

h

June 3, 1935.

Mr. Alfred C. Stoddard,
Assistant County Attorney,
Bisbee, Arizona.

Dear Mr. Stoddard:

Your communication of May 20th asking the advice of this office as to whether notes, bonds, debentures, or preferred stock, issued by banks and purchased by the Reconstruction Finance Corporation are taxable, has been received.

In reply will say that on the 8th day of April, 1935, a three-judge federal court, in the case of United States of America and Reconstruction Finance Corporation, plaintiffs, vs. John B. Lewis, et al, defendants, ruled that these properties owned by the Reconstruction Finance Corporation are not taxable. In so ruling the court said in part as follows:

"No citation of authority is necessary in support of the proposition that the property of the National Government is not subject to State or local taxation. There is no doubt whatever that all the property of the Reconstruction Finance Corporation is in reality the property of the United States Government, and that all the activities of that corporation are just as much activities of the government as if they were conducted by the Secretary of the Treasury in his official capacity; or by some other governmental official."

Very truly yours,

Dudley W. Windes,
Special Assistant
Attorney General.

35-166