankly to him."

HMJr: Just like that.

T: Yes, sir.

HMJr: Well, I think I'll wait to talk to the Boss tomorrow.

T: (Laughs)

HMJr: Anyway, I'll be there at nine-thirty.

T: All right, fine.

HMJr: Thank you.

T: Grand.

M E M O R A N D U M

RE: CONFERENCE OF APRIL 22, 1942, 4:30 p.m.

Present: Secretary Morgenthau
Ganson Purcell
George Buffington

Purpose: To discuss the advisability of forming a Capital Funds Control Committee

After a discussion of the problem, the Secretary suggested that the matter be handled by an informal committee until such time as there seemed to be a greater need for securing an Executive Order. It was suggested that a group meet with the Secretary as problems arise to discuss them individually. The Secretary suggested that the group include D. W. Bell, Under Secretary, Lauchlin Currie, Administrative Assistant, Executive Office of the President, Jesse Jones, Federal Loan Administrator, Ganson Purcell, Chairman, Securities and Exchange, and Marriner Eccles, Chairman, Board of Governors of the Federal Reserve System.

Mr. Purcell seemed to think that a meeting twice a month or at regular intervals would take care of the situation for the present.

G. B.

1st draft 60
~~Sunday~~ 9:30 P.M.
April 22, 1942

DRAFT OF SECRETARY MORGENTHAU'S BROADCAST
THURSDAY, APRIL 23, 1941 AT 10 PM

Good Evening:

At the very start of this program I should like to introduce to you a ~~modes~~t man in uniform who is sitting alongside me in my office tonight. He is Lieutenant Commander Edward O'Hare, whom the President decorated personally last Tuesday for having brought down six Japanese bombers singlehanded.

Ladies and gentlemen, you may wonder why I invited Lieutenant Commander O'Hare to take part in this War Savings broadcast. I'll tell you my reason. This one man has proved that Americans can win if they have the weapons as well as the courage and the spirit to do it.

You and I, as civilians, are just as deeply involved in this war as he was when he fought those Japanese flyers. They would have brought him down in flames and killed him if he had not been too quick for them. In the same way, the Nazis and Japanese will stop at nothing to bring us down -- to divide us and destroy us if they can. It is now high time for us, as individuals, to make our own declaration of war against the enemy, and to get into this war with all our heart and soul.

D-A

There is no better way for civilians to fight than to cut down spending, to save materials, and to buy War Savings Bonds. In a nation at war "spending as usual" is as dangerous as "business as usual". We can't have all we want for ourselves and still give O'Hare and the other fighting men the weapons they need. Nearly ten million Americans are now cutting down spending and buying War Savings Bonds, but with the war costing 120 million dollars every day, ten million savers are not enough. All of us have got to save and buy bonds on a vastly greater scale.

All of us have got to think war and act war in our personal lives.

Victory in any battle depends on every fighting man. In the same way, victory in this great War Savings

-A

campaign depends upon every individual. All of us who earn a regular income should set aside at least ten percent of it every pay day for War Savings Bonds, and those who have been earning especially high pay in the war industries should set aside even more.

The most convenient way to do this is through the payroll savings plan, under which an employee authorizes his employer to set aside a certain percentage of his pay for bonds. If you are not doing this already, your job in the war is to sign up tomorrow; if you have signed up already, then your job in the war is to increase the amount of your savings every pay day.

I know that we on the home front can do our part as well as O'Hare did his.

-A

I know that we can reach our goal of a billion dollars in savings a month by July if every State and every county does its share.

I know that we can enlist an army of 50 million savers, without coercion or compulsion of any kind.

Some people say it can't be done. They said the same thing last January when the President announced our production goals of 60,000 planes, 45,000 tanks, 20,000 anti-aircraft guns and 8,000,000 tons of merchant shipping in 1942. Yet my friend, Donald Nelson, told us the other day that those goals are being reached and will be reached.

Here in this room with me tonight is a man who knows something about production goals. He, too, announced production goals so big that some people said they could never be attained. He called upon the farmers of America last year to produce vast new quantities of food for freedom. The farmers of America answered his call and they are reaching his goals. He is here tonight with representatives of labor and industry to tell us what he thinks of our new War Savings goal. My friend and Cabinet colleague, the Secretary of Agriculture, Claude Wickard.

D-A

 2nd Draft
April 22nd
2 00 P.M.

Good evening:

Last Tuesday, at the White House, the President awarded the Congressional Medal of Honor to an outstanding American hero, a young naval aviator who flew out alone to fight nine Japanese bombers. I should like to read what the President said about him:

"Without hesitation, alone and unaided, he repeatedly attacked this enemy formation at close range in the face of their intense combined machine-gun and cannon fire, and despite this concentrated opposition, he, by his gallant and courageous action, his extremely skillful marksmanship, making the most of every shot of his limited amount of ammunition, shot down five enemy bombers and severely damaged a sixth...

D-B

"As a result of his gallant action, one of the most daring if not the most daring single action in the history of combat aviation, he undoubtedly saved his carrier from serious damage."

The name of that hero, ladies and gentlemen, is Lieutenant Commander Edward H. O'Hare. He is here with me in my office tonight, and I am happy to introduce him to you.

B

Ladies and gentlemen: I have invited Lieutenant Commander O'Hare to be here tonight, with the leaders of American labor, agriculture and industry, because this one man has proved that Americans have [redacted] what it takes. He has proved that the American soldier or sailor of today is just as good as the men who fought and won at Belleau Wood and Chateau Thierry. He has proved that we Americans can win every time if we ~~only~~ get anything like an even break.

Lieutenant Commander O'Hare didn't even have an even break. He went out alone, one man against nine bombers ~~crews.~~ He dared to do the unbelievable, and he won. Every day the O'Hares are doing the unbelievable on far-off fronts, holding the battle line of freedom until we can overcome the head-start of our enemies.

In Lincoln's time, at the start of the War Between the States, they sang this song: "We are coming, Father Abraham, a hundred thousand strong." This time we are coming millions strong. We are coming with machines and men in overwhelming numbers, but in the meantime we can thank God for all the O'Hares, in all our fighting forces, who are keeping the flame of freedom alive.

You and I, as civilians, are just as deeply involved in this war as Lieutenant Commander O'Hare was when he fought those Japanese bombers. (~~They would have brought him down in flames and destroyed his ship, too, if he had not been made of hero's gold.~~) ~~In the same way the Nazis and the Japanese will stop at nothing to bring us down -- to divide us.~~

D-B

~~and destroy us if they can~~. It is now high time for us civilians, as individuals, to make our own declaration of war against the enemy, to fight and work and save with all our heart and soul.

In a nation at war "spending as usual" is as dangerous as "business as usual". We can't have all we want for ourselves and still give the O'Hare~~s~~ -- and his millions of comrades in arms ~~millions of them~~ -- the weapons they need. Nearly ten million Americans are now cutting down spending and buying War Savings Bonds, but with the war costing 120 million dollars every day, ten million savers are not enough. All of us have got to save and buy bonds on a vastly greater scale.

All of us have got to think war and act war in our personal lives.

Victory in any battle depends on every fighting man. In the same way, victory in this great War Savings campaign depends upon every individual. All of us who earn a regular income should set aside at least ten percent of it every pay day for War Savings Bonds, and those who have been earning especially high pay in the war industries should set aside even more.

The most convenient way to do this is through the payroll savings plan, under which an employee authorizes his employer to set aside a certain percentage of his pay for bonds. If you are not doing this already, one of your first jobs in the war is to sign up tomorrow; if you have signed up already, then one of your first jobs in the war is to increase the amount of your savings every pay day.

D-B

We on the home front have got to do our part as well as O'Hare did his.

We have got to reach our goal of a billion dollars in savings a month by July, and every State and every county has got to do its share.

We have got to enlist an army of 50 million War Bond buyers.

Some people say it can't be done. Well, here in my office tonight is a man who last year announced a production program so big that some people said it couldn't be done. He called upon the farmers of America to produce vast new quantities of food for freedom. The farmers answered his call and they are reaching his goals. He is here to tell us what he thinks of our new War Savings goal: my friend and Cabinet colleague, the Secretary of Agriculture, Claude Wickard.

D-B

73

Draft C sent to Secretary's house at 6 p. m., April 22.

Good evening:

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D-C

"As a result of his gallant action, one of the most daring if not the most daring single action in the history of combat aviation, he undoubtedly saved his carrier from serious damage."

That man, ladies and gentlemen, is here with me in my office at the Treasury tonight. I am happy to introduce him to you: Lieutenant Commander Edward H. O'Hare.

D-C

Ladies and gentlemen: I invited Lieutenant Commander O'Hare to be here tonight, with the leaders of American labor, agriculture and industry, because this one man has proved that Americans have what it takes. He has proved that the American soldier or sailor of today is just as good as the men who fought and won in 1918 "over there." He has proved that we Americans can win every time if we get anything like an even break.

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D-C

of our enemies.

In Lincoln's time, at the start of the War Between the States, they sang this song: "We are coming, Father Abraham, a hundred thousand strong. . ." This time we are coming millions strong. We are coming with machines and men in overwhelming numbers, but in the meantime we can thank God for all the O'Hares, in all our fighting forces, who are keeping the flame of freedom alive.

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D-C

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D-C

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

COPY

TELEGRAM

OFFICIAL BUSINESS—GOVERNMENT RATES

TREASURY DEPARTMENT
WASHINGTON

CHARGE TREASURY DEPARTMENT, APPROPRIATION FOR

Defense Savings - Radio Sect.
Expenses of Loans

(The appropriation from which payable must be stated on above line)

TELEGRAM TO GOVERNORS
LIST ATTACHED

APRIL 22, 1942

ON MAY 1 THE UNITED STATES TREASURY DEPARTMENT LAUNCHES A NEW WAR BOND CAMPAIGN IN WHICH EACH STATE WILL BE ASKED TO MEET A MONTHLY QUOTA OF WAR SAVINGS. YOUR ENDORSEMENT OF THE QUOTA SYSTEM IS A VITAL FACTOR IN THE SUCCESS OF THE QUOTA CAMPAIGN IN YOUR STATE. YOUR WAR SAVINGS STAFF STATE ADMINISTRATOR WILL GREATLY APPRECIATE YOUR SUPPORT IN INAUGURATING THE QUOTA SYSTEM BY MEANS OF A RADIO BROADCAST. HE WILL CALL ON YOU WITHIN THE NEXT FEW DAYS TO ENLIST YOUR HELP. MANY THANKS FOR YOUR COOPERATION.

HENRY MORGENTHAU, JR.
SECRETARY OF THE TREASURY.

MLS/br

The Honorable Frank M. Dixon,
Governor of Alabama,
Montgomery, Alabama.

The Honorable Sidney P. Osborn,
Governor of Arizona,
Phoenix, Arizona.

The Honorable Homer M. Adkins,
Governor,of Arkansas,
Little Rock,Arkansas.

The Honorable Culbert L. Olson,
Governor of California,
Sacramento, California.

The Honorable Ralph L. Carr,
Governor of Colorado,
Denver, Colorado.

The Honorable Robert A. Hurley,
Governor of Connecticut,
Hartford, Connecticut.

The Honorable Walter W. Bacon,
Governor of Delaware,
Dover, Delaware.

The Honorable Spessard L. Holland,
Governor of Florida,
Tallahassee, Florida.

The Honorable Eugene Talmadge,
Governor of Georgia,
Atlanta, Georgia.

The Honorable Chase A. Clark,
Governor of Idaho,
Boise, Idaho.

The Honorable Dwight H. Green,
Governor of Illinois,
Springfield, Illinois.

The Honorable Henry F. Schricker,
Governor of Indiana,
Indianapolis, Indiana.

The Honorable George A. Wilson,
Governor of Iowa,
Des Moines, Iowa.

The Honorable Payne H. Ratner,
Governor of Kansas,
Topeka, Kansas.

The Honorable Keen Johnson,
Governor of Kentucky,
Frankfort, Kentucky.

The Honorable Sam. H. Jones,
Governor of Louisiana,
Baton Rouge, Louisiana.

The Honorable Sumner Sewall,
Governor of Maine,
Augusta, Maine.

The Honorable Herbert R. O'Conor,
Governor of Maryland,
Annapolis, Maryland.

The Honorable Leverett Saltonstall,
Governor of Massachusetts,
Boston, Massachusetts.

The Honorable Murray D. Van Wagoner,
Governor of Michigan,
Lansing, Michigan.

The Honorable Harold E. Stassen,
Governor of Minnesota.
St. Paul, Minnesota.

The Honorable Paul B. Johnson,
Governor of Mississippi,
Jackson, Mississippi.

The Honorable Forrest C. Donnell,
Governor of Missouri,
Jefferson City, Missouri.

The Honorable Sam C. Ford,
Governor of Montana,
Helena, Montana.

The Honorable Dwight Griswold,
Governor of Nebraska,
Lincoln, Nebraska.

The Honorable E. P. Carville,
Governor of Nevada,
Carson City, Nevada.

The Honorable Robert O. Blood,
Governor of New Hampshire,
Concord, New Hampshire.

The Honorable Charles Edison,
Governor of New Jersey,
Trenton, New Jersey.

The Honorable John E. Miles,
Governor of New Mexico,
Santa Fe, New Mexico.

The Honorable Herbert H. Lehman,
Governor of New York,
Albany, New York.

The Honorable J. Melville Broughton,
Governor of North Carolina,
Raleigh, North Carolina.

The Honorable John Moses,
Governor of North Dakota,
Bismarck, North Dakota.

The Honorable John W. Bricker,
Governor of Ohio,
Columbus, Ohio.

The Honorable Leon C. Phillips,
Governor of Oklahoma,
Oklahoma City, Oklahoma.

The Honorable Charles A. Sprague,
Governor of Oregon,
Salem, Oregon.

The Honorable Arthur H. James,
Governor of Pennsylvania,
Harrisburg, Pennsylvania.

The Honorable J. Howard McGrath,
Governor of Rhode Island,
Providence, Rhode Island.

The Honorable J. E. Harley,
Governor of South Carolina,
Columbia, South Carolina.

The Honorable Harlan J. Bushfield,
Governor of South Dakota,
Pierre, South Dakota.

The Honorable Prentice Cooper,
Governor of Tennessee,
Nashville, Tennessee.

The Honorable Coke R. Stevenson,
Governor of Texas,
Austin, Texas.

The Honorable Herbert B. Maw,
Governor of Utah,
Salt Lake City, Utah.

The Honorable William H. Wills,
Governor of Vermont,
Montpelier, Vermont.

The Honorable Colgate W. Darden, Jr.,
Governor of Virginia,
Richmond, Virginia.

The Honorable Arthur B. Langlie,
Governor of Washington,
Olympia, Washington,

The Honorable Matthew M. Neely,
Governor of West Virginia,
Charleston, West Virginia,

The Honorable Julius P. Heil,
Governor of Wisconsin,
Madison, Wisconsin.

The Honorable Nels H. Smith,
Governor of Wyoming,
Cheyenne, Wyoming.

April 22, 1942

MEMORANDUM TO MR. GRAVES:

You may already know this; but if you don't, this memorandum will serve a useful purpose.

Mr. John McKee of the Federal Reserve Board in Washington informs me that the twelve presidents of the Federal Reserve Banks appointed a committee to work with the Treasury on War Savings Bonds.

Mr. Alan Sproul is chairman of this committee, and Mr. Williams of the Philadelphia Bank and Mr. Davis of the St. Louis Bank are members of the committee with Mr. Sproul.

The Board designated Mr. McKee as the liaison officer between the Board, the Treasury, and the committee. In order to keep this committee and the Federal Reserve Board informed of what we are doing - and I don't think we have done a very good job of it - with Mr. Bell's approval, we are going to have Mr. Mills, in addition to devoting himself to getting the companies with pay-roll deduction plans to become issuing agents, act as liaison between the Treasury and Federal Reserve Board on War Savings Bonds. Therefore, please see that he is kept posted daily so that he can inform Mr. McKee. I am very anxious that this be done, and done well.

H. M. Jr.

April 22, 1942

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H. M. Jr.

THE UNDER SECRETARY OF THE TREASURY

WASHINGTON

April 22, 1942

TO THE SECRETARY:

Mr. Wilson Jones of the Federal Reserve Bank of New York telephoned me this afternoon that the Great Atlantic and Pacific Tea Company, which employs some 61,000 persons, came in this afternoon with an application from its eastern division to become an issuing agent for the sale of War Savings bonds. He advised that they were also writing to their Chicago office, requesting that that division also become an issuing agent. This company has eight divisions throughout the country but it desires to qualify only for these two divisions at this time. It expects to qualify for the other divisions as soon as these two are completed.

Mr. Jones also advised me that he and Mr. Rounds had a very nice conference this afternoon with Mr. Prentiss, President of General Motors Corporation, which employs 400,000 persons. Mr. Prentiss said that General Motors was contemplating becoming an issuing agent and he merely wanted to find out how the Federal Reserve Bank of New York issues its bonds. Mr. Jones thought that Mr. Prentiss would take immediate steps to have General Motors qualify as an issuing agent.

DWB

Copies to:
Mr. Mills
Mr. Tickton

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE April 22, 1942

TO Secretary Morgenthau

FROM Mr. Haas

1. Attached to this memorandum are tables showing (1) the number of agents qualified to issue Defense Savings Bonds, Series E, at the close of business on April 18, classified by type of agent, by Federal Reserve Districts, and (2) the number of such agents on selected dates since May 7, 1941.

2. Agents, other than post offices, qualified to issue Series E savings bonds numbered 21,123 on April 18, an increase of 111 since April 11.

3. On April 18, there were 1,110 corporations qualified to issue Series E savings bonds on payroll allotment plans in accordance with the instructions contained in your telegram of December 27 to the Federal Reserve Banks. This represented an increase of 60 corporations over last week.

Attachments

Number of agents qualified to issue Series E
Savings Bonds, May 7, 1941

	1941		1942				
	May 7	Sept. 30	Jan. 31	Feb. 28	March 28	April 11	April 18
Commercial and savings banks....	7,676	11,571	14,097	14,240	14,331	14,368	14,383
Building and loan associations..	739	1,481	2,434	2,560	2,632	2,645	2,662
Credit unions..................	8	389	2,080	2,479	2,695	2,748	2,765
Other corporations 1/...........	-	-	351	686	931	1,050	1,110
Investment industry............	-	-	37	63	66	65	67
All others.....................	7	27	99	137	135	136	136
Total other than post offices..	8,430	13,468	19,098	20,165	20,790	21,012	21,123
Post offices...................	15,812	16,429	17,123	17,928	18,208	18,305	18,361
Grand total....................	24,242	29,897	36,221	38,093	38,998	39,317	39,484

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

April 21, 1942

1/ In accordance with telegram of December 27, 1941.

Classification of the [illegible] of agents qualified to issue Series E Savings Bonds on April 18, 1942

	Banks	Building and loan associations	Credit unions	Other corporations 1/	Investment industry	All others 2/	Total
Corporations and associations:							
Federal Reserve District of:							
Boston	837	253	230	79	1	14	1,414
New York	1,166	257	429	149	17	69	2,087
Philadelphia	857	116	125	223	-	-	1,321
Cleveland	1,189	394	353	62	8	2	2,008
Richmond	1,029	196	151	48	8	1	1,433
Atlanta	1,031	168	194	30	-	-	1,423
Chicago	2,380	486	286	327	18	28	3,525
St. Louis	1,407	166	82	56	7	1	1,719
Minneapolis	1,283	62	86	8	-	3	1,442
Kansas City	1,789	194	219	25	2	6	2,235
Dallas	864	126	252	64	3	9	1,318
San Francisco	551	244	358	39	3	3	1,198
Subtotal	14,383	2,662	2,765	1,110	67	136	21,123
Post offices	-	-	-	-	-	-	18,361
Grand total	14,383	2,662	2,765	1,110	67	136	39,484

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

April 21, 1942

1/ In accordance with telegram of December 27, 1941.
2/ Except post offices.

CONFIDENTIAL

UNITED STATES SAVINGS BONDS

Comparative Statement of Sales During
First Eighteen Business Days of April, March and February 1942
(April 1-21, March 1-21, February 1-21)
On Basis of Issue Price

(Amounts in thousands of dollars)

Item	Sales			Amount of Increase or Decrease (-)		Percentage of Increase or Decrease (-)	
	April	March	February	April over March	March over February	April over March	March over February
Series E - Post Offices	$ 56,246	$ 61,515	$ 70,449	-$ 5,269	-$ 8,934	- 8.6%	- 12.7%
Series E - Banks	160,857	181,463	257,910	- 20,606	- 76,447	- 11.4	- 29.6
Series E - Total	217,104	242,977	328,359	- 25,873	- 85,382	- 10.6	- 26.0
Series F - Banks	25,733	28,778	41,214	- 3,045	- 12,436	- 10.6	- 30.2
Series G - Banks	110,799	129,728	201,058	- 18,929	- 71,330	- 14.6	- 35.5
Total	$353,636	$401,483	$570,631	-$ 47,847	-$169,148	- 11.9%	- 29.6%

Office of the Secretary of the Treasury, Division of Research and Statistics. April 22, 1942.

Source: All figures are deposits with the Treasurer of the United States on account of proceeds of sales of United States savings bonds.

Note: Figures have been rounded to nearest thousand and will not necessarily add to totals.

CONFIDEN

UNITED STATES SAVINGS BONDS

Daily Sales - April, 1942
On Basis of Issue Price

(In thousands of dollars)

Date	Post Office Bond Sales Series E	Bank Bond Sales				All Bond Sales			
		Series E	Series F	Series G	Total	Series E	Series F	Series G	Total
April 1942									
1	$ 2,476	$ 10,517	$ 2,380	$ 9,608	$ 22,504	$ 12,993	$ 2,380	$ 9,608	$ 24,980
2	2,999	8,264	2,119	7,570	17,953	11,263	2,119	7,570	20,953
3	3,222	7,572	1,185	6,235	14,992	10,794	1,185	6,235	18,214
4	2,778	9,292	1,387	5,334	16,013	12,070	1,387	5,334	18,790
6	4,961	13,035	2,329	8,027	23,391	17,996	2,329	8,027	28,352
7	2,958	5,722	834	8,983	15,539	8,680	834	8,983	18,497
8	2,309	9,610	1,142	6,562	17,314	11,919	1,142	6,562	19,623
9	2,906	9,304	955	5,715	15,974	12,210	955	5,715	18,880
10	2,730	8,052	1,573	5,261	14,885	10,782	1,573	5,261	17,615
11	2,150	5,224	668	2,720	8,613	7,374	668	2,720	10,762
13	4,619	17,572	2,432	8,604	28,609	22,192	2,432	8,604	33,228
14	2,513	6,152	1,076	3,333	10,561	8,665	1,076	3,333	13,074
15	2,584	5,102	1,251	5,374	11,728	7,686	1,251	5,374	14,312
16	3,472	10,008	1,400	7,773	19,180	13,480	1,400	7,773	22,652
17	2,690	8,076	850	3,695	12,621	10,766	850	3,695	15,311
18	3,111	7,175	948	3,303	11,426	10,286	948	3,303	14,537
20	5,252	13,334	2,227	9,001	24,562	18,586	2,227	9,001	29,814
21	2,517	6,845	977	3,703	11,525	9,362	977	3,703	14,042
Total	$ 56,246	$160,857	$ 25,733	$110,799	$297,389	$217,104	$ 25,733	$110,799	$353,636

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

April 22, 1942.

Source: All figures are deposits with the Treasurer of the United States on account of proceeds of sales of United States savings bonds.

Note: Figures have been rounded to nearest thousand and will not necessarily add to totals.

While America is engaged in this great war for survival, the American people are determined that the men who risk their lives on our battle lines shall be abundantly supplied with the best weapons and equipment that can be made. However, the American people are also determined that while our sons are fighting for $21 a month, none of us who remain at home shall profit from this war. For over 20 years America has asked that the profits be taken out of war. Today America demands it.

We all know that the great majority of American business men and corporations are fair and honest, and that most of them are doing a grand job. Readily and willingly they have adapted themselves to the needs and the rigors of war-time production. Tokyo, Berlin and Rome will soon know what they have accomplished. I am confident that we will all be proud of their achievements.

However, in our rush to accelerate war-time production we have not been able to make exact estimates of cost and profit margins. Consequently there have been some unintended large profits. Then too, unfortunately, in a country as large as America there are bound to be some business men and a few corporations who have not been able to resist the temptation to "capitalize" this emergency. To correct honest mistakes, and to curb these chiselers without punishing fair men and honest business is a difficult task, but I am sure we can accomplish it.

A wide variety of proposals have been advanced to achieve this objective. Each plan advanced has its own peculiar advantages and likewise its own disadvantages. We know that we will not accomplish our objective by any profit limitation which will hinder the war effort or increase the cost of war. We know that we must adopt that plan which, while recapturing excess profits and unreasonable increases in private income, will not in any way impede the productive effort of the nation, either by discouraging participation by some or by lessening the efforts of those already engaged in production.

After studying this whole problem and examining all the plans submitted, I am convinced that our objective of taking the profit out of war can best be accomplished by means of the proposals submitted by the Treasury to the House Ways and Means Committee.

Corporate Profits: The Treasury schedule for corporate income taxes reaches a combined normal and war surtax rate of 55 percent, and an excess profits tax rate of 75 percent. When these rates are combined — as they will be in the case of most corporations furnishing war material — there is a tax of $88.75 on each $100.00 in the highest bracket of tax, and most of these corporate profits will be subjected to that rate of tax. Of this $88.75, $8.75 will be deposited to the credit of the corporation as a post-war rebate, to be returned to the corporation after the war, when corporations will need funds for the reemployment of labor and the re-conversion of facilities from war-time to civilian production. Such corporate tax rates will do all that is possible to keep the profit out of war without completely eliminating incentive, economy, and efficiency, and thus interfering with war production.

Individual Income Taxes: The individual surtax rates proposed by the Treasury will reach all individual war profits and all salaries paid to individuals by corporations engaged in the war effort. These surtax rates are far more drastic than any we have known heretofore, though they are entirely reasonable in view of our great need for revenue. At $50,000 the combined surtax and normal tax rate is 80 percent. The highest rate of tax is reached at a net income of $100,000, at which point the combined rate if 90 percent. The surtax rates in the lower brackets will be very much higher than the present rates. In fact, the increases of individual rates are so great that a corporation executive who earned $50,000 in 1941 and whose salary was raised to $100,000 in 1942 would increase his net income after taxes by less than $1500, if the Treasury proposal is adopted.

The country has recently been shocked at the revelation of the unconscionable increases in salaries and bonuses paid to executives and employees of corporations enjoying war contracts. Under the Treasury proposals most of these increases will go to the government in individual income taxes since these increases will be subjected to the new Treasury rates on individual incomes. However, we do not need to rely entirely upon these rates or upon any set of rates. There is a provision in the Internal Revenue Code which restricts the deduction for corporate tax purposes to those amounts of executives' salaries which are reasonable. Thus, in many cases in which unreasonable salaries have been paid the deduction will be lost to the corporation for tax purposes, and the amount paid will nevertheless be taxed to the individual recipient. The net tax in such cases may be more than 100 percent of the excess unreasonable salary.

I believe these Treasury recommendations represent the fairest, the safest, and the surest method yet suggested of taking the profits out of war. I urge their speedy adoption by the Congress.

April 22, 1942

MEMORANDUM

It is believed that personal and corporation income and excess profits taxes furnish the best method of recapturing war profits and high wartime salaries and that the rates proposed by the Treasury are sufficiently high. This conclusion is substantiated by Treasury examination of 1939-1941 data for 55 corporations engaged in whole or in part on government contracts and selected for study by Mr. Donald Nelson of the War Production Board.

I. Salaries

The increased salaries being paid in numerous cases do not require the imposition of a salary limitation for the following reasons:

1. Unreasonable and unnecessary salaries are disallowed as business expense by the Bureau of Internal Revenue. The unreasonable portion in such case is taxed both to the corporation and to the individual receiving it. Thus, considering the combined effect of individual and corporate taxes, the payment of unreasonable salaries increases the revenue.

2. The proposed personal income tax rates are so high that taxes would take a very large part of salary increases.

For example, a person receiving a $50,000 salary would have left under present law $29,561. If his salary were increased to $100,000 and subjected to the proposed rates, he would have left $31,035. Thus, his $50,000 increase would net him an actual increase of less than $1,500.

Even if the comparison is made entirely on the proposed rates, the result is similar. Under the proposed rates, a person with a salary of $40,000 would have left after tax $20,235. If his salary were increased to $80,000, he would have left $26,375. Thus, his increase of $40,000 would net him $6,140.

Under the proposed bill, to have an income of $50,000 after taxes it would be necessary to have an income before income tax of $289,350. An increase of $1 of salary above $50,000 nets the recipient only 20 cents and an increase of $1 above $100,000 nets him only 10 cents.

3. In view of the psychological harm which would result from a rigid income limitation, the injustice that such a limit would create in some cases, and the difficulty under the proposed rates of securing large incomes after taxes, it is believed that the Treasury proposals, combined with the present provision disallowing as a deduction unreasonable salaries, is sufficient to meet the situation.

II. Profits

It is believed that the proposed corporation normal tax, war surtax and excess profits tax rates are adequate and as high as should now be imposed.

1. The study shows that of 37 companies for which 1941 data were available, all but 9 were subject to excess profits tax and of those subject to such taxes, all but 4 had paid profits tax at the highest rates of tax. Thus, under the proposed rates, 24 of the 37 companies would pay the maximum gross rate of 88-3/4 percent on all further earnings received.

2. Some of the biggest and most profitable corporations, such as the motor companies, would have received in 1941 substantially less after taxes under the proposed tax rates than they did in 1939 and 1940 despite very substantial increases in net income before taxes. The income before taxes of General Motors Corporation increased by 94 percent from 1939 to 1941, while its income after taxes would have decreased by 38 percent if the 1941 profits had been taxed at the proposed rates.

3. Some companies with substantial increases before taxes would show small increases after taxes. In 1941 the U. S. Steel Corporation had 1941 net income before taxes 207 percent above that of 1939, while under the proposed rates the 1941 income after taxes would have been only 20 percent higher than the 1939 income after taxes.

4. In a few cases the increase in profits after taxes would have been large even under the proposed rates of tax. In many such cases the company had a high invested capital credit in relation to its base period earnings. Thus Packard Motor Car Company had an increase in profits before taxes of 214 percent from 1939 to 1941 and 68 percent after taxes, computing taxes on 1941 income at the proposed rates. This situation could be corrected by reducing the invested capital credit which reduction has been favored by the Treasury and is being actively considered by the Ways and Means Committee.

In some other cases the profits increased so rapidly after the base period that the income after taxes also increased substantially. Even so, the increase in income after taxes would be relatively small. One company, Consolidated Aircraft Corporation, had 1941 profits before taxes of 15 times the 1939 profits. Under the proposed rates it would have had only 2-1/2 times as much income after taxes in 1941 as in 1939. It is doubted if any further restriction on the profits beyond the proposed rates would be consistent with the incentive necessary for efficient production.

5. In this connection it should be remembered that under the proposed rates if a dollar of excess profits were subject to the gross maximum tax of 88-3/4 cents and the balance were paid to a stockholder with income above $100,000, the government would receive 99 cents and the stockholder 1 cent out of the dollar.

RB:DBD
4/22/42

COMPENSATION OF EXECUTIVES

Explanatory statement in respect to the attached tabulations

A detailed tabulation is attached for each of 44 selected corporations for which "Compensation of Executives" data are available. Each tabulation shows by company, the name, title, and amount of salary for 1939, 1940, and 1941, for executives who received $10,000 or over for 1941. Salary includes directors' fees, bonuses, etc. In those instances where the large number of executives makes a complete tabulation impractical, data are shown only for those with larger amounts of compensation. The coverage of each tabulation is indicated under "Remarks."

The salary after Federal income taxes represents the compensation minus Federal income tax computed as follows: (1) Net income assumed to equal amount of salary, (2) Personal exemption of a married person allowed -- $2,500 for 1939 and $1,500 for 1941, (3) Maximum earned income credit allowed for 1939. No earned income credit allowed for 1941, and (4) Normal tax and surtax rates as provided by the Internal Revenue Code applicable to the year 1939 applied to 1939. Normal tax and surtax rates as proposed by the Secretary on March 3, 1942 applied to 1941.

The summary tabulation shows identical data in aggregate for each of the 44 corporations.

JRT/moe
April 23, 1942

SUMMARY OF COMPENSATION OF EXECUTIVES BEFORE AND AFTER FEDERAL INCOME TAXES FOR 1939 AND 1941

Name of company	Salaries 1/ 1939	Salaries 1/ 1940	Salaries 1/ 1941	Increase in amount of salaries in 1941 over 1939	Salaries after Federal income taxes 1939	Salaries after Federal income taxes 1941 Proposed Rates	Salaries after Federal income taxes Change between 1939 and 1941	Number of executives included
Alabama Dry Dock and Ship-building Co.	$ 92,525	$ 153,671	$ 265,521	$ 172,996	$ 85,188	$ 105,695	$ 20,507	4
American Car and Foundry Co.	173,090	184,338	114,075	(59,015)	146,398	70,602	(75,796)	5
American Engineering Co.	10,698	15,385	17,575	6,877	10,219	11,790	1,571	1
American Locomotive Co.	Not available							
American Woolen Co., Inc.	339,225	343,585	524,250	185,025	293,871	239,250	(54,621)	12
Aviation Corporation	Not available							
Baldwin Locomotive Works	114,545	175,200	192,747	78,202	105,057	98,631	(6,426)	5
Bath Iron Works Corp.	25,800	34,280	37,360	11,560	24,313	25,320	1,007	2
Beech Aircraft Corp.	10,052	12,600	19,251	9,199	9,614	12,586	2,972	1
Bell Aircraft Corporation	35,000	49,210	124,167	89,167	32,096	49,093	16,997	2
Bendix Aviation Corp.	162,250	122,625	198,200	35,950	140,536	97,871	(42,665)	5
Bendix Aviation Ltd.	12,000	10,750	18,000	6,000	11,399	11,996	597	1
Bethlehem Steel Corp. & Subsidiary companies	1,173,283	1,751,294	1,934,458	761,175	794,485	502,112	(292,373)	16
Boeing Aircraft Co.	58,884	85,835	90,155	31,271	55,811	62,109	6,298	6
Chrysler Corp.	793,500	885,034	891,333	97,833	616,845	354,044	(262,800)	14
Consolidated Aircraft Corp.	80,000	122,161	184,567	104,567	74,657	93,569	18,912	5
Consolidated Steel Corp., Ltd. (Calif.)	40,400	33,471	66,000	25,600	38,372	44,000	5,628	4
Consolidated Steel (Texas)	Not available							
Continental Motors Corp.	30,000	29,604	52,903	22,903	28,099	29,273	1,174	2
Cramp Shipbuilding (Wm. Cramp and Sons Ship and Engine Building Co.	Not available							

SUMMARY OF COMPENSATION OF EXECUTIVES BEFORE AND AFTER FEDERAL INCOME TAXES FOR 1939 AND 1941
(CONTINUED)

Name of company	Salaries 1/ 1939	Salaries 1/ 1940	Salaries 1/ 1941	Increase in amount of salaries in 1941 over 1939	Salaries after Federal income taxes 1939	Salaries after Federal income taxes 1941 Proposed Rates	Salaries after Federal income taxes Change between 1939 and 1941	Number of executives included
Curtis Wright	Not available							
Diamond-T Motor Car Co.	$ 220,647	$ 188,750	$ 395,613	$ 174,966	$ 197,308	$ 189,487	$ (7,819)	10
Douglas Aircraft, Inc.	166,715	161,646	253,291	86,576	140,255	106,976	(33,279)	5
E.I. duPont de Nemours and Co.	2,019,109	2,174,679	1,446,761	(572,348)	1,117,459	396,931	(720,528)	12
Electric Boat Co.	101,000	106,083	121,000	20,000	89,799	66,290	(23,509)	4
Ford Motor Co.	1,228,000	1,299,101	1,466,550	238,550	878,780	511,155	(367,625)	20
General Electric Co.	Not available							
General Machinery Corp.	151,995	165,359	226,100	75,105	135,420	118,858	(16,562)	9
General Motors Corp.	5,209,945	5,265,130	5,083,210	(125,735)	1,798,329	754,017	(1,044,312)	22
Glenn L. Martin Co.	111,529	114,441	145,023	33,494	98,198	72,939	(25,259)	4
Grumman Aircraft and Engineering Company	48,160	79,194	96,570	48,410	43,491	44,886	1,395	2
Gulf Shipbuilding Corp.	Not available							
Houston Shipbuilding Corp.	Not available							
Ingalls Shipbuilding Corp.	85,016	95,044	108,000	22,984	78,830	67,590	(11,240)	5
Lockheed Aircraft Corp.	107,700	177,000	475,000	367,300	99,389	166,730	67,341	6
Los Angeles Shipbuilding and Drydock Co.	Not available							
Moore Drydock Co.	101,000	101,750	107,000	6,000	90,803	65,365	(25,438)	5
Newport News Shipbuilding and Drydock Co.	Not available							
New York Shipbuilding Corp.	127,925	240,449	313,700	185,775	115,552	136,142	20,590	6
North American Aviation, Inc.	339,010	325,358	300,050	(38,960)	225,697	113,565	(112,132)	5
Northern Pump Company	49,000	12,000	172,000	123,000	40,441	38,265	(2,176)	1
Packard Motor Car Co.	370,765	362,989	442,641	71,876	321,565	230,156	(91,409)	14
Republic Aviation Corp.	42,629	90,996	93,980	51,351	39,567	56,195	16,628	4
Robins Drydock and Repair Co.	130,947	108,757	195,689	64,742	117,584	104,366	(13,218)	6
Savage Arms Corp.	52,188	66,868	121,840	69,652	47,924	60,850	12,926	5

SUMMARY OF COMPENSATION OF EXECUTIVES BEFORE AND AFTER FEDERAL INCOME TAXES FOR 1939 AND 1941
(CONTINUED)

	Salaries 1/			Increase in amount of salaries in 1941 over 1939	Salaries after Federal income taxes			Number of executives included
	1939	1940	1941		1939	1941 Proposed Rates	Change between 1939 and 1941	
Seattle-Tacoma Shipbuilding Corp.	Not available							
Sperry Gyroscope Co.,Inc.	137,250	158,284	215,500	78,270	120,446	98,380	(22,066)	5
Standard Oil Co. (N.J.)	998,100	1,011,416	1,014,531	16,431	767,204	411,394	(355,810)	17
Studebaker Corp.	303,535	512,000	432,000	128,465	267,189	208,905	(58,284)	11
Sun Oil Company	474,800	495,500	598,782	123,982	402,156	290,281	(111,875)	15
United Aircraft Corp.	186,125	215,248	304,202	118,077	160,658	130,143	(30,515)	6
United States Steel	Not available							
Western Cartridge Co.	85,500	142,000	370,000	284,500	80,257	144,545	64,308	7
Western Pipe and Steel Co. (Calif.)	79,500	79,500	119,250	39,750	72,889	62,917	(9,972)	4
Westinghouse Electric & Manufacturing Co.	469,787	555,558	596,167	126,380	343,331	194,796	(148,535)	7
Westinghouse Electric Elevator Company	33,006	38,106	34,725	1,718	28,745	18,566	(10,179)	1
Total	14,580,880	16,118,928	17,977,501	3,397,621	10,380,214	6,662,651	(3,717,564)	300

1/ In general includes compensation of executives who received $10,000 and over for 1941 and for which 1939 and 1940 data are available. However, for certain corporations with a large number of executives a higher salary level was adopted.

(Prepared by Statistical Section, Income Tax Unit, for Mr. Roy Blough, Director of Tax Research, April 23, 1942.)

ALABAMA DRY DOCK AND SHIPBUILDING COMPANY

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941 Proposed Rates	Salary after Federal income taxes Changes between 1939 and 1941
D. R. Dunlap	President	$ 35,085	$ 54,630	$ 88,075	$ 52,990	$ 30,335	$ 29,535	$ (800)
G. H. Dunlap	V.P., Secy, Treas.	20,199	32,432	56,998	36,799	18,580	24,315	5,735
J. M. Griser	Vice Pres.	20,199	35,558	63,230	43,031	18,580	25,527	6,947
R. F. Campbell	Vice Pres.	16,842	30,951	57,018	40,176	15,693	24,318	8,625
Total		92,325	153,571	265,321	172,996	83,188	103,695	20,507

Remarks: All executives with salary of $10,000 and over are included.

AMERICAN CAR AND FOUNDRY COMPANY

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
Not shown.	Official of Carter Carburetor Company	$ 20,288	$ 27,088	$ 20,871	$ 583	$ 18,656	$ 15,332	$ (5,324)
Not shown.	Official of Carter Carburetor Company	66,000	91,000	21,328	(44,672)	51,271	15,658	(37,753)
Not shown.	Official of American Car and Foundry Co.	22,500	20,000	21,458	(1,042)	20,496	15,596	(6,900)
Not shown.	Official of American Car and Foundry Co.	24,300	22,500	21,458	(2,842)	21,954	15,596	(6,358)
Not shown.	Official of American Car and Foundry Co.	40,000	25,750	28,958	(11,042)	34,021	16,540	(17,481)
Total		173,088	184,338	114,073	(59,015)	146,398	70,602	(75,796)

Remarks: There are 50 additional officers with total salary of $900,248 in 1941 for which there are no available data for 1939.

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AMERICAN ENGINEERING COMPANY

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
William V. Sauter	Pres.	$ 10,698	$ 15,383	$ 17,575	$ 6,877	$ 10,219	$ 11,790	$ 1,571

Remarks: The Vice President and General Manger with a salary of $14,585 for 1941 and $12,307 for 1940 is the only other officer with a salary of $10,000 and over, but his salary is not available for 1939.

AMERICAN WOOLEN COMPANY

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal Income Taxes 1939	Salary after Federal Income Taxes 1941	Changes between 1939 and 1941
M. Pendleton	Pres. & Sales Mgr.	$ 73,125	$ 75,000	$ 125,000	$ 51,875	$ 56,227	$ 35,565	$ (21,662)
F. S. Gemmett	Treasurer	18,000	18,000	25,000	7,000	16,701	15,040	(1,661)
R. H. Montgomery	Clerk & Gen. Counsel	18,000	18,000	25,000	7,000	16,701	15,040	(1,661)
C. H. Silver	Gen. Sales Mgr.	45,000	45,853	65,000	20,000	37,636	25,845	(11,791)
T. W. Prestwich	Div. Mgr.	27,000	27,750	42,000	15,000	24,091	20,796	(3,295)
A. B. Walls, Jr.	Div. Mgr.	27,000	27,000	40,000	13,000	24,091	20,235	(3,856)
H. C. Schoer	Credit Mgr.	22,500	22,500	28,000	5,500	20,496	16,195	(4,301)
E. F. Williams	Res. Mgr.	25,000	25,000	45,000	20,000	22,511	21,835	(676)
A. H. Eddy	Res. Mgr.	15,000	15,000	35,000	20,000	14,076	18,655	4,579
T. E. Greenway	Res. Mgr.	21,100	22,000	34,250	13,150	19,334	18,415	(919)
W. M. Lamont	Res. Mgr.	22,500	22,500	32,500	10,000	20,496	17,815	(2,681)
M. G. Einstein	Res. Mgr.	25,000	25,000	27,500	2,500	22,511	16,015	(6,496)
Totals		339,225	345,583	524,250	185,025	293,871	229,250	(64,621)

Remarks: Data are shown only for officers with salary of $25,000 and over. There are 14 additional officers with salary of $10,000 and under $25,000 for 1941. The total of these salaries is $225,500 for 1941.

BALDWIN LOCOMOTIVE WORKS

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
Charles E. Brinley	Not stated	$ 36,220	$ 54,240	$ 60,220	$ 24,000	$ 31,186	$ 24,959	$ (6,227)
William H. Harman	Not stated	25,100	36,240	40,180	15,080	22,590	20,286	(2,304)
William H. Winterrowd	Not stated	21,975	36,220	37,847	15,872	20,060	19,566	(494)
Charles E. Acker	Not stated	13,250	23,500	26,500	13,250	12,520	15,625	3,105
Carlos F. Hayes	Not stated	18,000	25,000	28,000	10,000	16,701	16,195	(506)
Totals		114,545	175,200	192,747	78,202	103,057	96,631	(6,426)

Remarks: Data are shown only for officers with salary of $25,000 and over for 1941. There are 28 additional officers with a salary of $10,000 and under $25,000 for 1941. The total of these salaries is $416,530 for 1941.

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BATH IRON WORKS CORPORATION

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
W. S. Newell	Pres.	$ 15,000	$ 19,880	$ 21,780	$ 6,780	$ 14,076	$ 14,544	$ 468
A. M. Main	V. P.	10,800	14,400	15,580	4,780	10,237	10,776	539
Total		25,800	34,280	37,360	11,560	24,313	25,320	1,007

Remarks: There is an additional vice-president with a salary of $11,610 for 1941. Salary for 1939 and 1940 not available.

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BEECH AIRCRAFT CORPORATION

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Salary after Federal income taxes: Changes between 1939 and 1941
Walter H. Beech	Pres.	$ 10,032	$ 12,600	$ 19,231	$ 9,199	$ 9,614	$ 12,586	$ 2,972

Remarks: This is the only officer listed with a salary of $10,000 and over for 1939, 1940 or 1941.

BELL AIRCRAFT CORPORATION

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Salary after Federal income taxes: Changes between 1939 and 1941
Lawrence D. Bell	Pres.	$ 25,000	$ 35,290	$ 85,000	$ 60,000	$ 22,511	$ 29,105	$ 6,594
Ray P. Whitman	V. Pres.	10,000	13,920	39,167	29,167	9,585	19,980	10,405
Total		35,000	49,210	124,167	89,167	32,096	49,085	16,997

Remarks: There are 7 additional officers with total salary of $125,875 in 1941 but for which 1939 and 1940 data are not available.

BENDIX AVIATION CO[illegible]ORATION

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
Vincent Bendix	President	$ 50,000	$ 37,500	$ 60,000	$ 10,000	$ 41,131	$ 24,916	$ (16,215)
E. R. Palmer	V.P. & Treas.	20,000	18,750	30,000	10,000	18,566	16,916	(1,650)
D. O. Thomas	Vice Pres.	27,500	20,625	33,000	5,500	24,486	17,995	(6,491)
Charles Marcus	Vice Pres.	39,750	27,000	43,200	3,450	33,883	21,121	(12,762)
W. L. McGrath	Vice Pres.	25,000	18,750	30,000	5,000	22,521	16,916	(5,606)
Total	-	162,250	122,625	196,200	33,950	140,586	97,871	(42,668)

Remarks: Data includes all officers with salary of $10,000 and over.

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BENDIX AVIATION, LTD

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
Palmer Nichols	V. P.	$ 12,000	$ 10,750	$ 18,000	$ 6,000	$ 11,398	$ 11,985	$ 587

Remarks: This is the only officer receiving a salary of $10,000 and over for any of the years 1939, 1940 and 1941.

BETHLEHEM STEEL CORPORATION AND SUBSIDIARY COMPANIES

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
W. J. Brown	Treas.	$ 25,632	$ 42,946	$ 47,810	$ 22,178	$ 23,010	$ 22,330	$ (680)
E. G. Grace	Pres. (Pa.)	371,224	478,144	637,724	266,500	129,548	74,837	(55,711)
C. A. Buck	Vice Pres.	117,304	50,000	50,000	(67,304)	74,304	22,856	(51,848)
Q. Bent	Vice Pres.	117,364	179,443	197,317	79,953	74,304	40,796	(33,408)
R. E. McMath	Vice Pres. &Sec.	84,332	139,906	155,393	71,061	60,780	36,604	(24,176)
J. M. Gross	Vice Pres.	50,198	84,690	94,620	44,422	41,248	30,369	(10,879)
W. E. Stewart	Vice Pres.	40,404	48,228	56,472	16,068	34,336	24,208	(10,118)
F. A. Shick	Vice Pres. &Compt.	84,332	139,906	155,393	71,061	60,780	36,604	(24,176)
J. H. Larkin	Vice Pres.	55,198	89,690	99,620	44,422	44,610	30,969	(13,621)
Chas. R. Holton	Vice Pres.	65,198	89,690	109,620	44,422	50,814	32,067	(18,747)
J. P. Bender	Treas.	25,632	42,946	47,810	22,178	23,011	22,130	881
W. E. Johnstone	Asst. Sec.	28,843	37,843	45,365	16,522	25,540	21,737	3,803
W. M. Driver	Asst. Sec.	24,922	35,798	41,220	16,298	22,449	20,577	1,872
R. H. Schlottman	Asst. Comptroller	25,078	36,088	41,622	16,544	22,573	20,689	1,884
Paul Mackall	Vice Pres. (Del.)	117,364	179,443	197,317	79,953	74,204	40,796	(33,408)
H. W. Warley	Pres. of Sub.	40,198	51,535	57,155	16,957	34,169	24,346	(9,823)
Total		1,173,283	1,731,294	1,934,458	761,175	794,488	508,116	(286,372)

Remarks: Data are shown only for officers with salary of $25,000 and over for 1941. There are 12 additional officers with salary of $10,000 and under $25,000 for 1941, for which salary is reported for 1939 and 1940. The total of these salaries is $271,249 for 1941.

BOEING AIRCRAFT COMPANY

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Salary after Federal income taxes: Changes between 1939 and 1941
C. L. Egtvedt	Chairman	$ 20,000	$ 20,000	$ 20,000	$ -	$ 18,411	$ 12,940	$ (5,471)
P. G. Johnson	President	6,190	20,000	20,000	13,810	6,067	12,940	6,873
F. P. Laudan	Vice Pres.	10,667	11,000	11,000	333	10,193	8,185	(2,008)
R. J. Minshall	Vice Pres.	11,333	12,000	12,000	667	10,795	8,785	(2,010)
J. P. Murray	Vice Pres.	9,001	10,035	11,135	2,134	8,672	8,269	(403)
H. O. West	Exec. V.P.	1,673	10,800	16,000	14,327	1,673	10,990	9,317
Total		58,864	83,835	90,135	31,271	55,811	62,109	6,298

Remarks: There are no additional officers with salary of $10,000 and over.

CHRYSLER CORPORATION

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
K. T. Keller	Not stated	$ 100,000	$ 100,000	$ 100,000	$ -	$ 67,531	$ 31,035	$ (36,496)
J. E. Fields	Not stated	50,000	50,000	50,000	-	41,131	22,895	(18,276)
Byron C. Foy	Not stated	72,000	72,000	72,000	-	54,631	27,095	(27,536)
B. E. Hutchinson	Not stated	90,000	90,000	90,000	-	63,331	29,805	(33,526)
W. Ledyard Mitchell	Not stated	60,000	60,000	60,000	-	47,671	24,915	(22,756)
A. Van Der Zee	Not stated	37,500	47,284	50,000	12,500	32,146	22,895	(9,251)
H. L. Weckler	Not stated	45,000	69,750	72,000	27,000	37,636	27,095	(10,541)
Fred M. Zeder	Not stated	85,000	85,000	85,000	-	61,081	29,105	(31,976)
O. R. Skelton	Not stated	60,000	60,000	60,000	-	47,671	24,915	(22,756)
Carl Breer	Not stated	60,000	60,000	60,000	-	47,671	24,915	(22,756)
D. A. Wallace	Not stated	35,000	43,633	50,000	15,000	30,271	22,895	(7,416)
C. E. Kleichner	Not stated	26,500	35,567	42,333	15,833	23,696	20,889	(2,807)
E. J. O'Neil	Not stated	32,500	43,633	50,000	17,500	28,356	22,895	(5,501)
D. S. Eddins	Not stated	40,000	44,167	50,000	10,000	34,021	22,895	(11,166)
Total		793,500	855,034	891,333	97,833	616,846	354,044	(262,800)

Remarks: Data are shown for only those officers with salary of over $40,000 in 1941. There are 92 additional officers with salary of $10,000 and under $40,000 with a total salary of $1,415,936 in 1941.

CONSOLIDATED AIRCRAFT CORPORATION

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
I. M. Ladden	Vice-Pres.	$ 18,000	$ 25,630	$ 37,505	$ 19,505	$ 16,701	$ 19,457	$ 2,756
R. H. Fleet	President-Mgr.	20,000	35,943	62,505	42,505	18,411	25,396	6,985
C. T. Leigh	Vice Pres.	14,000	20,036	28,130	14,130	13,191	16,242	3,051
C. A. Van Dusen	Vice Pres.	16,000	22,443	31,255	15,255	14,956	17,367	2,411
J. L. Kelley	Assistant Sec.	12,000	18,109	25,172	13,172	11,[illegible]	15,107	3,709
Total		80,000	122,161	184,567	104,567	74,657	93,569	18,912

Remarks: Data are shown only for officers with salary of $25,000 and over for 1941. There are 17 additional officers with salary of $10,000 and under $25,000 for 1941, for which salary is reported for 1939 and 1940. The total of these salaries is $238,514 for 1941.

CONSOLIDATED STEEL CORPORATION, LIMITED

Name of Executive	Title	Salary 1/ 1939	Salary 1/ 1940	Salary 1/ 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
D. O. Henderson	Not stated	$ 16,000	$ 13,667	$ 22,000	$ 6,000	$ 14,956	$ 13,825	$ (1,131)
Alden O. Roach	Not stated	14,000	11,333	22,000	8,000	13,191	13,825	634
L. R. Earl	Not stated	6,350	5,333	12,000	5,650	6,221	8,785	2,564
H. C. Oranfill	Not stated	4,050	3,138	10,000	5,950	4,004	7,565	3,561
Total		40,400	33,471	66,000	25,600	38,372	44,000	5,628

1/ 1939 data for calendar year - 1940 for period January 1, 1940 to August 31, 1940 - 1941 fiscal year ended August 31, 1941.

Remarks: There is one additional officer with a salary of $15,000 for 1941, but no salary reported for 1939 and 1940.

CONTINENTAL MOTORS CORPORATION

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
W. R. Angell, Sr.	Technical Adviser	$ 18,000	$ 13,000	$ 12,000	$ (6,000)	$ 16,701	$ 8,785	$ (7,916)
Clarence Reese	President	12,000	16,604	40,903	28,903	11,398	20,488	9,090
Total		30,000	29,604	52,903	22,903	28,099	29,273	1,174

Remarks: 5 additional officers have salaries of $10,000 and over for 1941, but their salaries are not reported for 1939 or 1940. The total of the 1941 salaries for these 5 additional officers is $109,165.

DIAMOND T. MOTOR [illegible]R COMPANY

Name of Executive	Title	Salary			Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes		
		1939	1940	1941		1939	1941	Changes between 1939 and 1941
C. A. Tilt	Pres., Treas.	$ 45,000	$ 45,000	$ 60,000	$ 15,000	$ 37,636	$ 24,915	$ (12,721)
E. J. Bush	V.P., S.Mgr.	23,735	22,177	59,152	35,417	21,496	24,745	3,249
Sidney A. Cook	V.P., Secy.	23,735	22,177	59,152	35,417	21,496	24,745	3,249
C. A. Peirce	V.P., Ch.Engr.	23,735	22,177	59,152	35,417	21,496	24,745	3,249
H. C. Emberson	Purch.Agt.	13,186	13,321	33,973	20,787	12,463	18,326	5,863
T. C. Hanley, Jr.	V.P., S.Mgr.	13,686	15,321	33,973	20,287	12,910	18,326	5,416
F. J. Halloran	Dist. Mgr.	17,300	14,491	18,696	1,396	16,092	12,329	(3,763)
L. P. Larson	Dist. Mgr.	10,006	10,454	10,771	765	9,590	8,043	(1,547)
C. G. Wirick	Nat.Acct.Rep.	38,196	10,926	41,155	2,959	32,668	20,558	(12,110)
G. G. Stevens	Chgo.Branch	12,068	12,706	19,589	7,521	11,459	12,755	1,296
Total		220,647	188,750	395,613	174,966	197,306	189,487	(7,819)

Remarks: There are 13 additional officers with salary of $10,000 or more for 1941, for which salaries for 1939 or 1940 are not available.

DOUGLAS AIRCRAFT COMPANY INCORPORATED

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Change between 1939 and 1941
F. W. Conant	Not stated	$ 9,000	$ 11,500	$ 20,500	$ 11,500	$ 8,671	$ 13,165	$ 4,494
Carl A. Cover	Not stated	30,000	37,500	52,500	22,500	26,431	23,415	(3,016)
Donald W. Douglas	Not stated	66,667	75,000	105,000	38,333	51,651	31,565	(20,086)
H. B. Guerin	Not stated	37,298	12,646	42,791	5,493	31,994	21,016	(10,978)
A. E. Raymond	Not stated	23,750	25,000	32,500	8,750	21,508	17,815	(3,693)
Total		166,715	161,646	253,291	86,576	140,255	106,976	(33,279)

Remarks: Data are shown only for officers with salary of $20,000 and over for 1941. 16 additional officers received salary of $20,000 and over for 1941. The total salary of these 16 officers for 1941 is $198,570.

E. I. DUPONT DE NEMOURS AND COMPANY

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
J. Thompson Brown	Vice Pres.	$ 174,825	$ 190,187	$ 120,470	$(54,355)	$ 95,593	$ 33,112	$ (62,481)
W. S. Carpenter, Jr.	President.	213,806	290,766	214,470	664	109,400	42,512	(66,888)
J. E. Crane	Vice Pres.	179,394	194,587	116,930	(62,464)	97,238	32,758	(64,480)
A. B. Echols	Vice Pres.	178,435	198,582	129,990	(48,445)	96,893	34,064	(62,829)
W. F. Harrington	Vice Pres.	179,685	197,178	122,670	(57,015)	97,343	33,332	(64,011)
J. W. McCoy	Vice Pres.	168,185	186,698	122,690	(45,495)	93,203	33,334	(59,869)
C. M. A. Stine	Vice Pres.	172,915	189,248	120,470	(52,445)	94,905	33,112	(61,793)
F. A. Wardenburg	Gen. Mgr.	140,196	151,866	90,970	(49,226)	82,880	29,941	(52,939)
[illegible] Yancey	Gen. Mgr.	111,508	101,864	92,990	(18,518)	71,979	30,193	(41,786)
William Richter	Gen. Mgr.	162,763	171,493	94,890	(67,873)	91,250	30,421	(60,829)
E. G. Robinson	Gen. Mgr.	169,655	184,115	107,620	(62,035)	93,732	31,827	(61,905)
L. A. Yerkes	Gen. Mgr.	167,742	118,095	112,601	(55,141)	93,043	32,325	(60,718)
Total		2,019,109	2,174,679	1,446,761	(572,348)	1,117,459	396,931	(720,528)

Remarks: Data are shown only for officers with salary of $90,000 and over for 1941. There are 27 additional officers with salary of $10,000 and under $90,000 for 1941. The total of these salaries is $1,187,453 for 1941.

ELECTRIC BOAT COMPANY

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
H. Carsi	Pres.	$ 30,000	$ 31,000	$ 36,000	$ 6,000	$ 26,431	18,975	$ (7,456)
H. R. Sutplin	V. Pres.	30,000	31,000	36,000	6,000	26,431	18,975	(7,456)
T. Y. Spear	V. Pres.	30,000	31,000	36,000	6,000	26,431	18,975	(7,456)
H. A. Taylor	Treasurer	11,000	12,085	13,000	2,000	10,506	9,365	(1,141)
Total		101,000	105,085	121,000	20,000	89,799	66,290	(23,509)

Remarks: All executives with salary of $10,000 and over are included.

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
M. L. Bricker	Not stated	$ 52,000	$ 56,307	$ 67,873	$ 15,873	$ 42,511	$ 26,362	$ (16,149)
W. J. Cameron	Not stated	39,000	40,505	43,005	4,005	33,271	21,077	(12,194)
B. J. Craig	Not stated	104,000	109,466	116,082	12,082	69,126	32,673	(36,453)
John Crawford	Not stated	49,500	52,812	58,874	9,374	40,786	24,690	(16,096)
H. C. Doss	Not stated	32,500	45,175	51,223	18,723	28,356	23,148	(5,208)
Edsel B. Ford	Not stated	143,000	144,680	234,757	91,757	83,946	44,541	(39,405)
[illegible]	Not stated	54,500	54,582	56,102	1,602	44,156	24,136	(20,020)
P. E. Martin	Not stated	169,000	178,259	82,983	(86,017)	93,496	28,823	(64,673)
Herman L. Moekle	Not stated	39,000	41,688	50,237	11,237	33,271	22,912	(10,359)
W. F. Pioch	Not stated	26,000	28,548	37,010	11,010	23,301	19,299	(4,002)
R. R. Rausch	Not stated	19,000	21,002	45,027	26,027	17,561	21,643	4,082
R. I. Roberge	Not stated	35,000	37,921	42,964	7,964	30,271	21,064	(9,207)
L. S. Sheldrick	Not stated	35,000	37,629	47,653	12,653	30,271	22,292	(7,979)
Charles E. Sorensen	Not stated	169,000	177,005	220,005	51,005	93,496	43,066	(50,430)
A. M. Wibel	Not stated	78,000	82,951	101,051	23,051	57,751	31,161	(26,590)
J. R. Davis	Not stated	47,000	47,000	47,000	[illegible]	39,061	22,135	(16,927)
W. E. Edmunds	Not stated	41,500	41,500	41,500	-	35,116	20,655	(14,461)
Ned Fuller	Not stated	39,000	41,809	46,350	7,350	33,271	21,979	(11,292)
R. H. McCarroll	Not stated	28,500	31,072	39,585	11,085	25,276	20,119	(5,157)
H. B. Hanson	Not stated	27,500	29,250	37,269	9,769	24,486	19,381	(5,105)
Total		1,228,000	1,299,101	1,466,550	238,550	878,780	511,156	(367,625)

Remarks: Data are shown only for officers with salary of $35,000 and over for 1941. There are 100 additional officers with salary of $10,000 and under $35,000 for 1941. The total of these salaries is $2,023,764 for 1941.

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THE GENERAL MACHINERY CORPORATION

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 and 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
G. A. Rentschler	Pres.	$ 62,000	$ 65,000	$ 93,000	$ 31,000	$ 48,891	$ 30,195	$ (18,696)
J. E. Paterson	V. Pres.	17,000	19,000	25,000	8,000	15,831	15,040	(791)
W. A. Rentschler	V. Pres.	7,800	8,850	16,500	8,700	7,567	11,245	3,678
A. A. Byerlein	V. Pres.	23,000	23,000	22,500	(500)	20,901	14,035	(6,866)
C. T. Ziegler	V. Pres.	12,500	12,500	13,000	500	11,850	9,365	(2,485)
Frederick Ritz	Plant Supt.	13,000	13,200	18,000	5,000	12,297	11,995	(302)
A. C. Wais	Plant Supt.	11,025	15,800	20,000	8,975	10,517	12,940	2,423
P. C. McBath	Salesman	5,670	8,289	18,100	12,430	5,566	12,043	6,477
Total		151,995	165,339	226,100	75,105	153,420	116,858	(16,562)

Remarks: There are 3 additional officers with salaries of $10,000 and over for 1941. These salaries total $53,500. No 1939 data available.

GENERAL MOTORS CORPORATION

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
Anderson, Anthony G.	Comptroller	$ 62,396	$ 61,586	$ 54,709	$ (7,687)	$ 49,132	$ 23,857	$ (25,275)
Bradley, Albert	V. Pres.	258,176	254,866	235,224	(22,952)	124,372	44,587	(79,785)
Breech, Ernest R.	V. Pres.	86,430	95,914	92,537	6,107	61,724	30,139	(31,585)
Brown, Donaldson	V. Pres.	258,124	254,867	227,252	(30,872)	124,356	43,790	(80,566)
Donner, Frederic G.	V. Pres.	47,255	66,010	85,954	38,699	39,237	29,239	(9,998)
Earl, Harley J.	V. Pres.	102,816	110,869	99,610	(3,206)	68,676	30,988	(37,688)
Evans, Ronald K.	V. Pres.	120,309	152,329	129,220	8,911	75,323	33,987	(41,336)
Fisher, Lawrence P.	V. Pres.	206,762	193,774	134,715	(72,047)	107,006	34,536	(72,469)
Garrett, Paul	V. Pres.	39,511	39,143	43,864	4,353	33,654	21,317	(12,337)
Grant, Richard H.	V. Pres.	206,712	204,015	146,698	(60,014)	106,988	35,735	(71,253)
Hogan, Henry M.	V. Pres.	65,817	72,002	88,454	22,637	51,167	29,589	(21,578)
Hunt, Ormond E.	V. Pres.	206,712	224,751	274,734	68,022	106,988	48,538	(58,450)
Kimble, Bayard,D.	V. Pres.	105,309	121,496	94,809	(10,500)	69,623	30,412	(39,211)
Mooney, James D.	V. Pres.	206,612	178,262	138,876	(67,736)	106,984	34,963	(72,021)
Prentis, Meyer L.	Treasurer	88,443	84,486	70,649	(17,794)	62,650	26,882	(35,768)
Sloan, Alfred P. Jr.	Ch.of Brd.	200,450	200,500	200,550	100	104,818	41,120	(63,698)
Smith, John T.	V. Pres.	258,176	254,868	227,152	(31,024)	124,372	43,780	(80,592)
Spencer, Louis M.	Dir.,Pat.Sec.	27,638	36,174	40,844	13,206	24,595	20,471	(4,124)
Tanner, Floyd O.	V. Pres.	88,616	77,165	45,903	(42,913)	62,798	21,872	(40,926)
Williams, William C.,Jr.	V. Pres.	55,998	70,288	96,752	40,754	45,130	30,643	(14,487)
Wilson, Charles E.	President	258,076	286,828	327,973	69,897	124,340	53,862	(70,478)
Kettering, Charles F.	Gen.Mgr.	258,408	254,980	226,752	(31,656)	124,447	43,740	(80,707)
Total		3,208,945	3,265,130	3,083,210	(125,735)	1,798,329	754,017	(1,044,312)

Remarks: Data are shown only for officers with salary (excluding bonus awards) of $25,000 and over for 1941. However, the amount of salary tabulated includes bonus awards.
There are 52 additional officers with salary (excluding bonus awards) of $10,000 and under $25,000 for 1941, for which salary is reported for 1939 and 1940. The total of these salaries (excluding bonus awards) is $755,792 for 1941.

GLENN L. MARTIN COMPANY

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
Glenn L. Martin	Pres.	$ 33,970	$ 40,200	$ 60,260	$ 26,290	$ 29,488	$ 24,967	$ (4,521)
J. T. Hartson	Vice Pres.	35,857	34,570	37,408	1,551	30,914	19,426	(11,488)
H. F. Volmer	Vice Pres.	28,124	26,563	30,220	2,096	24,979	16,994	(7,985)
M. G. Shook	Treasurer	13,578	13,108	17,135	3,557	12,814	11,569	(1,245)
Total		111,529	114,441	145,023	33,494	98,195	72,956	(25,239)

Remarks: One additional vice president had salary of $22,572 for 1941, but no salary reported for him for 1939 and 1940.

GRUMMAN AIRCRAFT ENGINEERING CORPORATION

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
Leroy R. Grumman	Not stated	$ 26,580	$ 42,097	$ 50,785	$ 24,205	$ 23,759	$ 23,043	$ (716)
Leon Swirbul	Not stated	21,580	37,097	45,785	24,205	19,732	21,843	2,111
Total		48,160	79,194	96,570	48,410	43,491	44,886	1,395

Remarks: For 1941 there are 5 additional officers with salaries of $10,000 and over. The total salary of these officers is $76,043.

THE INGALLS SHIPBUILDING CORPORATION

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
R. I. Ingalls	Chair.of Brd.	$ 25,000	$ 26,000	$ 25,000	-	$ 22,511	$ 15,040	$ (7,471)
R. I. Ingalls, Jr.	V. Pres.	15,000	15,000	15,000	-	14,076	10,465	(3,611)
Monro B. Lanier	Pres.	15,000	19,167	25,000	$ 10,000	14,076	15,040	964
W. R. Guest	V. Pres.	16,268	20,877	25,000	8,734	15,190	15,040	(150)
A. J. Grassick	Gen. Mgr. of Shipyard	13,750	15,000	18,000	4,250	12,967	11,995	(972)
Total		85,018	96,044	108,000	22,984	78,820	67,580	(11,240)

Remarks: There are no other officers receiving a salary of $10,000 and over for 1941.

LOCKHEED AIRCRAFT CORPORATION

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
Robert E. Gross	President	$ 27,400	$ 44,750	$ 125,000	$ 97,600	$ 24,407	$ 33,565	$ 9,158
C. A. Barker, Jr.	Vice Pres.	18,000	30,000	90,000	72,000	16,701	29,805	13,104
Carl B. Squier	Vice Pres.	17,800	26,000	65,000	47,200	16,527	25,845	9,318
Hall L. Hibbard	Vice Pres.	17,500	26,250	65,000	47,500	16,266	25,845	9,579
R. A. Von Hake	Vice Pres.	14,000	25,000	65,000	51,000	13,191	25,845	12,654
Cyril Chapellet	Sec.	13,000	25,000	65,000	52,000	12,297	25,845	13,548
Totals		107,700	177,000	475,000	367,300	99,389	166,750	67,361

Remarks: There are 2 additional officers with salaries of $22,000 and $19,000 in 1941 and $7,800 and $6,300 respectively in 1939.

MOORE DRY DOCK COMPANY

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
Jos. A. Moore	Chm. of Board	$ 40,000	$ 40,000	$ 40,000	$ -	$ 34,021	$ 20,235	$ (13,786)
Nat Levey	Vice Pres and Sec.	15,000	15,000	15,000	-	14,076	10,465	(3,611)
A. R. Viner	Vice Pres. & Treas.	6,000	6,750	12,000	6,000	5,854	8,755	2,901
Jos. A. Moore, Jr.	Pres. & Gen. Mgr.	20,000	20,000	20,000	-	18,411	12,940	(5,471)
J. R. Moore	Vice Pres.	20,000	20,000	20,000	-	18,411	12,940	([illegible],471)
Total:		101,000	101,750	107,000	6,000	90,803	65,365	(25,438)

Remarks: There are no additional officers with salary of $10,000 and over.

NEW YORK SHIPBUILDING CORPORATION

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
H. Lockhart, Jr.	Ch. of Brd.	$ 32,131	$ 66,919	$ 75,600	$ 43,469	$ 28,072	$ 27,671	$ (401)
J. F. Metten	President	32,105	55,655	75,600	43,495	28,052	27,671	(381)
R. S. Campbell	Vice Pres.	19,582	39,781	54,000	34,418	18,056	23,715	5,659
R. S. Pruitt	Sec., G.C.	15,400	27,027	36,500	21,100	14,429	19,136	4,707
K. Gardner	Labor Coms.	18,000	26,529	36,000	18,000	16,701	18,975	2,274
M. R. Parker	Treasurer	10,707	26,529	36,000	25,293	10,243	18,975	8,732
Total		127,925	240,448	313,700	185,775	115,552	136,142	20,590

Remarks: There are 17 additional officers with salaries of $10,000 and over for 1941, for which salaries for 1939 or 1940 are not available.

NORTH AMERICAN AVIATION, INC

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
J. H. Kindelberger	Pres.	$ 186,110	$ 166,350	$ 135,250	$ (50,860)	$ 99,656	$ 34,580	$ (65,076)
J. L. Atwood	V. Pres.	75,000	78,533	71,360	(3,640)	56,221	26,988	(29,233)
R. A. Lambeth	Treasurer	24,600	25,425	28,450	3,850	22,195	18,357	(3,838)
J. S. Smithson	Factory Mgr.	28,700	28,975	32,500	3,800	25,430	17,815	(7,615)
R. H. Rice	Chf. Eng.	24,600	26,075	32,500	7,900	22,195	17,815	(4,380)
Total		339,010	325,358	300,060	(38,950)	225,697	115,565	(112,132)

Remarks: Data are shown only for officers with salary of $25,000 and over for 1941. There are 15 additional officers with salary of $10,000 and under $25,000 for 1941. The total of these salaries is $214,258.

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NORTHERN PUMP COMPANY

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
J. B. Hawley, Jr.	President	$ 49,000	$ 12,000	$172,000	$123,000	$ 40,441	$ 38,265	$ (2,176)

Remarks: There is an additional vice president for 1940 and 1941 with a salary for 1940 of $6,000 and with a salary of $43,000 for 1941 but no salary is reported for 1939. The secretary-treasurer has a salary of under $10,000 for 1941.

PACKARD MOTOR CAR COMPANY

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
H. C. Hoegle	Comptroller	$ 14,451	$ 13,428	$ 17,040	$ 2,589	$ 13,619	$ 11,918	$ (1,701)
J. E. Marks	V. Pres.	21,000	19,280	31,080	10,080	19,292	17,304	(1,988)
O. T. Christopher	V. Pres.	45,950	45,250	58,500	12,550	38,320	24,615	(13,705)
E. M. Packer	V. Pres.	38,588	35,000	42,[illegible]	4,382	32,962	21,052	(11,910)
Hugh J. Ferry	Treas.	20,321	18,884	21,030	709	18,684	13,404	(5,280)
E. Tibbitts	V. Pres.	15,240	15,145	17,420	2,180	14,287	11,719	(2,568)
M. M. Gilman	Pres.	65,240	75,380	75,420	10,180	50,849	27,642	(23,207)
A. Macauley	Ch. of Brd.	45,280	45,340	45,340	60	37,888	21,730	(16,158)
J. G. Vincent	V. Pres.	34,250	31,250	43,670	9,420	29,705	21,264	(8,441)
C. E. Paton	Ch. Engr.	20,150	18,000	21,340	1,190	18,538	13,545	(4,993)
L. W. Slack	Asst. sales Mgr.	15,850	13,667	17,088	1,238	13,056	11,544	(1,512)
G. H. Brodie	Mgr. of Div.	8,970	9,084	16,258	7,288	8,643	11,122	2,479
W. L. Griswold	Statistician	16,575	15,800	19,500	2,925	15,461	12,715	(2,746)
E. H. Brown	Mech. Supt.	10,800	11,775	15,225	4,425	10,315	10,588	273
Total		370,765	362,928	442,641	71,876	321,565	230,156	(91,409)

Remarks: Data are shown only for officers with salary of $15,000 and over for 1941. There are 15 additional officers with a salary of $10,000 and under $15,000 for 1941. The total of these salaries is $179,688 for 1941.

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REPUBLIC AVIATION CORPORATION

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
W. Wallace Kellett	President	$ 25,875	$ 36,120	$ 37,280	$ 11,405	$ 23,202	$ 19,385	$(3,817)
A. Kartveli	Vice Pres.	8,602	16,636	19,500	10,898	8,306	12,715	4,409
J. L. Mc Clane	Vice Pres.	3,194	25,620	24,200	21,006	3,179	14,728	11,549
T. Davis	Sec.-Treas.	4,958	12,620	13,000	8,042	4,880	9,365	4,485
Total		42,629	90,996	93,980	51,351	39,567	56,193	16,626

Remarks: There are 3 additional officers with salary of $10,000 and over for 1941, but salary for 1939 or 1940 is not reported. The total of the salaries for these 3 officers is $56,700 for 1941.

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ROBINS DRY DOCK AND REPAIR COMPANY

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
John D. Reilly	Chm. of Board	$ 33,000	$ 35,275	$ 53,869	$ 20,869	$ 28,741	$ 23,689	$ (5,052)
J. Herbert Todd	No title	25,010	25,206	32,535	7,525	22,519	17,828	(4,691)
Francis J. Gilbride	President	34,010	35,292	41,746	7,736	29,519	20,724	(8,795)
Fred D. Healey, Sr.	Vice President	15,427	18,684	21,967	6,540	14,452	13,811	(641)
Joseph Haag, Jr.	Vice President	11,510	13,808	22,282	10,772	10,955	12,963	2,008
James R. Barns	No title	12,000	12,000	23,300	11,300	11,398	14,371	2,973
Total		130,957	106,737	195,699	64,742	117,584	104,386	(13,210)

Remarks: Data are shown for only those officers with salary of over $20,000 in 1941. There are 5 additional officers with total salary of $60,390.

SAVAGE ARMS CORPORATION

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Change between 1939 and 1941
W. L. Wright	Ch. of Brd.	$ 26,891	$ 34,232	$ 33,740	$ 6,849	$ 24,006	$ 18,251	$ (5,754)
F. F. Hickey	Pres.	13,415	30,375	48,780	35,365	12,668	22,562	9,894
E. A. MacDonald	V. Pres.	11,882	24,248	39,320	27,438	11,291	20,037	8,746
Total		52,188	88,855	121,840	69,652	47,964	60,850	12,886

Remarks: There is one general manager with a salary and bonus of $33,000 in 1941 and $18,899 in 1940, but with no salary shown for 1939.

SPERRY GYROSCOPE COMPANY, INCORPORATED

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Salary after Federal income taxes: Changes between 1939 and 1941
Thomas A. Morgan	Ch. of Brd.	$ 34,421	$ 37,484	$ 62,500	$ 28,079	$ 29,835	$ 25,395	$ (4,440)
Reginald E. Gillmor	President	43,107	50,000	75,000	31,893	36,273	27,575	(8,698)
Preston R. Bassett	Vice Pres.	29,302	33,500	37,500	8,198	25,894	19,455	(6,439)
Robert B. Lea	Vice Pres.	18,500	22,000	23,500	5,000	17,136	14,455	(2,681)
Herbert H. Thompson	Secretary	11,900	15,300	17,000	5,100	11,308	11,500	192
Total		137,230	158,284	215,500	78,270	120,446	98,380	(22,066)

Remarks: 5 additional officers received salary of $10,000 and over for 1941, but salaries for 1939 and 1940 not reported. The total of the salaries of these 5 additional officers for 1941 is $87,367.

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
No names given		$ 40,000	$ 40,000	$ 40,000	$ -	$ 34,021	$ 20,235	$ (13,786)
		125,000	125,000	125,000	-	77,106	33,565	(43,541)
		80,000	80,000	80,000	-	58,731	28,375	(30,356)
		90,000	90,000	90,000	-	63,331	29,805	(33,526)
		50,000	55,000	55,000	5,000	41,131	23,915	(17,216)
		75,000	75,000	75,000	-	56,221	27,575	(28,646)
		55,000	49,208	45,000	(10,000)	44,481	21,635	(22,846)
		42,500	47,500	44,531	2,031	35,836	21,504	(14,332)
		35,000	35,000	35,000	-	30,271	18,655	(11,616)
		45,000	45,000	45,000	-	37,636	21,635	(16,001)
		40,000	45,000	45,000	5,000	34,021	21,635	(12,386)
		50,000	50,000	50,000	-	41,131	22,855	(18,276)
		45,100	45,000	50,000	4,900	37,708	22,855	(14,853)
		60,000	54,208	50,000	(10,000)	47,671	22,855	(24,816)
		42,500	47,500	50,000	7,500	35,836	22,855	(12,981)
		90,000	90,000	90,000	-	63,331	29,805	(33,526)
		33,000	38,000	45,000	12,000	28,741	21,635	(7,106)
Total		998,100	1,011,416	1,014,531	16,431	767,204	411,394	(355,810)

Remarks: Data are shown for only those officers with salary of $40,000 and over in 1941. There are 154 additional officers with salaries of $10,000 and under $40,000 with a total salary of $2,404,311 in 1941.

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STUDEBAKER CORPORATION

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
H. H. Cole	V. Pres.	$ 25,828	$ 24,000	$ 34,000	$ 8,172	$ 23,165	$ 18,335	$ (4,830)
K. B. Elliott	V. Pres.	22,828	24,000	34,000	11,172	20,762	18,335	(2,427)
Bert Fowler	Gen. Supt.	18,697	18,000	25,000	6,303	17,303	15,040	(2,263)
P. G. Hoffman	Pres.	50,000	60,000	81,000	31,000	41,131	28,535	(12,596)
W. S. James	Chief Eng.	20,262	18,000	25,000	4,738	18,634	15,040	(3,594)
Geo. D. Keller	V. Pres.	21,740	24,000	34,000	12,260	19,[illegible]	18,335	(1,580)
E. C. [illegible]	Mgr.of Div.	20,262	18,000	25,000	4,738	18,634	15,040	(3,594)
P. O. Peterson	Dir. of Pur.	20,262	18,000	25,000	4,738	18,634	15,040	(3,594)
N. A. Vail	V. Pres.	27,828	24,000	34,000	6,172	24,745	18,335	(6,410)
H. S. Vance	Chr.of Brd.	50,000	60,000	81,000	31,000	41,131	28,535	(12,596)
C. K. Whittaker	Pres., Sub.	25,828	24,000	34,000	8,172	25,165	18,335	(4,830)
Total		303,535	312,000	432,000	128,465	267,189	208,906	(58,284)

Remarks: Data are shown for only those officers with salary of $25,000 and over in 1941. There are 18 additional officers with salaries of $10,000 under $25,000 with total salary of $231,815 in 1941.

SUN OIL COMPANY

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
J. Howard Pew	Pres.	$ 60,000	$ 60,000	$ 60,000	$ -	$ 47,671	$ 24,971	$ (22,700)
J. N. Pew	Vice Pres.	60,000	60,000	60,000	-	47,671	24,971	(22,700)
J. Edgar Pew	Vice Pres.	60,000	60,000	80,400	20,400	47,671	28,495	(19,176)
Arthur E. Pew, Jr.	Vice Pres.	35,000	35,000	46,900	11,900	30,271	22,167	(8,104)
Samuel B. Eckert	Vice Pres.	68,300	68,300	68,300	-	52,582	26,495	(26,087)
Frank Cross	Sec. & Treas.	20,000	20,000	26,800	6,800	18,411	15,798	(2,613)
F. S. Reitzel	Ass't. to Pres.	18,000	21,600	28,944	10,944	16,701	16,589	(112)
Walter C. Pew	Gen'l Sales Mgr.	21,000	21,000	39,450	18,450	19,251	20,135	884
P. H. Harrison	Reg. Sales Mgr.	17,600	20,000	26,800	9,200	16,266	15,798	(468)
J. C. Welliver	Public Relations	25,000	25,000	25,000	-	22,511	15,096	(7,415)
C. H. Thayer	Chief Engineer	15,000	18,000	28,644	13,644	14,076	16,483	2,407
W. D. Mason	Refinery Mgr.	20,000	21,600	28,944	8,944	18,411	16,591	(1,820)
John G. Pew	Management Comm.	15,000	20,000	26,800	11,800	14,076	15,798	1,722
Robert W. Pack	General Mgr.	15,000	20,000	26,800	11,800	14,076	15,798	1,722
Thomas L. Foster	Chief Counsel	25,000	25,000	25,000	-	22,511	15,096	(7,415)
Totals		474,800	495,800	596,70[illegible]	123,962	402,166	290,281	(111,875)

Remarks: There are 27 additional officers with salary of $10,000 and under $25,000 for 1941. The total of these salaries is $413,969. Data are shown only for officers with salary of $25,000 and over for 1941.

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UNITED AIRCRAFT CORPORATION

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
F. B. Rentschler	Ch. of Board	$ 24,050	$ 47,583	$ 73,550	$ 49,500	$ 21,752	$ 27,343	$ 5,592
E. E. Wilson	President	48,490	51,640	73,920	25,430	40,089	27,402	(12,687)
[redacted]	Secretary	42,460	41,233	58,740	16,280	35,808	24,205	(11,145)
Raycroft Walsh	Vice Pres.	40,750	39,123	56,450	15,700	34,576	24,205	(10,371)
F. E. Burnham	Gen. Asst.	12,250	14,167	19,042	6,792	11,624	12,495	871
C. L. Gault	Treasurer	18,125	21,500	22,500	4,375	16,810	14,035	(2,775)
Total		186,125	215,246	304,202	118,077	160,658	130,143	(30,515)

Remarks: There is one additional officer with salary of over $10,000 for 1941, but salary is not reported for 1939 and 1940.

WESTERN CARTRIDGE COMPANY

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941 1/	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Salary after Federal income taxes: Changes between 1939 and 1941
J. M. Olin	Vice Pres.	$ 25,000	$ 25,000	$ 125,000	$ 100,000	$ 22,511	$ 33,565	$ 11,054
S. T. Olin	Sec. Treas.	5,000	15,000	100,000	95,000	4,920	31,035	26,115
E. W. Taft	Asst.Treas.	15,000	30,000	50,000	35,000	14,076	22,855	8,779
E. Pugsley	Asst.Secy.	14,500	27,000	36,000	21,500	13,636	18,975	5,339
L. H. Peterson	Asst.Treas.	9,000	15,000	19,000	10,000	8,671	12,475	3,804
R. G. Swanston	Asst.Secy.	9,000	16,000	24,000	15,000	8,671	14,650	5,979
R. E. Casteel	Asst.Secy.	8,000	14,000	16,000	8,000	7,752	10,990	3,238
Total		85,500	142,000	370,000	284,500	80,237	144,545	64,308

1/ Estimated by corporation.

Remarks: The salary of F. W. Olin, President, is omitted, as only the 1941 salary of $150,000 is available (1939 and 1940 salaries are omitted).

WESTERN PIPE AND STEEL COMPANY

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
H. H. Tallerday	Pres.	$ 27,000	$ 27,000	$ 40,500	$ 13,500	$ 24,091	$ 16,335	$ (7,756)
W. G. Aldenhagen	Vice-Pres.Sec&Tr.	$ 16,500	$ 16,500	$ 24,750	$ 8,250	$ 15,396	$ 14,942	$ (454)
R. D. Plageman	Vice-Pres.	18,000	18,000	27,000	9,000	16,701	15,820	(881)
L. B. Slater	Vice-Pres.	18,000	18,000	27,000	9,000	16,701	15,820	(881)
Total		79,500	79,500	119,250	39,750	72,889	62,917	(9,972)

Remarks: 2 additional assistant vice-presidents have a salary of $10,000 and over for 1941, but no salary is reported for these for 1939 and 1940. The total salary received by these 2 additional officers for 1941 is $31,500.

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WESTINGHOUSE ELECTRIC AND MANUFACTURING COMPANY

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
A. W. Robertson	Ch. of Brd.	$ 137,431	$ 164,625	$ 180,645	$ 43,214	$ 81,830	$ 39,129	$ (42,701)
F. A. Merrick	Vice "	51,356	56,139	54,531	3,175	42,067	23,821	(18,246)
Geo. H. Bucher	President	97,772	118,443	130,783	33,011	66,617	34,144	(32,473)
Ralph Kelly	Vice Pres.	47,788	54,800	59,133	11,345	39,604	24,742	(14,862)
Wm. F. Marshall	Vice Pres.	45,808	54,438	57,321	11,513	38,218	24,379	(13,839)
Roscoe Seybold	V.P.& Comp.	46,908	55,638	58,621	11,713	38,998	24,639	(14,359)
Harold Smith	Vice Pres.	42,724	51,475	55,133	12,409	35,997	23,942	(12,055)
Total		469,787	555,558	596,167	126,380	343,331	194,796	(148,535)

Remarks: Data are shown only for officers with salary of $50,000 and over for 1941. There are 13 additional officers with salary of $10,000 and under $50,000. The total of these salaries is $358,312.

WESTINGHOUSE ELECTRIC ELEVATOR COMPANY

Name of Executive	Title	Salary			Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes		
		1939	1940	1941		1939	1941	Changes between 1939 and 1941
Frank C. Reed	President	$ 33,006	$ 38,106	$ 34,725	$ 1,718	$ 28,745	$ 18,566	$ (10,179)

Remarks: There are no additional officers with salary of $10,000 and over for 1941.

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Number and compensation of executives paid $10,000 or more, for selected corporations, 1939-1941

Name of company	Executives paid $10,000 or more					
	Number of executives			Total compensation paid ($000)		
	1939	1940	1941	1939	1940	1941
Alabama Dry Dock	4	4	4	$ 92	$ 154	$ 265
American Car & Foundry Co.	20	22	31	312	366	539
American Engineering Co.	1	2	2	11	28	32
American Locomotive Co.	11	11	12	264	319	388
American Woolen Co.	18	21	26	450	465	748
Aviation Corporation	1	2	5	10	67	134
Baldwin Locomotive Co.	15	20	34	290	393	636
Bath Iron Works	3	3	3	36	46	49
Beech Aircraft Corp.	1	1	1	10	12	19
Bell Aircraft Corp.	2	4	9	35	73	249
Bendix Aviation Corp. 1/	6	5	5	187	122	196
Bendix Aviation Ltd.	1	1	1	12	14	18
Bethlehem Steel Corp.	35	36	37	1,655	2,278	2,582
Boeing Aircraft Co.	3	6	6	42	84	90
Carter Carburetor Co.	15	17	24	248	325	476
Chrysler Corporation	92	98	106	2,190	2,282	2,307
Consolidated Aircraft Corp.	5	7	8	80	145	245
Consolidated Steel Corp., Ltd. 1/	2	2	4	30	37	71
Continental Motors Corp.	2	4	7	50	53	162
Cramp Shipbuilding Co. 1/	-	6	6	-	21	129
Diamond T. Motor Car Co.	13	15	25	252	242	850
Douglas Aircraft Co., Inc.	9	10	21	318	264	452
E. I. du Pont de Nemours & Co.	38	39	39	5,835	3,759	2,654
Electric Boat Co.	4	4	4	101	106	121
Ford Motor Company	96	96	120	2,754	2,890	3,490
General Electric Co.	187	274	310	3,275	4,421	5,225
General Machinery Corp.	7	8	11	169	171	280
General Motors Corp. 3/	80	94	107	2,283	2,448	2,662
Glenn L. Martin Co.	4	4	5	112	114	188
Grumman Aircraft Corp.	2/	5	7	2/	123	173
Gulf Shipbuilding Co.	2/	2/	5	2/	2/	61
Johnstown Water Co.	1	1	1	13	13	15
Lockheed Aircraft Corp.	6	7	8	108	188	516
Los Angeles Shipbuilding & Dry Dock Corp.	2/	1	3	2/	10	38
Moore Dry Dock Co.	4	4	5	95	95	107
New York Shipbuilding Co.	7	25	25	128	382	605
Newport News Shipbuilding & Dry Dock Corp.	4	5	10	120	165	351
North American Aviation, Inc. 1/	3	5	3	286	270	235
Northern Pump Co.	1	2	2	49	36	215
Packard Motor Car Co.	22	20	30	477	443	643
Republic Aviation Corp.	2	4	7	37	91	147
Robins Dry Dock & Repair Co.	8	10	8	161	180	209
Savage Arms Corp.	4	5	5	98	142	232
Seattle Tacoma Shipbuilding Co.	2/	1	4	2/	18	66
Sperry Gyroscope, Inc.	6	6	10	150	174	506
Standard Oil Co. of New Jersey	158	185	181	3,071	3,564	3,466
The Studebaker Corp.	18	19	25	422	422	864
Sun Oil Co.	42	42	42	813	841	1,013
United Aircraft Corp.	11	10	7	378	281	324
United States Steel Corp.	298	323	368	2/	2/	2/
Western Cartridge Co.	7	7	8	85	142	520
Western Pipe & Steel Co.	4	4	6	80	80	151
Westinghouse Electric Elevator Co.	1	1	1	33	38	35
Westinghouse Electric & Mfg. Co.	18	17	20	738	798	954

Treasury Department, Division of Tax Research — April 22, 1942

1/ Part-year data involved.
2/ Not available
3/ Exclusive of stock bonus.

Source: Data supplied by Collectors of Internal Revenue.
LSH-pp

PRELIMINARY

Net income before and after income and profits taxes for selected companies, 1939, 1940 and 1941

(Amounts in thousands)

No.	Name of company	Net income before income and profits taxes 1/ 1939	1940	1941	Net income after income and profits taxes 1/ 1939	1940	1941 Present rates	1941 Proposed rates
1	Alabama Dry Dock & Shipbuilding Co. 2/	$ 457	$ 779	$ 1,407	$ 377	$ 684	$ 860 c/	$ a/
2	American Car and Foundry Co. 2/	(2,463)	(655)	4,725	(2,408)	(655)	3,574 c/	a/
3	American Engineering Co.	286	656	1,134	835	450	496	274
4	American Locomotive Co.	(768)	2,259	9,650	(768)	1,768	6,150	4,448
5	American Woolen Co.	2,585	3,637	21,518	2,159	2,764	10,659	6,247
6	Aviation Corp. 2/	(68)	12	1,144	(68)	10	941 c/	a/
7	Baldwin Locomotive Works	552	1,057	4,966	519	1,019	3,612	2,918
8	Bath Iron Works	71	2,501	7,554	57	1,737	4,957	3,256
9	Beech Aircraft Corp. 2/	(91)	126	1,007	(91)	108	512	a/
10	Bell Aircraft Corp.	10	641	11,150	9	452	3,368	1,451
11	Bendix Aviation Corp.	1,037	9,973 3/	56,492 2/	968	6,316 3/	17,614 c/	a/
12	Bethlehem Steel Corp.	33,954	64,912	145,225	28,883	47,444	65,170	57,958
13	Boeing Aircraft Co.	(1,091)	(1,084)	a/	(1,091)	(1,084)	a/	a/
14	Chrysler Corp.	44,397	68,453	64,188	37,308	48,420	38,218	24,461
15	Consolidated Aircraft Corp.	1,801	1,735	27,288 4/	1,461	1,318	8,188 4/	3,386 4/
16	Consolidated Steel Corp. (Calif.)	189	161 5/	1,379 2/	158	125 5/	895 c/	a/
17	Consolidated Steel Corp. (Texas)	a/	(21) 6/	16 2/	a/	(21) 6/	c/	a/
18	Continental Motors Corp. 2/	(240)	665	6,396	(240)	555 8/	c/	a/
19	Cramp Shipbuilding Co.	a/	a/	435	a/	a/	290	186
20	Curtiss Wright Corp.	3,819	20,028	a/	3,822	14,681	a/	a/
21	Diamond T Motor Car Co.	361	315	4,106	299	240	1,419	701
22	Douglas Aircraft Co., Inc.	4,586	14,059	40,127	3,760	11,466	19,408	a/
23	E. I. du Pont de Nemours & Co.	110,215	145,010	210,000	96,876	105,005	109,000	72,061
24	Electric Boat Co.	3,955	3,024	4,112	2,951	2,118	2,852	a/
25	Ford Motor Co.	22,225	26,738	16,161	19,267	20,941	11,276	7,494
26	General Electric Co.	56,490	102,316	a/	47,745	66,975	a/	a/
27	General Machinery Corp.	866	1,565	5,923	711	960	2,004	985
28	General Motors Corp.	266,851	547,250	517,748	230,177	233,566	240,605	142,359
29	Glenn L. Martin Co.	5,745	6,512	12,409	4,644	5,516	5,725	3,265
30	Grumman Aircraft Engineering Co.	1,148	2,435	2,192	926	1,422	1,115	661
31	Gulf Shipbuilding Corp.	(2)	b/	189	(2)	b/	181	66
32	Houston Shipbuilding Corp.	a/	a/	64 7/	a/	a/	35 7/	a/
33	Ingalls Shipbuilding Corp.	(14)	511	1,007	(14)	388	600	290
34	Lockheed Aircraft Corp.	5,987	5,149	29,941	3,115	3,444	9,726	4,555
35	Los Angeles Shipbuilding & Dry Dock Co.	174	175	778	142	126	587	351
36	Moore Dry Dock Co.	(7)	625	2,701	(7)	469	1,281	884
37	Newport News Shipbuilding & Dry Dock Co.	3,985	10,274	15,495	3,225	7,929	6,664	a/
38	New York Shipbuilding Corp.	2,929	4,249	3,800	2,226	2,405	1,945	1,162
39	North American Aviation, Inc.	9,049	9,899	15,573 8/	7,457	7,098	6,799 8/	3,457 8/
40	Northern Pump Co.	344	376 9/	1,756 2/	279	222 9/	841 9/	a/
41	Packard Motor Car Co.	1,566	1,142	4,289	1,144	904	2,956	1,920
42	Republic Aviation Corp.	(593)	1,194	1,241	(595)	1,042	511	538
43	Robins Dry Dock and Repair Co.	58	1,182	5,504	48	855	1,825	681
44	Savage Arms Corp.	464	2,087	15,456	861	1,253	4,661	2,084
45	Seattle Tacoma Shipbuilding Corp. 2/	a/	1,008	396	a/	806	301 5/	a/
46	Sperry Gyroscope Co., Inc.	4,601	12,918	25,752	5,081	5,925	8,965	4,420
47	Standard Oil Co. (N. J.)	a/	126,968	202,145	a/	117,075	181,888	166,118
48	Studebaker Corp.	2,947	3,354	5,127	2,445	1,789	2,225	1,334
49	Sun Oil Co.	4,262	4,618	a/	4,167	4,309	a/	a/
50	United Aircraft Corp.	11,795	33,651	83,925	9,919	17,634	28,087	13,498
51	United States Steel Corp.	76,529	35,347	234,071	65,596	59,740	140,917	76,824
52	Western Cartridge Co.	6,442	12,196	a/	5,125	6,678	a/	a/
53	Western Pipe and Steel Co. (Calif.)	35	376	1,692	28	278	625	a/
54	Westinghouse Electric & Mfg. Co.	16,455	27,166	68,571	13,817	18,051	27,771	15,566
55	Westinghouse Electric Elevator Co.	951	845	887	795	541	555	349

April 22, 1942

Treasury Department, Division of Tax Research

Source: Data supplied by Collectors of Internal Revenue.

( ) Indicates loss.
a/ Not available.
b/ Loss of less than $500.
c/ 1940 income tax rates applicable.

1/ Net income as reported not on a strictly comparable basis between companies.
2/ Fiscal year returns.
3/ 9 months. Changes to fiscal year basis September 30, 1940.
4/ 11 months.
5/ 8 months. Changed to fiscal year basis August 31, 1940.
6/ 7 months. Incorporated January 19, 1940.
7/ 10 months.
8/ 9 months.
9/ 6 months. Changed to fiscal year basis June 30, 1940.

Calculated tax liability under present (1941) rates and under proposed 1942 rates, on the basis of 1941 income, for selected companies

(Amounts in thousands)

PRELIMINARY

Number	Name of company	1941 net income, before income and profits taxes	Excess profits credit		Excess profits tax		Normal and surtax		Total tax			Effective rate of tax under proposed tax	Number
			Amount 1/	Method	1941 rates	Proposed rates	1941 rates	Proposed rates	1941 rates	Proposed rates	Percentage increase		
1	American Engineering Co.	$ 1,134	$ 338	Income	$ 420	$ 536	$ 219	$ 324	$ 639	$ 860	34.72	75.78	1
2	American Locomotive Co.	9,650	5,250	Inv. Cap.	1,531	1,925	1,969	3,277	3,500	5,202	48.63	53.91	2
3	American Woolen Co.	21,516	11,289	Inv. Cap.	6,099	7,635	4,779	7,654	10,878	15,289	40.57	70.96	3
4	Baldwin Locomotive Co.	4,966	7,446	Inv. Cap.	-	-	1,154	2,048	1,154	2,048	77.42	41.24	4
5	Bath Iron Works	7,354	2,299	Income	238	309	2,158	3,790	2,396	4,099	71.06	55.74	5
6	Bell Aircraft Corp.	11,130	849	Inv. Cap.	6,194	7,754	1,569	1,925	7,763	9,679	24.69	86.96	6
7	Bethlehem Steel Corp.	143,225	43,312	Inv. Cap.	55,565	69,458	24,490	35,804	80,055	105,272	31.50	73.50	7
8	Chrysler Corp.	64,183	46,253	Income	9,596	12,006	16,369	27,716	25,965	39,722	52.99	61.89	8
9	Consolidated Aircraft Corp. 2/	27,288	4/	-	15,400	19,262	3,700	4,441	19,100	23,703	24.10	86.86	9
10	Cramp Shipbuilding Co.	433	676	Inv. Cap.	-	-	134	238	134	238	77.42	54.90	10
11	Diamond T Motor Car Co.	4,106	538	Income	2,068	2,596	619	808	2,687	3,404	26.69	82.91	11
12	E.I. duPont de Nemours & Co.	210,000	4/	-	68,400	85,512	32,600	48,427	101,000	133,939	32.61	63.78	12
13	Ford Motor Co.	16,161	42,331	Inv. Cap.	-	-	4,885	8,667	4,885	8,667	77.42	53.63	13
14	General Machinery Corp.	5,923	711	Income	3,054	3,829	865	1,109	3,919	4,938	25.99	83.36	14
15	General Motors Corp.	517,748	220,087	Income	175,814	219,779	101,331	155,600	277,145	375,379	35.44	72.50	15
16	Glenn L. Martin Co.	12,409	5,468	Income	4,115	5,155	2,571	3,989	6,686	9,144	36.77	73.69	16
17	Grumman Aircraft Engineering Corp.	2,192	1,112	Income	587	745	492	786	1,079	1,531	41.90	69.86	17
18	Gulf Shipbuilding Corp.	189	216	Inv. Cap.	-	-	58	103	58	103	77.42	54.45	18
19	Ingalls Shipbuilding Corp.	1,007	4/	-	282	364	224	353	507	717	41.57	71.24	19
20	Lockheed Aircraft Corp.	29,941	3,449	Income	15,646	19,819	4,569	5,567	20,216	25,386	25.58	84.79	20
21	Los Angeles Shipbuilding & Dry Dock Corp.	778	1,118	Inv. Cap.	-	-	241	427	241	427	77.42	54.94	21
22	Moore Dry Dock Co.	2,701	539	Inv. Cap.	1,068	1,347	351	470	1,419	1,817	27.98	67.26	22
23	New York Shipbuilding Co.	3,800	4/-	-	995	1,255	860	1,383	1,855	2,638	42.21	69.42	23
24	North American Aviation, Inc. 3/	15,573	8,011	Income	5,192	6,502	3,582	5,634	8,774	12,136	38.32	77.93	24
25	Packard Motor Car Co.	4,289	4,100	Inv. Cap.	-	-	1,335	2,369	1,335	2,369	77.42	55.22	25
26	Republic Aviation Corp.	1,241	695	Inv. Cap.	324	416	306	492	630	909	44.21	73.22	26
27	Robbins Dry Dock & Repair Co.	5,504	815	Inv. Cap.	2,653	3,328	826	1,095	3,479	4,423	27.11	83.38	27
28	Savage Arms Corp.	15,436	801	Inv. Cap.	8,736	10,951	2,079	2,461	10,815	13,412	24.02	86.89	28
29	Sperry Gyroscope, Inc.	25,752	4,521	Income	12,781	15,988	4,006	5,544	16,787	21,532	27.07	82.84	29
30	Standard Oil Co. of New Jersey	202,143	70,282	Inv. Cap.	-	-	20,305	36,025	20,305	36,025	77.42	17.82	30
31	Studebaker Corp.	5,128	2,044	Inv. Cap.	1,902	2,389	999	1,505	2,902	3,894	34.22	75.94	31
32	Sun Oil Co.	11,497	12,676	Inv. Cap.	-	-	2,330	4,134	2,330	4,134	77.42	35.96	32
33	United Aircraft Corp.	83,925	11,433	Income	43,339	54,185	12,520	16,247	55,858	70,432	26.09	83.92	33
34	United States Steel Corp.	234,871	222,128	Inv. Cap.	-	-	87,954	156,047	87,954	156,047	77.42	66.44	34
35	Western Pipe & Steel Co.	1,592	301	Inv. Cap.	681	908	280	371	961	1,280	33.19	80.39	35
36	Westinghouse Elec. Elev. Co.	687	650	Income	84	111	249	426	333	538	61.69	77.59	36
37	Westinghouse Elec. & Mfg. Co.	68,571	13,800	Income	29,000	36,262	11,800	16,942	40,800	53,203	30.40	60.59	

Treasury Department, Division of Tax Research

April 22, 1942

Source: 1941 income data supplied by Collectors of Internal Revenue.

1/ Including credit carry-over.
2/ For 11 months.
3/ For 9 months.
4/ Not available

April 22, 1942

MEMORANDUM FOR THE SECRETARY

Two conspicuous examples of recent increases in compensation reported by corporations engaged on government contracts are the Western Cartridge Co., East Alton, Illinois, and the Diamond T Motor Car Co., Chicago, Illinois.

Western Cartridge Co.

The amount paid eight executives increased from $85,000 in 1939 to $142,000 in 1940 and $520,000 in 1941.

The president of the company, who drew no salary in 1939 and 1940, received $150,000 in 1941. The vice-president's compensation increased from $25,000 in 1939 and 1940 to $125,000 in 1941. The secretary-treasurer received $5,000 in 1939, $15,000 in 1940, and $100,000 in 1941. These three officers all have the surname "Olin."

The salaries of the five other executives also increased, the aggregate rising from $55,000 in 1939 to $145,000 in 1941. The individual increases ranged from 100 percent to 233 percent.

The effects of the tax rates in reducing the largest of the increases are shown in the following table.

Salary 1939	Salary 1941 Estimated	Remaining after taxes (approximate)		
		1939	1941 proposed rates	Increase
0	$ 150,000	0	$ 36,065	$ 36,065
$ 25,000	125,000	$ 22,511	33,565	11,054
5,000	100,000	4,920	31,035	26,115
15,000	30,000	13,636	18,975	5,339

In computing the taxes it was assumed that each executive was married with no dependents and had no other income and no deductions.

Diamond T Motor Car Co.

The amounts paid officers (receiving $10,000 or more) declined from $252,000 in 1939 to $242,000 in 1940 and increased to $830,000 in 1941. The number of officers on the list increased from 13 in 1939 and 15 in 1940 to 25 in 1941.

The officers appearing on the list for the first time in 1941 include two Washington representatives with compensation of $74,000 and $91,000. A third Washington representative received $11,000 in 1940 and $103,000 in 1941. In 1941 the three Washington representatives were paid a total of $268,000.

Practically all officers received higher compensation in 1941 than in either 1939 or 1940. The compensation paid the top five officers increased from $130,000 in 1939 and $127,000 in 1940 to $271,000 in 1941. These include three vice-presidents each of whose compensation increased from $24,000 to $59,000. The fourth vice-president's compensation increased from $14,000 to $34,000. The compensation of the four vice-presidents includes bonuses on a basis established in 1925.

The effect of the tax rates on some of the conspicuous salary increases are as follows. Computations could not be made for salaries of the Washington representatives as no report was made on the salaries, if any, paid them in 1939.

Salary 1939	Salary 1941	Remaining after taxes (approximate)		
		1939	1941 proposed rates	Increase
$ 45,000	$ 60,000	$ 37,636	$ 24,915	($ 12,721)
23,735	59,152	21,496	24,745	3,249
13,186	33,973	12,463	18,326	5,863

Ten salaries combined which increased from $220,647 to $395,613 showed a decrease after taxes (1941 at proposed rates) of $7,819 from $197,306 to $189,387.

In computing the taxes it was assumed that each executive was married with no dependents and had no other income and no deductions.

COMPENSATION OF EXECUTIVES

Explanatory statement in respect to the attached tabulations

A detailed tabulation is attached for each of 44 selected corporations for which "Compensation of Executives" data are available. Each tabulation shows by company, the name, title, and amount of salary for 1939, 1940, and 1941, for executives who received $10,000 or over for 1941. Salary includes directors' fees, bonuses, etc. In those instances where the large number of executives makes a complete tabulation impractical, data are shown only for those with larger amounts of compensation. The coverage of each tabulation is indicated under "Remarks."

The salary after Federal income taxes represents the compensation minus Federal income tax computed as follows: (1) Net income assumed to equal amount of salary, (2) Personal exemption of a married person allowed -- $2,500 for 1939 and $1,500 for 1941, (3) Maximum earned income credit allowed for 1939. No earned income credit allowed for 1941, and (4) Normal tax and surtax rates as provided by the Internal Revenue Code applicable to the year 1939 applied to 1939. Normal tax and surtax rates as proposed by the Secretary on March 3, 1942 applied to 1941.

The summary tabulation shows identical data in aggregate for each of the 44 corporations.

SUMMARY OF COMPENSATION OF EXECUTIVES BEFORE AND AFTER FEDERAL INCOME TAXES FOR 1939 AND 1941

Name of company	Salaries 1/			Increase in amount of salaries in 1941 over 1939	Salaries after Federal income taxes			Number of executives included
	1939	1940	1941		1939	1941 Proposed Rates	Change between 1939 and 1941	
Alabama Dry Dock and Ship-building Co.	$ 92,325	$ 153,571	$ 265,321	$ 172,996	$ 83,188	$ 103,695	$ 20,507	4
American Car and Foundry Co.	173,088	184,338	114,073	(59,015)	146,398	70,602	-(75,796)	5
American Engineering Co.	10,696	15,383	17,573	6,877	10,219	11,790	1,571	1
American Locomotive Co.	Not available							
American Woolen Co.,Inc.	339,225	345,585	524,250	185,025	293,871	239,250	-(54,621)	12
Aviation Corporation	Not available							
Baldwin Locomotive Works	114,545	175,200	192,747	78,202	103,057	96,631	-(6,426)	5
Bath Iron Works Corp.	25,800	34,280	37,360	11,560	24,313	25,320	1,007	2
Beech Aircraft Corp.	10,032	12,500	19,231	9,199	9,614	12,586	2,972	1
Bell Aircraft Corporation	35,000	49,210	124,167	89,167	32,098	49,095	16,997	2
Bendix Aviation Corp.	162,250	122,625	196,200	33,950	140,536	97,871	-(42,665)	5
Bendix Aviation Ltd.	12,000	10,750	18,000	6,000	11,398	11,995	597	1
Bethlehem Steel Corp. & Subsidiary companies	1,173,283	1,731,294	1,934,458	761,175	794,488	50[illegible],115	-(292,373)	16
Boeing Aircraft Co.	58,864	83,835	90,135	31,271	55,811	62,109	6,298	6
Chrysler Corp.	793,500	855,034	891,333	97,833	616,846	354,044	-(262,800)	14
Consolidated Aircraft Corp.	80,000	122,161	184,567	104,567	74,657	93,569	18,912	5
Consolidated Steel Corp.,Ltd. (Calif.)	40,400	33,471	66,000	25,600	38,372	44,000	5,628	4
Consolidated Steel (Texas)	Not available							
Continental Motors Corp.	30,000	29,604	52,903	22,903	28,099	29,273	1,174	2
Cramp Shipbuilding (Wm. Cramp and Sons Ship and Engine Building Co.	Not available							

SUMMARY OF COMPENSATION OF EXECUTIVES BEFORE AND AFTER FEDERAL INCOME TAXES FOR 1939 AND 1941
(CONTINUED)

Name of company	Salaries 1/ 1939	Salaries 1/ 1940	Salaries 1/ 1941	Increase in amount of salaries in 1941 over 1939	Salaries after Federal income taxes 1939	Salaries after Federal income taxes 1941 Proposed Rates	Salaries after Federal income taxes Change between 1939 and 1941	Number of executives included
Curtis Wright	Not available							
Diamond-T Motor Car Co.	$ 220,847	$ 188,750	$ 395,813	$ 174,966	$ 197,306	$ 189,487	$ (7,819)	10
Douglas Aircraft, Inc.	166,715	161,846	253,291	86,576	140,255	106,976	(33,279)	5
E.I. duPont de Nemours and Co.	2,019,109	2,174,679	1,446,761	(572,348)	1,117,459	396,931	(720,528)	12
Electric Boat Co.	101,000	105,083	121,000	20,000	89,799	66,290	(23,509)	4
Ford Motor Co.	1,228,000	1,299,101	1,466,550	238,550	878,780	511,156	(367,625)	20
General Electric Co.	Not available							
General Machinery Corp.	151,995	165,339	226,100	75,105	133,420	116,858	(16,562)	8
General Motors Corp.	3,208,945	3,265,130	3,083,210	(125,735)	1,798,329	754,017	(1,044,312)	22
Glenn L. Martin Co.	111,529	114,441	145,023	33,494	98,195	72,958	(25,239)	4
Grumman Aircraft and Engineering Company	48,160	79,194	96,570	48,410	43,491	44,886	1,395	2
Gulf Shipbuilding Corp.	Not available							
Houston Shipbuilding Corp.	Not available							
Ingalls Shipbuilding Corp.	85,016	95,044	108,000	22,984	78,820	67,580	(11,240)	3
Lockheed Aircraft Corp.	107,700	177,000	475,000	367,300	99,389	166,750	67,361	6
Los Angeles Shipbuilding and Drydock Co.	Not available							
Moore Drydock Co.	101,000	101,750	107,000	6,000	90,803	65,365	(25,438)	5
Newport News Shipbuilding and Drydock Co.	Not available							
New York Shipbuilding Corp.	127,925	240,448	313,700	185,775	115,552	136,142	20,590	6
North American Aviation, Inc.	339,010	325,358	300,050	(38,960)	225,697	113,565	(112,132)	5
Northern Pump Company	49,000	12,000	172,000	123,000	40,441	38,265	(2,176)	1
Packard Motor Car Co.	370,765	362,928	442,641	71,876	321,565	230,156	(91,409)	14
Republic Aviation Corp.	42,629	90,996	93,980	51,351	39,567	56,193	16,626	4
Robins Drydock and Repair Co.	130,957	108,737	195,699	64,742	117,584	104,366	(13,218)	5
Savage Arms Corp.	52,188	88,853	121,840	69,652	47,964	60,850	12,886	3

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SUMMARY OF COMPENSATION OF EXECUTIVES BEFORE AND AFTER FEDERAL INCOME TAXES FOR 1939 AND 1941
(CONTINUED)

	Salaries 1/			Increase in amount of salaries in 1941 over 1939	Salaries after Federal income taxes			Number of executives included
	1939	1940	1941		1939	1941 Proposed Rates	Change between 1939 and 1941	
Seattle-Tacoma Shipbuilding Corp.	Not available							
Sperry Gyroscope Co.,Inc.	137,230	158,284	215,500	78,270	120,446	98,380	(22,066)	5
Standard Oil Co. (N.J.)	998,100	1,011,416	1,014,531	16,431	767,204	411,394	(355,810)	17
Studebaker Corp.	303,535	312,000	432,000	128,465	267,169	208,905	(58,264)	11
Sun Oil Company	474,800	495,500	598,782	123,982	402,156	290,281	(111,875)	15
United Aircraft Corp.	186,125	215,246	304,202	118,077	160,658	130,143	(30,515)	6
United States Steel	Not available							
Western Cartridge Co.	85,500	142,000	370,000	284,500	80,237	144,545	64,308	7
Western Pipe and Steel Co. (Calif.)	79,500	79,500	119,250	39,750	72,889	62,917	(9,972)	4
Westinghouse Electric & Manufacturing Co.	469,787	555,558	596,167	126,380	343,331	194,796	(148,535)	7
Westinghouse Electric Elevator Company	33,005	38,106	34,723	1,718	28,745	18,566	(10,179)	1
Total	14,580,880	16,118,926	17,977,501	3,397,621	10,380,214	6,662,661	(3,717,554)	300

1/ In general includes compensation of executives who received $10,000 and over for 1941 and for which 1939 and 1940 data are available. However, for certain corporations with a large number of executives a higher salary level was adopted.

(Prepared by Statistical Section, Income Tax Unit, for Mr. Roy Blough, Director of Tax Research, April 25, 1942.)

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ALABAMA DRY DOCK AND SHIPBUILDING COMPANY

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941 Proposed Rates	Changes between 1939 and 1941
D. R. Dunlap	President	$ 35,085	$ 54,630	$ 88,075	$ 52,990	$ 30,335	$ 29,535	$ (800)
G. H. Dunlap	V.P., Secy, Treas.	20,199	32,432	56,998	36,799	18,580	24,315	5,735
J. M. Griser	Vice Pres.	20,199	35,558	63,230	43,031	18,580	25,527	6,947
B. F. Campbell	Vice Pres.	16,842	30,951	57,018	40,176	15,693	24,318	8,625
Total		92,325	153,571	265,321	172,996	83,188	103,695	20,507

Remarks: All executives with salary of $10,000 and over are included.

AMERICAN CAR AND FOUNDRY COMPANY

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
Not shown. Official of Carter Carburetor Company		$ 20,288	$ 27,088	$ 20,871	$ 583	$ 18,656	$ 13,332	$ (5,324)
Not shown. Official of Carter Carburetor Company		66,000	91,000	21,328	(44,672)	51,271	13,538	(37,733)
Not shown. Official of American Car and Foundry Co.		22,500	20,000	21,458	(1,042)	20,496	13,596	(6,900)
Not shown. Official of American Car and Foundry Co.		24,300	22,500	21,458	(2,842)	21,954	13,596	(8,358)
Not shown. Official of American Car and Foundry Co.		40,000	23,750	28,958	(11,042)	34,021	16,540	(17,481)
Total		173,088	184,338	114,073	(59,015)	146,398	70,602	(75,796)

Remarks: There are 50 additional officers with total salary of $900,248 in 1941 for which there are no available data for 1939.

AMERICAN ENGINEERING COMPANY

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
William V. Sauter	Pres.	$ 10,696	$ 15,383	$ 17,573	$ 6,877	$ 10,219	$ 11,790	$ 1,571

Remarks: The Vice President and General Manger with a salary of $14,565 for 1941 and $12,507 for 1940 is the only other officer with a salary of $10,000 and over, but his salary is not available for 1939.

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AMERICAN WOOLEN COMPANY

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal Income Taxes 1939	Salary after Federal Income Taxes 1941	Changes between 1939 and 1941
M. Pendleton	Pres. & Sales Mgr.	$ 73,125	$ 75,000	$ 125,000	$ 51,875	$ 55,227	$ 33,565	$ (21,662)
F. S. Cennett	Treasurer	18,000	18,000	25,000	7,000	16,701	15,040	(1,661)
R. H. Montgomery	Clerk & Gen. Counsel	18,000	18,000	25,000	7,000	16,701	15,040	(1,661)
C. H. Silver	Gen. Sales Mgr.	45,000	45,833	65,000	20,000	37,638	25,845	(11,791)
T. W. Prestwich	Div. Mgr.	27,000	27,750	42,000	15,000	24,091	20,795	(3,296)
A. B. Walls, Jr.	Div. Mgr.	27,000	27,000	40,000	13,000	24,091	20,235	(3,856)
H. C. Scheer	Credit Mgr.	22,500	22,500	28,000	5,500	20,496	16,195	(4,301)
E. F. Williams	Res. Mgr.	25,000	25,000	45,000	20,000	22,511	21,635	(876)
A. H. Eddy	Res. Mgr.	15,000	15,000	35,000	20,000	14,076	18,655	4,579
T. E. Greenway	Res. Mgr.	21,100	22,000	34,250	13,150	19,334	18,415	(919)
W. M. Lamont	Res. Mgr.	22,500	22,500	32,500	10,000	20,496	17,815	(2,681)
M. G. Einstein	Res. Mgr.	25,000	25,000	27,500	2,500	22,511	16,015	(6,496)
Totals		339,225	343,583	524,250	185,025	293,871	239,250	(54,621)

Remarks: Data are shown only for officers with salary of $25,000 and over. There are 14 additional officers with salary of $10,000 and under $25,000 for 1941. The total of these salaries is $223,500 for 1941.

BALDWIN LOCOMOTIVE WORKS

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
Charles E. Brinley	Not stated	$ 36,220	$ 54,240	$ 60,220	$ 24,000	$ 31,186	$ 24,959	$ (6,227)
William H. Harman	Not stated	25,100	36,240	40,180	15,080	22,590	20,286	(2,304)
William H. Winterrowd	Not stated	21,975	36,220	37,847	15,872	20,060	19,566	(494)
Charles E. Acker	Not stated	13,250	23,500	26,500	13,250	12,520	15,625	3,105
Carlos F. Noyes	Not stated	18,000	25,000	28,000	10,000	16,701	16,195	(506)
Totals		114,545	175,200	192,747	78,202	103,057	96,631	(6,426)

Remarks: Data are shown only for officers with salary of $25,000 and over for 1941. There are 28 additional officers with a salary of $10,000 and under $25,000 for 1941. The total of these salaries is $416,530 for 1941.

BATH IRON WORKS CORPORATION

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
W. S. Newell	Pres.	$ 15,000	$ 19,880	$ 21,780	$ 6,780	$ 14,076	$ 14,544	$ 468
A. M. Main	V. P.	10,800	14,400	15,580	4,780	10,237	10,776	539
Total		25,800	34,280	37,360	11,560	24,313	25,320	1,007

Remarks: There is an additional vice-president
with a salary of $11,610 for 1941.
Salary for 1939 and 1940 not available.

BEECH AIRCRAFT CORPORATION

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
Walter H. Beech	Pres.	$ 10,032	$ 12,500	$ 19,231	$ 9,199	$ 9,614	$ 12,586	$ 2,972

Remarks: This is the only officer listed with a salary of $10,000 and over for 1939, 1940 or 1941.

BELL AIRCRAFT CORPORATION

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
Lawrence D. Bell	Pres.	$ 25,000	$ 35,290	$ 85,000	$ 60,000	$ 22,511	$ 29,105	$ 6,594
Ray P. Whitman	V. Pres.	10,000	13,920	39,167	29,167	9,585	19,988	10,403
Total		35,000	49,210	124,167	89,167	32,096	49,093	16,997

Remarks: There are 7 additional officers with total salary of $125,873 in 1941 but for which 1939 and 1940 data are not available.

BENDIX AVIATION C[illegible]PORATION

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
Vincent Bendix	President	$ 50,000	$ 37,500	$ 60,000	$ 10,000	$ 41,131	$ 24,915	$ (16,216)
E. R. Palmer	V.P. & Treas.	20,000	18,750	30,000	10,000	18,565	16,915	(1,650)
D. O. Thomas	Vice Pres.	27,500	20,625	33,000	5,500	24,486	17,995	(6,491)
Charles Marcus	Vice Pres.	39,750	27,000	43,200	3,450	33,833	21,131	(12,702)
W. L. McGrath	Vice Pres.	25,000	18,750	30,000	5,000	22,521	16,915	(5,606)
Total		162,250	122,625	196,200	33,950	140,536	97,871	(42,665)

Remarks: Data includes all officers with salary of $10,000 and over.

BENDIX AVIATION, LTD

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
Palmer Nichols	V. P.	$ 12,000	$ 10,750	$ 18,000	$ 6,000	$ 11,398	$ 11,995	$ 597

Remarks: This is the only officer receiving a salary of $10,000 and over for any of the years 1939, 1940 and 1941.

BETHLEHEM STEEL CORPORATION AND SUBSIDIARY COMPANIES

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
W. J. Brown	Treas.	$ 25,632	$ 42,846	$ 47,810	$ 22,178	$ 23,010	$ 22,330	$ (680)
E. G. Grace	Pres. (Pa.)	271,224	478,144	537,724	266,500	128,548	74,837	(53,711)
C. A. Buck	Vice Pres.	117,364	50,000	50,000	(67,364)	74,204	22,855	(51,349)
Q. Bent	Vice Pres.	117,364	179,443	197,317	79,953	74,204	40,796	(33,408)
R. E. McMath	Vice Pres. &Sec.	84,332	139,506	155,393	71,061	60,780	36,604	(24,176)
J. M. Gross	Vice Pres.	50,198	84,690	94,620	44,422	41,268	30,389	(10,879)
W. H. Stewart	Vice Pres.	40,404	48,226	56,472	16,068	34,324	24,209	(10,115)
F. A. Shick	Vice Pres. &Compt.	84,332	139,506	155,393	71,061	60,780	36,604	(24,176)
J. H. Larkin	Vice Pres.	55,198	89,690	99,620	44,422	44,610	30,989	(13,621)
Chas. R. Holton	Vice Pres.	65,198	99,690	109,620	44,422	50,814	32,027	(18,787)
J. P. Bender	Treas.	25,632	42,846	47,810	22,178	23,011	22,330	(681)
W. H. Johnstone	Asst. Sec.	28,843	37,843	45,365	16,522	25,540	21,737	(3,803)
W. M. Driver	Asst. Secs	24,922	33,798	41,220	16,298	22,449	20,577	(1,872)
R. H. Schlottman	Asst. Comptroller	25,078	34,088	41,622	16,544	22,573	20,689	(1,884)
Paul Mackall	Vice Pres. (Del.)	117,364	179,443	197,317	79,953	74,204	40,796	(33,408)
H. W. Warley	Pres. of Sub.	40,198	51,535	57,155	16,957	34,169	24,346	(9,823)
Total		1,173,283	1,731,294	1,934,458	761,175	794,488	502,115	(292,373)

Remarks: Data are shown only for officers with salary of $35,000 and over for 1941. There are 12 additional officers with salary of $10,000 and under $35,000 for 1941, for which salary is reported for 1939 and 1940. The total of these salaries is $271,249 for 1941.

BOEING AIRCRAFT COMPANY

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
C. L. Egtvedt	Chairman	$ 20,000	$ 20,000	$ 20,000	$ -	$ 18,411	$ 12,940	$ (5,471)
P. G. Johnson	President	6,190	20,000	20,000	13,810	6,067	12,940	6,873
F. P. Landan	Vice Pres.	10,667	11,000	11,000	333	10,193	8,185	(2,008)
R. J. Minshall	Vice Pres.	11,333	12,000	12,000	667	10,795	8,785	(2,010)
J. P. Murray	Vice Pres.	9,001	10,035	11,135	2,134	8,672	8,269	(403)
E. O. West	Exec. V.P.	1,673	10,800	16,000	14,327	1,673	10,990	9,317
Total		58,864	83,835	90,135	31,271	55,811	62,109	6,298

Remarks: There are no additional officers with salary of $10,000 and over.

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
K. T. Keller	Not stated	$ 100,000	$ 100,000	$ 100,000	$ -	$ 67,531	$ 31,035	$ (36,496)
J. E. Fields	Not stated	50,000	50,000	50,000	-	41,131	22,855	(18,276)
Byron C. Foy	Not stated	72,000	72,000	72,000	-	54,631	27,095	(27,536)
B. E. Hutchinson	Not stated	90,000	90,000	90,000	-	63,331	29,805	(33,526)
W. Ledyard Mitchell	Not stated	60,000	60,000	60,000	-	47,671	24,915	(22,756)
A. Van Der Zee	Not stated	37,500	47,284	50,000	12,500	32,146	22,855	(9,291)
H. L. Weckler	Not stated	45,000	63,750	72,000	27,000	37,636	27,095	(10,541)
Fred M. Zeder	Not stated	85,000	85,000	85,000	-	61,081	29,105	(31,976)
O. R. Skelton	Not stated	60,000	60,000	60,000	-	47,671	24,915	(22,756)
Carl Breer	Not stated	60,000	60,000	60,000	-	47,671	24,915	(22,756)
D. A. Wallace	Not stated	35,000	43,633	50,000	15,000	30,271	22,855	(7,416)
C. E. Bleicher	Not stated	26,500	35,567	42,333	15,833	23,696	20,889	(2,807)
N. J. O'Neil	Not stated	32,500	43,633	50,000	17,500	28,356	22,855	(5,501)
D. S. Eddins	Not stated	40,000	44,167	50,000	10,000	34,021	22,855	(11,166)
Total		793,500	855,034	891,333	97,833	616,846	354,044	(262,800)

Remarks: Data are shown for only those officers with salary of over $40,000 in 1941. There are 92 additional officers with salary of $10,000 and under $40,000 with a total salary of $1,415,936 in 1941.

CONSOLIDATED AIRCRAFT CORPORATION

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
I. M. Laddon	Vice-Pres.	$ 18,000	$ 25,650	$ 37,505	$ 19,505	$ 16,701	$ 19,457	$ 2,756
R. H. Fleet	President-Mgr.	20,000	35,943	62,505	42,505	18,411	25,396	6,985
C. T. Leigh	Vice Pres.	14,000	20,036	28,130	14,130	13,191	16,242	3,051
C. A. Van Dusen	Vice Pres.	16,000	22,443	31,256	15,256	14,956	17,367	2,411
J. L. Kelley	Assistant Sec.	12,000	18,109	25,172	13,172	11,398	15,107	3,709
Total		80,000	122,161	184,567	104,567	74,657	93,569	18,912

Remarks: Data are shown only for officers with salary of $25,000 and over for 1941. There are 17 additional officers with salary of $10,000 and under $25,000 for 1941, for which salary is reported for 1939 and 1940. The total of these salaries is $236,514 for 1941.

CONSOLIDATED STEEL CORPORATION, LIMITED

Name of Executive	Title	Salary 1/			Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes		
		1939	1940	1941		1939	1941	Changes between 1939 and 1941
D. G. Henderson	Not stated	$ 16,000	$ 13,667	$ 22,000	$ 6,000	$ 14,956	$ 13,825	$ (1,131)
Alden G. Roach	Not stated	14,000	11,333	22,000	8,000	13,191	13,825	634
L. R. Earl	Not stated	6,350	5,333	12,000	5,650	6,221	8,785	2,564
H. C. Cranfill	Not stated	4,050	3,138	10,000	5,950	4,004	7,565	3,561
Total		40,400	33,471	66,000	25,600	38,372	44,000	5,628

1/ 1939 data for calendar year - 1940 for period January 1, 1940 to August 31, 1940 - 1941 fiscal year ended August 31, 1941.

Remarks: There is one additional officer with a salary of $15,000 for 1941, but no salary reported for 1939 and 1940.

CONTINENTAL MOTORS CORPORATION

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
W. R. Angell, Sr.	Technical Adviser	$ 18,000	$ 13,000	$ 12,000	$ (6,000)	$ 16,701	$ 8,785	$ (7,916)
Clarence Reese	President	12,000	16,604	40,903	28,903	11,398	20,488	9,090
Total		30,000	29,604	52,903	22,903	28,099	29,273	1,174

Remarks: 5 additional officers have salaries of $10,000 and over for 1941, but their salaries are not reported for 1939 or 1940. The total of the 1941 salaries for these 5 additional officers is $109,165.

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Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
C. A. Tilt	Pres.,Treas.	$ 45,000	$ 45,000	$ 60,000	$ 15,000	$ 37,636	$ 24,915	$ (12,721)
E. J. Bush	V.P.,S.Mgr.	23,735	22,177	59,152	35,417	21,496	24,745	3,249
Sidney A. Cook	V.P.,Secy.	23,735	22,177	59,152	35,417	21,496	24,745	3,249
C. A. Peirce	V.P.,Ch.Engr.	23,735	22,177	59,152	35,417	21,496	24,745	3,249
H. C. Emberson	Purch.Agt.	13,186	13,321	33,973	20,787	12,463	18,326	5,863
T. C. Huxley, Jr.	V.P.,S.Mgr.	13,686	15,321	33,973	20,287	12,910	18,326	5,416
F. J. Hollearn	Dist. Mgr.	17,300	14,491	18,696	1,396	16,092	12,329	(3,763)
L. P. Larsen	Dist. Mgr.	10,006	10,454	10,771	765	9,590	8,043	(1,547)
C. G. Wirick	Nat.Acct.Rep.	38,196	10,926	41,155	2,959	32,668	20,558	(12,110)
G. C. Stevens	Chgo.Branch	12,068	12,706	19,589	7,521	11,459	12,755	1,296
Total		220,647	188,750	395,613	174,966	197,306	189,487	(7,819)

Remarks: There are 13 additional officers with salary of $10,000 or more for 1941, for which salaries for 1939 or 1940 are not available.

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DOUGLAS AIRCRAFT COMPANY INCORPORATED

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
F. W. Conant	Not stated	$ 9,000	$ 11,500	$ 20,500	$ 11,500	$ 8,671	$ 13,165	$ 4,494
Carl A. Cover	Not stated	30,000	37,500	52,500	22,500	26,431	23,415	(3,016)
Donald W. Douglas	Not stated	66,667	75,000	105,000	38,333	51,651	31,565	(20,086)
H. E. Guerin	Not stated	37,298	12,646	42,791	5,493	31,994	21,016	(10,978)
A. E. Raymond	Not stated	23,750	25,000	32,500	8,750	21,508	17,815	(3,693)
Total		166,715	161,646	253,291	86,576	140,255	106,976	(33,279)

Remarks: Data are shown only for officers with salary of $20,000 and over for 1941. 16 additional officers received salary of $20,000 and over for 1941. The total salary of these 16 officers for 1941 is $198,570.

E. I. DUPONT DE NEMOURS AND COMPANY

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
J. Thompson Brown	Vice Pres.	$ 174,825	$ 190,187	$ 120,470	$(54,355)	$ 95,593	$ 33,112	$ (62,481)
W. S. Carpenter, Jr.	President.	213,806	290,766	214,470	664	109,400	42,512	(66,888)
J. E. Crane	Vice Pres.	179,394	194,587	116,930	(62,464)	97,238	32,758	(64,480)
A. B. Echols	Vice Pres.	178,435	198,582	129,990	(48,445)	96,893	34,064	(62,829)
W. F. Harrington	Vice Pres.	179,685	197,178	122,670	(57,015)	97,343	33,332	(64,011)
J. W. McCoy	Vice Pres.	168,185	186,698	122,690	(45,495)	93,203	33,334	(59,869)
C. M. A. Stine	Vice Pres.	172,915	189,248	120,470	(52,445)	94,905	33,112	(61,793)
F. A. Wardenburg	Gen. Mgr.	140,196	151,866	90,970	(49,226)	82,880	29,941	(52,939)
E. B. Yancey	Gen. Mgr.	111,508	101,864	92,990	(18,518)	71,979	30,193	(41,786)
William Richter	Gen. Mgr.	162,763	171,493	94,890	(67,873)	91,250	30,421	(60,829)
E. G. Robinson	Gen. Mgr.	169,655	184,115	107,620	(62,035)	93,732	31,827	(61,905)
L. A. Yerkes	Gen. Mgr.	167,742	118,095	112,601	(55,141)	93,043	32,325	(60,718)
Total		2,019,109	2,174,679	1,446,761	(572,348)	1,117,459	396,931	(720,528)

Remarks: Data are shown only for officers with salary of $90,000 and over for 1941. There are 27 additional officers with salary of $10,000 and under $90,000 for 1941. The total of these salaries is $1,187,453 for 1941.

ELECTRIC BOAT COMPANY

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
H. Carsi	Pres.	$ 30,000	$ 31,000	$ 36,000	$ 6,000	$ 26,431	$ 18,975	$ (7,456)
H. R. Sutplin	V. Pres.	30,000	31,000	36,000	6,000	26,451	18,975	(7,456)
T. Y. Spear	V. Pres.	30,000	31,000	36,000	6,000	26,431	18,975	(7,456)
H. A. Taylor	Treasurer	11,000	12,083	13,000	2,000	10,506	9,365	(1,141)
Total		101,000	105,083	121,000	20,000	89,799	66,290	(23,509)

Remarks: All executives with salary of $10,000 and over are included.

Name of Executive	Title	Salary			Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes		
		1939	1940	1941		1939	1941	Changes between 1939 and 1941
M. L. Bricker	Not stated	$ 52,000	$ 56,307	$ 67,873	$ 15,873	$ 42,511	$ 26,362	$ (16,149)
W. J. Cameron	Not stated	39,000	40,505	43,005	4,005	33,271	21,077	(12,194)
B. J. Craig	Not stated	104,000	109,466	116,082	12,082	69,126	32,673	(36,453)
John Crawford	Not stated	49,500	52,812	58,874	9,374	40,786	24,690	(16,096)
H. C. Doss	Not stated	32,500	45,175	51,223	18,723	28,356	23,148	(5,208)
Edsel B. Ford	Not stated	143,000	144,620	234,757	91,757	83,946	44,541	(39,405)
Jos. Galamb	Not stated	54,500	54,582	56,102	1,602	44,156	24,136	(20,020)
P. E. Martin	Not stated	169,000	178,259	82,983	(86,017)	93,496	28,823	(64,673)
Herman L. Moekle	Not stated	39,000	41,688	50,237	11,237	33,271	22,912	(10,359)
W. F. Pioch	Not stated	26,000	28,548	37,010	11,010	23,301	19,299	(4,002)
R. R. Rausch	Not stated	19,000	21,002	45,027	26,027	17,561	21,643	4,082
R. I. Roberge	Not stated	35,000	37,921	42,964	7,964	30,271	21,064	(9,207)
L. S. Sheldrick	Not stated	35,000	37,629	47,653	12,653	30,271	22,292	(7,979)
Charles E. Sorenson	Not stated	169,000	177,005	220,005	51,005	93,496	43,066	(50,430)
A. M. Wibel	Not stated	78,000	82,951	101,051	23,051	57,751	31,161	(26,590)
J. R. Davis	Not stated	47,000	47,000	47,000	-	39,061	22,135	(16,927)
W. K. Edmunds	Not stated	41,500	41,500	41,500	-	35,116	20,655	(14,461)
Ned Fuller	Not stated	39,000	41,809	46,350	7,350	33,271	21,979	(11,292)
R. H. McCarroll	Not stated	28,500	31,072	39,585	11,085	25,276	20,119	(5,157)
H. B. Hansom	Not stated	27,500	29,250	37,269	9,769	24,486	19,381	(5,105)
Total		1,228,000	1,299,101	1,466,550	238,550	878,780	511,156	(367,625)

Remarks: Data are shown only for officers with salary of $35,000 and over for 1941. There are 100 additional officers with salary of $10,000 and under $35,000 for 1941. The total of these salaries is $2,023,764 for 1941.

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THE GENERAL MACHINERY CORPORATION

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 and 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
G. A. Rentschler	Pres.	$ 62,000	$ 65,000	$ 93,000	$ 31,000	$ 48,891	$ 30,195	$ (18,696)
J. E. Paterson	V. Pres.	17,000	19,000	25,000	8,000	15,831	15,040	(791)
W. A. Rentschler	V. Pres.	7,800	8,850	16,500	8,700	7,567	11,245	3,678
A. A. Byerlein	V. Pres.	23,000	25,000	22,500	(500)	20,901	14,035	(6,866)
C. T. Ziegler	V. Pres.	12,500	12,500	13,000	500	11,850	9,365	(2,485)
Frederick Ritz	Plant Supt.	13,000	13,200	18,000	5,000	12,297	11,995	(302)
A. C. Weis	Plant Supt.	11,025	15,500	20,000	8,975	10,517	12,940	2,423
P. C. McBath	Salesman	5,670	8,289	18,100	12,430	5,566	12,043	6,477
Total		151,995	165,339	226,100	75,105	133,420	118,858	(18,562)

Remarks: There are 3 additional officers with salaries of $10,000 and over for 1941. These salaries total $53,500. No 1939 data available.

GENERAL MOTORS CORPORATION

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
Anderson, Anthony C.	Comptroller	$ 62,395	$ 61,585	$ 54,708	$ (7,687)	$ 49,132	$ 23,857	$ (25,275)
Bradley, Albert	V. Pres.	258,176	254,868	235,224	(22,952)	124,372	44,587	(79,785)
Breech, Ernest R.	V. Pres.	86,430	95,914	92,537	6,107	61,724	30,139	(31,585)
Brown, Donaldson	V. Pres.	258,124	254,867	227,252	(30,872)	124,356	43,790	(80,566)
Donner, Frederic G.	V. Pres.	47,255	56,010	85,954	38,699	39,237	29,239	(9,998)
Earl, Harley J.	V. Pres.	102,816	110,869	99,610	(3,206)	68,676	30,988	(37,688)
Evans, Ronald K.	V. Pres.	120,309	132,329	129,220	8,911	75,323	33,987	(41,336)
Fisher, Lawrence P.	V. Pres.	206,762	193,774	134,715	(72,047)	107,005	34,536	(72,469)
Garrett, Paul	V. Pres.	39,511	39,143	43,864	4,353	33,654	21,317	(12,337)
Grant, Richard H.	V. Pres.	206,712	204,015	146,698	(60,014)	106,988	35,735	(71,253)
Hogan, Henry M.	V. Pres.	65,817	72,002	88,454	22,637	51,167	29,589	(21,578)
Hunt, Ormond E.	V. Pres.	206,712	224,731	274,734	68,022	106,988	48,538	(58,450)
Kinkle, Bayard,D.	V. Pres.	105,309	121,496	94,809	(10,500)	69,623	30,412	(39,211)
Mooney, James D.	V. Pres.	206,612	178,262	138,876	(67,736)	106,954	34,953	(72,001)
Prentis, Meyer L.	Treasurer	88,443	84,486	70,649	(17,794)	62,630	26,862	(35,768)
Sloan, Alfred P. Jr.	Ch.of Brd.	200,450	200,500	200,550	100	104,818	41,120	(63,698)
Smith, John T.	V. Pres.	258,176	254,868	227,152	(31,024)	124,372	43,780	(80,592)
Spencer, Louis M.	Dir.,Pat.Sec.	27,638	36,174	40,844	13,206	24,595	20,471	(4,124)
Tanner, Floyd O.	V. Pres.	88,818	77,185	45,905	(42,913)	62,798	21,872	(40,926)
Williams, William C.,Jr.	V. Pres.	55,998	70,286	96,732	40,734	45,130	30,643	(14,487)
Wilson, Charles E.	President	258,076	286,826	327,973	69,897	124,340	53,862	(70,478)
Kettering, Charles F.	Gen.Mgr.	258,408	254,960	226,752	(31,656)	124,447	43,740	(80,707)
Total		3,208,945	3,265,130	3,083,210	(125,735)	1,798,329	754,017	(1,044,312)

Remarks: Data are shown only for officers with salary (excluding bonus awards) of $25,000 and over for 1941. However, the amount of salary tabulated includes bonus awards.

There are 52 additional officers with salary (excluding bonus awards) of $10,000 and under $25,000 for 1941, for which salary is reported for 1939 and 1940. The total of these salaries (excluding bonus awards) is $735,792 for 1941.

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
Glenn L. Martin	Pres.	$ 33,970	$ 40,200	$ 60,260	$ 26,290	$ 29,488	$ 24,967	$ (4,521)
J. T. Hartson	Vice Pres.	35,857	34,570	37,408	1,551	30,914	19,426	(11,488)
H. F. Volmer	Vice Pres.	28,124	26,563	30,220	2,096	24,979	16,994	(7,985)
M. G. Shook	Treasurer	13,578	15,108	17,135	3,557	12,814	11,569	(1,245)
Total		111,529	114,441	145,023	33,494	98,195	72,958	(25,239)

Remarks: One additional vice president had salary of $22,572 for 1941, but no salary reported for him for 1939 and 1940.

GRUMMAN AIRCRAFT ENGINEERING CORPORATION

Name of Executive	Title	Salary			Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes		
		1939	1940	1941		1939	1941	Changes between 1939 and 1941
Leroy R. Grumman	Not stated	$ 26,580	$ 42,097	$ 50,785	$ 24,205	$ 23,759	$ 23,043	$ (716)
Leon Swirbul	Not stated	21,580	37,097	45,785	24,205	19,732	21,843	2,111
Total		48,160	79,194	96,570	48,410	43,491	44,886	1,395

Remarks: For 1941 there are 5 additional officers with salaries of $10,000 and over. The total salary of these officers is $76,043.

THE INGALLS SHIPBUILDING CORPORATION

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
R. I. Ingalls	Chair.of Brd.	$ 25,000	$ 25,000	$ 25,000	-	$ 22,511	$ 15,040	$ (7,471)
R. I. Ingalls, Jr.	V. Pres.	15,000	15,000	15,000	-	14,076	10,465	(3,611)
Monro B. Lanier	Pres.	15,000	19,167	25,000	$ 10,000	14,076	15,040	964
W. R. Guest	V. Pres.	16,266	20,877	25,000	8,734	15,190	15,040	(150)
A. J. Grassick	Gen. Mgr. of Shipyard	13,750	15,000	18,000	4,250	12,967	11,995	(972)
Total		85,016	95,044	108,000	22,984	78,820	67,580	(11,240)

Remarks: There are no other officers receiving a salary of $10,000 and over for 1941.

LOCKHEED AIRCRAFT CORPORATION

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
Robert E. Gross	President	$ 27,400	$ 44,750	$ 125,000	$ 97,600	$ 24,407	$ 33,565	$ 9,158
C. A. Barker, Jr.	Vice Pres.	18,000	30,000	90,000	72,000	16,701	29,805	13,104
Carl B. Squier	Vice Pres.	17,800	26,000	65,000	47,200	16,527	25,845	9,318
Hall L. Hibbard	Vice Pres.	17,500	26,250	65,000	47,500	16,266	25,845	9,579
R. A. Von Hoke	Vice Pres.	14,000	25,000	65,000	51,000	13,191	25,845	12,654
Cyril Chapellet	Sec.	13,000	25,000	65,000	52,000	12,297	25,845	13,548
Totals		107,700	177,000	475,000	367,300	99,389	166,750	67,361

Remarks: There are 2 additional officers with salaries of $22,000 and $19,000 in 1941 and $7,800 and $6,300 respectively in 1939.

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MOORE DRY DOCK COMPANY

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
Jos. A. Moore	Chm. of Board	$ 40,000	$ 40,000	$ 40,000	$ -	$ 34,021	$ 20,235	$ (13,786)
Nat Levey	Vice Pres and Sec.	15,000	15,000	15,000	-	14,076	10,465	(3,611)
A. R. Viner	Vice Pres. & Treas.	6,000	6,750	12,000	6,000	5,884	8,785	2,901
Jos. A. Moore, Jr.	Pres. & Gen. Mgr.	20,000	20,000	20,000	-	18,411	12,940	(5,471)
J. R. Moore	Vice Pres.	20,000	20,000	20,000	-	18,411	12,940	(5,471)
Total		101,000	101,750	107,000	6,000	90,803	65,365	(25,438)

Remarks: There are no additional officers with salary of $10,000 and over.

NEW YORK SHIPBUILDING CORPORATION

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
H. Lockhart, Jr.	Ch. of Brd.	$ 32,131	$ 66,919	$ 75,600	$ 43,469	$ 28,072	$ 27,671	$ (401)
J. F. Metten	President	32,105	53,655	75,600	43,495	28,052	27,671	(381)
R. S. Campbell	Vice Pres.	19,582	39,791	54,000	34,418	18,056	23,715	5,659
R. S. Pruitt	Sec., G.C.	15,400	27,027	36,500	21,100	14,428	19,135	4,707
K. Gardner	Labor Coun.	18,000	26,528	36,000	18,000	16,701	18,975	2,274
N. R. Parker	Treasurer	10,707	26,528	36,000	25,293	10,243	18,975	8,732
Total		127,925	240,448	313,700	185,775	115,552	136,142	20,590

Remarks: There are 17 additional officers with salaries of $10,000 and over for 1941, for which salaries for 1939 or 1940 are not available.

NORTH AMERICAN AVIATION, INC

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
J. H. Kindelberger	Pres.	$ 186,110	$ 166,350	$ 135,250	$ (50,860)	$ 99,656	$ 34,590	$ (65,066)
J. L. Atwood	V. Pres.	75,000	76,533	71,350	(3,650)	56,221	26,988	(29,233)
R. A. Lambeth	Treasurer	24,600	25,425	28,450	3,850	22,195	16,357	(5,838)
J. S. Smithson	Factory Mgr.	28,700	28,975	32,500	3,800	25,430	17,815	(7,615)
R. H. Rice	Chf. Eng.	24,600	26,075	32,500	7,900	22,195	17,815	(4,380)
Total		339,010	325,358	300,050	(38,960)	225,697	113,565	(112,132)

Remarks: Data are shown only for officers with salary of $25,000 and over for 1941. There are 15 additional officers with salary of $10,000 and under $25,000 for 1941. The total of these salaries is $214,258.

NORTHERN PUMP COMPANY

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
J. B. Hawley, Jr.	President	$ 49,000	$ 12,000	$172,000	$123,000	$ 40,441	$ 38,265	$ (2,176)

Remarks: There is an additional vice president for 1940 and 1941 with a salary for 1940 of $6,000 and with a salary of $43,000 for 1941 but no salary is reported for 1939. The secretary-treasurer has a salary of under $10,000 for 1941.

PACKARD MOTOR CAR COMPANY

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
E. C. Hoeyle	Comptroller	$ 14,461	$ 13,423	$ 17,840	$ 3,359	$ 13,619	$ 11,918	$ (1,701)
J. H. Marks	V. Pres.	21,050	19,250	31,080	10,030	19,292	17,304	(1,988)
G. T. Christopher	V. Pres.	45,950	43,250	58,500	12,550	38,320	24,615	(13,705)
W. M. Packer	V. Pres.	38,588	33,000	42,920	4,332	32,962	21,052	(11,910)
Hugh J. Ferry	Treas.	20,321	18,884	21,030	709	18,684	13,404	(5,280)
N. Tibbitts	V. Pres.	15,240	15,145	17,430	2,190	14,287	11,719	(2,568)
M. M. Gilman	Pres.	65,260	75,380	75,420	10,160	50,849	27,642	(23,207)
A. Macauley	Ch. of Brd.	45,280	45,340	45,340	60	37,858	21,750	(16,108)
J. G. Vincent	V. Pres.	34,250	31,250	43,670	9,420	29,703	21,262	(8,441)
C. R. Paton	Ch. Engr.	20,150	18,000	21,340	1,190	18,538	13,543	(4,995)
L. W. Slack	Asst. sales Mgr.	13,850	13,667	17,088	3,238	13,056	11,544	(1,512)
G. H. Brodie	Mgr. of Div.	8,970	9,064	16,258	7,288	8,643	11,122	2,479
W. L. Griswold	Statistician	16,575	15,500	19,500	2,925	15,461	12,715	(2,746)
R. N. Brown	Mech. Supt.	10,800	11,775	15,225	4,425	10,313	10,586	273
Total		370,765	362,928	442,641	71,876	321,565	230,156	(91,409)

Remarks: Data are shown only for officers with salary of $15,000 and over for 1941. There are 15 additional officers with a salary of $10,000 and under $15,000 for 1941. The total of these salaries is $179,688 for 1941.

REPUBLIC AVIATION CORPORATION

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
W. Wallace Vellett	President	$ 25,875	$ 36,120	$ 37,280	$ 11,405	$ 23,202	$ 19,385	$(3,817)
A. Kartvele	Vice Pres.	8,602	16,636	19,500	10,898	8,306	12,715	4,409
J. L. Mc Clane	Vice Pres.	3,194	25,620	24,200	21,006	3,179	14,728	11,549
T. Davis	Sec.-Treas.	4,958	12,620	13,000	8,042	4,880	9,365	4,485
Total		42,629	90,996	93,980	51,351	39,567	56,193	16,626

Remarks: There are 3 additional officers with salary of $10,000 and over for 1941, but salary for 1939 or 1940 is not reported. The total of the salaries for these 3 officers is $56,700 for 1941.

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ROBINS DRY DOCK AND REPAIR COMPANY

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
John D. Reilly	Chm. of Board	$ 33,000	$ 33,275	$ 55,869	$ 20,869	$ 28,741	$ 23,689	$ (5,052)
J. Herbert Todd	No title	25,010	25,208	32,535	7,525	22,519	17,828	(4,691)
Francis J. Gilbride	President	34,010	35,292	41,746	7,736	29,519	20,724	(8,795)
Fred D. Healey, Sr.	Vice President	15,427	18,654	21,967	6,540	14,452	13,811	(641)
Joseph Haag, Jr.	Vice President	11,510	13,808	22,282	10,772	10,955	13,943	2,988
James E. Barns	No title	12,000	12,000	23,300	11,300	11,398	14,371	2,973
Total		130,957	106,737	195,699	64,742	117,584	104,366	(13,218)

Remarks: Data are shown for only those officers with salary of over $20,000 in 1941. There are 5 additional officers with total salary of $60,390.

SAVAGE ARMS CORPORATION

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Change between 1939 and 1941
W. L. Wright	Ch. of Brd.	$ 26,891	$ 34,232	$ 33,740	$ 6,849	$ 24,005	$ 18,251	$ (5,754)
F. F. Hickey	Pres.	13,415	30,373	48,780	35,365	12,668	22,562	9,894
E. A. MacDonald	V. Pres.	11,882	24,248	39,320	27,438	11,291	20,037	8,746
Total		52,188	88,853	121,840	69,652	47,964	60,850	12,886

Remarks: There is one general manager with a salary and bonus of $33,000 in 1941 and $18,899 in 1940, but with no salary shown for 1939.

SPERRY GYROSCOPE COMPANY, INCORPORATED

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Salary after Federal income taxes: Changes between 1939 and 1941
Thomas A. Morgan	Ch. of Brd.	$ 34,421	$ 37,484	$ 62,500	$ 28,079	$ 29,835	$ 25,395	$ (4,440)
Reginald E. Gillmor	President	43,107	50,000	75,000	31,893	36,273	27,575	(8,698)
Preston R. Bassett	Vice Pres.	29,302	33,500	37,500	8,198	25,894	19,455	(6,439)
Robert B. Lea	Vice Pres.	18,500	22,000	23,500	5,000	17,136	14,455	(2,681)
Herbert H. Thompson	Secretary	11,900	15,300	17,000	5,100	11,308	11,500	192
Total		137,230	158,284	215,500	78,270	120,446	98,380	(22,066)

Remarks: 5 additional officers received salary of $10,000 and over for 1941, but salaries for 1939 and 1940 not reported. The total of the salaries of these 5 additional officers for 1941 is $87,367.

STANDARD OIL COMPANY AND SUBSIDIARIES (NEW JERSEY)

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
No names given		$ 40,000	$ 40,000	$ 40,000	$ -	$ 34,021	$ 20,235	$ (13,786)
		125,000	125,000	125,000	-	77,106	33,565	(43,541)
		80,000	80,000	80,000	-	58,731	28,375	(30,356)
		90,000	90,000	90,000	-	63,331	29,805	(33,526)
		50,000	55,000	55,000	5,000	41,131	23,915	(17,216)
		75,000	75,000	75,000	-	56,221	27,575	(28,646)
		55,000	49,208	45,000	(10,000)	44,481	21,635	(22,846)
		42,500	47,500	44,531	2,031	35,836	21,504	(14,332)
		35,000	35,000	35,000	-	30,271	18,655	(11,616)
		45,000	45,000	45,000	-	37,636	21,635	(16,001)
		40,000	45,000	45,000	5,000	34,021	21,635	(12,386)
		50,000	50,000	50,000	-	41,131	22,855	(18,276)
		45,100	45,000	50,000	4,900	37,708	22,855	(14,853)
		60,000	54,208	50,000	(10,000)	47,671	22,855	(24,816)
		42,500	47,500	50,000	7,500	35,836	22,855	(12,981)
		90,000	90,000	90,000	-	63,331	29,805	(33,526)
		33,000	38,000	45,000	12,000	28,741	21,635	(7,106)
Total		998,100	1,011,416	1,014,531	16,431	767,204	411,394	(355,810)

Remarks: Data are shown for only those officers with salary of $40,000 and over in 1941. There are 154 additional officers with salaries of $10,000 and under $40,000 with a total salary of $2,404,311 in 1941.

STUDEBAKER CORPORATION

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
R. E. Cole	V. Pres.	$ 25,828	$ 24,000	$ 34,000	$ 8,172	$ 23,165	$ 18,335	$ (4,830)
K. B. Elliott	V. Pres.	22,828	24,000	34,000	11,172	20,762	18,335	(2,427)
Bert Fowler	Gen. Supt.	18,697	18,000	25,000	6,303	17,303	15,040	(2,263)
P. G. Hoffman	Pres.	50,000	60,000	81,000	31,000	41,131	28,535	(12,596)
W. S. James	Chief Eng.	20,262	18,000	25,000	4,738	18,634	15,040	(3,594)
Geo. D. Keller	V. Pres.	21,740	24,000	34,000	12,260	19,865	18,335	(1,530)
E. C. Mendler	Mgr.of Div.	20,262	18,000	25,000	4,738	18,634	15,040	(3,594)
P. O. Peterson	Dir. of Pur.	20,262	18,000	25,000	4,738	18,634	15,040	(3,594)
R. A. Vail	V. Pres.	27,828	24,000	34,000	6,172	24,745	18,335	(6,410)
H. S. Vance	Chr.of Brd.	50,000	60,000	81,000	31,000	41,131	28,535	(12,596)
C. K. Whittaker	Pres., Sub.	25,828	24,000	34,000	8,172	23,165	18,335	(4,830)
Total		303,535	312,000	432,000	128,465	267,169	208,905	(58,264)

Remarks: Data are shown for only those officers with salary of $25,000 and over in 1941. There are 14 additional officers with salaries of $10,000 under $25,000 with total salary of $231,813 in 1941.

SUN OIL COMPANY

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
J. Howard Pew	Pres.	$ 60,000	$ 60,000	$ 60,000	$ -	$ 47,671	$ 24,971	$ (22,700)
J. N. Pew	Vice Pres.	60,000	60,000	60,000	-	47,671	24,971	(22,700)
J. Edgar Pew	Vice Pres.	60,000	60,000	80,400	20,400	47,671	28,495	(19,176)
Arthur E. Pew, Jr.	Vice Pres.	35,000	35,000	46,900	11,900	30,271	22,167	(8,104)
Samuel B. Eckert	Vice Pres.	68,300	68,300	68,300	-	52,582	26,495	(26,087)
Frank Cross	Sec. & Treas.	20,000	20,000	26,800	6,800	18,411	15,798	(2,613)
F. S. Reitzel	Ass't. to Pres.	18,000	21,600	28,944	10,944	16,701	16,589	(112)
Walter C. Pew	Gen'l Sales Mgr.	21,000	21,000	39,450	18,450	19,251	20,135	884
P. H. Harrison	Reg. Sales Mgr.	17,500	20,000	26,800	9,300	16,266	15,798	(468)
J. C. Welliver	Public Relations	25,000	25,000	25,000	-	22,511	15,096	(7,415)
C. H. Thayer	Chief Engineer	15,000	18,000	28,644	13,644	14,076	16,483	2,407
W. D. Mason	Refinery Mgr.	20,000	21,600	28,944	8,944	18,411	16,591	(1,820)
John G. Pew	Management Comm.	15,000	20,000	26,800	11,800	14,076	15,798	1,722
Robert W. Pack	General Mgr.	15,000	20,000	26,800	11,800	14,076	15,798	1,722
Thomas L. Foster	Chief Counsel	25,000	25,000	25,000	-	22,511	15,096	(7,415)
Totals		474,800	495,500	598,782	123,982	402,156	290,281	(111,875)

Remarks: There are 27 additional officers with salary of $10,000 and under $25,000 for 1941. The total of these salaries is $413,969. Data are shown only for officers with salary of $25,000 and over for 1941.

UNITED AIRCRAFT CORPORATION

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
F. B. Rentschler	Ch. of Board	$ 24,050	$ 47,583	$ 73,550	$ 49,500	$ 21,751	$ 27,343	$ 5,592
E. E. Wilson	President	48,490	51,640	73,920	25,430	40,089	27,402	(12,687)
J. F. McCarthy	Secretary	42,460	41,233	58,740	16,280	35,808	24,205	(11,145)
Raycroft Walsh	Vice Pres.	40,750	39,123	56,450	15,700	34,576	24,205	(10,371)
F. E. Burnham	Gen. Acct.	12,250	14,167	19,042	6,792	11,624	12,495	871
C. L. Gault	Treasurer	18,125	21,500	22,500	4,375	16,810	14,035	(2,775)
Total		186,125	215,246	304,202	118,077	160,658	130,143	(30,515)

Remarks: There is one additional officer with salary of over $10,000 for 1941, but salary is not reported for 1939 and 1940.

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941 1/	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
J. M. Olin	Vice Pres.	$ 25,000	$ 25,000	$ 125,000	$ 100,000	$ 22,511	$ 33,565	$ 11,054
S. T. Olin	Sec. Treas.	5,000	15,000	100,000	95,000	4,920	31,035	26,115
E. W. Taft	Asst.Treas.	15,000	30,000	50,000	35,000	14,076	22,855	8,779
E. Pugsley	Asst.Secy.	14,500	27,000	36,000	21,500	13,636	18,975	5,339
L. M. Peterson	Asst.Treas.	9,000	15,000	19,000	10,000	8,671	12,475	3,804
R. C. Swanton	Asst.Secy.	9,000	16,000	24,000	15,000	8,671	14,650	5,979
R. R. Casteel	Asst.Secy.	8,000	14,000	16,000	8,000	7,752	10,990	3,238
Total		85,500	142,000	370,000	284,500	80,237	144,545	64,308

1/ Estimated by corporation.

Remarks: The salary of F. W. Olin, President, is omitted, as only the 1941 salary of $150,000 is available (1939 and 1940 salaries are omitted).

WESTERN PIPE AND STEEL COMPANY

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
H. H. Tallerday	Pres.	$ 27,000	$ 27,000	$ 40,500	$ 13,500	$ 24,091	$ 16,335	$ (7,756)
W. G. Aldenhagen	Vice-Pres.Sec.&Tr.	16,500	16,500	24,750	8,250	15,396	14,942	(454)
R. D. Plageman	Vice-Pres.	18,000	18,000	27,000	9,000	16,701	15,820	(881)
L. N. Slater	Vice-Pres.	18,000	18,000	27,000	9,000	16,701	15,820	(881)
Total		79,500	79,500	119,250	39,750	72,889	62,917	(9,972)

Remarks: 2 additional assistant vice-presidents have a salary of $10,000 and over for 1941, but no salary is reported for these for 1939 and 1940. The total salary received by these 2 additional officers for 1941 is $31,500.

WESTINGHOUSE ELECTRIC AND MANUFACTURING COMPANY

Name of Executive	Title	Salary 1939	Salary 1940	Salary 1941	Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes 1939	Salary after Federal income taxes 1941	Changes between 1939 and 1941
A. W. Robertson	Ch. of Brd.	$ 137,431	$ 164,625	$ 180,645	$ 43,214	$ 81,830	$ 39,129	$ (42,701)
F. A. Merrick	Vice "	51,356	56,139	54,531	3,175	42,067	23,821	(18,246)
Geo. H. Bucher	President	97,772	118,443	130,783	33,011	66,617	34,144	(32,473)
Ralph Kelly	Vice Pres.	47,788	54,800	59,133	11,345	39,604	24,742	(14,862)
Wm. P. Marshall	Vice Pres.	45,808	54,438	57,321	11,513	38,218	24,379	(13,839)
Roscoe Seybold	V.P.& Comp.	46,908	55,638	58,621	11,713	38,998	24,639	(14,359)
Harold Smith	Vice Pres.	42,724	51,475	55,133	12,409	35,997	23,942	(12,055)
Total		469,787	555,558	596,167	126,380	343,331	194,796	(148,535)

Remarks: Data are shown only for officers with salary of $50,000 and over for 1941. There are 13 additional officers with salary of $10,000 and under $50,000. The total of these salaries is $358,312.

WESTINGHOUSE ELECTRIC ELEVATOR COMPANY

Name of Executive	Title	Salary			Increase in amount of salary in 1941 over 1939	Salary after Federal income taxes		
		1939	1940	1941		1939	1941	Changes between 1939 and 1941
Frank C. Reed	President	$ 33,005	$ 38,106	$ 34,723	$ 1,718	$ 28,745	$ 18,566	$ (10,179)

Remarks: There are no additional officers with salary of $10,000 and over for 1941.

PRELIMINARY

Net income before and after income and profits taxes for selected companies, 1939, 1940 and 1941

(Amounts in thousands)

No.	Name of company	Net income before income and profits taxes 1/ 1939	1940	1941	Net income after income and profits taxes 1/ 1939	1940	1941 Present rates	1941 Proposed rates
1	Alabama Dry Dock & Shipbuilding Co. 2/	$ 457	$ 779	$ 1,497	$ 377	$ 684	$ 860 c/	$ a/
2	American Car and Foundry Co. 2/	(2,465)	(655)	4,725	(2,465)	(655)	3,574 c/	a/
3	American Engineering Co.	266	656	1,134	236	480	496	374
4	American Locomotive Co.	(768)	2,259	9,650	(768)	1,768	6,350	4,448
5	American Woolen Co.	2,585	3,687	21,516	2,159	2,764	10,689	6,247
6	Aviation Corp. 2/	(68)	12	1,144	(68)	10	941 c/	a/
7	Baldwin Locomotive Works	552	1,057	4,968	519	1,019	3,812	2,918
8	Bath Iron Works	71	2,501	7,354	57	1,757	4,957	3,256
9	Beech Aircraft Corp. 2/	(91)	126	1,007	(91)	108	512	a/
10	Bell Aircraft Corp.	10	641	11,180	9	452	3,368	1,451
11	Bendix Aviation Corp.	1,037	9,975 3/	56,492 2/	988	6,316 3/	17,814 c/	a/
12	Bethlehem Steel Corp.	35,954	64,912	143,225	28,685	47,444	62,170	37,953
13	Boeing Aircraft Co.	(1,621)	(1,684)	a/	(1,681)	(1,684)	a/	a/
14	Chrysler Corp.	44,397	68,433	64,188	37,508	46,420	38,218	24,461
15	Consolidated Aircraft Corp.	1,801	1,755	27,268 4/	1,461	1,518	8,188 4/	3,586 4/
16	Consolidated Steel Corp. (Calif.)	189	161 5/	3,879 2/	158	125 5/	995 c/	a/
17	Consolidated Steel Corp. (Texas)	a/	(21) 6/	16 2/	a/	(21) 6/	c/	a/
18	Continental Motors Corp. 2/	(240)	665	5,398	(240)	555 8/	c/	a/
19	Cramp Shipbuilding Co.	a/	a/	453	a/	a/	299	195
20	Curtiss Wright Corp.	3,819	26,028	a/	3,322	14,661	a/	a/
21	Diamond T Motor Car Co.	361	515	4,105	299	240	1,419	701
22	Douglas Aircraft Co., Inc.	4,586	14,059	40,127	3,760	11,466	19,408	a/
23	E. I. du Pont de Nemours & Co.	110,213	145,010	210,000	96,676	105,005	109,000	76,061
24	Electric Boat Co.	3,935	3,024	4,112	2,951	2,118	2,652	a/
25	Ford Motor Co.	22,225	26,738	16,161	19,267	20,941	11,276	7,494
26	General Electric Co.	56,490	102,316	a/	47,745	56,973	a/	a/
27	General Machinery Corp.	866	1,585	6,925	711	960	2,004	985
28	General Motors Corp.	266,851	347,250	517,748	250,177	235,366	240,508	142,368
29	Glenn L. Martin Co.	5,745	8,512	12,408	4,644	5,516	5,723	3,265
30	Grumman Aircraft Engineering Co.	1,148	2,435	2,192	926	1,422	1,113	661
31	Gulf Shipbuilding Corp.	(2)	b/	189	(2)	b/	151	86
32	Houston Shipbuilding Corp.	a/	a/	64 7/	a/	a/	35 7/	a/
33	Ingalls Shipbuilding Corp.	(14)	511	1,007	(14)	388	600	290
34	Lockheed Aircraft Corp.	3,987	5,149	29,941	3,113	3,444	9,726	4,555
35	Los Angeles Shipbuilding & Dry Dock Co.	174	173	778	142	128	557	361
36	Moore Dry Dock Co.	(7)	625	2,701	(7)	469	1,281	564
37	Newport News Shipbuilding & Dry Dock Co.	3,926	10,274	15,495	3,225	7,929	6,864	a/
38	New York Shipbuilding Corp.	2,928	4,249	3,800	2,226	2,405	1,945	1,162
39	North American Aviation, Inc.	9,048	9,699	15,573 8/	7,487	7,092	6,799 8/	3,457 8/
40	Northern Pump Co.	344	376 9/	1,756 2/	279	222 9/	841 c/	a/
41	Packard Motor Car Co.	1,366	1,142	4,289	1,144	904	2,954	1,920
42	Republic Aviation Corp.	(595)	1,194	1,241	(595)	1,042	611	352
43	Robins Dry Dock and Repair Co.	58	1,182	6,304	49	856	1,825	881
44	Savage Arms Corp.	464	2,057	15,436	381	1,233	4,821	2,024
45	Seattle Takoma Shipbuilding Corp. 2/	a/	1,008	396	a/	808	301 c/	a/
46	Sperry Gyroscope Co., Inc.	4,601	12,918	25,762	3,881	6,925	8,965	4,420
47	Standard Oil Co. (N. J.)	a/	126,968	202,148	a/	117,075	161,858	166,118
48	Studebaker Corp.	2,947	2,354	5,127	2,445	1,789	2,225	1,254
49	Sun Oil Co.	4,262	4,818	a/	4,157	4,399	a/	a/
50	United Aircraft Corp.	11,795	35,651	83,825	9,919	17,654	28,067	13,495
51	United States Steel Corp.	76,529	85,347	234,071	65,596	59,740	146,917	70,824
52	Western Cartridge Co.	6,442	12,196	a/	5,125	6,678	a/	a/
53	Western Pipe and Steel Co. (Calif.)	33	376	1,692	28	278	625	a/
54	Westinghouse Electric & Mfg. Co.	16,453	27,165	68,571	13,617	18,051	27,771	15,368
55	Westinghouse Electric Elevator Co.	951	843	887	795	641	556	349

Treasury Department, Division of Tax Research

April 22, 1942

Source: Data supplied by Collectors of Internal Revenue.

( ) Indicates loss.
a/ Not available.
b/ Loss of less than $500.
c/ 1940 income tax rates applicable.

1/ Net income as reported not on a strictly comparable basis between companies.
2/ Fiscal year returns.
3/ 9 months. Changes to fiscal year basis September 30, 1940.
4/ 11 months.
5/ 8 months. Changed to fiscal year basis August 31, 1940.
6/ 7 months. Incorporated January 19, 1940.
7/ 10 months.
8/ 9 months.
9/ 6 months. Changed to fiscal year basis June 30, 1940.

PRELIMINARY

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Calculated tax liability under present (1941) rates and under proposed 1942 rates, on the basis of 1941 income, for selected companies

(Amounts in thousands)

Number	Name of company	1941 net income, before income and profits taxes	Excess profits credit: Amount 1/	Excess profits credit: Method	Excess profits tax: 1941 rates	Excess profits tax: Proposed rates	Normal and surtax: 1941 rates	Normal and surtax: Proposed rates	Total tax: 1941 rates	Total tax: Proposed rates	Percentage increase	Effective rate of tax under proposed tax	Number
1	American Engineering Co.	$ 1,134	$ 338	Income	$ 420	$ 556	$ 219	$ 324	$ 656	$ 880	34.72	75.78	1
2	American Locomotive Co.	9,850	5,250	Inv. Cap.	1,531	1,925	1,969	3,277	3,500	5,202	48.63	53.91	2
3	American Woolen Co.	21,516	11,269	Inv. Cap.	6,099	7,635	4,779	7,654	10,878	15,289	40.37	70.98	3
4	Baldwin Locomotive Co.	4,966	7,446	Inv. Cap.	–	–	1,154	2,048	1,154	2,048	77.42	41.24	4
5	Bath Iron Works	7,354	2,299	Income	258	309	2,158	3,790	2,398	4,099	71.06	55.74	5
6	Bell Aircraft Corp.	11,150	849	Inv. Cap.	6,194	7,754	1,569	1,925	7,763	9,679	24.69	86.98	6
7	Bethlehem Steel Corp.	143,225	43,512	Inv. Cap.	55,565	69,468	24,490	35,804	80,055	105,272	31.50	73.50	7
8	Chrysler Corp.	64,183	46,253	Income	9,596	12,006	16,369	27,716	25,965	39,722	52.99	61.89	8
9	Consolidated Aircraft Corp. 2/	27,288	4/	–	15,400	19,282	3,700	4,441	19,100	23,732	24.10	86.86	9
10	Cramp Shipbuilding Co.	433	676	Inv. Cap.	–	–	134	238	134	238	77.42	54.90	10
11	Diamond T Motor Car Co.	4,105	536	Income	2,068	2,596	619	808	2,687	3,404	26.68	82.91	11
12	E.I. duPont de Nemours & Co.	210,000	4/	–	68,400	85,512	32,600	48,427	101,000	133,939	32.61	63.78	12
13	Ford Motor Co.	16,161	42,531	Inv. Cap.	–	–	4,885	8,667	4,885	8,667	77.42	53.63	13
14	General Machinery Corp.	5,923	711	Income	3,054	3,829	865	1,109	3,919	4,938	25.99	83.36	14
15	General Motors Corp.	517,748	220,087	Income	175,614	219,779	101,531	155,600	277,145	375,379	35.44	72.50	15
16	Glenn L. Martin Co.	12,409	5,456	Income	4,115	5,155	2,571	3,989	6,686	9,144	36.77	73.69	16
17	Grumman Aircraft Engineering Corp.	2,192	1,112	Income	597	745	492	786	1,079	1,551	41.90	69.86	17
18	Gulf Shipbuilding Corp.	189	216	Inv. Cap.	–	–	58	103	58	103	77.42	54.45	18
19	Ingalls Shipbuilding Corp.	1,007	4/	–	282	354	224	363	507	717	41.57	71.24	19
20	Lockheed Aircraft Corp.	29,941	3,449	Income	15,846	19,819	4,369	5,567	20,216	25,386	25.58	84.79	20
21	Los Angeles Shipbuilding & Dry Dock Corp.	778	1,118	Inv. Cap.	–	–	241	427	241	427	77.42	54.94	21
22	Moore Dry Dock Co.	2,701	339	Inv. Cap.	1,068	1,347	351	470	1,419	1,817	27.98	67.26	22
23	New York Shipbuilding Co.	3,800	4/–	–	995	1,255	860	1,383	1,855	2,638	42.21	69.42	23
24	North American Aviation, Inc. 3/	15,575	8,011	Income	5,192	6,502	3,582	5,634	8,774	12,136	38.32	77.93	24
25	Packard Motor Car Co.	4,289	4,100	Inv. Cap.	–	–	1,335	2,369	1,335	2,369	77.42	55.22	25
26	Republic Aviation Corp.	1,241	895	Inv. Cap.	324	416	306	492	630	909	44.21	73.22	26
27	Robbins Dry Dock & Repair Co.	5,304	615	Inv. Cap.	2,653	3,328	826	1,095	3,479	4,423	27.11	83.38	27
28	Savage Arms Corp.	15,436	801	Inv. Cap.	8,736	10,951	2,079	2,461	10,815	13,412	24.02	86.89	28
29	Sperry Gyroscope, Inc.	25,752	4,321	Income	12,781	15,988	4,006	5,344	16,787	21,332	27.07	82.84	29
30	Standard Oil Co. of New Jersey	202,143	70,282	Inv. Cap.	–	–	20,305	36,025	20,305	36,025	77.42	17.82	30
31	Studebaker Corp.	5,128	2,044	Inv. Cap.	1,902	2,389	999	1,505	2,902	3,894	34.22	75.94	31
32	Sun Oil Co.	11,497	12,676	Inv. Cap.	–	–	2,330	4,134	2,330	4,134	77.42	35.96	32
33	United Aircraft Corp.	83,925	11,435	Income	43,339	54,185	12,520	16,247	55,859	70,432	26.09	83.92	33
34	United States Steel Corp.	234,871	222,128	Inv. Cap.	–	–	87,954	156,047	87,954	156,047	77.42	66.44	34
35	Western Pipe & Steel Co.	1,592	301	Inv. Cap.	681	908	280	371	961	1,280	33.19	80.39	35
36	Westinghouse Elec. Elev . Co.	887	350	Income	84	111	249	425	333	536	61.69	77.59	36
37	Westinghouse Elec.& Mfg. Co.	68,571	13,800	Income	29,000	36,262	11,800	16,942	40,800	53,203	30.40	80.59	

April 22, 1942

Treasury Department, Division of Tax Research

Source: 1941 income data supplied by Collectors of Internal Revenue.

1/ Including credit carry-over.
2/ For 11 months
3/ For 9 months.
4/ Not available

[illegible] compensation of executives paid [illegible] or more, for selected corporations, [illegible]

Name of company	Executives paid [illegible] or more: Number of executives, 1939	1941	1942	Total compensation paid [illegible], 1939	1941	1942
[illegible]	4	4	4	$ 37	$ 154	$ 395
[illegible]	11	22	11	111	148	338
[illegible]	–	1	1	–	38	32
[illegible]	–	–	15	256	313	388
[illegible]	18	21	25	420	485	748
[illegible]	–	1	5	17	67	156
[illegible]	18	27	34	338	545	538
[illegible]	–	–	–	35	48	49
[illegible] Aircraft Corp.	–	–	–	11	17	19
[illegible] Aircraft Corp.	–	4	3	5	71	148
[illegible] Corp. 1/	1	–	–	107	122	146
[illegible]	–	–	–	12	14	18
[illegible] Steel Corp.	45	55	57	1,855	2,275	2,385
[illegible] Aircraft Co.	–	–	3	42	84	80
[illegible]	–	7	34	256	355	478
[illegible] Corporation	[illegible]	9	16	[illegible]	[illegible]	[illegible]
Consolidated Aircraft Corp.	–	–	–	10	16	245
[illegible] 2/	–	–	–	6	5	71
[illegible] Motor Corp.	–	–	–	5	5	125
[illegible] 1/	–	–	–	–	1	128
[illegible]	1	1	8	33	42	350
[illegible] Aircraft Co., Inc.	–	1	1	11	24	168
[illegible]	8	9	8	[illegible]	[illegible]	[illegible]
[illegible]	–	–	–	11	105	171
[illegible]	9	9	10	[illegible]	[illegible]	[illegible]
[illegible]	27	[illegible]	31	[illegible]	[illegible]	[illegible]
[illegible] Corp.	–	–	1	15	17	180
[illegible] Corp. 2/	8	4	27	[illegible]	[illegible]	[illegible]
[illegible]	–	–	–	12	11	138
[illegible] Aircraft Corp.	7	–	–	7	15	17
[illegible]	7	2	–	7	7	12
[illegible]	–	–	–	1	1	1
[illegible] Aircraft Corp.	–	–	–	10	18	51
[illegible]	2	–	–	7	2	8
[illegible] Corp.	–	–	–	9	5	17
[illegible]	–	5	1	12	38	65
[illegible] Corp.	–	–	1	22	16	51
[illegible] 1/	–	–	–	35	77	33
[illegible]	–	–	–	4	3	11
[illegible]	2	2	5	27	44	46
[illegible] Corp.	–	–	–	7	1	14
[illegible]	–	1	–	11	13	139
[illegible] Corp.	–	–	–	4	14	22
[illegible]	–	–	–	7	1	6
[illegible]	–	–	1	15	13	130
[illegible]	15	15	15	[illegible]	[illegible]	[illegible]
[illegible] Corp.	1	1	2	42	67	64
[illegible]	4	4	4	111	61	113
[illegible] Aircraft Corp.	1	1	–	20	21	34
[illegible] Corp.	26	22	38	2	2	2
[illegible]	–	–	–	5	12	52
[illegible]	–	–	–	6	5	11
[illegible]	–	–	–	3	3	5
[illegible]	3	2	2	77	71	154

[illegible]

1/ [illegible]
2/ [illegible]
3/ [illegible]

[illegible]

TREASURY DEPARTMENT

INTER OFFICE COMMUNICATION

DATE April 22, 1942.

TO Secretary Morgenthau

FROM W. N. Thompson

Mrs. Roosevelt decided that since the author of the anonymous letter could not be located, she would not ask for anyone to come to the White House. Instead she had her secretary call Mr. Hall and ask that he send her a statement showing the conditions which prevail in the cafeteria.

Attached is a copy of Mr. Hall's letter to Mrs. Frece together with a copy of the statement requested.

April 22, 1942.

Mrs. Prudence Frece,
The White House.

Dear Mrs. Frece:

I have talked with the members of the Board of Governors of the Bureau of Engraving and Printing Restaurant Association concerning the anonymous letter addressed to Mrs. Roosevelt, part of which you read to me over the telephone.

The members of the board deeply regret that Mrs. Roosevelt was so addressed. They have been unable to ascertain the name of the writer of the letter.

In compliance with your request I am enclosing a statement showing the conditions which prevail in the cafeteria at the present time. If any further information is needed, I shall be happy to furnish it.

Yours very truly,

A. W. Hall
Director

AWH/els

BUREAU OF ENGRAVING AND PRINTING RESTAURANT ASSOCIATION.

April 21, 1942.

A Resume of Present Conditions

The Bureau of Engraving and Printing Restaurant Association is a non-profit, cooperative association, owned and operated by the employees of the Bureau of Engraving and Printing.

All permanent employees of the Bureau of Engraving and Printing, without regard to race, color or creed, are entitled to membership in the Association during the period of their employment, and are entitled to vote and are eligible to hold office without payment of initiation fees or dues.

Each year the Association elects a President, Vice-President, Secretary, Treasurer, and three Governors. These officers constitute the Board of Governors, the controlling body of the Association.

In addition to the Board of Governors, there is an Advisory Committee which is comprised of employees representing the various operating divisions of the bureau. Each division is entitled to elect one representative to the Advisory Committee. Each division having more than two hundred employees is entitled to elect an additional representative for each additional two hundred employees or fraction thereof in excess of an even multiple of two hundred.

The lunch room or cafeteria is situated on the fifth floor of the main building of the bureau. It is modernly equipped in all respects. There are four counter lines, and it has a seating capacity for seven hundred persons.

The Bureau of Engraving and Printing at the present time employs 7,500 persons, of which number 30% are colored. About 2,000 of the employees are engaged on the afternoon shift.

Owing to the limited seating capacity, the luncheon period is spread over a period of two hours, starting at 11 A.M.

Prior to the present controversy, counter line No. 1 was used by male white and colored; counter line No. 2 was used by male, white and colored, and an overflow of female, white and colored; counter lines Nos. 3 and 4 were used exclusively by female, white and colored.

While no rule was ever promulgated, it had been the custom, since the inception of the cafeteria of the bureau, for the colored to occupy the end zones of the dining room. There was no definite line of demarcation.

Commencing last October a small number of colored girls moved into the area previously used by white girls. A controversy ensued. About the middle of January, 1942, colored girls moved into counter line No. 1, which heretofore was used by male, white and colored. This intensified the controversy.

It has been stated by white employees that colored girls will go through line No. 1, and each girl take a separate table, which, owing to the limited seating capacity, would force white men to sit at the table with them. This the white employees refuse to do.

The white employees further refuse to occupy the same area with the colored employees, as the result of which a large number of white employees do not patronize the cafeteria. The reduction in patronage has made it necessary to close down line No. 3.

The white employees have circulated a petition requesting that the procedure which was in vogue prior to the controversy be resumed. The petition was presented to the Board of Governors.

The colored and white are engaged in practically the same kind of work.

Following the incident which occurred during October, 1941, when a number of colored girls moved into the white area, a letter was received from Mr. Lawrence W. Cramer, Executive Secretary of the President's Committee on Fair Employment Practice, dated November 26, 1941, quoting an affidavit filed with the committee by Miss Melva M. Stuart. This affidavit alleged that Miss Stuart was discriminated against in connection with her employment as a printer's assistant.

Again on December 24, 1941, Mr. Cramer addressed the Bureau of Engraving and Printing, stating that if the allegations made by Miss Stuart are correct, the policy of the restaurant makes invidious distinction between employees of the bureau solely on the basis of race. He further stated that it was his considered opinion that the various agencies of the Federal Government must, under Executive Order 8802, effectively eliminate employment policies based upon racial theories which we are fighting abroad. He also asked what steps had been taken to effectuate the provisions of Executive Order 8802; also a statement as to the particular steps that had been taken in connection with the case presented by Miss Stuart's complaint. In the early part of January, 1942, Mr. Cramer called at the bureau to discuss the case under consideration.

During the course of the discussion with Mr. Cramer, he pointed out the necessity for discontinuing the custom of having colored employees sitting in one end of the room and the white in the other. He pointed out that this was a violation of the policy laid down by the President in Executive Order 8802. Mr. Cramer was advised that every effort would be made to comply with the President's policy, and the management of the cafeteria would be so advised.

On January 12, 1942, Mr. Cramer addressed a letter to Dean Leon A. Ransom of the Howard University Law School, advising him that the necessary steps had been taken by the bureau to comply with the terms of Executive Order 8802 in the conduct of the cafeteria maintained by the Bureau of Engraving and Printing Restaurant Association which has been authorized to use space in the public building in which the activities of the bureau are carried on. A copy of Mr. Cramer's letter was furnished the Bureau of Engraving and Printing.

Several days after Mr. Cramer's letter was dispatched to Dean Ransom, colored girls moved into counter line No. 1, which heretofore had been reserved for male white and colored. White male employees filed serious objections to this procedure.

Mr. Gerard Swope, Assistant to the Secretary, called in Dr. Mordecai Johnson, President of Howard University, for the purpose of discussing the racial differences in an endeavor to find a remedy for the situation. Doctor Johnson, accompanied by Mr. Spingarn of the legal staff of the department, visited the bureau, but neither was able to bring about a satisfactory adjustment.

At a meeting yesterday afternoon in the Treasury Department, one of the members of the Board of Governors said that white employees were not boycotting the cafeteria, but staying away in order to avoid a race riot. He said that colored employees made insulting remarks about white people, and many were afraid that this would bring about physical combat.

Another member of the board stated that male colored employees assumed an offensive attitude toward white female employees on the elevators. There have been several reports on this, but the persons guilty of the offense have not been apprehended.

Prior to October, 1941, no racial antagonism was in evidence among employees of the bureau in face of the fact that the employees are closely associated in their work and almost one out of three employees is colored.

In a letter dated April 2, 1942, addressed to the Secretary of the Treasury by the National Negro Congress, reference was made to "reports concerning potential and actual inter-racial friction among employees of the Bureau of Engraving and Printing."

The controversy which developed in the cafeteria has now spread to every work-room in the bureau and has a marked effect in lowering the morale of the entire personnel. Many employees fear the outbreak of a race riot.

The white employees of the bureau are pressing for the re-establishment of the old procedure - that is, the colored employees filling up the dining room from the ends of the room.

A suggestion was made that in order to avoid a race riot the cafeteria be closed and that only box lunches be sold, which would require employees to take the lunches to their work-room where they would eat it.

Another suggestion was submitted calling for the setting aside of line No. 4 for colored, male and female, employees, employing colored girls behind the counter line, and a colored assistant manager to manage the affairs of that part of the cafeteria.

Another suggestion was submitted which provided for the reserving of line No. 1 for white men; line No. 2 for white women; line No. 3 for colored women, and line No. 4 for colored men.

At a conference with a group of thirty-five colored employees it was ascertained that the colored would oppose any program in the cafeteria leading to the separation of races and sexes.