

# FINANCIAL CHRONICLE

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## Sees U. S. Credit And Resources As Prosperity Keystone In Post-War Era

Despite the war's adverse effect on America's living standards, the post-war interdependence of nations will tend to lift the standard of living for mankind throughout the world, Henry H. Heimann, Executive Manager of the National Association of Credit Men, declared on May 11 in his keynote address, "Credit for the Duration—and After!" before the 47th annual Credit Congress in Cincinnati of the National Association of Credit Men.

With this prediction, Mr. Heimann cautioned the credit and financial executives from 44 States in attendance at the convention that "we must not overlook the fact that those nations which are best able to produce will make the greatest contribution. 'It will need,' he said, 'the combined efforts of productive ability and credit facilities to bring to the world a realization of just what the better way of life means.' Although the primary purpose of the Credit Congress (May 10-14), jointly sponsored by the Cincinnati Association of Credit Men and the National Association of Credit Men, was planned to discuss credit problems and the elimination of credit abuses, the underlying subject engaging the attention of the delegates was the ills of distribution, it was indicated by Frederick H. Schrop, Director of the meetings. "If it were not for the extraordinary problems of distribution, our credit problems would be comparatively small," Mr. Schrop pointed out in a statement issued May 6 preliminary to the meeting. "The chaotic state of the merchandising field has produced," he said, "most of the credit evils and abuses about which our members are concerned."

One of the very important home front economic battles that we have faced, Mr. Heimann said, is that of rising price structures to the point of serious inflation. "It is idle," he said, "to speak of control of inflationary forces if we approach our program in a cowardly fashion," he warned. "This war entails sacrifice, not for the other fellow, but for you and me, for every living human being," Mr. Heimann went on to say:

No segment of our people, irrespective of their political strength or their bellicose attitude, or their blustering de-

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## THE FINANCIAL SITUATION

The people of the United States are now launched upon an orgy of regulation and control with which nothing in their experience even remotely compares. It would be quite accurate to use such terms in describing the regimentation even now being imposed or scheduled for the immediate future. It would, however, require a good deal of optimism to suppose that we have as yet tasted of all the compulsions with which we shall become acquainted during the next year or two unless this war comes unexpectedly to a close meanwhile. Each new regulation appears merely to whet the appetite of the irrepressible Mr. Henderson, and it must be said that it is at times difficult to avoid the impression that there are those who regard restrictions as possessing some occult virtue in and of themselves, or perhaps have reached a strange psychological state characterized by an "inner compulsion" to sweeten the souls of American citizens by imposing hardships upon them.

But, however all this may be, we have now entered upon a campaign of endless regulation, and in so doing have saddled upon ourselves the most staggering administrative task ever undertaken on this side of the Atlantic and the Pacific. This task has been undertaken by a regime which is notoriously weak in administration, and at a time when national election campaigns are about to get under way. Will it be possible to administer prices, ration sugar, tires, gasoline, and do all the rest that seems to be on the way—and yet keep it all free of politics as Mr. Hopkins was never able to do with his WPA? There are a good many who suppose that some measure of effectiveness and fairness is assured by local administration of all, or most, of these multifarious activities, but it is to be recalled that some of the worst abuses of the WPA were "local" and "locally" perpetrated.

### Regulation Not Simple

Let it not be supposed that these sundry regulations which local boards must administer, are all simple rule-of-thumb affairs. Retail price ceiling rules as written and as they now stand appear indeed to be utterly beyond anything in the nature of precise administration. Their enforcement must of necessity be of the hit or miss order, since an army of men and women would be required to apply the procedures literally with fairness and effectiveness—if, indeed, they could be applied at all. Sugar rationing appears relatively simple on paper, but enforcement would

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## FROM WASHINGTON AHEAD OF THE NEWS

By CARLISLE BARGERON

This column is written for business men. They are the Untouchables of America. But they have their hopes and what they are always asking of us in Washington is about Trends. I know of any number of expert economists who operate profitable services telling them about these trends but it is now my ambition to draw them a chart. It is a chart of where we have been—one must understand it to realize where we are going—and then I shall proceed to chart our future, one of the most amazing endeavors ever undertaken by even such men as Prof. Babson.

Now get out your map and your ruler. And think of the period of 1933. We have here a geography of the North and of the South. They have apparently always been in conflict. Just why two sections in the same country would have always been this way, I do not know. But it seems that they have been. Now, the human element enters into these economic factors. Some of our broadest minded, most advanced economists are inclined to overlook this and I have in mind, Prof. Babson.

The human element in this instance was Fannie Perkins. She had an idea which should have

taken her over into the inventive field but it didn't. She was an economist at heart. She doped out that the trend of commerce had always been from the South to the North, instead of vice versa or both ways. Well, a one-sided trend didn't constitute commerce and Miss Perkins was determined to have commerce. The only thing to do, obviously, was to turn the map upside down. That is to say, turn it so that the commerce or trends would flow northward and then, turn it again, so that they would flow southward. This constituted, as you must be well aware, trade activity. Of course, some cynical people would say, that it created trade turmoil, but now we are simply toying with words.

Anyway, from that success of

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## One Reader Says...

"The Financial Chronicle has been so useful that we have had the copies bound and kept for reference."

Running through our correspondence, we find a subscriber whose file of bound copies dates back to 1887—another to 1906—and still another to 1880. Can there be any doubt in your mind about the value of binding your copies of the Financial Chronicle, of having at your finger tips a complete record of all important financial developments? The new Financial Chronicle was designed for binding. With the larger page size, bound volumes will be thinner, will open flat and will be easier to handle.

This is merely a suggestion—passed along to you because we want you to get full value from your subscription to the Financial Chronicle.

## Far Too Simple

*I am confident \* \* \* that the sentiment in every city and every town and in almost every homestead of this entire land is that when we have won this war—and by that I mean when we have completely subdued those whose will and practice would be to enslave the world—when we have thus freed ourselves from threat of slavery and many millions from its very bonds—we have only cleared the way for our real task.*

*We must then use the full force of our influence and enlightenment as a Nation to plan and establish continuing agencies under which a new world may develop—a world worth the fight and the sacrifice we have made for it.*

*For America must choose one of three courses after this war: Narrow isolationism, which inevitably means the loss of our own liberty; international imperialism, which means the sacrifice of some other nation's liberty; or the creation of a world in which there shall be an equality of opportunity for every race and every nation.—Wendell L. Wilkie.*

If world problems only were really so simple!

## Fuel Oil Flow Cuts

### Gasoline Movement

The Office of the Petroleum Coordinator on May 11 announced a new program designed to increase heavy fuel oil supplies in the East at the expense of gasoline and to increase the extraordinary movement of oil by tank car, according to an Associated Press dispatch from Washington. The program provides:

Formation of a joint tank car subcommittee for the East, Middle West and Gulf districts charged with the responsibility of obtaining maximum efficiency in use of tank cars and assuring that the cars will be utilized to meet critical problems of supply in each district.

Movement of 75,000 additional barrels of heavy fuel oil daily from the Gulf Coast and the same amount from the Middle West.

Arrangement of East Coast refinery operations so that minimum amounts of crude oil shall be used by refineries which are making petroleum war products and so that heavy fuel oil production will be increased at the expense of gasoline.

Apportionment of crude supplies among East Coast refineries so all shall receive amounts in proportion to their runs during the last six months of 1941.

Movement of an additional 100,000 barrels of East Texas crude into the East daily so that refinery operations there may be maintained at 400,000 barrels daily.

Movement of 10,000 additional barrels of gasoline daily into the East by Great Lakes tankers.

Supplying of the Southeastern States from points of entry on the Gulf Coast and Mississippi River.

Utilization of rail facilities for at least 100,000 barrels of oil daily up the Atlantic seaboard from the South.

In order to increase heavy fuel available from the Middle West the industry refining committee is required to work out refinery schedules to produce the fuel at the expense of motor gasoline and is called upon to arrange purchases, sales, exchanges and loans of heavy fuel oil so that supplies may be concentrated at Midwestern points from where they may move East in train-load lots, the dispatch added.

## Three-Gallon Limit Set On 'Gas' Ration

Price Administrator Leon Henderson on May 9 set the basic gasoline ration at three gallons a week, effective tomorrow (May 15) for motorists of the Eastern seaboard who register on May 12, 13 and 14 and who are engaged in non-essential driving. Under the order, there will be five kinds of ration cards issued which will show the gallonage purchaseable during the seven-week period from May 15 to July 1, viz:

A card holders—non-essential motorists driving less than six miles daily—21 gallons.

B-1 card holders—Those who must drive from six to ten miles daily—33 gallons.

B-2 card holders—Those who must drive from ten to fourteen miles daily—45 gallons.

B-3 card holders—Those who must drive more than fourteen miles daily—57 gallons.

X card holders—"Essential" motorists, such as doctors who cannot predict their daily mileage—unlimited gasoline for essential uses.

This rationing program will not be applied to 93 counties in western New York, Pennsylvania, Maryland, West Virginia and Virginia, it was stated.

[The 'gas' ration cards were described in May 7 issue, page 1784].

Editorial—

## Taxes On Utilities In Reality A Tax On Stockholders

By HAROLD FLEMING

It has been sometimes said that the Administration in Washington decided to destroy the utility holding companies through higher taxes when it found that it could not break them up through the Section 11 death-sentence.

There is nothing to this canard for a multitude of reasons. In the first place the tax increase was not aimed especially at the utilities. It was aimed even more at the banks, particularly through the method of increasing the "surtax" instead of the "normal tax." In fact the additional surtax is a peculiar kind of surtax which does not affect the utilities quite as much as certain other industries. If it is passed, their normal-tax-plus-surtax will be only about 50% (not 55%) of what is left after the excess profits tax on everything over 95% of their average earnings in 1936-1939.

But there are other reasons for rejecting this far-fetched theory. One is that there are plenty of ways of "getting" the holding companies besides taxes. One is the tried and tested way of competing with them with taxpayers' money, which continues. Another is to apply "prudent investment" or "original cost" theories to their books regardless of the Supreme Court's recent decision (not in accord with it) in the Natural Gas Pipeline Company case. And still another is to keep right on prodding them with the death-sentence, which the Commission says it is going to do.

However, the tax proposals do hit hard. Taking a list of the big companies, by and large their common-stock earnings will be sheared by a half to three-quarters by the tax. That is not really a tax on the companies but on the stockholders. It is a particularly hard one because the companies have been taking care of their own needs for cash substantially through increased depreciation charges in recent years, and have been paying a large portion of the net remainder after taxes to the stockholders in dividends. Hence utility stockholders are among the hardest-hit of all stockholder groups by the recent proposals, as the current below-1932 level of utility share averages indicates.

It will be difficult for the industry to recoup this in order to continue obtaining for its stockholders a "fair return" on their money. Getting rate increases is no way to protect stockholders' return anyway; it is usually done by economical and thrifty operation, which lowers costs, and raises the net—and then by fighting off the efforts of politicians, commissions, and consumers to seize this through rate reductions.

Some compensating rate increases can be obtained, probably, from large industrial users through the so-called "coal and tax clauses." Such users understand the fiscal problems of the power companies, do not feel their rates heavily at present, and would rather be presented with a bill for higher rates today than after the war when they may be eager for every possible operating economy. Some increase might theoretically be obtained from residential consumers. But here the problem is political and involves the question of stirring up a hornet's nest by raising the initial rates, paid by all customers, or the stepped down rates for the third, fourth, or remainder block of electricity bought by the consumer, in which case the consumer may retaliate by the simple process of turning off the lights when he goes out.

However, the whole thing is nearly a labor of Sisypus, for the simple reason that out of each \$1,000,000 of revenue recouped through rate increases the tax-gatherer would still garner his 72% or 88%.

One of the curious aspects of the present utility picture is the absence, so far, of any power shortage—except last fall in the Tennessee Valley. For years the Federal Power Commission has been warning the country of an impending power shortage, and belaboring the companies for shortsighted expansion programs.

Along comes the war and accelerates American business to a rate of activity (and power consumption) undreamed of by the Power Commission. Along comes the two-ocean navy program and puts such a burden on the builders of steam and hydro-turbines that they cannot possibly fill the stepped-up requirements of the power companies for new generators. Along comes an almost unprecedented water shortage on the Atlantic Seaboard in 1941, the effects of which have not yet entirely been washed away with rain. And along comes news that industry after industry, criticized by the TNEC and other farseeing and high-minded bodies before 1940 for over-capacity, is now unable to fill all orders.

Yet, except for minor shortages here and there, the

electric power industry is still battling the power out to all who ask for it.

A word is in order for the gas industry. Overshadowed by its younger but now bigger utility brother, the electric power industry, its annual gross of nearly \$1,000,000,000 is often overlooked by outside commentators on the utility business. From 1929 to 1939 it quietly increased the industrial use of gas by about 40% while coal consumption was tumbling 30% and coke by 31%, and fuel oil consumption rose only 2.3%.

But its big achievement has been in providing the arms program with vastly improved methods of heat treatment. Shipments of gas-using equipment for industrial use are at new peaks. In the modern tank, gas is used for some 15 different heating operations in hardening the armor plate. Technical research has made it possible to get far superior results in a heating cycle of 100 hours than would have required 400 to 600 hours in the first World War. Natural gas companies are now playing a major role in supplying industrial fuel to the war program. Meantime the gas industry, two years before the war began in Europe, started to prepare itself against a state of war here, by learning how to protect plants, transmission lines and other facilities from air raids and sabotage.

## The State Of Trade

Most of the heavy industries continue to report further substantial gains, especially as compared with last year's figures. Steel production in the United States will reach the highest levels on record in the current week, according to the American Iron & Steel Institute.

Schedules have been set at 99.6% of capacity, up a full point from last week's rate of 98.6%. The latest level will result in production of 1,691,800 net tons of steel ingots, or 10,200 tons above the previous all-time high of 1,681,600 tons for the week ended March 23.

Another factor that reflects the steadily expanding war production effort is the report on electric power production. A contra-seasonal gain in electric power production for the week ended May 2, 1942, was reported by the Edison Electric Institute. The amount of electricity distributed by the industry in the week amounted to 3,304,602,000 kilowatt hours, a gain of 1.3% over the output of the preceding week and an improvement of 12.2% over the corresponding week in 1941.

Loading of revenue freight for the week ended May 2 totaled 853,904 cars, according to reports filed by the railroads with the Association of American Railroads. This was a decrease of 2,449 cars from the preceding week this year, 64,605 more than the corresponding week in 1941 and 193,357 cars above the same period two years ago.

This total was 137.74% of average loadings for the corresponding week of the 10 preceding years.

However, it is pointed out that the American economy has yet to be transformed to a full war basis. The process of transition is now under way, but informed sources state it still has a long way to go.

Chairman Paul V. McNutt of the War Manpower Commission says that between now and the end of the year 10,500,000 additional workers will be needed in war industry. Since there are about 7,500,000 workers in defense plants now, this would bring the total number of persons so employed far above any estimate hitherto made. It is pointed out that to provide these added workers, millions of women, young persons and men already retired will have to be brought into industry. Vast numbers of persons will have to be moved from their present homes to the communities where the war plants are located. Vocational training programs, which have enrolled 3,750,000 persons to date, will have to be greatly extended.

Observers state that the contraction of civilian goods production is only now beginning to show its effects. Even at this time retailers are selling many types of merchandise which cannot be

replaced, or which soon will be unobtainable for replacement purposes. Leon Henderson predicted anew that a year from now the civilian standard of living of the Nation will have fallen to that of 1932.

Rapidly expanding employment and a dwindling supply of consumption goods and services already have brought into being an over-all freezing of commodity prices. Similar drastic controls for labor also will become increasingly necessary.

Labor-management committees for war production drives have been formed in 100 additional plants, bringing the total to 700, it was announced by War Production Board officials. These 700 plants are now engaged in stepping up the production of planes, tanks, guns and other war implements under a voluntary plan offered by Donald M. Nelson, Chairman of the WPB. More than 1,000,000 workmen and managers are enlisted in the drive.

Prominent among those reporting concrete gains in war production is B. F. Goodrich Co. Suggestions at the Akron plant of this company for speeding production have increased 75% since March 29, when the Committee began functioning. Two-thirds of all the suggestions submitted by workers have been so sound they have already been put into practice.

It is reported that output of war materials is running well ahead of schedule, and that official Washington is well pleased with the progress being made toward the goal set by President Roosevelt in his message to Congress calling for production in 1942 and 1943 of 185,000 planes, 120,000 tanks, 55,000 anti-aircraft guns and 18,000,000 tons of commercial shipping.

The planners in Washington now believe that estimates of war expenditures for the fiscal year beginning July 1, next, can be increased from \$56,000,000,000 to \$70,000,000,000, a \$14,000,000,000 jump. It is pointed out that this is almost three times the reported estimate of the war cost to Germany in 1941.

Naturally these huge expenditures for war mean that many more thousands of workers will find jobs in industries making such goods, that the amount of ready cash in the hands of consumers will increase to new highs and that eventually, after present stocks are exhausted, many lines

of merchandise no longer will be available for the public to spend its money on.

Even though employment currently is at high levels and steadily making further gains, and even though the amount of money in circulation is at an all-time peak, retail trade is slackening, not only in department stores, but in mail-order houses, independent stores and in some chain-store organizations. Most companies are still reporting gains in dollar sales, but they are quite small and do not begin to reflect the increases in prices which average about 19% above a year ago. This means that fewer units of merchandise are moving across store counters and into consumer hands.

Observers state that the outlook for retail trade during the second half of the year is clouded somewhat by prospects of further restrictive action aimed at reducing consumer purchasing power.

The Federal Reserve Board's action in curtailing consumer credit further, is the most recent indication that the Government is determined to bolster its price ceiling program with supplementary anti-inflationary moves. Under the new regulations the maximum permissible maturity of installment sales has been reduced to 12 months.

It is believed that the second half of the year may witness intensified savings drives or programs for limiting spending, or both, with consequent repercussions on retail trade. In view of the large volume of purchasing power on hand, sales are not likely to fall below last year, regardless of possible restrictions.

### Price Rules Explained

Retail trade associations representing somewhat over 700,000 establishments that deal directly with the buying public on May 5 were given a detailed explanation of the General Maximum Price Regulation as it applies to retailers at an all-day meeting in Washington with officials of the Office of Price Administration. The regulation which becomes effective as to retail sales of commodities on May 18, 1942, places a ceiling with few exceptions over all prices; reference thereto appeared in these columns April 30, page 1705 and May 7, page 1785.

The meeting was one of hundreds being held in virtually every State in the Union in order to give retailers an opportunity to ask questions regarding the regulation as it affects their various situations.

The morning session of the Washington meeting was devoted to brief addresses by Price Administrator Leon Henderson, J. K. Galbraith and Dexter M. Keezer, Deputy Administrators, Merle Fainsod, director of the recently established Retail Trade and Services Division of OPA, and John Wells, Acting Chief Council of the Retail Trade and Services Division. Hector Lazo, who has taken leave from his position as President of the Cooperative Food Distributors of America to serve as head of the Trade Relations Branch in the new OPA Retail Division, presided as Chairman.

The afternoon session was devoted to questions and answers, during the course of which many of the problems peculiar to retail establishments under the General Maximum Price Regulation were raised by members of the various trade associations and answered by Mr. Fainsod and members of the staff.

## THE FINANCIAL SITUATION

(Continued From First Page)

be difficult in many sections, particularly the larger communities, were a marked disposition to develop on the part of the public to evade it. The rationing of gasoline raises much more difficult questions, and will avoid serious scandal only if the public virtually enforces it upon itself—that is, in the larger centers of population at least. If to such tasks as these we presently add regulation of wages and salaries—well, who will be left to fight the war after all the requirements of the regulatory forces have been met?

There would appear to be but one condition under which such ambitious programs of control over the lives of the vast multitude of people in the United States can really have any reasonable hope of succeeding. That condition is one in which the rank and file throughout the land are thoroughly convinced of the necessity of the undertakings in question and intelligently cooperative in seeing that they are made to work. The cooperation that is essential is, of course, not that of the marplot who noses about the neighborhood grocery store or pries into the affairs of friends and acquaintances in the hope of finding something to make a fuss about. That kind of cooperation we shall doubtless have in abundance, but it will make more difficult, not easier, the work of those who undertake to administer these control systems. It is the steady, level-headed, solid citizens in each community who must form the real back-bone of enforcement of such controls.

### A Poor Start

It must in all candor be said that the Administration has made a very poor start in gaining the confidence of such individuals. The tenderness with which the affairs of politically powerful groups are touched can scarcely have failed to come to the attention of all such solid citizens. The readiness to place one group under all manner of restrictions while leaving others virtually free of interference has been plain as a pikestaff from the first. The apparent inability of the authorities at Washington to agree or even come near agreeing as to what ought or ought not to be done has not helped matters. Possibly the many false starts, conflicting statements and differences of opinion during the past six months or more about the gasoline situation along the eastern seaboard best illustrate this point. Such an exhibition of official uncertainty and bickering can scarcely fail to leave many wondering if the authorities know what they are about. The rubber situation is like unto it. One moment the public is given the impression that the outlook is fairly comfortable, the next we are told the most alarming stories about shortages or prospective shortages. Recently it has been automobiles themselves which have come in for their share of dark talk. As every one knows, used cars are a drug on the market in many sections. Yet there has of late been talk of "requisitioning" cars now in operation.

Meanwhile the ordinary citizen doing his best to understand precisely what the situation is respecting such things, finds it next to impossible to obtain information. No one seems to know why the situation as to rubber or rubber tires should be so much more hazardous or disturbing than it was two or three months ago. No one, of course, knows how much of these materials is going abroad on lease-lend (possibly for other than strictly military purposes). The welter of confusing and conflicting reports of the progress (or lack of it) with synthetic rubber plans must leave the serious student distressed. So also is it with various reports of techniques which make possible serviceable tires with much less rubber than has in the past been customary. Indeed the fact is that in virtually all instances, the public must either be willing to take the word of such officials as Mr. Henderson (rather, apparently, than that of Mr. Ickes) that the situation is acute and will yield only to Mr. Henderson's programs—or else resign himself to restrictions, the necessity of which he is by no means fully convinced.

### Failure Would Be Serious

Now these are not circumstances favorable to a successful detailed control of the individual lives of practically all American citizens. They place an added and wholly unnecessary burden upon any machinery which may be set up for that purpose. They could well cause the failure of that machinery to operate, and the result of such a failure would be infinitely more serious than merely falling short of an objective set forth—a goal which in many instances is not in any event wholly worthy. The rank and file in this country appear, despite much ranting to the contrary in some quarters, to be fully cognizant of the enormity of the war tasks we have set for ourselves. Apart from numerous bureaucrats with vested interests in public office, certain groups who style themselves representatives of the farmers (and possibly although not certainly some farmers themselves) and trouble making labor leaders (and

some proportion of the individual wage earners), the people by and large appear to be prepared to do what is necessary and to make what sacrifices are required to bring the undertaking to a successful conclusion at as early a date as possible. All in all, the degree of public cooperation and the relative lack of complaint have been and are remarkable.

Such a spirit will not long survive a situation in which the multifarious control organizations now being organized earn the doubtful reputation which the practical administrative performance of the WPA or the NRA fastened upon these agencies.

## Treasury Asks Cut In Income-Tax Exemption

Secretary of the Treasury Morgenthau proposed to the House Ways and Means Committee on May 7 lowering the personal income-tax exemptions so as to produce an additional \$1,100,000,000 in revenue, thus bringing the Treasury's pending tax revenue program from its original \$7,600,000,000 to \$8,700,000,000. In a letter to Chairman Doughton (Dem., N. C.), the Secretary said that "the time has now come" to lower personal exemptions under the individual income tax to \$600 for single persons, \$1,200 for married couples and \$300 for each dependent.

Mr. Morgenthau explained that, of the approximately \$1,100,000,000 new revenue which this lowering would yield, \$100,000,000 would come from 6,900,000 new taxpayers.

In his tax recommendations to the Committee on March 3, the Secretary said that a further lowering of the present exemptions—\$750 for single persons, \$1,500 for married persons with a credit of \$400 for each dependent—would yield "a relatively insignificant amount of revenue from the earners of very low incomes." However, he explained at that time that he would ask for lower exemptions when he "felt that the expenditures of this group added materially to the danger of inflation." Mr. Morgenthau's March proposals were referred to in these columns of March 5, page 952.

In his latest recommendation, Mr. Morgenthau also reiterated his previous proposal for expanding the social security tax program so that \$2,000,000,000 more would accrue from these increased taxes. Mr. Morgenthau's letter to Chairman Doughton, as made public May 7, follows:

I have been reconsidering certain aspects of the tax program in the light of our constantly increasing war expenditures.

In my opinion the time has now come to revise the program presented to the Committee on March 30 by lowering the proposed personal exemptions under the individual income tax to \$600 for single persons, \$1,200 for married couples and \$300 for each dependent.

This would produce additional revenue of approximately \$1,100,000,000, of which \$100,000,000 would come from 6,900,000 new taxpayers.

Such an increase in revenue would, of course, be in addition to the \$7,600,000,000 in new revenue proposed on March 3, which I then described as "the very least that the American people can afford to provide at this critical time." It would bring the total additional revenue of the tax program to \$8,700,000,000.

I should like also to emphasize the need of expanding the Social Security program and of increasing taxes for this purpose by approximately \$2,000,000,000 a year. I hope the Committee will proceed as soon as possible after completing a tax bill to a consideration of changes in the Social Security Law.

Before Secretary Morgenthau made this proposal there appeared to be no likelihood that the House Committee would revise the present personal exemptions. Chairman Doughton said on May 12 that the Committee hopes to get down to votes on rates and exemptions soon.

The Joint Committee on Internal Revenue Taxation, headed by Colin F. Stam, on May 12 recommended to the House group an alternate proposal for raising \$1,547,000,000 under a new schedule on individual income taxes. The plan was said to have been offered as a substitute for the Treasury-proposed increase of \$4,300,000,000—\$3,200,000,000 in the March 3 recommendations and \$1,100,000,000 through the lowered exemptions. The schedule involves lowering exemptions for single persons to \$500 and for married persons to \$1,000, with the present \$400 dependent credit retained. The normal tax rate would be raised from 4% to 6% and surtax rates would range from 11% to 80%, as compared with the present rates of 6% to 77%. The Treasury's surtax schedule proposes rates ranging from 12% to 86%.

The House group on May 6 laid aside temporarily the question of post-war refunds of excess profits to corporations. The Joint Committee on Internal Revenue Taxation told the House Committee earlier the same day (May 6) that the tentatively-approved excess-profits rate of 94% (referred to in our May 7 issue, page 1777) "will seriously hamper the war effort, stimulate inefficiency on the part of the corporation and tend toward inflation" unless some incentive is granted in the form of a post-war credit. Chairman Doughton said that Committee members desired to give the question further study and had therefore laid aside consideration of various proposals. It is reported by the Associated Press that the Treasury has suggested informally that 10% of a corporation's adjusted excess profits net income—the base upon which that tax is computed—be withheld by the Government until after the war and be repaid in perhaps five equal instalments. The repayments would be tax-free. Another plan would divert 20% of the same base but would make the repayments fully taxable as income.

## NY Chamber Of Commerce Urges 48-Hour Work Week

The Chamber of Commerce of the State of New York, at its annual meeting on May 7, adopted a resolution calling for the abolishment of the 40-hour work week in favor of a 48-hour week. The resolution, recommended by the Chamber's Special Committee on Industrial Problems and Relations, headed by Lewis R. Gwyn, said that "during this period of national emergency when the services of skilled workers are urgently needed the Chamber of Commerce regards 48 hours as the proper minimum measure of a week's work." The Chamber's resolution further said that "retention of a 40-hour week, with penalty overtime, jeopardizes the success of our war effort; and recommends that Congress pass appropriate legislation to this end."

## Simplification of Holding Company Systems Essential For Survival Says Burke of SEC

"Simplification of the corporate and financial structures of many of our holding company systems is highly desirable, if not essential, if they are to stand a reasonable chance of survival during this war and the period of reconstruction to follow," it was stated on May 6 by Edmund Burke, Jr., a member of the Securities and Exchange Commission, in addressing the 22nd annual conference of the National Association of Mutual Savings Banks in New York City. Mr. Burke went on to say, "I have made clear our belief that ordinary common sense requires that our holding company managements act as promptly as possible to put their structures into shape to meet their present pressing financial problems and the demands of the war effort, as well as to cope with the uncertainties of the future."

Mr. Burke also made the statement that "on the basis of your experience and ours, we can see at a glance . . . that the corporate and financial structures of many of our holding company systems do not even meet the standards of peace-time" and, he added, "still less do such structures meet the requirements of our war-time economy." Continuing, he said:

First and foremost, we face the immediate necessity of putting our operating companies into shape to finance war-time construction, as well as to withstand the shocks of readjustment to a post-war economy. The production of many essential war materials calls for a tremendous amount of electrical energy, which, in turn, requires cash for plant expansion and maintenance. The situation cannot be frozen for the duration of the war. Companies confronted with the necessity of financing war-time construction cannot simply mark time. It is difficult to see how many of the operating companies in our holding company systems can finance this new construction without further borrowing. Yet the amount of debt plus preferred stocks of many of them already exceeds what is sound. It is obvious that the creation of additional operating company debt can only tend to make holding company securities more speculative than they are today, unless the holding company structures are simplified. In addition, our operating companies face the possibility of increased operating costs and the probability of increased taxes. All of these factors will undoubtedly affect the flow of cash from these companies to the holding companies above them, and with the complete uncertainty as to the duration of the war and of the period of reconstruction to follow, the need for the rehabilitation of financially sick holding company systems is heavily underscored. Under the circumstances, unless there are compelling reasons to the contrary, it would seem clear that our holding company systems should proceed with the simplification of their corporate and financial structures without further delay.

As a matter of fact, the very factors that are relied on as justifying a general moratorium on the corporate and financial simplification of our holding company systems establish beyond question the necessity of their having reasonably conservative capital structures now. The Commissioner further said:

The Commission is fully in accord with the thought that both the integration and corporate simplification provisions of the Act must be administered with great flexibility and with full regard for the dominating fact that we are at war and are operating in a war-time economy. Our war needs are paramount, of course, and nothing can be permitted to interfere with them. It is for this reason, for example, that the Commission

has given full right of way to operating company financing for new construction. On the other hand, the war must not be used as an excuse for the scuttling of desirable legislative objectives by those who are opposed to them for other reasons entirely, and who would be, and indeed have been, opposed to them even in peace-time.

Mr. Burke went on to point out that "there are obvious and tangible advantages to be gained from a reorganization, such as improvement of credit standing, removal of impediments to raising new capital, and elimination of obstacles to the distribution of dividends." "Furthermore," he said, "under section 11 (e) necessary corporate changes may be made economically and expeditiously and with full protection of the rights of all classes of investors and consumers." Mr. Burke ventured to predict "that the economic dislocations caused by the war and its aftermath will result in many other holding company systems availing themselves voluntarily of the convenient machinery provided by section 11 (e)." He added:

For those systems which do not see fit to take advantage of this voluntary procedure for accomplishing a necessary simplification of their corporate and financial structures, section 11 (b) (2) provides an alternative method for attaining the same objective. Under that section the Commission may institute proceedings to require the elimination of any undue or unnecessary complications in the structure of a holding company system, and of any inequitable distribution of voting power among its security holders.

Commissioner Burke denied that compliance with an order for simplification or geographic integration requires the immediate disposition of properties or portfolio securities. As to this "misconception," he stated:

A divestment or simplification order is enforceable only by a Federal court of equity, upon application by the Commission, and the Commission may not even make such application until at least one year after the order has been entered. Even if the Act did require forced sales of utility properties or securities—and it can be categorically stated that it does not—it would be the situation prevailing at the time our order is complied with or enforced which would determine whether or not such sales would be at "distress prices," and not the situation at the time the order is entered.

In the second place, we at the Commission have never regarded the mere divestment of non-retainable subsidiaries or the mere achieving of corporate simplification as ends in themselves, to be pursued without regard to the interests of investors. The Commission recognizes, of course, that the present market for equity securities of utility companies is less favorable than that existing prior to the war; and for that reason, it is unlikely that it will permit, let alone require, widespread sales of utility securities in the open market at this time. Mr. Burke likewise stated:

Finally, and most important, however, sales are only one of a number of possible methods of complying with the Act. Even under peace-time conditions, the Commission has never

regarded sales for cash as the desirable pattern of compliance with section 11 (b). Plans for the exchange of securities held in a holding company's portfolio for senior securities of the holding company, or plans of reorganization providing for the distribution of a holding company's assets to its security holders have seemed to us a more promising solution, on the whole. Plans of exchange and plans of distribution do not involve the sale of securities on the market, and consequently public funds are not absorbed or diverted from essential investments in Government bonds or in war production. Plans of distribution may be worked out economically and expeditiously, without any possible adverse effects either to investors or to our war economy, by simply recapitalizing the complex holding company security structure into an all common stock structure and then distributing its assets as liquidating dividends.

## Transportation Future Linked With War

The great war effort of the American rail industry was discussed on May 7 by Roy B. White, President of the Baltimore and Ohio Railroad Co., at the economic conference held by the National Association of Mutual Savings Banks in New York. Mr. White said that the future of the rails could not be predicted with any more accuracy than the nearby course of the war. "If we do not bring the war to a victorious end, what we may do afterwards is of little consequence," he said, and sketched a vivid outline of what the railroads are doing. In part he said:

In addition to doing the heaviest seasonable business in our history—as we now are—we also have to meet unforeseen and unexpected traffic dislocations. There are the long hauls to and from the West Coast, following Pearl Harbor and the closing of the Panama Canal. Intercoastal traffic is moving almost altogether by rail and much of it in the opposite direction to the normal trend. With the withdrawal of shipping from our Atlantic coastal waters for more important missions in the war effort, the great coastwise tonnage formerly handled by these vessels is moving via the railroads.

Mr. White said that not only were the railroads doing a splendid job upon their own account, but were receiving the best of co-operation from the Government agencies and shippers and the public generally.

"The Interstate Commerce Commission and the Office of Defense Transportation keep in day by day touch with the transportation situation, and both are assisting the railroads when necessary to maintain the free flow of materials and men, especially for the war effort," he added. "I do not remember a time since my connection with the industry when all of the agencies affecting our transportation machine have worked more sympathetically, or with greater singleness of purpose, than they are working at this time."

## Cut Mfr. of Repair Parts

The War Production Board on May 5 ordered a sharp reduction in the manufacture of repair parts for automobiles and light trucks and limited the production of parts essential to operation of the vehicle. The order provides that during the period from April 1 to Sept. 30, manufacturers may produce 70% of the total dollar volume of operating replacement parts sold by them in the corresponding quarters of last year.

## Urges Higher Taxes, And On Lower Incomes More Funds Approved For RFC War Activity

Substantially increased taxation upon incomes of all kinds, and especially those of the lower brackets, was said on May 6 to be imperative by Murray Shields, economist of the Irving Trust Company, New York, addressing the economic conference of the National Association of Mutual Savings Banks.

He said: Wartime fiscal policies should be adopted which would minimize certain known and unnecessary risks such as:

The risk of amassing a huge debt and heavy service charges, of accumulating too large a volume of obligations payable upon demand, or of increasing the floating debt to a point where refunding is a difficult problem. Although a service charge of \$3 to \$6 billions per annum would not be too heavy a burden to bear if our national income holds as high as \$120,000,000,000, such a charge would represent a significant figure, indeed, were our national income to average \$55,000,000,000 as it did from 1932 through 1938.

Mr. Shields computed that the Treasury can dispose of about \$25,000,000,000 of its securities to available outlets as they now exist. "But how can \$20 or \$30 additional billions of taxes be raised?" he asked. He said that a heavy sales tax of 15 or 20% would involve the danger of . . . reducing consumption below those standards of minimum expenditures which it is desirable to maintain socially."

"The specific levies which seem to me best to meet the necessities of our situation," said Mr. Shields, are:

A war retail sales tax of 5% upon everything sold at retail except food for consumption at home. Such a tax would be in addition to present taxes upon the long list of goods now subject to excise taxes. It would be burdensome and it hardly could be justified in peacetime, for it would tend to raise the cost of living.

A war income tax of 5% collected monthly upon all income payments covering wages, dividends, taxable interest, etc., with no exemptions, the tax to be collected at the source and not deductible from present taxes. This would be less of an increase in income taxes than proposed by Secretary Morgenthau in the brackets already taxed heavily, but more of an increase in the lower brackets. Nevertheless, the amount of the increase is so small that it should not seriously hurt even those in the low brackets. It would tax everybody, including part-time workers who are in the very low brackets; this being justified in a war but perhaps at no other time. . . .

Considering the question of how to get more taxes, Mr. Shields said:

The people who can pay taxes with the least disadvantage to themselves and the community as a whole are those who have had sharp increases in their incomes. . . . The sort of tax which would best meet these conditions is one which would exempt all increases in income which bring total income for the year to \$1,500 or less, and would apply a graduated scale for increases which brought incomes above that level. . . . A tax of 20% upon all increases in income from 1940 to 1942, which amount to \$1,000 or less, and which increase income to a point above \$1,500; of 33 1/3% upon all increases in income of \$1,500 to \$2,500, and of 50% upon all increases in income larger than \$2,500, would force

A Senate Banking and Currency Subcommittee on May 8 approved a \$5,000,000,000 increase in the capital of the Reconstruction Finance Corporation for loans to expand war production, acquire strategic materials and for financing other war activities.

In urging approval of the capital increase, Secretary of Commerce Jesse Jones told the Senate Banking group on May 8 that as a result of the Government's plant expansion program "it looks like we are going to have ample aluminum." Reporting his testimony, Associated Press Washington advices stated:

Giving an over-all picture of the RFC's war time lending and spending program, Mr. Jones said that the agency and its subsidiaries made commitments totaling \$14,300,000,000, of which \$576,000,000 had been canceled for various reasons and \$565,000,000 repaid.

The annual production of aluminum, Mr. Jones predicted, would reach 2,100,000,000 pounds when all plants have been finished, compared with a production of 300,000,000 pounds two years ago and 540,000,000 pounds a year ago. The present rate of aluminum production, he added, was about 1,000,000,000 pounds per year.

He testified that commitments for aircraft plant production alone totaled \$1,912,000,000. Other totals were \$360,000,000 for magnesium plants; \$700,000,000 for synthetic rubber production; \$734,000,000 for expansion of the steel industry; \$468,000,000 for ordnance plants and \$182,000,000 for shipyards.

He estimated that the program would result in annual production of 600,000,000 pounds of magnesium, compared with 33,000,000 pounds a year ago, and 800,000 tons of synthetic rubber capacity, compared with 25,000 tons. Steel capacity, he added, will be increased more than 10,000,000 tons.

The RFC, Mr. Jones said, has contracted to buy 1,370,000,000 pounds of aluminum from Canada and had authorized the purchase of machine tools costing \$1,395,000,000.

Also, he said, the United States has purchased 760,000 tons of copper from Latin America and had imported from Australia, New Zealand and South Africa the equivalent of a year's domestic production.

He listed these other activities as among those accounting for the RFC's need for new borrowing authority:

Importation of 6,000,000 hides this year and an equal amount next.

Rehabilitation of a railroad in Newfoundland and development of new air lines in South America.

Agreement to buy the entire 1942 Cuban sugar crop at a cost of more than \$200,000,000.

Purchase of practically all the private airplanes in this country for Army and Navy use.

Purchase of domestic stocks such as automobiles, tires and refrigerators frozen by Government regulations.

no one to reduce his standard of living and should yield the Treasury \$10 to \$12 billions per annum.

Mr. Shields thought, "A special war surtax upon corporation income of 20% would be more defensible than the much higher rates contemplated by Mr. Morgenthau." Taken altogether, he thought that these and certain other taxes would yield another \$20 to \$30 billions per year. . . . an amount sufficient to enable the Treasury to reduce the margin of borrowing which seems to be desirable in a period such as this."

## Agricultural Department General Crop Report As Of May 1

The Department of Agriculture at Washington on May 11 issued its crop report as of May 1, 1942. The report shows the abandonment of winter wheat at 6.3%, leaving acreage remaining for harvest at 23,319,000 acres as compared with 40,313,000 acres harvested in 1940. Last year the abandonment of winter wheat acreage was 12.9%. This year's production of winter wheat is now estimated at 646,875,000 bushels, which compares with a harvest of 671,293,000 bushels last year and an average 10-year (1930-39) production of 569,417,000 bushels. Below is the report in part:

### General Crop Report As Of May 1, 1942

On May 1 crop prospects on the whole seemed above average except in a few States. During April crop growth in a large eastern and southeastern area was retarded by unseasonably dry weather. Farther west frequent rains with local floods and storms have delayed farming operations over a large area that stretches more than a thousand miles from central North Dakota to central Texas and bends westward in the middle to cover the former "Dust Bowl." In both areas a return towards more normal weather would further improve the national crop prospects.

There is a dry area in south Texas and more rain would have been helpful in Idaho and surrounding States but in the Great Plains, where adequate reserves of soil moisture at this season are most needed as protection against summer drought, moisture conditions appear better than they have been at this season in a dozen years. Eastern moisture shortages are locally serious and disturbing, particularly where moisture for germination is lacking and where the growth of grass in pastures and meadows has been checked, but the season is early and major crops with the possible exception of hay are not yet threatened. Growing conditions in most parts of the country are much like what they were a year ago and crop yields last year were the highest on record.

Pastures and ranges have a good start in most States and on May 1 were reported in better condition than on May 1 in any of the past ten years except last year. With numbers of producing livestock and poultry above or approaching previous peaks, and large reserves of grain and hay on hand, the production of livestock and livestock products seems likely to continue outstandingly heavy for some time. During April milk production was 4% above production in April last year and with 14% more hens egg production was up about 17%.

Forecasts for individual crops can be only approximations this early in the season but no signs of shortage have appeared and fairly heavy production of most groups of crops still seems the most probable outcome.

The area sown to winter wheat was the smallest, except for one year, since 1914, but with less abandonment and a higher indicated yield per acre than in any of the last 10 years production is now expected to total about 647,000,000 bushels. This is 22,000,000 bushels above prospects a month ago and would be only 24,000,000 bushels less than the large crop harvested last year. The principal spring wheat areas have also had good rains and prospects seem favorable. Rye shows prospects for an unusually good yield on a large acreage.

The acreage in late potatoes, which farmers did not at first intend to increase, now seems likely to be about 3% larger than last year. In early March farmers were asked to increase plantings and a recent survey in the principal northern States indicates some increases in Idaho, North Dakota, Michigan, Wisconsin, and Maine. Feed grain production should be fully up to normal. Notwithstanding the seesawing between wet

and dry conditions, prospects at this time seem good in both eastern and western portions of the Corn Belt States which largely determine the national output.

Hay crops need rain in much of the East. In some Atlantic Coast areas the need is urgent and yield prospects will decline rapidly unless rain comes soon but even in northeastern States, growth had not been seriously checked to May 1 and prospects were still for a national yield of tame hay per acre somewhere around the average during recent years, excluding drought seasons. Allowing for a small increase in acreage this suggests that tame hay production still may be about the same as last year. Moisture conditions so far have been favorable for wild and prairie hay in the Great Plains States, and another large crop is probable. Conditions also appear favorable for growing a large tonnage of sorghum forage in the Southwest. Stocks of hay on farms on May 1 were a little over 11,000,000 tons compared with nearly 13,000,000 last year and 11,000,000 to 16,000,000 tons in other seasons since the droughts. Allowing for stocks on hand, and for further increases in livestock it seems likely that supplies of hay per head of stock will be plentiful again this season in the western Corn Belt and Great Plains States, and probably about average in the eastern Corn Belt and west of the Rockies. But they are uncertain and now largely dependent on May and early June rainfall from Virginia northward.

Early reports from principal fruit sections show rather favorable prospects for apples, pears, grapes, cherries, plums and prunes but in some North Atlantic and North Central States peach buds were badly damaged by winter and spring freezes. In the Southern States another large peach crop, somewhat short of last season's record output, is in prospect.

National supplies of commercial vegetables for market are likely to be moderately above those of last year. The lack of rain is now being felt along nearly the whole length of the Atlantic and Gulf Coasts and there have been some delays from cool weather and rain in West Coast trucking areas. The vegetable yields per acre estimated to date however average somewhat higher than in most recent seasons. The increase in labor costs is being felt in some vegetable producing areas. This may reduce shipments more quickly than usual if market prices decline. The prospective production of vegetables in States usually shipping during May is about 22% above last year and is well above average.

An expansion of about 20% over 1941 is in prospect for 1942 in the aggregate acreage planted to important truck crops for processing. If commercial processors carry out their early season plans, the acreage planted to 11 vegetables for canning, freezing, or other processing will reach the record high level of about 2,000,000 acres. A total of 1,693,230 acres was planted to these vegetables in 1941 and during the preceding 10 years (1931-40) the average was 1,307,420 acres. The greatest increase this year is expected to be made in the acreage planted to tomatoes for processing, for canners and tomato products manufacturers plan to increase this year's planted acreage 29% over 1941. Green pea processors rank second with a 26% increase.

### Winter Wheat

The indicated production of winter wheat is 646,875,000 bushels, 3.6% less than last year's crop, but 13.6% above average. The production allows for wheat harvested from volunteer acreage which is expected to be large this year in Kansas and parts of adjoining States. Remaining for harvest are 33,319,000 acres, approximately 8% less than last year, even with the much greater reduction in seeded acreage. Winter kill and prospective abandonment, estimated at 6.3%, are low because of the continuously favorable moisture supply in most of the States through the spring. Abandonment was heavy in Illinois and Missouri where the wet fall hindered seeding operations. Greenbugs caused severe damage in north central Texas and south central Oklahoma. The infestation spread into northern Oklahoma and Kansas but damage there has been slight.

The indicated yield on May 1 of 17.8 bushels per acre (harvested) is further evidence of the excellent prospect for the crop. There have been only two years of higher yields since 1909. While growth was retarded by cool weather in April, it is still heavy, and moisture reserves in the soil are unusually good in the western two-thirds of the Nation.

### Rye

Rye prospects on May 1 were excellent. Production is forecast at 53,279,000 bushels, the largest crop since 1938. The acreage remaining for harvest 3,776,000 acres is the largest since 1939, and the indicated yield of 14.1 bushels per acre is the highest since 1935. Indicated production, acreage and yield are all well above last year and the 10-year (1930-39) average.

Prospects are excellent in North Dakota, South Dakota and Nebraska where winter loss of acreage was comparatively light and the soil moisture situation favorable. Production prospects in Minnesota and Wisconsin are below the 10-year average because of a reduction in acreage for harvest.

### Oats (Southern States)

The May 1 condition—58%—is 10 points below average and 23 points below May 1 last year. Prospects are that this year's production of oats in the Southern States will be materially below the 10-year average. In Texas and Oklahoma, damage by "green bugs" is causing extensive loss. There was excessive moisture in the oats producing districts of Oklahoma, but about a normal amount in Texas. These States have well over half the acreage of oats in the entire South. In North Carolina, South Carolina and Georgia, the oats need rain. Farmers in these States are reported to have seeded 58% of their oats last fall and winter—continuing the trend away from spring seeding.

### Early Potatoes

The condition of early Irish potatoes in the 10 Southern States and California on May 1 was 78%, slightly better than on April 1, and equal to the 10-year (1930-39) average.

In Kern County, California, harvesting has been proceeding for at least two weeks. Cool weather has retarded development but has enabled growers to delay harvest for better sizes. The condition in Florida on May 1 was 17% above the 10-year average and considerably higher than a month ago. Shipments from North Florida are approaching a peak while harvest of the South Florida crop is practically complete. In Texas, conditions are fairly good in the San Antonio area, where harvest has started, and in the Eagle-Lake Wharton area where harvest is expected to start about May 10. Harvest of the Lower Valley crop is about over. Cool, wet weather has been unfavorable

for potatoes in the northeastern section of Texas.

Stands in Louisiana are irregular and late as a result of too much rain at planting time. Plants made good growth during April and a fair yield is now indicated. In Alabama, the crop needs rain. In the Georgia potato areas yields have been cut by dry weather during the past 4 weeks. The South Carolina crop developed satisfactorily during the latter part of April but recent weather has been too dry. Potatoes in North Carolina and Virginia have made favorable growth and generally are in good condition. No drought damage has been reported.

### Pastures

Prospects for abundant feed from pastures this spring are generally good in most parts of the country. Despite the need for rain in many Eastern States and delayed development because of cool weather in some sections west of the Rocky Mountains, pastures for the country as a whole on May 1 were well above average for this time of year and were in almost as good condition as a year earlier.

Pastures in Southeastern States on May 1 were generally suffering from lack of moisture which approached drought proportions in some areas. Virginia pastures were reported at the poorest condition in 60 years of record, while those in North Carolina were poorer for the date than in any year since 1934. However, pasture condition improved in many South Central States, particularly in Texas where April rains supplied needed moisture. In the Western States pastures also showed marked improvement and range feed prospects were generally favorable.

The average May 1 condition of pasture for the United States, obtained by combining State figures according to the importance of pasture in furnishing feed for all types of livestock, was 83% of normal compared with 84% on May 1 last year and only 73% for the May 1, 1931-40 average. The average condition of dairy pastures, which is obtained by placing the greatest emphasis on the condition of pastures in those States where milk cows were grazed on May 1, averaged 82% of normal.

## Capitalism Can Make Economics A Science

In an address presented before the Conference on Post-War Reconstruction at the University of Minnesota, in Minneapolis, on May 8, Dr. Joseph E. Goodbar, speaking on the subject, "A Self-Feeding Capitalism," made the statement that economics, hitherto known only as an art, could be transformed into an exact science by the use of the principles of a self-feeding capitalism. Just how Dr. Goodbar, economist, attorney and author, would bring about the transformation of economics into an exact science, was explained in detail.

According to Dr. Goodbar, post-war reconstruction can start a real "new era" of lasting prosperity, if the principles of real economic science are effectively applied. Among the benefits would be:

First: A full and virtually complete sale, at a profit, every year, of all production intended for sale;

Second: Resulting from this dependable market, the demand for workers would rapidly expand until practically all willing and competent persons have found dependable jobs;

Third: There would be no reasons for depressions, and the business cycle would therefore be traced by a rising but slightly undulating line;

Fourth: Technological improvements, instead of causing

even temporary shortage of jobs, would merely cause workers to be shifted from one job to another;

Fifth: We could apply these principles to revive and sustain the prosperity of the whole outside world, or any part of it willing to apply the principle, or we could produce lasting prosperity in our own boundaries alone.

Achievement of those results, Dr. Goodbar stated, becomes a necessity of economic science, just as production of water from hydrogen and oxygen is a necessity of chemical science, when appropriate conditions are applied. The profit motive, natural resources and human beings are the main economic ingredients involved. Economic science consists in providing conditions suitable for producing the results we desire.

The basic conditions necessary, but largely absent in our present world, have been found to be two, he asserted: First: Money incomes created through the process of production and distribution must be sufficient to buy and pay for virtually the entire for-sale product. Second: Those money incomes must be used regularly, fully and promptly, directly or indirectly, to buy and pay for currently produced goods and services. Otherwise, there is no dependable market to keep the profit motive in productive activity.

## Murray Again Heads N. Y. Cotton Exchange

Robert J. Murray has been nominated for a third term as President of the New York Cotton Exchange, it was announced on May 7. Eric Alliot has been named for Vice-President, to succeed Gustave I. Tolson, who has entered the military service, and William J. Jung has been nominated for a third term as Treasurer. The announcement likewise says:

Two new members for the Board of Managers have been nominated, Arthur J. Pertsch and Mervin S. Van Brunt. Thirteen present members of the Board have been renominated, these being: Bernard J. Conlin, Milton S. Erlanger, J. Henry Fellers, Tinney C. Figgatt, Richard T. Harriss, Frank J. Knell, Jerome Lewine, J. Robert Lindsay, Elwood P. McEnany, Perry E. Moore, John H. Scatterty, Charles Slaughter, and Philip B. Weld.

Herman D. Hensel has been nominated as Trustee of the Gratuity Fund for a period of three years. James B. Irwin, James C. Royce, and John R. Tolar, 3rd have been nominated for Inspectors of Election.

The annual election of the Exchange is to be held on June 1 and the new officers will assume their posts on June 4. The nominating committee consisted of Clayton B. Jones, Arthur J. Pertsch, Charles B. Vose, John E. Smith, Eugene Bascho, William C. Layton, and William E. Farnell.

## Egyptian Sugar Crop Less

Cane sugar production in Egypt during the current 1941-42 season is estimated at 168,000 long tons, raw value, as compared with 173,000 tons last season, a decrease of 5,000 tons, or approximately 3%, according to advices received by Lamborn & Co., New York, from Cairo. It is added that harvesting of the crop usually commences in December and terminates in June. Egypt's home production, which is controlled by one company under Government regulation, is sufficient to supply its local requirements. Last year's consumption amounted to 147,000 tons.

## From Washington

(Continued from First Page)  
an ambitious undertaking, it would be only natural that we should now apply it on a broader scale. If the geography of the relative positions of the North and South in this one country can be turned upside down and back again and jiggled, then why shouldn't the world map be done the same way?

I have forgotten to tell you that the essential ingredient of Miss Perkins' success was the discovery, or at least her statement, that the Southerners did not wear shoes. Well, if you forced shoes on those people, they would have to buy those shoes from the North and the sending of those shoes to the South and the sending back of cotton goods and vegetables to the North in payment of these shoes, constituted commerce or activity.

You can't escape these things and it is amazing that no one had ever thought about it before. I insist that Miss Perkins should get credit for the elaboration of her idea. It is the idea which BEW, Board of Economic Warfare, headed by Henry Wallace, has now sounded off that it intends to put into effect.

It was the idea which Henry Wallace enunciated at a meeting in New York recently. It was a meeting which launched a new organization and a new magazine. The purpose of the two is to promote free trade among the nations after this war. From Henry's words it is inescapable that we are out to put shoes on the Indians, the Egyptians, the Malaysians, the Indo-Chinese, the Malaysians, even the Japs if they will ever lay down their arms and enter into our integration of purposes and desires, and also coordinations. In fairness to all the foreign people whom we are now beseeching, I think that they should be told that aside from insisting that they wear shoes, we intend to "integrate" and to "coordinate" them. To be integrated and coordinated will undoubtedly enhance their civilization, so if they do not go in for these things, then you wonder just what sort of a professedly democracy-loving people they are.

The only thing that gives me pause about Henry's undertaking is this: He promises that we are to help industrialize India, Egypt, China, all the rest of the nations of the globe. Then, where in the name of Heaven, would you get your world commerce?

Maybe it would be such a crazy situation as that of a ship recently returning in ballast from Australia, the great wool growing country, after transporting some 6,000 soldiers, and our eliminating the cuffs of trousers, a tremendous sacrifice, to save wool. (The particular ship and record of its voyage are definitely known to this writer.)

Henry Wallace is a free trader—in many things—but I am wondering, after the perfect world of his ambition is achieved, where will we be, and what will Henry have to sell? We are getting to be right sophisticated; what could it possibly be? I'll tell you and it is an amazing thing. Henry and his crowd have the world by the grips. There is no apparent chance of unseating them. As long as they have the Eastern European immigration bloc of the highly industrialized Eastern states, together with the colored bloc and the Solid "Democratic" South voting for them, there is nothing that can be done.

It so happens that as a youngster it used to gripe me no end to have to put my nickel in the Baptist missions collection box to help the Chinese—we were taking our "rightful place" in world affairs that early. But now, like it or not, we are going to have to supply, not only them but all the other peoples of the earth with shoes.

## Heavier Federal Taxes Menace To Utilities

"The greatest menace the utilities face today is greatly increased Federal taxes," said Charles W. Kellogg, President of the Edison Electric Institute, New York, who on May 6 spoke in particular of the stability evidenced by the industry in flush times or the reverse at the Conference of Mutual Savings Banks in New York. As to the situation faced by utilities incident to Federal taxation, Mr. Kellogg said:

"In this case, their stability seems to be a handicap rather than a help. In 1941, when the gross sales of durable goods manufacturers increased 49% over the previous year, and those of makers of non-durable goods 29%, the utility gross grew but 9%. Despite the higher rates for Federal taxes in that year, manufacturing industry as a whole, with its great increase in volume, was able to pay these higher tax rates and still show a gain of 20% in net income for stockholders. With the utilities, however, the increase of 67% in their Federal income and excess profits taxes reduced the net income for stockholders by 3.3%. In 1942, if the Treasury proposals for increased tax rates are made effective, it is estimated that a further reduction of 30% below 1941 would take place in utility net income.

"This result obviously is not a question of draining off war-produced excess profits but of seriously affecting the financial standing of a great public service which is not operated for profit, but to produce a necessary service for the people at the lowest feasible cost. Such a thing as 'excess profits' has been constantly eliminated from the utility picture by the impact of regulation by the State Commissions; one of their functions being to limit the amount earned by the utilities to a return just sufficient to attract new capital to the business. This service-at-cost principle clearly is recognized by the Federal Government by exempting its own power projects from all Federal taxes. In connection with its war effort, the Government has the strongest incentive for keeping the utilities strong upon account of the essential role electric power plays in all war industries, and the electric utility industry in this country furnishes 7/8ths of the total public supply.

"Strangely enough, the very size of the income and excess profits tax rates in per cent makes it impracticable to solve the financial problem of the utility, arising from the size of Federal taxes by the rate regulatory route; for, with the tax rates approaching 90%, the electric rates needed to correct for taxes would have to be nine or 10 times as great as the relief they actually would afford.

"There are various ways in which the special difficulties of the utilities could be obviated. One of these would be to allow preferred dividends and established common dividends as deductions in computing taxable income, upon the theory that the utilities require eight times as much fixed capital per dollar of annual sales as the average industry; that their capital stocks are an essential part of this capital structure and hence the charges upon them are a part of the actual cost of furnishing service. Another method would be to exempt utilities from the excess profits tax, since, under Commission regulation, they cannot have 'excess profits' as the term is commonly understood in industry generally. These suggestions, with supporting data, have been

## Sound Labor Policy Essential Says NAM

Asserting the willingness of industry to do its full part in the war effort, and appealing for equal cooperation by all labor groups, Walter D. Fuller, Chairman of the National Association of Manufacturers, and President of the Curtis Publishing Co., Philadelphia, in addressing on May 6 the opening session in New York of the economic conference of the National Association of Mutual Savings Banks, said:

Certain labor leaders seem determined to take advantage of the war to create a nationwide labor monopoly. This, in spite of President Roosevelt's urging that no group take "undue advantage" of the situation to further selfish interests. Certain selfish labor leaders seem determined to clamp a closed shop policy upon industry, regardless of what the cost may be to our victory effort.

The closed shop, being forced upon many industries by those who are taking "undue advantages," means, for one thing, that only paid-up union members are permitted, in many plants, to work upon war orders. It is not a question of ability to help produce the goods our soldiers and sailors and our Allies need. Loyalty to a union has been put ahead of loyalty to the nation. In such shops only union members in good standing have the right to defend their country upon the production line, no matter how much the services of others may be needed. I ask you—is that what the American people want in this hour of danger?

Management, in this crisis, seeks no "undue advantage." Management does not seek to nullify any existing gains for labor. But it does want a sound labor policy and it wants this labor policy decided democratically by Congress. It does not want long drawn out delays while appointed—not elected—individuals, try to build a national policy, company by company, day by day, and month by month.

Congress should decide once and for all whether our Army and Navy are going to be equipped with all-out production by industry and labor, or only with goods stamped with a union label.

## To Aid Coffee Roasters

Douglas C. Townson, Chief of the Food Supply Branch of the War Production Board, said on May 9 that WPB is willing to aid coffee roasters in disposing of excess coffee imports. Under an amendment to the coffee order, just issued, a roaster's inventory of green coffee may not exceed a two-month supply. Some roasters who have coffee in transit may therefore be unable to accept all or part of that coffee, said the Board's announcement, which added:

Roasters who find themselves in that position are invited to notify the Food Supply Branch of any probable excesses. They should describe the coffee and should specify the amount of excess, the port of arrival and the name of the ship. This notification should be made within 24 hours of the time the coffee arrives in this country.

"For the present," Mr. Townson said, "WPB will make this information available to any prospective coffee buyer who wishes to inquire."

brought to the attention of the appropriate committee of Congress and I believe that we can count upon an understanding treatment of our special difficulties."

## Urges More Synthetic Rubber From Grain

"Immediate attention should be given to expanding the present program for butadiene production from grain alcohol so as to make possible greater production of synthetic rubber during the calendar year 1943," Secretary of Agriculture Wickard declared on May 8. Testifying before a subcommittee of the Senate Committee on Agriculture and Forestry investigating uses of farm crops in production of alcohol and synthetic rubber, Secretary Wickard said he believes that using part of the large available reserve stocks of corn and wheat "as raw material for butadiene offers the best possibility of greatly increasing our production of synthetic rubber as early as next year." He urged that at least 80,000,000 bushels of grain be used in the manufacture of synthetic rubber.

Secretary Wickard's testimony follows, in part:

I understand that the Rubber Reserve Corporation already has made an allocation for a substantial amount of butadiene to be produced from ethyl alcohol, and that a plant for this operation is under construction. Alcohol has been used in Russia, Poland, Germany, and other European countries for the production of butadiene.

As I have said, the raw materials—corn and wheat—are readily at hand. Considerable expansion of facilities for making alcohol out of grain is possible in existing plants with the use of relatively small amounts of copper and steel. Available data indicate that if existing plants were converted to high proof alcohol production, at least 200,000,000 gallons of alcohol for making butadiene could be produced after allowing for production of alcohol for war purposes. It should be understood, however, that production of this total quantity of alcohol would require complete mobilization of the entire alcohol industry.

About 80,000,000 bushels of wheat or corn would be required to produce 200,000,000 gallons of alcohol, which in turn could produce 220,000 tons of butadiene. This would make approximately 240,000 tons of synthetic rubber. That is the approximate volume of synthetic rubber production which could be obtained from grain through existing distilling plants, converted to high proof alcohol production by the use of a minimum quantity of critical metals. Beyond production of about 240,000 tons of synthetic rubber, processing facilities would be a limiting factor. Supplies of raw materials—wheat and corn—are sufficient for expanding synthetic rubber production by many times that amount.

## Now American Pearl Rice

The war extended its effect to Federal rice standards on May 6 with the Department of Agriculture's announcement of amended standards for rough, brown, and milled rice, including substitution of the name American Pearl for the class of rice formerly known as Japan. According to the Department of Agriculture, the amendments to the official standards, which become effective May 15, also change the subclass names Japan and California—Japan to Southern Pearl and California-Pearl, respectively. These changes said the Department were requested by members of the rice industry. Other amendments, it is indicated, provide a more simple and more flexible form of the official standards.

## U. S. Credit, Resources Prosperity Keystone

(Continued from First Page)  
mands, should escape this sacrifice—nor can they escape it if we are to be successful.

A price control program cannot work in three spheres if it leaves a fourth uncovered. It cannot apply to the middle class and miss the wage earner, the farmer, or the extremely wealthy. Limitations of profits are part of limitations of wages. Limitations of food costs and rationing are part of a controlled economy.

We do not wish these unnatural restrictions in eras of peace. We recognize they violate sound economic laws—but so does war. And even the most conservative must be ready to acquiesce in some measure of violation of economic laws in the interest of defending our economic system. Hence, we must stand back of a price control program, constantly correct its weaknesses, and courageously make it all-inclusive.

This is no period for the permanent accumulation of capital. I do not mean to suggest that it is no period for thrift. Savings were never more essential. But those savings in the end, at best, can only restore the purchasing power that a rising price structure has liquidated.

In addition, they must be dedicated for use during a readjustment period. We are face to face with the proposition of not only saving our way of life, but also of saving our life's savings. Whatever accumulation has been the reward of thrift and of industry should be defended at all costs. Unless we do defend it and are willing to make sacrifices, how can our heart and soul be in the military struggle?

Convince the American people that the burden is equally distributed according to their ability and they will meet any call for sacrifice. This will follow, whether the sacrifice takes the form of heavier tax bills, restricted use of peacetime goods, savings programs or physical effort.

But the burden must be placed as equitably as possible or, in the end, it will throw our economic machinery out of adjustment and disrupt our forces of production.

In the matter of self-denial and unselfishness, let us be honest in our conduct. The rationing program now in effect would in many instances be less severe if hoarding and selfishness had not been the order of the day. A rush to escape the common sacrifice is a definite contribution to the cause of dictatorship.

We in the credit fraternity have a very definite and important part to play in trying to bring stability to these programs. We must have the courage to play our part.

If we see that credit is to be restricted in open accounts, we can only object in case we see that the restrictions will not accomplish the objective, namely, curtailment of purchasing so that more goods will be available for the war effort and more man power devoted to armaments.

We cannot in this period argue about dictatorial fine-points because, facing dictators on the field of battle, our democratic way must be flexible enough to permit, for a limited period of time, the use of sterner policies and practices. And if we join in these efforts and accept these hardships, then we have the right to demand a return to the peaceful way of life we have known.

## OPA Seeks Financial Data From Corps.

A general financial reporting program designed to provide basic financial data necessary for studies of price control problems in many industries where adequate information is not now available was instituted on May 2 by Price Administrator Leon Henderson. Reporting forms and an instruction book requiring balance sheet and income account data were sent May 10 to about 25,000 business corporations, with over \$250,000 assets each, engaged in manufacturing, mining, construction, wholesale trade, retail trade and related fields. The announcement from the OPA also states:

The initial annual financial report (Form A) and the first interim or quarterly financial report (Form B) of companies using the calendar year basis must be filed with OPA within 30 days after receipt of the request. If the fiscal year to be covered by the initial annual report is other than the calendar year, the report must be filed within three months of the close of the fiscal year or within 30 days — whichever date is the later. All subsequent annual and interim reports are to be filed within three months and one month, respectively, after the close of the period covered. None of these reports need be certified by independent public accountants.

OPA initiated the program because of the absence of adequate financial information on large numbers of business enterprises affected by price action. The 1940 corporation income tax returns show there were 69,000 companies, each having assets of \$250,000 or more, and that 30,000 of these were in the wholesale trade or retail trade or in manufacturing, construction, mining, and agricultural fields. However, OPA pointed out, only about 2,500 of these companies are required to file with the Securities and Exchange Commission and a great number of these are duplicated in the smaller list which contributed to the survey of Industrial Corporation Reports conducted by the FTC.

Time "lags" in filing, the difficulty of assembling, and the technical weaknesses for OPA needs in the material available in other reports — such as the FTC, SEC, income tax, bank, and credit reports — even if they were legally accessible and readily available would hamper OPA's efforts to keep price control actions abreast of current business conditions.

The confidential nature of the reports will be strictly observed, the Administrator said, although the reports will be available on a confidential basis to war planning agencies, such as the War Production Board, when needed, thus providing a centralized regularly recurring source of information for such agencies.

## Waller Heads Committee

The appointment of Wilmer J. Waller, Vice-President and Cashier of the Hamilton National Bank, Washington, D. C., as Chairman of the Priorities Committee of the American Bankers Association, was announced May 6 by Henry W. Koeneke, ABA President, who is President of the Security Bank of Ponca City, Ponca City, Okla. Mr. Waller, who has been a member of the committee since its formation several months ago, succeeds Mark A. Brown, Vice-President of the Harris Trust Co., Chicago, as the Committee's Chairman. Mr. Brown recently resigned his post as Chairman of the Committee to accept an appointment as financial consultant to the War Production Board.

## Cash Gifts Aid War Effort

A flood of unrequested cash donations to help finance the war effort, received in Washington since the President's fireside talk on April 28, was described by Secretary Morgenthau on May 3, as an impressive demonstration of the virility of the voluntary spirit in American life. The voluntary principle is the basis of the Treasury's new quota campaign to sell \$1,000,000,000 worth of War Savings Bonds every month. The Treasury Department in indicating this on May 3 said:

After consultation with leaders in labor, industry and agriculture, Treasury officials became convinced that the people of the nation would prefer an opportunity to subscribe voluntarily to the War Bonds rather than resort to legislation requiring such purchases. The continued waves of outright contributions to pay for the tools of war have strengthened this conviction.

Since June, 1940, a total of 13,895 cash donations have been received, totaling \$614,670.57. This number is exclusive of approximately 15,000 individual donations grouped and treated as single gifts as, for example, was done in the case of an aeronautical corporation whose 7,000 employees sent in individual checks. The amount is exclusive of stock, old gold and offers where the value, if any, has not been ascertained.

Every cash gift is acknowledged on behalf of Secretary Morgenthau by a friendly little letter which thanks the donor for his patriotism and lauds it as an example of the interest, effort and sacrifice of a united people.

At the same time the letter stressing the urgent importance of setting aside a substantial part of current income to finance the war and to check the rising cost of living, and reminds the reader that War Savings Bonds and Stamps were designed for this particular purpose.

## May Food Stamp List

The Department of Agriculture announced on April 30 that all fresh vegetables (including potatoes), fresh apples, oranges, grapefruit, and pears, and eight other foods will be available during May to families taking part in the Food Stamp program. Participants can buy the foods with blue food stamps at local stores in all areas where the program is operating. Itemizing the foods available for blue stamps, the Department announces that the May list, which is the same as for April, includes shell eggs, butter, fresh apples, oranges, grapefruit, pears, and fresh vegetables (including potatoes), corn meal, dried prunes, hominy (corn) grits, dry edible beans, wheat flour, enriched wheat flour, self-rising flour, enriched self-rising flour, and whole wheat (Graham) flour.

## Modify Walsh-Healey Act

Legislation bringing the Walsh-Healey Act into line with the Fair Labor Standards Act and making the two in accordance with respect to wages and hours received final Congressional action on May 4, when the House concurred in a minor Senate amendment. The House had approved the bill on March 24 while Senate adoption came on April 27. The measure permits industries which have collective bargaining contracts covering an annual income for 2,080 hours of work, as provided by the Fair Labor Standards Act, to participate in the war effort. Under the law as previously stated such firms could not obtain public contracts on that basis because of the weekly hour maximum fixed by the Walsh-Healey Act.

## NY Commerce Chamber Elects Hasler Pres.

Frederick E. Hasler, Chairman of the Board of The Continental Bank & Trust Co. of New York and President of the Pan American Society, on May 7 became the 48th President of the 174-year-old Chamber of Commerce of the State of New York. He succeeds Percy H. Johnston, Chairman of the Chemical Bank & Trust Co., who had served the limit of two consecutive terms.

Elected with Mr. Hasler to serve as Vice-Presidents for four-year terms were:

Roy E. Tomlinson, President of National Biscuit Co.; Andrew W. Robertson, Chairman of Westinghouse Electric Manufacturing Co. and Frederick E. Williamson, President of New York Central Lines.

Vice-Presidents elected for three year terms to fill existing vacancies were General James G. Harbord, Chairman of Radio Corp. of America and Howard C. Smith, Trustee of the Franklin Savings Bank.

A new treasurer, William S. Gray, Jr., President of the Central Hanover Bank & Trust Co., was also elected succeeding Leon Fraser, who had held that office since 1940. William B. Scarborough who has been Assistant Treasurer for the last 15 years, was continued in that post. H. Boardman Spalding, Chairman of the Executive Committee; Colonel Charles T. Gwynne, dean of chamber of commerce executives, who has been Executive Vice-President since 1924, and B. Colwell Davis, Jr., Secretary, were re-elected. The chamber also elected three members-at-large on the Executive Committee to serve for three years: Willeby T. Corbett, Arthur M. Reis and J. Barstow Smull.

Mr. Hasler, who was inducted into office immediately following his election, has been a member of the Chamber since 1918, was elected Chairman of the Executive Committee in 1939 and became a Vice-President in 1941. As President of the Pan American Society, which is the oldest and largest private group in the country devoted to fostering friendly relations between the United States and the 20 Latin American nations, he has been decorated by a number of South American republics in appreciation of his work in the cause of Pan Americanism. In expressing appreciation of his elevation to the Presidency, Mr. Hasler declared that "Service for Victory" must be the goal of every member of the chamber until the enemies of the nation were defeated.

Reference to the nomination of the above officers appeared in these columns May 7, page 1782.

## Senate Votes Supply Bill; Limits Funds for TVA

The Senate on May 6 passed the \$2,125,000,000 Independent Offices Appropriation Bill after adopting an amendment abolishing the Tennessee Valley Authority's revolving fund. The TVA amendment, sponsored by Senator McKellar (Dem., Tenn.) and approved by a 42-to-38 vote, would require the Authority to get congressional appropriations for its future expenditures. Formerly the TVA used the revenues from the sale of its light and power as its revolving fund, but if the House agrees to this amendment it will have to turn over all its revenues to the Federal Treasury.

When the House passed this bill on Jan. 22 it totaled \$2,096,048,875. This is about \$29,000,000 below the Senate measure, but differences will be adjusted in conference. The totals, however, represent an approximate drop of \$1,200,000,000 from the amounts the same agencies spent in the current fiscal year.

## WPB Controls Equip. Of Rubber Tire Construction

The War Production Board, acting to save substantial amounts of rubber, assumed rigid control on May 2 over the production and distribution of all types of rubber-tired construction equipment. More than 70 items of construction equipment normally equipped with rubber tires are affected by Limitation Order L-82-a. Last year the construction machinery industry used approximately 8,000 tons of rubber tires and tubes, says the Board, which states:

At the same time, WPB, in Limitation Order L-82, placed restrictions on the sale and production of power cranes and shovels, which are greatly in demand for military and essential civilian activities. Total requirements this year for these cranes and shovels by military and essential civilian users are estimated to exceed 7,500, whereas the industry's production capacity is only about 5,100 units.

In its order applying to rubber-tired construction equipment, WPB prohibits the future sale, lease, trade, loan, delivery, shipment or transfer of any new equipment without specific authorization of the Director of Industry Operations, except for orders placed prior to the issuance of L-82-a which carry a preference rating higher than A-2, on which shipments must be made on or before June 1.

Between May 1 and June 1 no rubber-tired construction equipment can be produced except to fill Army, Navy, Maritime Commission and Lend-Lease orders, to fill orders for specified items of equipment needed in the war program for which steel wheels or other substitutes for rubber tires are impractical, or on production schedules specifically approved by the Director of Industry Operations. The specified items are: self-propelled earth moving graders, carrying and hauling scrapers, and power cranes and power shovels.

The order provides that after June 1 each manufacturer's production schedule, regardless of whether or not it is designed to fill war orders or orders for the specified items, must be approved by the Director of Industry Operations. Proposed schedules must be submitted to WPB on form PD-446. This will provide a means of preventing any manufacturer from using critical material to produce equipment that would be useless without rubber tires and of preventing production for non-essential uses.

## Treasury Stresses Need Of Voluntary Savings

An encouraging word for the continued voluntary distribution of War Savings Bonds was given on May 6 by Harold N. Graves, Assistant to the Secretary of the Treasury. Mr. Graves outlined progress and requirements of the bond program at the economic conference held in New York City by the National Association of Mutual Savings Banks. Mr. Graves in his address said:

May 1 of this year marked the first anniversary of the Defense Savings Bond program, and I believe it will be appropriate and helpful for me to sum up the results of the first year of that program.

The program was launched May 1 a year ago. The total amount realized by the Treasury from sales of Defense Savings Bonds of all issues from that date through April 30 of this year, in round figures, was \$5,400,000,000. The largest share of this amount came from the sale of bonds on series E, which amounted to about \$2,900,000,000. Receipts from the sales of series F and G bonds

were approximately two and a half billion.

Of total sales for the year, about \$2,000,000,000 were made in the seven-month period from May through November, an average of about \$290,000,000 a month. Last Dec. 7 the Japanese attacked Pearl Harbor, and in that month sales rose to almost \$530,000,000. With some fluctuation, this increase has been more than maintained. In the five months from December to May total sales amounted to about \$3,400,000,000, an average of almost \$700,000,000 a month, or more than twice as much as the monthly average before Pearl Harbor. Although March and April sales have fallen substantially below this average, they reflect a steady increase in sales to small purchasers, and we at the Treasury have been inclined to view these results with some measure of satisfaction.

Mr. Graves said it was the job of the Treasury to so organize the savings resources of the Nation that voluntary purchases of War Savings Bonds can be maintained. He emphasized that "our over-all objective is to have at least 10% of the national income invested in War Savings Bonds." He pointed out that this goal required sales of at least \$1,000,000,000 a month, practically double the present rate. He added that the new distribution plan was based upon State and county quotas. Next in order come the quotas for industry and business generally. "Then we also have a quota for individuals, widely publicized in recent months, particularly in States in which systematic canvasses have been conducted by war bond committees. Roughly, he said, this individual or personal quota can be said to average 10% or more for all income groups. Actually, it is somewhat lower for persons with small incomes and, naturally, higher than 10% in the case of persons with larger incomes." Describing the far-flung measures necessary to attain Treasury objectives, Mr. Graves said that bond sales under payroll allotment plans would have to be multiplied about five times. In the case of the group of 25,000,000 persons regularly employed by the larger industrial and commercial concerns and by Federal, State and local governments, Mr. Graves said, they are to be approached by systematic canvass.

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## New WLB Members

The Presidential appointment of Cyrus Ching, Vice-President of the United States Rubber Co., as an alternate employer member of the National War Labor Board was announced on May 5.

Mr. Ching succeeds L. N. Bent, Vice-President of the Hercules Powder Co., who asked to be relieved because of the pressure of other war work. Mr. Ching has been serving as an associate member.

Alternate members of the War Labor Board may act in a labor dispute in the absence of regular members, while associate members act as mediators. The following appointments of associate members of the Board also were announced on May 5:

Arthur S. Meyer, Chairman of the New York State Board of Mediation, representing the public and replacing Mrs. Anna Rosenberg, New York Regional Director of the Social Security Board; Patrick Faegan, of the United Mine Workers, Pittsburgh, representing labor and replacing James B. Carey, CIO Secretary, who resigned; Robert Black, President of the White Motors Co. of Cleveland, representing management and succeeding Mr. Ching; and Fred A. Kraft, American Viscose Corp., Wilmington, Del., representing employers.

## Honor United Nations Flags On June 14: FDR

In his annual proclamation designating June 14 as Flag Day, President Roosevelt on May 9 asked the American people to honor not only our colors but also the flags of the other 25 United Nations. The President said that this is fitting because "now we are fighting in the greatest cause the world has known" as part of a great whole and that "unless all triumph, all will fail."

The text of the President's proclamation follows:

### Flag Day, 1942

For many years it has been our American custom to set aside June 14 in honor of the Flag, the Emblem of our freedom, our strength, and our unity as an independent nation under God. Now we are fighting in the greatest cause the world has known. We are fighting to free the people of this earth from the most ruthless, the most savage enemy the world has ever seen. We are dedicating all that we have and all that we are to the combat. We will not stop this side of victory.

We, as a nation, are not fighting alone. In this planetary war we are a part of a great whole: We are fighting shoulder to shoulder with the valiant peoples of the United Nations, the massed, angered forces of common humanity. Unless all triumph, all will fail.

For these reasons it is fitting that on our traditional Flag Day we honor not only our own Colors, but also the flags of those who have, with us, signed the Declaration by United Nations, paying homage to those Nations awaiting liberation from the tyranny we all oppose, to those whose lands have escaped the scars of battle, to those who have long been heroically fighting in the blaze and havoc of war.

It is also fitting, in this time of stress, that we express our devotion to our courageous mothers, many of whom are sending out their sons to do battle with the enemy and all of whom are so loyally contributing to the waging of the war on the home front.

Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, do hereby ask that on Flag Day, June 14, 1942, the people of our nation honor the peoples of the United Kingdom of Great Britain and Northern Ireland, the Union of Soviet Socialist Republics, China, Australia, Belgium, Canada, Costa Rica, Cuba, Czechoslovakia, the Dominican Republic, El Salvador, Greece, Guatemala, Haiti, Honduras, India, Luxembourg, the Netherlands, New Zealand, Nicaragua, Norway, Panama, Poland, the Union of South Africa, Yugoslavia—knowing only in the strength and valor of our unswerving unity shall we find the force to bring freedom and peace to mankind.

I direct the officials of the Federal Government, and I request the officials of the State and local governments, to have our Colors displayed on all government buildings on Flag Day, and I urge the people of the United States to fly the American Flag from their homes in honor of the Nation's mothers and their valiant sons in the service, and to arrange, where feasible, for joint displays of the Emblems of the freedom-loving nations on that day.

## New Cotton Exch. Member

At a meeting of the Board of Managers of the New York Cotton Exchange held on May 7, Robert Lang of New York City was elected to membership in the Exchange. Mr. Lang is a member of the New York Coffee and Sugar Exchange.

## Says Price Freezing Will Force Subsidies

Sen. Walter F. George (D., Ga.), Chairman of the Senate Finance Committee on May 5, predicted that the Government will be forced to subsidize some businesses under the general price-freezing order to avoid hardship and bankruptcy. In reporting this, International News Service advised from Washington, as given in the "Wall Street Journal," added:

Officials of the Office of Price Administration have disclosed that offering of subsidies is under discussion, and is regarded as part of the over-all price freezing plan.

"It seems to me that they will have to subsidize some businesses if prices are frozen as of March," said Senator George. "For example, fruits and vegetable canners must plan their business a year ahead, and with wages not frozen they would find themselves in difficulty under the freezing order."

"Retailers find themselves in a difficult position in having their prices frozen while goods have been bought on a basis which required an increase to enable the retailers to make profits."

Sen. Prentiss Brown (D., Mich.), who handled price-control legislation in the Senate, said that he had heard discussion of an alternative method of meeting the "lag" faced by retailers. This involves setting back the price-freezing date on wholesale prices.

"It seems to me that there will have to be subsidies if some action such as this is not taken," he said. Retailers can't be held to March prices unless all other factors affecting them are proportionately fixed."

Senator Taft, Republican, of Ohio, according to Associated Press Washington accounts May 5, suggested that it would be much simpler merely to adjust prices so that the payment of subsidies would not be necessary. "I think it is silly to say that an absolutely rigid price level must be maintained," he told reporters.

## Farmers Paying Off Mtgs.

Evidence that farmers will follow the President's suggestion to pay off their mortgage indebtedness is found in the record made by Federal land bank borrowers in the last year, the Department of Agriculture reported on May 11. At the same time the Department said:

Farmers broke all record in 1941 in the amount of payments on principal on their Federal land bank and Commissioner loans. In addition they rolled up a sizeable amount for application to their debts during periods when their incomes might not be so large.

"Borrowers from the Federal land banks," said A. G. Black, Governor of the Farm Credit Administration, "are paying off their loans at a rapid rate." He added:

This situation has been true for some time. In 1941 borrowers repaid bank loans in their entirety—prior to maturity—amounting to \$56,000,000, compared with \$36,000,000 the year before. They made payments totalling nearly \$73,000,000 on the principal of their loans, compared to \$60,000,000 in 1940. In addition, they have deposited to date in the future payment funds nearly \$6,000,000 with which to meet unfavorable conditions. Last year also \$53,000,000 was paid on installments on the principal of Commissioner loans, compared to \$46,000,000 in 1940. Borrowers paid \$23,000,000 on these loans prior to maturity last year, compared to \$15,000,000 in 1940.

## April Failures Lower

April business failures were below the high total for the year reached in March and were also below the April total of last year. Business casualties last month, according to Dun & Bradstreet, Inc., totaled 938 and involved \$9,282,000 liabilities as compared with 1,048 involving \$12,011,000 in March, and 1,149 involving \$13,827,000 in April, 1941.

The falling off from March took place in all the divisions of commerce and industry into which the insolvencies are divided. Compared with April, 1941, the same remark is true except for one division, the Commercial Service.

Manufacturing failures numbered 146 last month involving \$2,953,000 liabilities, compared with 188 in March with \$3,737,000 liabilities. Wholesale insolvencies decreased to 65 with \$1,132,000 liabilities from 108 with \$3,743,000 a year ago. In the retail trade division failures dropped to 624 involving \$3,829,000 compared with 745 involving \$3,970,000 in April last year. Construction insolvencies were 65 with \$1,033,000 liabilities from 70 with \$1,120,000 liabilities in April, 1941. Commercial Service failures numbered 38 with \$335,000 liabilities as compared with 35 with \$573,000 liabilities in April last year.

When the country is divided according to Federal Reserve Districts, it appears that ten districts had fewer insolvencies than in April, 1941, while two districts had more.

## SEC Amends Utility Rule

The Securities and Exchange Commission announced on May 7 the adoption of an amendment to Rule U-7 under the Public Utility Holding Company Act of 1935. This rule says the Commission, automatically excludes from the category of "electric utility company" and "gas utility company," for the purposes of the Act, certain companies primarily engaged in other businesses. The Commission further states:

The rule provides that such companies, although having a certain amount of public utility business, shall not be deemed electric or gas utility companies if their gross sales of electric energy or gross retail sales of natural or manufactured gas did not exceed \$100,000 for the previous calendar year, which amount is computed after excluding certain classes of transactions specified in paragraph (b) of the rule. The amendment to the rule adopts a new class of sales which are to be excluded from consideration, namely, certain wholesale sales of electric energy in connection with the war emergency activities. The general effect of the rule is to prevent companies which would not otherwise be subject to the Act, as subsidiaries of registered holding companies or as public utility companies, from losing that status as a result of wartime interchange of power.

## To Discuss War Problems

The Board of Directors of the National Association of Real Estate Boards will meet in Chicago on May 22 to review action that may be advisable in the whole range of real estate work connected with or affected by the war program. The executive committee will meet with Association President, David B. Simpson on May 21.

A meeting of the Realtors' Washington Committee, made up of heads of the Association's institutes and divisions, will be held as part of the directors' meeting. Coincidental meetings are scheduled of the governing bodies of the American Institute of Real Estate Appraisers, the Home Builders Institute of America, the National Institute of Real Estate Brokers, and their important committees on May 21.

## A.I.B. Program Under Way For Institute Conference

Leaders who will preside over the departmental and Institute conferences to be held at the annual convention of the American Institute of Banking in New Orleans, June 8 to 11, are arranging programs for the conference sessions, it is announced by George T. Newell, A.I.B. President, who is Vice President of the Manufacturers Trust Co., New York City.

The departmental conferences of the convention will deal with bank management, bank operations, business development and advertising, credits, savings banking, and trust business and investments. The Institute conferences will consider chapter administration, chapter publicity, debating, education, public relations, public speaking, and bank women's work.

## Bureau Mgrs. To Convene

Convention bureau managers, who arrange conventions for others, will hold their own conclave in New York City, Aug. 19 to 21, it was announced April 27 by C. N. Nichols, Executive Director of the Convention and Visitors Bureau of the Commerce and Industry Association of New York, Inc. He said that New York City's invitation to the International Association of Convention Bureaus has been accepted and that managers and directors from 35 of the principal convention cities of the United States and Canada would attend. Henry T. Davis, Secretary-Manager of the Indianapolis Convention and Publicity Bureau, is President of the Association and J. S. Turner, Manager of the Convention Bureau of the Cincinnati Chamber of Commerce, is Secretary-Treasurer.

## Authorize \$800 Million Naval Shore Facilities

President Roosevelt signed on April 28 legislation authorizing an \$800,000,000 expansion in the Navy's shore facilities.

Tentative allocations of the amount would be as follows:

Fleet facilities, \$4,000,000; aviation facilities, \$168,780,000; lighter-than-air program, \$25,000,000; storage facilities, \$119,000,000; liquid fuel storage, \$100,000,000; Marine Corps training facilities, \$20,000,000; ordnance storage facilities, \$150,000,000; personnel training and housing facilities, \$100,000,000; hospital and dispensary facilities, \$40,500,000; shore radio facilities, \$11,000,000; Naval Research Laboratory, \$720,000; miscellaneous structures, \$25,000,000; floating dry dock program, \$36,000,000.

Completion of Congressional action on this bill was referred to in our issue of April 30, page 1704.

## Living Cost Up In March

Living costs for wage earners and lower-salaried clerical workers increased from February to March in 66 of the 67 industrial cities surveyed each month by the Division of Industrial Economics of The Conference Board. The Board on May 1 stated that the largest increase was 2.8% in Meadville, Pennsylvania, the smallest 0.2% in New Orleans. A slight decline of 0.1% occurred in Saginaw, Mich. In the United States as a whole, the cost of living rose 1.1%. The Board further reported:

The cost of living was higher this March than in March, 1941, in all the cities for which comparable figures are available. The largest increase was 16.8% in Syracuse, the smallest, 8.1% in Newark. In the United States as a whole the cost of living rose 11.4% from March, 1941, to March, 1942.

## Principles Of Cost For Govt. Contracts

A handbook which explains principles for determining costs under Government contracts has just been prepared by the Accounting Advisory Branch of the War Production Board. In announcing this on May 6 the WPB explains:

For some time costs under government contracts have been based on a decision of the Treasury originally issued to carry out the profit limitation provisions of the former Vinson-Trammell Act. This decision is known as TD 5000 and has been regarded by Government departments as the most satisfactory existing definition of costs. The booklet just issued is not a revision or an interpretation of TD 5000 but explains in simple and complete terms the principles of costs as covered by TD 5000.

The booklet was prepared under the direction of Eric A. Callman, Chief, and Maurice E. Poloubot, Assistant Chief, of the Accounting Advisory Branch of the WPB. Copies can be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C., at 10c each.

## Ship More Hawaiian Sugar

Advices received by the New York Coffee & Sugar Exchange from Honolulu show that Hawaii shipped 108,066 short tons of raw sugar to the United States during April—exceeding the 90,536-ton shipments during the previous three months of the year. The Exchange's announcement added:

Shipments during the first-third of the year now total 198,582 tons, all raws to West Coast ports, or a rate of 592,000 tons for the full year. Moreover, if the April rate is maintained, a full million tons can be brought here in 1942, or just twice as much as Washington authorities have counted on.

During January-April of last year, exports from Hawaii totaled 274,321 tons of which, however, 78,797 tons were for Atlantic Coast points. Ignoring the East Coast shipments, therefore, shipments to the West Coast this year are up to the volume shipped during the same months of last year. This is in sharp contrast to shipment from Cuba and Puerto Rico which—together—are running nearly 40% under last year's movement.

## Inter-Amer. Shipping Pool

Formation of an inter-American shipping pool to alleviate the growing merchant marine problem of the Western Hemisphere was disclosed on May 5 by Secretary of State Hull and Ambassador Juan Carlos Blanco of Uruguay. In reporting this, Associated Press Washington advices said:

Mr. Blanco said Uruguay was donating one vessel to the pool and that he would sign a transfer contract in the near future.

Mr. Hull told his press conference that Uruguay was showing additional interest in the Allies cause by contributing the ship which he said he believed was a Danish vessel seized by the Uruguayan Government last summer.

It was assumed that other American nations which seized refugee ships last summer would contribute to the pool.

The Secretary said he did not know what flag the Uruguay ship would fly, but informed sources said it would be the colors of one of the American nations that have declared war against the Axis, probably the United States. Uruguay has severed relations with Germany, Japan and Italy.

## Preliminary Debt Statement Of The United States April 30, 1942

The preliminary statement of the public debt of the United States April 30, 1942, as made up on the basis of the daily Treasury statement, is as follows:

| Public Issues—  |                  |                            |
|---|------------------|----------------------------|
| <b>Bonds—</b>   |                  |                            |
| 3% Panama Canal loan of 1961  | \$49,800,000.00  |                            |
| 3% Conversion bonds of 1946   | 15,761,000.00    |                            |
| 3% Conversion bonds of 1947   | 13,133,500.00    |                            |
| 2½% Postal Savings bonds (23d to 49th series)   | 117,295,680.00   | \$195,990,180.00           |
| <b>Treasury Bonds—¾% series of 1947-52</b>  |                  |                            |
| 4% of 1944-54   | \$758,945,800.00 |                            |
| 3¾% of 1946-56  | 1,036,692,400.00 |                            |
| 3¾% of 1943-47  | 489,080,100.00   |                            |
| 3¾% of 1946-49  | 454,135,200.00   |                            |
| 3¾% of 1951-55  | 818,627,000.00   |                            |
| 3¾% of 1943-45  | 755,431,000.00   |                            |
| 3¾% of 1944-46  | 1,400,528,250.00 |                            |
| 3¾% of 1946-48  | 1,518,737,650.00 |                            |
| 3¾% of 1946-48  | 1,035,873,400.00 |                            |
| 3¾% of 1949-52  | 491,375,100.00   |                            |
| 2¾% of 1955-60  | 2,611,092,150.00 |                            |
| 2¾% of 1945-47  | 1,214,428,950.00 |                            |
| 2¾% of 1948-51  | 1,223,495,850.00 |                            |
| 2¾% of 1951-54  | 1,626,687,150.00 |                            |
| 2¾% of 1956-59  | 981,826,550.00   |                            |
| 2½% of 1949-53  | 1,786,129,150.00 |                            |
| 2½% of 1945   | 540,843,550.00   |                            |
| 2½% of 1948   | 450,978,400.00   |                            |
| 2¾% of 1958-63  | 918,780,600.00   |                            |
| 2½% of 1950-52  | 1,185,841,200.00 |                            |
| 2¾% of 1960-65  | 1,485,384,600.00 |                            |
| 2% of 1947  | 701,072,900.00   |                            |
| 2% of 1948-50 (Dec., 1939)  | 571,431,150.00   |                            |
| 2¼% of 1951-53  | 1,118,051,100.00 |                            |
| 2¼% of 1954-56  | 680,692,350.00   |                            |
| 2% of 1953-55   | 724,677,900.00   |                            |
| 2% of 1948-50 (Mar., 1941)  | 1,115,368,400.00 |                            |
| 2½% of 1952-54  | 1,023,568,350.00 |                            |
| 2½% of 1956-58  | 1,448,747,650.00 |                            |
| 2½% of 1967-72  | 2,716,046,700.00 |                            |
| 2% of 1951-55   | 510,413,950.00   |                            |
| 2% of 1949-51   | 1,014,018,900.00 |                            |
| 2% of 1952-55   | 1,500,781,300.00 |                            |
| *United States Savings Bonds—series A-1935  |                  | \$170,849,562.75           |
| Series B-1936   | 310,614,908.75   |                            |
| Series C-1937   | 403,525,662.50   |                            |
| Series D-1938   | 484,937,104.50   |                            |
| Series E-1939   | 800,257,121.75   |                            |
| Series F-1940   | 993,082,065.00   |                            |
| Series G-1941   | 445,681,452.75   |                            |
| Series H-1941   | 1,304,448,412.50 |                            |
| Series I-1941   | 229,107,034.00   |                            |
| Series J-1941   | 1,269,324,900.00 |                            |
| Series K-1942   | 1,139,484,143.75 |                            |
| Series L-1942   | 187,173,694.50   |                            |
| Series M-1942   | 819,827,400.00   |                            |
| Series N-1942   | 392,699,655.64   |                            |
| Unclassified sales  |                  |                            |
| 2% Depository bonds   |                  | 8,951,013,118.39           |
| 3% Adjusted service bonds of 1945   |                  | 76,361,000.00              |
|   |                  | 230,178,740.00             |
| <b>Total</b>  |                  | <b>\$45,363,327,738.39</b> |
| <b>Treasury Notes—Regular Series—</b>   |                  |                            |
| 2½% series B-1942, maturing Sept. 15, 1942  | \$342,143,300.00 |                            |
| 1¾% series C-1942, maturing Dec. 15, 1942   | 232,375,200.00   |                            |
| 1½% series A-1943, maturing June 15, 1943   | 629,113,400.00   |                            |
| 1¾% series B-1943, maturing Dec. 15, 1943   | 420,971,500.00   |                            |
| 1½% series C-1943, maturing Sept. 15, 1943  | 279,473,800.00   |                            |
| 1¾% series D-1943, maturing Mar. 15, 1943   | 65,963,700.00    |                            |
| 1½% series A-1944, maturing June 15, 1944   | 415,519,000.00   |                            |
| 1¾% series B-1944, maturing Mar. 15, 1944   | 515,210,400.00   |                            |
| 1½% series C-1944, maturing Sept. 15, 1944  | 283,006,000.00   |                            |
| 1¾% series A-1945, maturing Mar. 15, 1945   | 718,012,200.00   |                            |
| 1½% series A-1946, maturing Mar. 15, 1946   | 502,866,000.00   |                            |
|   |                  | \$4,404,654,500.00         |
| <b>National Defense Series—</b>   |                  |                            |
| ¾% series D-1944, maturing Sept. 15, 1944   | \$635,064,400.00 |                            |
| ¾% series B-1945, maturing Dec. 15, 1945  | 530,838,700.00   |                            |
|   |                  | 1,165,903,100.00           |
| <b>Tax Series—</b>  |                  |                            |
| A-1943, matur'g Aug. 1, 1943  | \$29,592,325.00  |                            |
| B-1943, matur'g Aug. 1, 1943  | 1,891,645,600.00 |                            |
| A-1944, matur'g Jan. 1, 1944  | 18,568,700.00    |                            |
| B-1944, matur'g Jan. 1, 1944  | 804,196,000.00   |                            |
|   |                  | 2,744,362,625.00           |
|   |                  | 8,314,920,225.00           |
| <b>Certificates of Indebtedness—</b>  |                  |                            |
| ½% series A-1942, maturing Nov. 1, 1942   | 1,507,035,000.00 |                            |
| Treasury bills (maturity value)   | 1,953,364,000.00 |                            |
|   |                  | 3,460,399,000.00           |
| <b>Special Issues—Bonds—</b>  |                  |                            |
| 4½% Adjusted service bonds (Government life insurance fund, series 1946)                      |                  | 500,157,956.40             |
| <b>Treasury Notes—</b>  |                  |                            |
| <b>Federal old-age &amp; survivors insurance trust fund:</b>                                  |                  |                            |
| 3% old-age reserve account series, maturing June 30, 1942 to 1944                             | \$937,900,000.00 |                            |
| 2½% Federal old-age and survivors insurance trust fund series, maturing June 30, 1944 to 1946 | 1,328,100,000.00 |                            |
| 2¾% Federal old-age and survivors insurance trust fund series, maturing June 30, 1946         | 603,000,000.00   |                            |
| 3% railroad retirement account series, maturing June 30, 1946                                 | 112,000,000.00   |                            |
| <b>Civil Service retirement fund—</b>   |                  |                            |
| 4% series, maturing June 30, 1942 to 1946   | 739,300,000.00   |                            |
| 3% series, maturing June 30, 1944 to 1946   | 1,136,000.00     |                            |
| 4% Foreign Service retirement fund series, maturing June 30, 1942 to 1946                     | 5,279,000.00     |                            |
| 4% Canal Zone retirement fund series, maturing June 30, 1942 to 1946                          | 6,338,000.00     |                            |
| 4% Alaska Railroad retirement fund series, maturing June 30, 1942 to 1946                     | 1,215,000.00     |                            |
| 2% Postal Savings System series, matur'g June 30, 1943 and 1944                               | 55,000,000.00    |                            |
| 2% Government life insurance fund series, matur'g June 30, 1946                               | 9,650,000.00     |                            |
| 3% National Service life insurance fund series, maturing June 30, 1945 and 1946               | 25,975,000.00    |                            |
| 2% Federal Deposit Insurance Corporation series, maturing Dec. 1, 1944 to 1946                | 95,000,000.00    |                            |
| 2% Federal Savings and Loan Insurance Corporation series, maturing June 30, 1945              | 5,050,000.00     |                            |
|   |                  | 3,924,943,000.00           |
| <b>Certificates of Indebtedness—</b>  |                  |                            |
| 4% Adjusted service certificate fund series, maturing Jan. 1, 1943                            | \$18,600,000.00  |                            |
| 2½% Unemployment trust fund series, maturing June 30, 1942                                    | 2,379,000,000.00 |                            |
| 2¾% Unemployment trust fund series, maturing June 30, 1942                                    | 535,000,000.00   |                            |
|   |                  | 2,932,600,000.00           |
| <b>Total interest-bearing debt outstanding</b>  |                  | <b>\$64,496,347,919.79</b> |
| <b>Matured debt on which interest has ceased</b>  |                  | <b>107,503,530.26</b>      |

| Debt Bearing No Interest—  |                            |
|--|----------------------------|
| United States notes  | \$346,681,016.00           |
| Less gold reserve  | 156,039,430.93             |
|  | \$190,641,585.07           |
| <b>Deposits for retirement of National bank and Federal Reserve bank notes</b>   |                            |
| Federal Reserve bank notes   | 161,049,603.50             |
| Old demand notes and fractional currency   | 2,023,117.42               |
| Thrift and Treasury savings stamps   | 3,752,069.75               |
|  | 357,466,375.74             |
| <b>Total gross public debt (including \$2,590,426,500 advanced to governmental agencies for which their obligations are owned by the Treasury)</b> |                            |
| Guaranteed obligations not owned by the Treasury   | 64,961,317,825.79          |
|  | 5,688,453,480.28           |
| <b>Total gross public debt and guaranteed obligations</b>  | <b>\$70,649,771,306.07</b> |
| *Series G is stated at par; all others are stated at current redemption values.  |                            |

## Electric Output For Week Ended May 9, 1942 Shows 11.6% Gain Over Same Week in 1941

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended May 9, 1942, was 3,351,126,000 kwh., which compares with 3,003,921,000 kwh. in the corresponding period in 1941, a gain of 11.6%. The output for the week ended May 2, 1942, was estimated to be 3,304,602,000 kwh., an increase of 12.2% over the corresponding week in 1941.

| Major Geographical Divisions— | PERCENTAGE INCREASE OVER PREVIOUS YEAR |             |              |              |
|-------------------------------|--|-------------|--------------|--------------|
|                               | May 9, '42                             | May 2, '42  | Apr. 25, '42 | Apr. 18, '42 |
| New England                   | 7.8                                    | 8.0         | 7.0          | 10.8         |
| Middle Atlantic               | 8.7                                    | 9.7         | 9.0          | 13.0         |
| Central Industrial            | 10.2                                   | 11.1        | 9.4          | 11.6         |
| West Central                  | 10.1                                   | 8.9         | 8.4          | 9.0          |
| Southern States               | 14.8                                   | 16.1        | 12.4         | 18.1         |
| Rocky Mountain                | 3.3                                    | 3.3         | 4.0          | 2.1          |
| Pacific Coast                 | 20.1                                   | 19.8        | 22.0         | 25.3         |
| <b>Total United States</b>    | <b>11.6</b>                            | <b>12.2</b> | <b>10.9</b>  | <b>14.2</b>  |

| Week Ended— | DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours) |           |                    |           |           |
|-------------|---|-----------|--------------------|-----------|-----------|
|             | 1942  | 1941      | % Change over 1941 | 1940      | 1932      |
| Mar. 14     | 3,357,444   | 2,983,591 | +12.5              | 2,550,000 | 1,537,747 |
| Mar. 21     | 3,357,032   | 2,983,048 | +12.5              | 2,508,321 | 1,514,553 |
| Mar. 28     | 3,345,502   | 2,975,407 | +12.4              | 2,524,066 | 1,480,208 |
| Apr. 4      | 3,348,608   | 2,959,646 | +13.1              | 2,493,600 | 1,465,076 |
| Apr. 11     | 3,320,858   | 2,905,581 | +14.3              | 2,529,908 | 1,480,738 |
| Apr. 18     | 3,307,700   | 2,897,307 | +14.2              | 2,528,868 | 1,469,810 |
| Apr. 25     | 3,273,190   | 2,950,448 | +10.9              | 2,499,060 | 1,454,505 |
| May 2       | 3,304,602   | 2,944,906 | +12.2              | 2,503,899 | 1,423,032 |
| May 9       | 3,351,126   | 3,003,921 | +11.6              | 2,515,515 | 1,436,928 |

## Churchill Reviews Progress Of War; Warns Axis Powers Against Use Of Poison Gas

With the conclusion of his two years of service as Great Britain's Prime Minister, Winston Churchill, in a broadcast from London May 10, reporting on the operations of the war, briefly summarized the war's chapter as follows:

If we look back today over the course of the war as it has so far unfolded we can see that it seems to divide itself into four very clearly defined chapters.

The first ended with the over-running by the Nazis of Western Europe and the fall of France.

The second chapter, Britain alone, ended with Hitler's attack upon Russia.

I would call the third chapter, which then began, "the Russian glory." May it long continue.

The fourth chapter opened at Pearl Harbor when the military party in Japan treacherously attacked the United States and Great Britain in the Far East. That is where we are now.

The Prime Minister in stating that "as in the last war, we are moving through many reverses and defeats to complete and final victory," added:

We have only to endure and persevere to conquer.

Now we are no longer unarmed. We are well armed.

Now we are not alone. We have mighty allies. . . . There can only be one end. When it will come, or how it will come, I cannot tell.

But when we survey the overwhelming resources which are at our disposal once they are fully marshalled and developed, as they can be and as they will be, we may stride forward, into the unknown with growing confidence.

With reference to the use of poison gas, Mr. Churchill had the following to say:

There, however, is one serious matter which I must mention to you. The Soviet Government have expressed to us the view that the Germans in the desperation of their assault may make use of poison gas against the armies and people of Russia. We are ourselves firmly resolved not to use this odious

weapon unless it is used first by the Germans. Knowing our Hun, however, we have not neglected to make preparations on a formidable scale.

I wish to make it plain that we shall treat the unprovoked use of poison gas against our Russian ally exactly as if it were used against ourselves and if we are satisfied that this new outrage has been committed by Hitler we will use our great and growing air superiority in the West to carry gas warfare on the largest possible scale far and wide against the military objective in Germany.

Reference was also made by the Prime Minister to the decision of the British Government to occupy the French Island of Madagascar in the Indian Ocean, as to which he said:

We have found it necessary to take precautions to prevent Madagascar falling into enemy hands by some dishonorable and feebly drifting or connivance by Vichy like that which injured us so much in Indo-China. It is three months since the decision was taken and more than two months since the expedition left these shores.

Its first task was to secure the splendid harbor of Diego Suarez, which, if it had fallen into Japanese hands, might have paralyzed all our communications with India and the Middle East.

While troops were on the sea I must tell you I felt a shiver every time I saw the word "Madagascar" in the newspapers. All these articles with diagrams and measured maps, showing how very important it was for us to take Madagascar and forestall the Japanese and be the first for once, filled me with apprehension.

There was no question of leakage or a breach of confidence.

As they say, great minds think alike, but shrewd surmise

may be as dangerous as leakage, and it was with considerable relief that I learned that the difficulties of our soldiers and their losses had not been aggravated and that the operation had been swiftly and effectually carried out.

We hold these places in trust for that gallant France which we have known and marched with and whose restoration to her place among great powers of the world is indispensable to the future of Europe. Madagascar rests under safeguard of the United Nations.

In his concluding remarks the Prime Minister said:

The Japanese war lords cannot be indifferent to the losses of aircraft inflicted upon them at so many points and particularly off the northern coasts of Australia and in their repulse at Colombo and Trincomalee.

At the start—the pent-up, saved-up resources of Japan were bound to prevail in the Far Eastern theatre. But the strength of the United States expressed in units of modern war power—actual and potential—is alone many times greater than the power of Japan. And we also will make our contribution to the final defeat and punishment of this abominable and greedy nation.

Time will, however, be needed before the true strengths on either side of the Eastern war become manifest. I am not prone to make predictions, but I have no doubt tonight that British and American seapower will grip and hold the Japanese and that overwhelming air power, supported by covering military operations, will lay them low. This would come to pass very much sooner should anything happen to Hitler and Europe.

Therefore, tonight I give you a message of good cheer. You deserve it and the facts endorse it. But be it good cheer or be it bad cheer it will make no difference to us. We shall drive on to the end and do our duty, win or die.

God helping us, we can do no other.

## OPA Given Power To Ration All Tires

Authority to ration all types of tires, including synthetic, for all purposes, including industrial equipment, was delegated to the Office of Price Administration by the War Production Board on May 6. In making this known the OPA said:

Under previous delegations of authority by the WPB, the OPA had power to ration tires for commercial as well as passenger use, but some confusion existed as to the jurisdiction over tires for certain types of industrial equipment. The new regulation (Amendment No. 1 to Supplementary Directive 1-B) makes clear that power to ration this type of tire resides in the OPA.

The amendment also extends the rationing power delegated to OPA by WPB Directive No. 1 to cover all tires, whether made of crude, scrap, or reclaimed rubber, or any of the substances commonly known as synthetic rubber.

Excepted from OPA control by the amendment are tires to be sold for military use or export, or tires for use on airplanes. The WPB also retains control, under the Rationing Regulations, of tires for vehicles in the hands of manufacturers, distributors, and retailers.

The delegation contained in the amendment supersedes the powers delegated by Rubber Order, M-15-c, but all actions heretofore taken by the OPA pursuant to the latter order, or in accordance with other rationing directives or regulations are ratified, approved, and confirmed.

### Daily Average Crude Oil Production For Week Ended May 2, 1942 Declines 246,350 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended May 2, 1942 was 3,335,000 barrels, a decrease of 246,350 barrels from the preceding week. The current figure was also 272,100 barrels below the output for the corresponding period last year and was also 331,800 barrels under the daily average for the month of April as recommended by the Office of Petroleum Coordinator. Further details as reported by the Institute follow:

Reports received from refining companies owning 86.9% of the 4,684,000 barrel estimated daily potential refining capacity of the United States, indicate that the industry as a whole ran to stills, on a Bureau of Mines' basis, 3,441,000 barrels of crude oil daily during the week, and that all companies had in storage at refineries, bulk terminals, in transit and in pipe lines as of the end of the week, 101,376,000 barrels of finished and unfinished gasoline. The total amount of gasoline produced by all companies is estimated to have been 10,371,000 barrels during the week.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

Table with columns: State, a O.P.C. Recommendations, a State Allowables, Actual Production, Week Ended, Change From Previous Week, 4 Weeks Ended, Week Ended. Rows include Oklahoma, Kansas, Nebraska, Panhandle Texas, North Texas, West Texas, East Central Texas, East Texas, Southwest Texas, Coastal Texas, Total Texas, North Louisiana, Coastal Louisiana, Total Louisiana, Arkansas, Mississippi, Illinois, Indiana, Eastern (not incl. Ill. & Ind.), Michigan, Wyoming, Montana, Colorado, New Mexico, Total East of Calif., California, Total United States.

Beginning with April the O.P.C. recommendations represent the production of all petroleum liquids, including crude oil, condensate and natural gas derivatives recovered from oil, condensate and gas fields. Formerly the recommended rates were for crude oil only. State allowances are also calculated on the same basis beginning with April. It may be that certain wells will be found incapable of producing the allowances granted. Actual State production may, for this reason, prove to be less than the allowances. The Bureau of Mines reported the daily average production of natural gasoline in January, 1942, in barrels as follows: Oklahoma, 29,000; Kansas, 6,000; Texas, 114,000; Louisiana, 21,000; Arkansas, 2,000; California, 43,000; other States, including New Mexico, 26,000.

This is the net basic 30-day allowable as of April 1, but experience indicates that it will increase as new wells are completed, and if any upward revisions are made. With a few exceptions, notably Panhandle (shut down 10 days) and aviation grade fields (nine days) the entire State was ordered shut down on April 3, 4, 5, 6, 10, 11, 12, 13, 17, 18, 19, 20, 24, 25, 26, 27, 29 and 30.

CRUDE RUNS TO STILL; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE AND GAS AND FUEL OIL, WEEK ENDED MAY 2, 1942

Table with columns: Daily Refining Capacity, Crude Runs to Still, % of Natural Gasoline, Stocks at Refineries, Stocks of Finished Gasoline, Stocks of Unfinished Gasoline, Stocks of Gasoline, Stocks of Fuel Oil. Rows include various states and totals.

### Bankers Dollar Acceptances Outstanding On April 30 Decline to \$177,293,000

The volume of bankers dollar acceptances outstanding decreased \$5,382,000 during April to \$177,293,000 on April 30, according to the monthly report of the Acceptance Analysis Unit of the Federal Reserve Bank of New York, issued May 12. This compares with a total of \$182,675,000 outstanding on March 31 and with \$219,561,000 on April 30, 1941.

The decline in comparisons with a month and a year ago were attributed to decreases in all branches of credit except domestic shipments and domestic warehouse credits.

The Reserve Bank's report for April 30 follows:

Table: BANKERS' DOLLAR ACCEPTANCES OUTSTANDING—UNITED STATES BY FEDERAL RESERVE DISTRICTS. Columns: Federal Reserve District, April 30, 1942, March 31, 1942, April 30, 1941. Rows include Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, San Francisco, Grand Total.

Table: ACCORDING TO NATURE OF CREDIT. Columns: April 30, 1942, March 31, 1942, April 30, 1941. Rows include Imports, Exports, Domestic shipments, Domestic warehouse credits, Dollar exchange, Based on goods stored in or shipped between foreign countries.

Table: BILLS HELD BY ACCEPTING BANKS. Columns: Own bills, Bills of others, Total. Rows include \$86,213,000, \$52,596,000, \$138,809,000.

Table: CURRENT MARKET RATES ON PRIME BANKERS' ACCEPTANCES, MAY 12, 1942. Columns: Days, Dealers' Buying Rates, Dealers' Selling Rates. Rows include 30, 60, 90, 120, 150, 180 days.

The following table, compiled by us, furnishes a record of the volume of bankers' acceptances outstanding at the close of each month since May 31, 1939:

Table showing volume of bankers' acceptances outstanding at the close of each month from 1939 to 1942. Columns: Year, Month, Amount.

might ease under strictly controlled consumption now find that extra supplies of copper are being stored by the Government. The tonnage sold during April involved 95,139 tons, against 87,682 tons in March. Prices on both foreign and domestic copper remained unchanged.

#### Lead

The emergency pool in lead for May was established officially at 15% of March's rate of production. In view of the fact that pool metal is being released promptly, the plan of setting aside a percentage of the domestic output each month may be modified. On the other hand, the Government is stockpiling lead of foreign origin. Domestic consumption of lead is being held down to about 70,000 tons a month. Scrap lead is coming out more freely to smelters because of conservation orders.

Sales of common lead in the domestic market during the last week amounted to 6,267 tons. Quotations on common lead continued at 6.50c., New York, and 6.35c., St. Louis.

#### Zinc

The Division of Industry Operations, WPB, on May 1 issued General Preference Order M-11, together with amendments, placing zinc under full allocation, effective June 1. The plan controlling distribution of zinc has been drawn up along the lines of the regulations governing copper. Producers of zinc, all grades, will not be permitted to ship zinc except on presentation by the customer of an allocation certificate issued by the Director of Industry Operations. Allocation certificates will be issued on or about the first of each month. Zinc pro-

### More Soil Conservation

Calling for greater use of soil-saving methods to increase the per-acre production of vital war crops, the U. S. Department of Agriculture on May 5 announced a reorganization of the Soil Conservation Service to give farmers and ranchers more help with wartime land problems. The Department in its announcement said:

Through realignment of the agency, skilled technical employees now working in Washington, regional and other offices will be assigned to work directly with farmers, local groups and other agencies in solving production and conservation problems. To do this the Department said it would be necessary to close 82 field offices of the Soil Conservation Service, including three major regional headquarters. The staffs of the remaining regional offices and the Washington office will be reduced considerably.

Net result of the reorganization, the Department said, would be to promote more efficient use of land resources in the Food for Freedom program.

It is announced that in addition to the elimination of three regional offices, 79 area offices throughout the country are discontinued. Soil Conservation Service activities formerly supervised by one or more area offices in a State will be handled from a single State office.

#### Tin

Further restriction in use of tin for containers is planned by WPB to conserve supplies. Straits quality tin continues at 52c. per pound, all positions. Chinese, 99%, is quotable at 51.125c. per pound. London tin not quoted.

#### Quicksilver

Trading in quicksilver was described as routine in character, with the price situation unchanged. Spot metal in New York held at \$197.30 to \$199.21.

#### Silver

During the past-week the silver market in London has been quiet and steady, with the price unchanged at 23 1/2d. The New York Official and the U. S. Treasury prices are also unchanged at 35 1/2c. and 35c., respectively.

At an informal meeting held in Washington April 29, Secretary Morgenthau assured Western Senators that the Treasury did not plan to seek repeal of silver legislation. Moreover, he stated that he knew of no move in Congress for repeal of the Silver Purchase Act and the domestic silver purchase law. The meeting was attended by Senators from Montana, Idaho, Utah, California, Oklahoma, and Minnesota.

DAILY PRICES OF METALS ("E. & M. J." QUOTATIONS)

Table: DAILY PRICES OF METALS. Columns: Electrolytic Copper, Straits Tin, Lead, Zinc. Rows include Apr. May, 30, 1, 2, 4, 5, 6, Average.

Average prices for calendar week ended May 2 are: Domestic copper f.o.b. refinery, 11.775c.; export copper, f.o.b. refinery, 11.700c.; Straits tin, 52.000c.; New York lead, 6.500c.; St. Louis lead, 6.350c.; St. Louis zinc, 8.250c.; and silver, 35.125c.

The above quotations are "M. & M. M.'s" appraisal of the major United States markets, based on sales reported by producers and agencies. They are reduced to the basis of cash, New York or St. Louis, as noted. All prices are in cents per pound.

Copper, lead and zinc quotations are based on sales for both prompt and future deliveries; tin quotations are for prompt delivery only.

In the trade, domestic copper prices are quoted on a delivered basis; that is, delivered at consumers' plants. As delivery charges vary with the destination, the figures shown above are net prices at refineries on the Atlantic seaboard. Delivered prices in New England average 0.225c. per pound above the refinery basis.

Export quotations for copper are reduced to net at refineries on the Atlantic seaboard. On foreign business, owing to World War II, most sellers are restricting offerings to f.a.s. transactions, dollar basis. Quotations for the present reflect this change in method of doing business. A total of .05c. is deducted from f.a.s. basis (lighterage, etc.) to arrive at the f.o.b. refinery quotation.

### Non-Ferrous Metals—Zinc Allocation Order Issued By WPB—Ferromanganese Advanced

"Metal and Mineral Markets" in its issue of May 7 reported that the formal zinc order placing the metal under full allocation on June 1 was issued during the last week. The regulations, which were about in line with expectations, were issued in time to permit the industry to study the document well in advance of the effective date. Confusion about the status of ferromanganese prices was cleared up on May 1 when OPA announced that higher ore costs warrant an advance in the price of \$15 per ton. Metals Reserve Co. issued a new price schedule on purchases of domestic manganese ore in quantities of 1,000 to 10,000 tons per contract in which the base price on high-grade 48% Mn ore has been raised to \$1 per unit, or \$48 per ton. The publication further reported as follows:

#### Copper

Sales of copper in the domestic market for the week totaled 51,037 tons, indicating that allocation of the metal for May got under way promptly. Consumption of copper in non-essentials is drying up under WPB regulations. Those in the industry who thought that the supply situation

### New York Stock Exchange Odd-Lot Trading

The Securities and Exchange Commission has made public a summary for the weeks ended April 25 and May 2, 1942, of complete figures showing the daily volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

| STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE NEW YORK STOCK EXCHANGE |  |             |              |
|--|--|-------------|--------------|
|  |  | April 25    | May 2        |
| <b>Week Ended—</b>   |  |             |              |
| <b>Odd-lot Sales by Dealers: (Customers' Purchases)</b>  |  |             |              |
| Number of orders   |  | 11,155      | 11,500       |
| Number of shares   |  | 269,082     | 281,874      |
| Dollar value   |  | \$9,640,804 | \$11,246,664 |
| <b>Odd-lot Purchases by Dealers: (Customers' Sales)</b>  |  |             |              |
| Number of orders   |  | 267         | 335          |
| Customers' short sales   |  | 10,166      | 11,239       |
| Customers' other sales   |  |             |              |
| Customers' total sales   |  | 10,433      | 11,574       |
| Number of shares   |  | 9,111       | 9,262        |
| Customers' short sales   |  | 251,781     | 269,438      |
| Customers' other sales   |  |             |              |
| Customers' total sales   |  | 260,892     | 278,700      |
| Dollar value   |  | \$8,299,460 | \$9,476,846  |
| <b>Round-lot Sales by Dealers:</b>   |  |             |              |
| Number of shares   |  | 120         | 820          |
| Short sales  |  | 64,830      | 67,810       |
| Other sales  |  |             |              |
| Total sales  |  | 64,950      | 68,630       |
| <b>Round-lot Purchases by Dealers:</b>   |  |             |              |
| Number of shares   |  | 75,960      | 72,830       |

\*Sales marked "short exempt" are reported with "other sales." †Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales."

### Automobile Production Down 60% Since January

Factory sales of automobiles manufactured in the United States, including complete units or vehicles reported as assembled in foreign countries from parts made in the United States, for March, 1942, consisted of 94,510 vehicles, of which 6,216 were passenger cars and 88,294 commercial cars, trucks, and road tractors, as compared with 134,134 vehicles in February, 1942, 507,834 vehicles in March, 1941, and 423,620 vehicles in March, 1940. These statistics comprise data for the entire industry and were released May 8 by Director J. C. Capt, Bureau of the Census, Department of Commerce.

Statistics for 1942 are based on data received from 69 manufacturers in the United States, 20 making passenger cars and 63 making commercial cars, trucks, or road tractors (14 of the 20 passenger car manufacturers also making commercial cars, trucks, or road tractors). It should be noted that those making both passenger cars and commercial cars, trucks, or road tractors have been included in the number shown as making passenger cars and in the number making commercial cars, trucks, or road tractors, respectively. The figures for passenger cars include those for taxicabs. The figures for commercial cars, trucks, and road tractors include those for ambulances, funeral cars, fire apparatus, street sweepers, station wagons, and buses, but the number of such special purpose vehicles is very small and hence a negligible factor in any analysis for which the figures may be used. Canadian production figures are supplied by the Dominion Bureau of Statistics.

Figures of automobile production in February, 1942, appeared in the April 16, 1942, issue of the "Chronicle," page 1547.

NUMBER OF VEHICLES (INCLUDING CHASSIS)

| Year and month | United States (Factory Sales) |                |                          | Canada (Production) |                |                     |
|----------------|-------------------------------|----------------|--------------------------|---------------------|----------------|---------------------|
|                | Total (all vehicles)          | Passenger cars | Trucks and road tractors | Total               | Passenger cars | Trucks and tractors |
| 1942—          |                               |                |                          |                     |                |                     |
| February       | 134,134                       | 52,200         | 81,934                   | 20,181              | 3,980          | 16,192              |
| March          | 94,510                        | 6,216          | 88,294                   | 20,188              | 3,192          | 16,996              |
| 1941—          |                               |                |                          |                     |                |                     |
| February       | 485,622                       | 394,513        | 91,109                   | 23,710              | 10,647         | 13,063              |
| March          | 507,834                       | 410,196        | 97,638                   | 26,044              | 12,093         | 13,951              |
| 1940—          |                               |                |                          |                     |                |                     |
| February       | 404,032                       | 337,756        | 66,276                   | 18,193              | 12,779         | 5,414               |
| March          | 423,620                       | 352,922        | 70,698                   | 16,612              | 12,025         | 4,587               |

### Moody's Common Stock Weighted Average Yield

MOODY'S WEIGHTED AVERAGE YIELD ON 200 COMMON STOCKS

| Year—           | Industrials (125) | Railroads (25) | Utilities (25) | Banks (15) | Insurance (10) | Average Yield (200) |
|-----------------|-------------------|----------------|----------------|------------|----------------|---------------------|
| 1929            | 4.0%              | 4.4%           | 2.6%           | 1.7%       | 3.2%           | 3.5%                |
| 1930            | 4.9               | 5.6            | 3.7            | 2.8        | 4.3            | 4.6                 |
| 1931            | 6.4               | 8.7            | 5.4            | 5.0        | 6.7            | 6.2                 |
| 1932            | 7.3               | 6.3            | 8.0            | 7.0        | 9.3            | 7.4                 |
| 1933            | 3.7               | 2.7            | 6.9            | 6.1        | 5.4            | 4.4                 |
| 1934            | 3.4               | 3.0            | 6.9            | 5.6        | 3.9            | 4.1                 |
| 1935            | 3.5               | 4.0            | 6.3            | 4.8        | 3.7            | 4.0                 |
| 1936            | 3.4               | 2.7            | 4.5            | 3.5        | 3.3            | 3.5                 |
| 1937            | 4.8               | 4.3            | 5.5            | 3.6        | 3.9            | 4.8                 |
| 1938            | 3.9               | 5.3            | 6.4            | 5.0        | 4.3            | 4.4                 |
| 1939            | 3.9               | 3.7            | 5.5            | 4.4        | 4.1            | 4.2                 |
| 1940            | 5.3               | 5.4            | 5.7            | 4.4        | 4.4            | 5.3                 |
| 1941            | 6.3               | 6.5            | 6.6            | 4.7        | 4.2            | 6.2                 |
| Month—          |                   |                |                |            |                |                     |
| January, 1941   | 6.0               | 6.2            | 6.0            | 4.4        | 4.2            | 5.9                 |
| February, 1941  | 6.2               | 6.2            | 6.1            | 4.5        | 4.3            | 6.0                 |
| March, 1941     | 6.2               | 6.2            | 6.2            | 4.5        | 4.2            | 6.1                 |
| April, 1941     | 6.6               | 6.3            | 6.7            | 4.8        | 4.4            | 6.4                 |
| May, 1941       | 6.5               | 6.5            | 6.8            | 4.9        | 4.3            | 6.4                 |
| June, 1941      | 6.2               | 6.4            | 6.5            | 4.5        | 4.2            | 6.1                 |
| July, 1941      | 5.8               | 5.9            | 6.4            | 4.5        | 4.0            | 5.8                 |
| August, 1941    | 5.9               | 6.0            | 6.4            | 4.6        | 3.9            | 5.9                 |
| September, 1941 | 5.9               | 6.3            | 6.5            | 4.6        | 3.9            | 5.9                 |
| October, 1941   | 6.4               | 6.5            | 6.6            | 5.0        | 4.1            | 6.3                 |
| November, 1941  | 6.9               | 6.8            | 6.9            | 5.2        | 4.1            | 6.8                 |
| December, 1941  | 7.3               | 8.2            | 7.6            | 5.4        | 4.5            | 7.3                 |
| January, 1942   | 7.4               | 7.2            | 7.6            | 5.3        | 4.5            | 7.2                 |
| February, 1942  | 7.2               | 7.4            | 7.7            | 5.6        | 4.6            | 7.1                 |
| March, 1942     | 7.7               | 8.2            | 8.5            | 6.0        | 5.0            | 7.7                 |
| April, 1942     | 7.7               | 8.3            | 8.9            | 6.1        | 5.3            | 7.8                 |

### Moody's Bond Prices And Bond Yield Averages

Moody's computed bond prices and bond yield averages are given in the following tables:

| MOODY'S BOND PRICES†<br>(Based on Average Yields) |                         |                                   |                        |        |        |       |                       |        |        |  |
|---|-------------------------|-----------------------------------|------------------------|--------|--------|-------|-----------------------|--------|--------|--|
| 1942—<br>Daily<br>Averages                        | U. S.<br>Govt.<br>Bonds | Avge.<br>Corpo-<br>rate<br>Rate * | Corporate by Ratings * |        |        |       | Corporate by Groups * |        |        |  |
|   |                         |                                   | Aaa                    | Aa     | A      | Baa   | R. R.                 | P. U.  | Indus  |  |
| May 12  | 117.72                  | 106.56                            | 116.22                 | 113.12 | 107.44 | 92.06 | 96.69                 | 110.70 | 113.70 |  |
| 11  | 117.74                  | 106.56                            | 116.02                 | 113.12 | 107.44 | 92.20 | 96.69                 | 110.70 | 113.70 |  |
| 9   | 117.76                  | 106.74                            | 116.22                 | 113.12 | 107.62 | 92.20 | 96.69                 | 110.70 | 113.70 |  |
| 8   | 117.79                  | 106.74                            | 116.22                 | 113.12 | 107.62 | 92.20 | 96.69                 | 110.70 | 113.70 |  |
| 7   | 117.83                  | 106.74                            | 116.22                 | 113.12 | 107.44 | 92.20 | 96.54                 | 110.70 | 113.70 |  |
| 6   | 117.98                  | 106.74                            | 116.22                 | 113.12 | 107.62 | 92.06 | 96.69                 | 110.70 | 113.70 |  |
| 5   | 118.01                  | 106.74                            | 116.02                 | 113.12 | 107.62 | 92.20 | 96.69                 | 110.70 | 113.70 |  |
| 4   | 117.86                  | 106.74                            | 116.22                 | 113.12 | 107.44 | 92.20 | 96.69                 | 110.70 | 113.70 |  |
| 2   | 117.98                  | 106.74                            | 116.22                 | 113.12 | 107.44 | 92.20 | 96.69                 | 110.70 | 113.70 |  |
| 1   | 117.90                  | 106.56                            | 116.22                 | 113.12 | 107.44 | 92.06 | 96.69                 | 110.70 | 113.70 |  |
| Apr. 24   | 117.80                  | 106.74                            | 116.22                 | 113.12 | 107.62 | 92.06 | 96.69                 | 110.70 | 113.70 |  |
| 17  | 118.08                  | 106.92                            | 116.41                 | 113.70 | 107.62 | 92.20 | 96.85                 | 110.88 | 113.89 |  |
| 10  | 118.06                  | 106.92                            | 116.41                 | 113.89 | 107.62 | 92.35 | 97.16                 | 110.70 | 114.08 |  |
| 2   | 118.10                  | 106.92                            | 116.22                 | 113.70 | 107.62 | 92.20 | 97.00                 | 110.52 | 114.08 |  |
| Mar. 27   | 118.20                  | 106.74                            | 116.22                 | 113.50 | 107.62 | 91.91 | 97.00                 | 110.34 | 113.50 |  |
| 20  | 117.80                  | 106.21                            | 115.63                 | 113.12 | 107.09 | 91.34 | 96.85                 | 109.79 | 112.93 |  |
| 13  | 117.33                  | 106.21                            | 115.43                 | 112.93 | 107.27 | 91.34 | 96.85                 | 109.60 | 112.75 |  |
| 6   | 117.32                  | 106.21                            | 115.63                 | 112.93 | 107.27 | 91.62 | 96.85                 | 109.79 | 113.31 |  |
| Feb. 27   | 116.34                  | 106.39                            | 115.63                 | 113.31 | 107.62 | 91.62 | 96.85                 | 110.15 | 113.31 |  |
| 20  | 116.32                  | 106.56                            | 115.82                 | 113.31 | 107.80 | 91.62 | 96.85                 | 110.34 | 113.50 |  |
| 13  | 116.27                  | 106.74                            | 116.41                 | 113.50 | 107.80 | 91.77 | 97.16                 | 110.70 | 113.50 |  |
| 6   | 117.02                  | 106.74                            | 116.41                 | 113.50 | 107.80 | 91.91 | 97.16                 | 110.70 | 113.70 |  |
| Jan. 30   | 117.08                  | 106.92                            | 116.22                 | 113.70 | 107.80 | 92.06 | 97.31                 | 110.52 | 113.70 |  |
| 23  | 117.51                  | 106.92                            | 116.22                 | 114.08 | 107.62 | 91.91 | 97.31                 | 110.70 | 113.70 |  |
| 16  | 117.60                  | 106.92                            | 116.41                 | 113.89 | 107.62 | 91.91 | 97.31                 | 110.52 | 113.70 |  |
| 9   | 118.00                  | 106.92                            | 116.61                 | 114.08 | 107.62 | 91.77 | 97.16                 | 110.70 | 113.89 |  |
| 2   | 117.61                  | 106.04                            | 115.82                 | 113.50 | 107.09 | 90.63 | 95.92                 | 110.34 | 113.31 |  |
| High 1942   | 118.27                  | 106.92                            | 116.61                 | 114.08 | 107.98 | 92.50 | 97.47                 | 110.88 | 114.08 |  |
| Low 1942  | 115.90                  | 106.04                            | 115.43                 | 112.93 | 107.09 | 90.63 | 95.92                 | 109.60 | 112.75 |  |
| High 1941   | 120.05                  | 108.52                            | 118.60                 | 116.02 | 109.60 | 92.50 | 97.78                 | 112.56 | 116.41 |  |
| Low 1941  | 115.89                  | 105.52                            | 116.22                 | 112.00 | 106.04 | 89.23 | 95.62                 | 109.42 | 111.62 |  |
| 1 Year ago  |                         |                                   |                        |        |        |       |                       |        |        |  |
| May 12, 1941                                      | 118.51                  | 106.56                            | 116.80                 | 113.31 | 107.09 | 91.62 | 97.16                 | 110.70 | 112.75 |  |
| 2 Years ago                                       |                         |                                   |                        |        |        |       |                       |        |        |  |
| May 11, 1940                                      | 115.43                  | 103.47                            | 116.41                 | 112.75 | 102.96 | 85.33 | 91.48                 | 108.88 | 111.44 |  |

| MOODY'S BOND YIELD AVERAGES†<br>(Based on Individual Closing Prices) |                                   |                      |      |      |      |                     |       |       |  |  |
|--|-----------------------------------|----------------------|------|------|------|---------------------|-------|-------|--|--|
| 1942—<br>Daily<br>Average  | Avge.<br>Corpo-<br>rate<br>Rate * | Corporate by Ratings |      |      |      | Corporate by Groups |       |       |  |  |
|  |                                   | Aaa                  | Aa   | A    | Baa  | R. R.               | P. U. | Indus |  |  |
| May 12   | 3.36                              | 2.84                 | 3.00 | 3.31 | 4.27 | 3.96                | 3.13  | 2.97  |  |  |
| 11   | 3.36                              | 2.85                 | 3.00 | 3.31 | 4.26 | 3.96                | 3.13  | 2.97  |  |  |
| 9  | 3.35                              | 2.84                 | 3.00 | 3.30 | 4.26 | 3.96                | 3.13  | 2.97  |  |  |
| 8  | 3.35                              | 2.84                 | 3.00 | 3.30 | 4.26 | 3.96                | 3.13  | 2.97  |  |  |
| 7  | 3.35                              | 2.84                 | 3.00 | 3.31 | 4.26 | 3.96                | 3.13  | 2.97  |  |  |
| 6  | 3.35                              | 2.84                 | 3.00 | 3.30 | 4.27 | 3.97                | 3.13  | 2.97  |  |  |
| 5  | 3.35                              | 2.85                 | 3.00 | 3.30 | 4.26 | 3.96                | 3.13  | 2.97  |  |  |
| 4  | 3.35                              | 2.84                 | 3.00 | 3.31 | 4.26 | 3.96                | 3.13  | 2.97  |  |  |
| 2  | 3.35                              | 2.84                 | 3.00 | 3.31 | 4.26 | 3.96                | 3.13  | 2.97  |  |  |
| 1  | 3.36                              | 2.84                 | 3.00 | 3.31 | 4.27 | 3.96                | 3.13  | 2.97  |  |  |
| Apr. 24  | 3.35                              | 2.84                 | 3.00 | 3.30 | 4.27 | 3.96                | 3.13  | 2.97  |  |  |
| 17   | 3.34                              | 2.83                 | 2.97 | 3.30 | 4.26 | 3.95                | 3.12  | 2.96  |  |  |
| 10   | 3.34                              | 2.83                 | 2.96 | 3.30 | 4.25 | 3.93                | 3.13  | 2.95  |  |  |
| 2  | 3.34                              | 2.84                 | 2.97 | 3.30 | 4.26 | 3.94                | 3.14  | 2.95  |  |  |
| Mar. 27  | 3.35                              | 2.84                 | 2.98 | 3.30 | 4.28 | 3.94                | 3.15  | 2.98  |  |  |
| 20   | 3.38                              | 2.87                 | 3.00 | 3.33 | 4.32 | 3.95                | 3.18  | 3.01  |  |  |
| 13   | 3.38                              | 2.88                 | 3.01 | 3.32 | 4.32 | 3.95                | 3.19  | 3.02  |  |  |
| 6  | 3.38                              | 2.87                 | 3.01 | 3.32 | 4.30 | 3.95                | 3.18  | 2.99  |  |  |
| Feb. 27  | 3.37                              | 2.87                 | 2.99 | 3.30 | 4.30 | 3.95                | 3.16  | 2.99  |  |  |
| 20   | 3.36                              | 2.86                 | 2.99 | 3.29 | 4.30 | 3.95                | 3.15  | 2.98  |  |  |
| 13   | 3.35                              | 2.83                 | 2.98 | 3.29 | 4.29 | 3.93                | 3.13  | 2.98  |  |  |
| 6  | 3.35                              | 2.83                 | 2.98 | 3.29 | 4.28 | 3.93                | 3.13  | 2.97  |  |  |
| Jan. 30  | 3.34                              | 2.84                 | 2.97 | 3.29 |      |                     |       |       |  |  |

### Market Value Of Bonds On N. Y. Stock Exchange

The New York Stock Exchange announced on May 7 that as of the close of business April 30, 1942, there were 1,163 bond issues aggregating \$60,571,662,833 par value listed on the Stock Exchange, with a total market value of \$57,923,553,616. This compares with 1,166 bond issues aggregating \$60,578,981,933 par value listed on the Stock Exchange on March 31 with a total market value of \$58,140,382,211.

In the following tables listed bonds are classified by governmental and industrial groups, with the aggregate market value and average price for each:

| Group—   | Apr. 30, 1942—  |               | Mar. 31, 1942—  |               |
|--|-----------------|---------------|-----------------|---------------|
|  | Market Value \$ | Average Price | Market Value \$ | Average Price |
| U. S. Government (incl. N. Y. State, Cities, etc.) | 42,752,196,854  | 105.76        | 42,923,656,980  | 106.21        |
| U. S. companies:                                   |                 |               |                 |               |
| Amusements   | 34,756,820      | 99.43         | 34,957,700      | 100.00        |
| Automobile   | 13,461,107      | 103.16        | 13,539,969      | 103.77        |
| Building   | 17,357,214      | 93.70         | 17,070,913      | 92.16         |
| Business and office equipment                      | 15,075,000      | 100.50        | 14,250,000      | 95.00         |
| Chemical   | 74,504,750      | 97.84         | 74,778,000      | 98.20         |
| Electrical equipment                               | 36,325,000      | 103.79        | 36,362,500      | 103.89        |
| Financial  | 58,231,610      | 99.23         | 58,447,265      | 99.59         |
| Food   | 207,846,047     | 104.26        | 208,078,687     | 104.37        |
| Land and realty                                    | 9,335,053       | 67.97         | 9,346,214       | 68.05         |
| Machinery and metals                               | 45,118,317      | 98.99         | 45,151,559      | 98.63         |
| Mining (excluding iron)                            | 92,306,155      | 57.66         | 92,106,938      | 57.52         |
| Paper and publishing                               | 50,863,746      | 100.15        | 56,943,303      | 100.18        |
| Petroleum  | 596,517,259     | 102.21        | 598,723,403     | 102.56        |
| Railroad   | 6,549,969,131   | 63.35         | 6,617,350,832   | 63.61         |
| Retail merchandising                               | 12,000,749      | 78.47         | 12,078,295      | 78.96         |
| Rubber   | 71,963,790      | 97.94         | 70,795,303      | 96.35         |
| Ship building and operating                        | 11,127,840      | 97.00         | 10,898,400      | 95.00         |
| Shipping services                                  | 17,585,703      | 63.46         | 17,365,882      | 62.67         |
| Steel, iron and coke                               | 552,625,211     | 100.20        | 553,495,730     | 100.26        |
| Textiles   | 25,923,310      | 97.65         | 25,758,058      | 97.03         |
| Tobacco  | 39,782,813      | 118.15        | 39,881,792      | 118.44        |
| Utilities:   |                 |               |                 |               |
| Gas and electric (operating)                       | 3,261,225,966   | 105.79        | 3,263,723,142   | 106.21        |
| Gas and electric (holding)                         | 98,139,642      | 95.77         | 102,768,195     | 97.43         |
| Communications                                     | 1,191,843,115   | 106.21        | 1,194,599,945   | 106.54        |
| Miscellaneous utilities                            | 84,495,266      | 57.36         | 81,363,663      | 55.11         |
| U. S. companies oper. abroad                       | 99,012,100      | 54.46         | 103,101,343     | 56.71         |
| Miscellaneous businesses                           | 31,545,000      | 103.43        | 31,697,500      | 103.93        |
| Total U. S. companies                              | 13,298,937,720  | 77.99         | 13,384,634,521  | 78.47         |
| Foreign government                                 | 1,174,247,263   | 52.44         | 1,132,679,684   | 50.53         |
| Foreign companies                                  | 698,171,779     | 80.61         | 699,411,026     | 80.76         |
| All listed bonds                                   | 57,923,553,616  | 95.63         | 58,140,382,211  | 95.97         |

The following table, compiled by us, gives a two-year comparison of the total market value and the total average price of bonds listed on the Exchange:

| 1940—    | Market Value \$ | Average Price | 1941—    | Market Value \$ | Average Price |
|----------|-----------------|---------------|----------|-----------------|---------------|
| Mar. 30  | 50,006,387,149  | 92.86         | Apr. 30  | 52,518,036,554  | 94.32         |
| Apr. 30  | 49,611,937,544  | 92.48         | May 30   | 52,321,710,056  | 94.22         |
| May 31   | 46,936,861,020  | 87.87         | June 30  | 53,237,234,699  | 94.80         |
| June 29  | 47,665,777,410  | 90.14         | July 31  | 53,259,696,637  | 95.04         |
| July 31  | 48,601,638,211  | 90.86         | Aug. 31  | 53,216,867,646  | 94.86         |
| Aug. 31  | 49,238,728,732  | 91.33         | Sept. 30 | 53,418,055,935  | 94.74         |
| Sept. 30 | 49,643,200,867  | 92.08         | Oct. 31  | 55,106,635,894  | 95.25         |
| Oct. 31  | 50,438,409,964  | 92.84         | Nov. 29  | 54,812,793,945  | 94.80         |
| Nov. 30  | 50,755,887,399  | 93.58         | Dec. 31  | 55,033,616,312  | 94.50         |
| Dec. 31  | 50,831,283,315  | 93.84         | 1942—    |                 |               |
| Jan. 31  | 50,374,446,095  | 93.05         | Jan. 31  | 56,261,398,371  | 95.24         |
| Feb. 28  | 50,277,456,796  | 92.72         | Feb. 28  | 57,584,410,504  | 95.13         |
| Mar. 31  | 52,252,053,607  | 93.73         | Mar. 31  | 58,140,382,211  | 95.97         |
|          |                 |               | Apr. 30  | 57,923,553,616  | 95.63         |

### Statutory Debt Limit As Of April 30, 1942

The Treasury Department made public on May 4 its monthly report showing the face amount of public debt obligations issued under the Second Liberty Bond Act (as amended) outstanding on April 30, 1942, totaled \$66,402,752,921, thus leaving the face amount of obligations which may be issued subject to the \$125,000,000,000 statutory debt limitation at \$58,597,247,079. In another table in the report, the Treasury indicates that from the total face amount of outstanding public debt obligations (\$66,402,752,921) should be deducted \$2,006,198,132 (the unearned discount on savings bonds), reducing the total to \$64,396,554,789, and to this figure should be added \$564,763,036 the other public debt obligations outstanding which, however, are not subject to the statutory limitation. Thus, the total gross debt outstanding as of April 30 was \$64,961,317,825.

The following is the Treasury's report for April 30: Section 21 of the Second Liberty Bond Act, as amended, provides that the face amount of obligations issued under authority of that Act, "shall not exceed in the aggregate \$125,000,000,000 outstanding at any one time."

The following table shows the face amount of obligations outstanding and the face amount which can still be issued under this limitation:

|  |                   |
|--|-------------------|
| Total face amount that may be outstanding at any one time  | \$125,000,000,000 |
| Outstanding as of April 30, 1942:  |                   |
| Interest-bearing:  |                   |
| Bonds—   |                   |
| Treasury   | \$35,909,784,700  |
| *Savings (maturity value)  | 10,957,211,250    |
| Depository   | 76,361,000        |
| Adjusted service   | 730,336,696       |
|  | \$47,673,693,646  |
| Treasury notes   | \$12,239,863,225  |
| Certificates of indebtedness   | 4,439,635,000     |
| Treasury bills (matur. value)  | 1,953,364,000     |
|  | 18,632,862,225    |
| Matured obligations, on which interest has ceased  | \$66,306,555,871  |
|  | 96,197,050        |
|  | 66,402,752,921    |
| Face amount of obligations issuable under above authority  | \$58,597,247,079  |
| RECONCILEMENT WITH DAILY STATEMENT OF THE UNITED STATES TREASURY, APRIL 30, 1942   |                   |
| Total face amount of outstanding public debt obligations issued under authority of the Second Liberty Bond Act, as amended | \$66,402,752,921  |
| Deduct, unearned discount on savings bonds (difference between current redemption value and maturity value)                | 2,006,198,132     |
|  | \$64,396,554,789  |
| Add other public debt obligations outstanding but not subject to the statutory limitation:                                 |                   |
| Interest-bearing (pre-war, etc.)   | \$195,990,180     |
| Matured obligations on which interest has ceased   | 11,306,480        |
| Bearing no interest  | 357,466,376       |
|  | 564,763,036       |
| Total gross debt outstanding as of April 30, 1942  | \$64,961,317,825  |

\*Approximate maturity value. Principal amount (current redemption value) according to preliminary public debt statement, \$8,951,013,118.

### Fertilizer Ass'n Price Index Advances

A slight rise in the general level of wholesale commodity prices were registered last week by the price index compiled by The National Fertilizer Association May 11. In the week ended May 9, 1942, this index rose to 128.0 from 127.9 in the preceding week. A month ago the index was 125.9 and a year ago, 105.8, based on the 1935-39 average as 100.

The small increase in the all-commodity group index was due primarily to advancing quotations for cotton, grains, and textiles. The sharpest advance was recorded by the farm products group index which regained a good portion of the previous week's loss. Price increases for raw cotton, and cotton goods took the textile index back to the level of April 18. An upturn in the price of gasoline was responsible for a rise in the fuel price index to the highest level recorded in many years. The miscellaneous commodity price index rose as a result of higher prices for cottonseed meal and cattle feed. Other group averages that advanced during the week were the building material and the fertilizer material indexes, which rose fractionally. The only other group average to change was the food price index, which declined as a result of lower prices for eggs, beef, and chickens.

During the week 21 price series included in the index advanced while only 4 declined; in the preceding week there were 11 advances and 24 declines; in the second preceding week there were 17 advances and 11 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX  
Compiled by The National Fertilizer Association  
[\*1935-1939 = 100]

| Each Group Bears to the Total Index | Group                     | Latest | Preceding | Month | Year  |
|-------------------------------------|---------------------------|--------|-----------|-------|-------|
|                                     |                           | Week   | Week      | Ago   | Ago   |
| 25.3                                | Foods                     | 125.3  | 126.1     | 122.4 | 101.6 |
|                                     | Fats and Oils             | 138.7  | 138.7     | 136.8 | 108.9 |
|                                     | Cottonseed Oil            | 159.3  | 159.3     | 159.0 | 114.0 |
| 23.0                                | Farm Products             | 137.7  | 136.8     | 137.3 | 100.5 |
|                                     | Cotton                    | 192.1  | 190.5     | 193.2 | 113.2 |
|                                     | Grains                    | 118.3  | 113.8     | 115.9 | 94.3  |
|                                     | Livestock                 | 132.0  | 132.3     | 131.8 | 98.6  |
| 17.3                                | Fuels                     | 119.5  | 119.2     | 117.4 | 104.5 |
| 10.8                                | Miscellaneous commodities | 128.1  | 127.9     | 128.1 | 114.9 |
| 8.2                                 | Textiles                  | 149.5  | 149.1     | 149.0 | 123.5 |
| 7.1                                 | Metals                    | 104.4  | 104.4     | 104.4 | 103.4 |
| 6.1                                 | Building materials        | 151.7  | 151.6     | 139.9 | 116.5 |
| 1.3                                 | Chemicals and drugs       | 120.7  | 120.7     | 120.3 | 104.5 |
| .3                                  | Fertilizer materials      | 118.8  | 118.7     | 118.8 | 107.0 |
| .3                                  | Fertilizers               | 115.3  | 115.3     | 115.3 | 101.2 |
| .3                                  | Farm machinery            | 104.1  | 104.1     | 104.1 | 99.7  |
| 100.0                               | All groups combined       | 128.0  | 127.9     | 125.9 | 105.8 |

\*Indexes on 1926-1928 base were: May 9, 1942, 99.7; May 2, 1942, 99.6; May 10, 1941, 82.4.

### Highest April Steel Shipments On Record

Shipments of finished steel products by subsidiary companies of the United States Steel Corporation for the month of April, 1942, totaled 1,758,894 net tons.

The April shipments compare with 1,780,938 net tons in the preceding month (March), a decrease of 22,044 net tons, and with 1,687,674 net tons in the corresponding month in 1941 (April), an increase of 71,220 net tons.

For the year 1942 to date, shipments were 6,895,312 net tons compared with 6,638,945 net tons in the comparable period of 1941, an increase of 256,367 net tons.

The shipments during April were the highest on record for that month in the history of the corporation.

In the table below we list the figures by months for various periods since January, 1929:

|                | 1942       | 1941       | 1940       | 1939      | 1938      | 1929       |
|----------------|------------|------------|------------|-----------|-----------|------------|
| January        | 1,738,893  | 1,682,454  | 1,145,592  | 870,866   | 570,264   | 1,364,801  |
| February       | 1,618,587  | 1,548,451  | 1,009,256  | 747,427   | 522,395   | 1,388,407  |
| March          | 1,780,938  | 1,720,368  | 931,905    | 845,108   | 627,047   | 1,605,510  |
| April          | 1,758,894  | 1,687,674  | 907,904    | 771,752   | 550,551   | 1,617,302  |
| May            |            | 1,745,295  | 1,084,057  | 795,689   | 509,811   | 1,701,874  |
| June           |            | 1,668,637  | 1,209,684  | 607,562   | 524,994   | 1,529,241  |
| July           |            | 1,666,667  | 1,296,887  | 745,364   | 484,611   | 1,480,008  |
| August         |            | 1,753,665  | 1,455,604  | 885,636   | 615,521   | 1,500,281  |
| September      |            | 1,684,227  | 1,392,838  | 1,086,683 | 635,645   | 1,262,874  |
| October        |            | 1,851,279  | 1,572,408  | 1,345,855 | 730,312   | 1,333,885  |
| November       |            | 1,624,186  | 1,425,352  | 1,406,205 | 749,328   | 1,110,050  |
| December       |            | 1,846,036  | 1,544,623  | 1,443,969 | 765,868   | 931,744    |
| Total by mos.  | 20,458,937 | 14,976,110 | 11,752,116 | 7,286,347 | 4,825,477 | 16,825,477 |
| Yearly adjust. |            | *42,000    | 37,639     | *44,865   | 29,159    | *12,827    |
| Total          | 20,417,000 | 15,013,749 | 11,707,251 | 7,315,506 | 4,838,336 | 16,812,650 |

\*Decrease.

Note—The monthly shipments as currently reported during the year 1941, are subject to adjustments reflecting annual tonnage reconciliations. These will be comprehended in the cumulative yearly shipments as stated in the annual report.

### Bank Debits Up 30% From Last Year

Bank debits as reported by banks in leading centers for the week ended May 6 aggregated \$12,828,000,000. Total debits during the 13 weeks ended May 6 amounted to \$142,330,000,000, or 13% above the total reported for the corresponding period a year ago. At banks in New York City there was an increase of 4% compared with the corresponding period a year ago, and at the other reporting centers there was an increase of 19%.

SUMMARY BY FEDERAL RESERVE DISTRICTS  
[In millions of dollars]

| Federal Reserve District—   | Week Ended  |             | 13 Weeks Ended |             |
|-----------------------------|-------------|-------------|----------------|-------------|
|                             | May 6, 1942 | May 7, 1941 | May 6, 1942    | May 7, 1941 |
| Boston                      | 746         | 563         | 8,403          | 7,090       |
| New York                    | 5,282       | 4,074       | 54,479         | 51,966      |
| Philadelphia                | 657         | 557         | 7,640          | 6,899       |
| Cleveland                   | 901         | 697         | 10,545         | 8,792       |
| Richmond                    | 514         | 389         | 5,935          | 4,849       |
| Atlanta                     | 434         | 323         | 4,962          | 4,097       |
| Chicago                     | 2,010       | 1,445       | 22,363         | 19,152      |
| St. Louis                   | 373         | 302         | 4,590          | 3,796       |
| Minneapolis                 | 248         | 189         | 2,669          | 2,218       |
| Kansas City                 | 370         | 291         | 4,523          | 3,725       |
| Dallas                      | 313         | 240         | 3,829          | 3,124       |
| San Francisco               | 979         | 810         | 12,393         | 10,177      |
| Total 274 reporting centers | 12,828      | 9,880       | 142,330        | 125,886     |
| New York City*              | 4,830       | 3,703       | 49,289         | 47,464      |
| 140 other centers*          | 6,938       | 5,310       | 80,352         | 67,968      |
| 133 other reporting centers | 1,059       | 867         | 12,689         | 10,454      |

\*Included in the national series covering 141 centers, available beginning with 1919.

### Greets Child Congress

President Roosevelt told the Eighth Pan-American Child Congress on May 2 that the United Nations were fighting to make the future world "one of hope and freedom and development for all human beings."

In a message read at the opening session of the Congress in Washington, by Breckenridge Long, Assistant Secretary of State, the President expressed the wish that it might have been possible for him personally to greet the delegates, who came from such long distances "in order that we may counsel together concerning the ways in which childhood may be safeguarded in the midst of war and assured the fullest opportunity in the future." The President's message continued:

"You will feel, I trust, that the city named for the First President of the oldest American republic, is truly your home, a place where the ideals of Washington, Bolivar, San Martin, Tiradentes, O'Higgins and the other great liberators may find expression in a Congress devoted to the interests of children."

"Your deliberations and the firmness of your purpose to apply to the practical concerns of every-day life the principles which you will here declare, will contribute in great measure to the extension and fulfillment of the good-neighbor policy as the basic principle of international association."

### To Call 2nd Age Groups

Maj. Gen. Lewis B. Hershey, National Director of Selective Service, on May 2 instructed State draft directors to include some of the men who registered Feb. 16 (20-21 and 36-44 age groups) in the June calls. Gen. Hershey said the request came from the War Department. "If the first age group (men registered in October and July, 1941) has been exhausted, the call should be made only upon the second age groups (Feb. 16, 1942, registrants)," Gen. Hershey's instructions said.

"If the first age group is not exhausted the local board will call upon each group in proportion to the number of Class 1 registrants remaining in each."

With respect to the registration of men 18 and 19 years old, President Roosevelt told his press conference on May 1 that he had not received a report from Government officials on whether he would ask for a change in the present law to permit them to be inducted into military service. Under present law they are subject to registration but not military service.

### Foreign Trade Bankers

#### To Meet In Ontario

The annual convention of the Bankers Association of Foreign Trade of which Harry Salinger, Vice-President of the First National Bank of Chicago, is President, will be held at the Seignior Club,

**No Need To Register Women, Says President**

President Roosevelt disclosed at his press conference on May 1 that plans for a voluntary registration of women for war work had been abandoned for the time being. The President said that this decision had been made on the basis of a report from Paul V. McNutt, Director of the War Manpower Commission, which showed that there are more women who want work than there are jobs available. The President indicated that there are about 1,500,000 women registered for work with the United States Employment Service and that other women can register at the 1,500 field offices throughout the country. Mr. McNutt's conclusions against the registering women was reached, it is stated, after consultation with women members of the Federal Advisory Council of the Social Security Board and other Government agencies.

While admitting that not all of the 1,500,000 women registered for work wanted jobs in war industry, the President said that apparently enough were seeking these jobs to meet the present situation. The informal report of the Advisory Council, the President said, recommended that existing States laws and regulations governing working conditions for women should be maintained and even extended to States where proper safeguards are not now provided.

The decision not to register women is not permanent the President added, saying that such a listing might be ordered if conditions change.

Mr. McNutt predicted that a million or more additional women will be employed in war industries this year, and that 1943's expansion of war production will bring women into war jobs rapidly to a probable total of 4,000,000 out of an expected total of 20,000,000 or more war workers.

Consideration of registering women was referred to in these columns of April 23, page 1619.

**War Funds \$162 Billions**

The War Production Board announced on April 30 that war funds made available by Congress or the Reconstruction Finance Corporation since June, 1940, totaled \$162,416,000,000 when President Roosevelt signed the Sixth Supplemental War Appropriation Act of 1942 on April 28. This Act carried cash appropriations and net contract authorization of \$19,138,000,000. The War Production Board in its announcement further reports:

The \$162,416,000,000 total includes approximately \$6,000,000,000 for the Navy Department, which does not become available for spending until fiscal 1943, and has not been allocated officially for specific purposes. The total does not include \$4,096,000,000 contracted by foreign governments for war production in the United States.

The most important item of expenditure provided for in the latest appropriation is \$8,761,000,000 for airplanes. Posts, depots and stations call for \$6,123,000,000, virtually double the amount previously appropriated for such purposes. Miscellaneous munitions and supplies covered in the Act came to \$2,268,000,000.

The Act also includes: \$750,000,000 for pay, subsistence and travel of the armed forces, \$728,000,000 for ordnance, \$348,000,000 for industrial facilities, \$31,000,000 for naval ships and \$129,000,000 for miscellaneous expenditures.

**Weekly Coal And Coke Production Statistics**

The Bituminous Coal Division, U. S. Department of the Interior, in its latest coal report states that the total production of soft coal in the week ended May 2, 1942, is estimated at 11,300,000 net tons. This indicates a slight decrease—200,000 tons, or 1.7%—from the output in the preceding week.

The U. S. Bureau of Mines reported that production of Pennsylvania anthracite for the week ended May 2 was estimated at 1,321,000 tons, an increase of 32,000 tons, or 2.5%, over the preceding week. When compared with the output in the corresponding week of 1941, there was an increase of 263,000 tons (about 25%). The calendar year to date shows a gain of 13.5% when compared with the corresponding period of 1941.

The Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended May 2 showed an increase of 1,500 net tons when compared with the output for the week ended April 25. Coke from beehive ovens decreased 15,600 tons during the same period.

**ESTIMATED UNITED STATES PRODUCTION OF SOFT COAL, IN THOUSANDS OF NET TONS WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM**

|                              | Week Ended  |               |             | January 1 to Date |             |             |
|------------------------------|-------------|---------------|-------------|-------------------|-------------|-------------|
|                              | May 2, 1942 | Apr. 25, 1942 | May 3, 1941 | May 2, 1942       | May 3, 1941 | May 1, 1937 |
| *Bituminous coal—            | 11,300      | 11,500        | 5,003       | 192,194           | 143,697     | 162,749     |
| Total, incl. mine fuel       | 1,883       | 1,916         | 834         | 1,862             | 1,382       | 1,594       |
| Daily average                | 5,342       | 5,737         | 5,618       | 107,910           | 102,126     | 92,421      |
| †Crude petroleum—            |             |               |             |                   |             |             |
| Coal equiv. of weekly output |             |               |             |                   |             |             |

\*Includes for purposes of historical comparison and statistical convenience the production of lignite.

†Total barrels produced during the week converted into equivalent coal assuming 6,000,000 b.t.u. per barrel of oil and 13,100 b.t.u. per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal. (Minerals Yearbook, 1939, page 702).

‡Subject to revision.  
§Subject to current adjustment.

**ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE**

|                        | Week Ended  |               |              | Calendar year to date |             |             |
|------------------------|-------------|---------------|--------------|-----------------------|-------------|-------------|
|                        | May 2, 1942 | Apr. 25, 1942 | May 3, 1941  | May 2, 1942           | May 3, 1941 | May 4, 1929 |
| Penn. anthracite—      | 1,321,000   | 1,289,000     | 1,058,000    | 19,843,000            | 17,476,000  | 25,491,000  |
| †Commercial production | 1,255,000   | 1,225,000     | 1,005,000    | 18,851,000            | 16,602,000  | 23,656,000  |
| ‡Beehive coke—         |             |               |              |                       |             |             |
| United States total    | 145,600     | 161,200       | 39,100       | 2,605,600             | 1,718,300   | 2,152,300   |
| By-product coke—       |             |               |              |                       |             |             |
| United States total    | 1,171,000   | 1,169,500     | † 20,383,700 | †                     | †           | †           |

\*Includes washery and dredge coal, and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Comparable data not available. §Subject to revision.

**ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES**

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

| State—                     | Week Ended     |                |                |                |                | April ave. 1923 |
|----------------------------|----------------|----------------|----------------|----------------|----------------|-----------------|
|                            | April 25, 1942 | April 18, 1942 | April 26, 1941 | April 27, 1940 | April 24, 1937 |                 |
| Alaska                     | 3              | 3              | 3              | 2              | 3              | **              |
| Alabama                    | 387            | 391            | 41             | 295            | 21             | 412             |
| Arkansas and Oklahoma      | 53             | 53             | 11             | 17             | 5              | 70              |
| Colorado                   | 105            | 116            | 121            | 99             | 72             | 184             |
| Georgia and North Carolina | 1              | 1              | 1              | 1              | 1              | **              |
| Illinois                   | 1,302          | 1,276          | 315            | 713            | 503            | 1,471           |
| Indiana                    | 437            | 455            | 53             | 310            | 173            | 514             |
| Iowa                       | 48             | 55             | 30             | 39             | 19             | 100             |
| Kansas and Missouri        | 136            | 155            | 111            | 84             | 42             | 138             |
| Kentucky—Eastern           | 977            | 963            | 31             | 782            | 786            | 620             |
| Kentucky—Western           | 226            | 216            | 385            | 130            | 104            | 188             |
| Maryland                   | 41             | 42             | 4              | 24             | 15             | 52              |
| Michigan                   | 5              | 6              | 8              | 7              | 2              | 22              |
| Montana                    | 60             | 71             | 39             | 50             | 32             | 42              |
| New Mexico                 | 26             | 27             | 21             | 20             | 31             | 59              |
| North and South Dakota     | 30             | 35             | 21             | 19             | 21             | **16            |
| Ohio                       | 761            | 750            | 63             | 362            | 364            | 766             |
| Pennsylvania bituminous    | 2,881          | 2,888          | 19             | 1,966          | 2,018          | 3,531           |
| Tennessee                  | 153            | 158            | 26             | 127            | 45             | 121             |
| Texas                      | 5              | 6              | 7              | 14             | 15             | 20              |
| Utah                       | 82             | 70             | 16             | 44             | 32             | 70              |
| Virginia                   | 402            | 410            | 60             | 288            | 197            | 249             |
| Washington                 | 30             | 36             | 30             | 30             | 30             | 35              |
| *West Virginia—Southern    | 2,326          | 2,310          | 4              | 1,768          | 1,630          | 1,256           |
| †West Virginia—Northern    | 895            | 904            | 41             | 576            | 469            | 778             |
| Wyoming                    | 127            | 118            | 105            | 84             | 71             | 116             |
| ‡Other Western States      | ††             | ††             | ††             | ††             | ††             | **96            |
| Total bituminous coal      | 11,500         | 11,515         | 1,566          | 7,851          | 6,705          | 10,836          |
| §Pennsylvania anthracite   | 1,289          | 1,318          | 689            | 902            | 1,615          | 1,974           |
| Total, all coal            | 12,789         | 12,833         | 2,255          | 8,753          | 8,320          | 12,810          |

\*Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. †Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. ‡Includes Arizona, California, Idaho, Nevada, and Oregon. §Data for Pennsylvania anthracite from published records of the Bureau of Mines. †Average weekly rate for entire month. \*\*Alaska, Georgia, North Carolina, and South Dakota included with "other Western States." ††Less than 1,000 tons.

**Weekly Engineering Construction Sets Record**

Spectacular gains in war construction skyrocketed engineered construction volume to the highest peak in history during the past week. The week's total, \$434,955,000, climbed 45% above the former high of \$298,718,000 recorded for the week of July 10, 1941, according to "Engineering News-Record" May 7. The volume was 138% higher than last week, and 502% above the corresponding week last year.

Public construction accounted for 96% of the week's total, and also established a new record. The public volume topped a week ago by 140%, and gained 753% over a year ago. Federal work was the prime factor behind the construction gains, and in reaching a new all-time high, increased 144% over the preceding week and 1,523% over the 1941 week. State and municipal construction was up 92% over a week ago, but was 12% below a year ago.

Private work more than doubled its last week's total, but was 26% lower than in the 1941 week.

The week's unprecedented construction volume brought the 1942 total to \$3,326,739,000, an increase of 64% over the 19-week period last year. Public work, \$3,048,112,000, was 106% higher than in the 1941 period as a result of the 181% gain in Federal work. Private construction, \$268,627,000, was 52% lower than a year ago.

Construction volumes for the 1941 week, last week and the current week are:

|                      | May 8, 1941  | Apr. 30, 1942 | May 7, 1942   |
|----------------------|--------------|---------------|---------------|
| Total construction   | \$72,241,000 | \$182,270,000 | \$434,955,000 |
| Private construction | 23,273,000   | 8,304,000     | 17,191,000    |
| Public construction  | 48,968,000   | 173,966,000   | 417,764,000   |
| State and municipal  | 24,577,000   | 11,318,000    | 21,644,000    |
| Federal              | 24,391,000   | 162,648,000   | 396,120,000   |

**SEC Reports 79 Security Issues Totalling \$366,854,000 Registered In 1st Quarter**

Securities amounting to \$366,854,000 were effectively registered under the Securities Act of 1933 during the first quarter of 1942, compared with a quarterly average of \$696,788,000 for the entire year 1941, the Securities and Exchange Commission announced on April 29. After deducting securities registered for the account of others and those not intended for cash sale, says the Commission, there remained \$283,442,000 registered by the issuers for cash sale. Public offerings were to be made of \$254,194,000, or 90%, while \$28,546,000, or about 10%, were to be offered to holders of securities of the issuers. The Commission's announcement further stated:

An analysis prepared by the Research and Statistics Sub-division of the Trading and Exchange Division shows that \$88,641,000, or 32.3% of net proceeds, were to be expended for new money purposes—\$46,144,000 for new plant and equipment and \$42,497,000 for working capital. In 1941, the quarterly average of net proceeds going for new money purposes was 26%. Repayment of indebtedness and retirement of stock accounted for \$146,095,000, or 53% of net proceeds, compared with a quarterly average of 61.2% for the year 1941. Purchase of securities absorbed \$39,206,000, or 14%, as compared with a quarterly average of 12% in 1941.

Electric, gas and water utility companies accounted for \$148,803,000, or 53% of the volume registered during the first quarter by issuers of all industries for cash sale. Manufacturing companies were second in volume, with \$75,187,000, or 27%. Financial and investment companies were third, with \$32,173,000, or 11%, and transportation and communication companies were fourth, with \$25,675,000, or 9%.

A breakdown by type of distribution showed that \$246,624,000, or 87% of the securities registered by issuers for sale, were underwritten and on these the rate of compensation to the investment bankers averaged 1.9%; \$32,343,000, or 11%, were to be distributed under agency agreements at an average compensation of 8.7%; and \$4,475,000, or 2%, were intended to be sold directly to investors by the issuers, and on these compensation to distributors amounted to 1.1%. Compensation to distributors aggregated \$7,444,000 which was 2.6% of gross proceeds of all issues, including some on which there was no compensation. Other expenses of distribution amounted to \$1,791,000, or 0.7% of gross proceeds. After deducting these costs of flotation there remained \$274,207,000 net proceeds for the use of the issuers.

Registrations becoming effective in March aggregated \$86,215,000, of which \$65,271,000 were registered by issuers for cash sale. Manufacturing companies accounted for \$26,105,000, or 40% of the securities registered for sale. Open-end management investment trusts accounted for \$24,004,000, or 37%, and electric utilities for \$14,838,000, or 23%. New money uses absorbed \$24,124,000, or 39% of net proceeds. Purchase of securities for investment was to require \$22,027,000, or 35%, and retirement of indebtedness, \$15,904,000, or 26%.

**EFFECTIVE REGISTRATIONS UNDER THE SECURITIES ACT OF 1933**

By Types of Securities—Jan. 1 to March 31, 1942

| Type of Security   | No. of Issues | Amount Effectively Registered | Total, Less Securities Reserved for Conversion or Substitution |         | Securities Proposed For Sale by Issuers |         |
|--|---------------|-------------------------------|--|---------|---|---------|
|  |               |                               | Amount   | Percent | Amount                                  | Percent |
| Secured bonds  | 7             | \$151,636,000                 | \$151,636,000  | 46.0    | \$141,930,000                           | 50.3    |
| Unsecured bonds  | 8             | 39,585,000                    | 39,585,000   | 12.0    | 39,585,000                              | 14.0    |
| Face amt. certificates                                   | 0             | 0                             | 0  | 0.0     | 0                                       | 0.0     |
| Preferred stock  | 13            | 78,295,962                    | 78,295,962   | 23.7    | 70,638,946                              | 21.9    |
| Common stock   | 36            | 70,710,937                    | 43,356,325   | 13.2    | 14,882,364                              | 5.1     |
| Certificates of participation, beneficial interest, etc. | 11            | 16,805,800                    | 16,805,800   | 5.1     | 16,805,800                              | 5.9     |
| Warrants or rights                                       | 2             | 9,826,336                     | 0  | 0.0     | 0                                       | 0.0     |
| Substitute secur. (v.t. cfs. & cfs of dep.)              | 2             | 9,826,336                     | 0  | 0.0     | 0                                       | 0.0     |
| Grand Total  | 79            | \$366,854,035                 | \$329,673,287  | 100.0   | \$283,442,110                           | 100.0   |

**March Mortgage Recordings Activity Decline**

In its April 27 "Mortgage Recording Letter," the Federal Home Loan Bank Board notes that "the curtailment of residential construction necessitated by our war efforts is now being clearly reflected in the current volume of mortgage financing by leading types of lenders throughout the country." "Recordings of \$20,000 or less during March, for the second consecutive month, failed to exceed recordings during the same month of the preceding year," says the Board, which notes that it was pointed out last month that this is the first time this has happened since the recording study was begun in 1939. While it is still not possible to label this the beginning of a complete reversal in the trend of recordings, there are many indications that such is the case, says the Board, which further reports:

Recordings during March numbered 116,000 and amounted to \$336,000,000 and, while evidencing appreciable gains from February, represented a decline from March, 1941, of 4% in amount and 6% in number. Recordings by insurance companies and by other mortgagees in this March-to-March comparison reflect strong gains, particularly when it is noted that savings and loan associations, bank and trust companies, and mutual savings banks reveal declines in the same comparison.

| Type of Lender   | Mar., '42 Volume (000) | % of Total | Chg. from Feb., '42 | Mar., '41 Volume (000) | % of Total | % Change, March, 1942- |           | Cumulative Recordings, January-March |       |
|------------------|------------------------|------------|---------------------|------------------------|------------|------------------------|-----------|--------------------------------------|-------|
|                  |                        |            |                     |                        |            | 1942                   | 1941      | 1942                                 | 1941  |
| S. & L. Assoc'ns | 100,296                | 29.9       | +15.6               | 113,574                | 32.8       | -4.7                   | \$277,620 | \$294,752                            | -5.8  |
| Insurance Cos.   | 32,650                 | 9.7        | +14.4               | 27,842                 | 8.0        | +17.3                  | 92,258    | 79,249                               | +16.4 |
| Bank & Tr. Cos.  | 78,086                 | 23.3       | +11.2               | 86,178                 | 24.7       | -9.4                   | 225,938   | 239,681                              | -5.7  |
| Mut. Sav. Bks.   | 12,162                 | 3.6        | +16.9               | 14,016                 | 4.0        | -13.2                  | 36,090    | 38,609                               | -6.5  |
| Individuals      | 60,322                 | 18.0       | +13.0               | 59,646                 | 17.1       | +1.1                   | 172,738   | 165,979                              | +4.1  |
| Others           | 52,120                 | 15.5       | +11.5               | 47,624                 | 13.6       | +9.4                   | 148,429   | 135,113                              | +9.9  |
| Total            | \$335,636              | 100.0      | +13.4               | \$348,880              | 100.0      | -3.8                   | \$953,073 | \$953,383                            | -0.03 |

During the first quarter of this year all mortgage lenders recorded more than \$953,000,000 of non-farm mortgages of \$20,000 or less—a decline of less than one-half of 1% from recordings during the same period of last year. First quarter recordings of prior years reveal a 1939-1940 gain of 13% and a 1940-1941 gain of 16%. This break in the upward trend of real estate financing indicates that any increase in real estate transactions resulting from population shifts plus liquidation of institutionally owned properties is not sufficient to offset the effect of curtailed residential construction.

## Revenue Freight Car Loadings During Week Ended May 2, 1942, Totaled 858,904 Cars

Loading of revenue freight for the week ended May 2, totaled 858,904 cars, the Association of American Railroads announced on May 7. The increase above the corresponding week in 1941 was 64,605 cars, or 8.1%, and above the same week in 1940 was 193,357 cars, or 29.1%.

Loading of revenue freight for the week of May 2 decreased 2,449 cars, or 0.3% below the preceding week.

Miscellaneous freight loading totaled 383,211 cars, an increase of 778 cars above the preceding week, and an increase of 24,296 cars above the corresponding week in 1941.

Loading of merchandise less than carload lot freight totaled 112,736 cars, a decrease of 10,844 cars below the preceding week, and a decrease of 50,955 cars below the corresponding week in 1941.

Coal loading amounted to 169,419 cars, a decrease of 240 cars below the preceding week, but an increase of 76,633 cars above the corresponding week in 1941 which was affected by strike.

Grain and grain products loading totaled 36,193 cars, an increase of 516 cars above the preceding week, and an increase of 2,339 cars above the corresponding week in 1941. In the Western Districts alone, grain and grain products loading for the week of May 2 totaled 22,673 cars, an increase of 373 cars above the preceding week, and an increase of 2,430 cars above the corresponding week in 1941.

Live stock loading amounted to 13,885 cars, an increase of 100 cars above the preceding week, and an increase of 1,050 cars above the corresponding week in 1941. In the Western Districts alone, loading of live stock for the week of May 2 totaled 11,113 cars, an increase of 619 cars above the preceding week, and an increase of 1,421 cars above the corresponding week in 1941.

Forest products loading totaled 50,407 cars, a decrease of 853 cars below the preceding week, but an increase of 7,733 cars above the corresponding week in 1941.

Ore loading amounted to 78,997 cars, an increase of 8,086 cars above the preceding week, but a decrease of 274 cars below the corresponding week in 1941.

Coke loading amounted to 14,056 cars, an increase of eight cars above the preceding week, and an increase of 3,783 cars above the corresponding week in 1941.

All districts reported increases compared with the corresponding week in 1941 except the Eastern and Northwestern, but all districts reported increases over 1940.

|                        | 1942              | 1941              | 1940              |
|------------------------|-------------------|-------------------|-------------------|
| Five weeks of January  | 3,858,273         | 3,454,409         | 3,215,565         |
| Four weeks of February | 3,122,773         | 2,866,565         | 2,465,685         |
| Four weeks of March    | 3,171,439         | 3,066,011         | 2,489,280         |
| Four weeks of April    | 3,351,038         | 2,793,630         | 2,495,212         |
| Week of May 2          | 858,904           | 974,299           | 665,547           |
| <b>Total</b>           | <b>14,362,427</b> | <b>12,974,914</b> | <b>11,331,289</b> |

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended May 2, 1942. During this period 81 roads showed increases when compared with the corresponding week last year.

### REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED APRIL 25

| Railroads                          | Total Revenue Freight Loaded |                |                | Total Loads Received from Connections |                |
|------------------------------------|------------------------------|----------------|----------------|---------------------------------------|----------------|
|                                    | 1942                         | 1941           | 1940           | 1942                                  | 1941           |
| <b>Eastern District—</b>           |                              |                |                |                                       |                |
| Ann Arbor                          | 498                          | 569            | 606            | 1,415                                 | 1,306          |
| Bangor & Aroostook                 | 1,928                        | 1,724          | 1,708          | 249                                   | 302            |
| Boston & Maine                     | 7,123                        | 9,362          | 7,111          | 16,651                                | 13,151         |
| Chicago, Indianapolis & Louisville | 1,373                        | 1,238          | 1,223          | 1,973                                 | 1,993          |
| Central Indiana                    | 40                           | 16             | 20             | 64                                    | 45             |
| Central Vermont                    | 1,129                        | 1,383          | 1,406          | 2,395                                 | 2,495          |
| Delaware & Hudson                  | 7,056                        | 6,232          | 5,220          | 13,226                                | 9,214          |
| Delaware, Lackawanna & Western     | 8,842                        | 9,888          | 8,799          | 9,716                                 | 7,710          |
| Detroit & Mackinac                 | 264                          | 304            | 288            | 140                                   | 131            |
| Detroit, Toledo & Ironton          | 1,749                        | 3,394          | 2,476          | 1,297                                 | 1,137          |
| Detroit & Toledo Shore Line        | 278                          | 352            | 273            | 3,054                                 | 2,220          |
| Erie                               | 15,032                       | 15,435         | 11,792         | 17,024                                | 12,912         |
| Grand Trunk Western                | 4,075                        | 6,016          | 4,830          | 8,100                                 | 7,273          |
| Lehigh & Hudson River              | 212                          | 336            | 316            | 3,858                                 | 2,258          |
| Lehigh & New England               | 2,367                        | 2,322          | 2,056          | 1,885                                 | 1,172          |
| Lehigh Valley                      | 9,933                        | 9,995          | 8,181          | 12,459                                | 8,255          |
| Maine Central                      | 2,393                        | 3,111          | 2,498          | 3,838                                 | 3,082          |
| Monongahela                        | 6,803                        | 3,819          | 4,576          | 385                                   | 358            |
| Montour                            | 2,281                        | 1,715          | 1,866          | 40                                    | 55             |
| New York Central Lines             | 48,220                       | 51,357         | 39,362         | 56,019                                | 36,234         |
| N. Y., N. H. & Hartford            | 10,881                       | 12,293         | 9,113          | 21,204                                | 15,791         |
| New York, Ontario & Western        | 1,056                        | 1,092          | 1,255          | 3,345                                 | 2,415          |
| New York, Chicago & St. Louis      | 7,632                        | 6,522          | 5,081          | 15,104                                | 10,875         |
| N. Y., Susquehanna & Western       | 594                          | 534            | 385            | 1,524                                 | 1,750          |
| Pittsburgh & Lake Erie             | 8,339                        | 7,453          | 5,987          | 9,913                                 | 7,472          |
| Pere Marquette                     | 5,604                        | 7,085          | 5,984          | 6,238                                 | 5,124          |
| Pittsburgh & Shawmut               | 785                          | 351            | 856            | 35                                    | 225            |
| Pittsburgh, Shawmut & North        | 401                          | 410            | 325            | 310                                   | 225            |
| Pittsburgh & West Virginia         | 1,183                        | 905            | 1,042          | 3,152                                 | 2,299          |
| Rutland                            | 437                          | 647            | 628            | 1,080                                 | 1,185          |
| Wabash                             | 5,578                        | 6,668          | 5,140          | 12,276                                | 9,709          |
| Wheeling & Lake Erie               | 5,769                        | 5,229          | 3,695          | 4,741                                 | 3,279          |
| <b>Total</b>                       | <b>169,855</b>               | <b>177,757</b> | <b>144,096</b> | <b>232,716</b>                        | <b>171,473</b> |

| Railroads                   | Total Revenue Freight Loaded |                |                | Total Loads Received from Connections |                |
|-----------------------------|------------------------------|----------------|----------------|---------------------------------------|----------------|
|                             | 1942                         | 1941           | 1940           | 1942                                  | 1941           |
| <b>Allegheny District—</b>  |                              |                |                |                                       |                |
| Akron, Canton & Youngstown  | 690                          | 740            | 426            | 1,127                                 | 794            |
| Baltimore & Ohio            | 42,340                       | 37,300         | 30,197         | 28,002                                | 17,989         |
| Bessemer & Lake Erie        | 6,769                        | 7,021          | 2,508          | 2,205                                 | 1,632          |
| Buffalo Creek & Gauley      | 939                          | 83             | 308            | 1                                     | 2              |
| Camden & Indiana            | 1,920                        | 1,327          | 1,255          | 13                                    | 18             |
| Central R. R. of New Jersey | 7,276                        | 7,954          | 6,953          | 20,961                                | 13,575         |
| Cornwall                    | 691                          | 646            | 663            | 70                                    | 48             |
| Cumberland & Pennsylvania   | 309                          | 73             | 223            | 27                                    | 33             |
| Ligonier Valley             | 148                          | 112            | 78             | 47                                    | 37             |
| Long Island                 | 817                          | 772            | 608            | 3,575                                 | 2,947          |
| Penn-Reading Seashore Lines | 1,756                        | 1,425          | 1,206          | 2,568                                 | 1,627          |
| Pennsylvania System         | 86,624                       | 78,896         | 60,425         | 67,506                                | 43,851         |
| Reading Co.                 | 16,254                       | 17,768         | 13,806         | 29,240                                | 17,232         |
| Union (Pittsburgh)          | 20,932                       | 19,862         | 14,190         | 7,630                                 | 7,130          |
| Western Maryland            | 4,187                        | 3,500          | 3,307          | 13,601                                | 6,870          |
| <b>Total</b>                | <b>191,052</b>               | <b>177,479</b> | <b>136,153</b> | <b>176,573</b>                        | <b>113,785</b> |

| Railroads                   | Total Revenue Freight Loaded |               |               | Total Loads Received from Connections |               |
|-----------------------------|------------------------------|---------------|---------------|---------------------------------------|---------------|
|                             | 1942                         | 1941          | 1940          | 1942                                  | 1941          |
| <b>Pocahontas District—</b> |                              |               |               |                                       |               |
| Chesapeake & Ohio           | 29,052                       | 17,756        | 24,361        | 13,525                                | 7,628         |
| Norfolk & Western           | 23,623                       | 15,283        | 20,450        | 7,259                                 | 5,336         |
| Virginian                   | 4,748                        | 2,245         | 4,097         | 2,377                                 | 1,632         |
| <b>Total</b>                | <b>57,423</b>                | <b>35,284</b> | <b>48,908</b> | <b>23,161</b>                         | <b>14,596</b> |

| Railroads                       | Total Revenue Freight Loaded |                |               | Total Loads Received from Connections |               |
|---------------------------------|------------------------------|----------------|---------------|---------------------------------------|---------------|
|                                 | 1942                         | 1941           | 1940          | 1942                                  | 1941          |
| <b>Southern District—</b>       |                              |                |               |                                       |               |
| Alabama, Tennessee & Northern   | 323                          | 351            | 212           | 424                                   | 189           |
| Atl. & W. P.—W. R. R. of Ala.   | 832                          | 829            | 707           | 2,731                                 | 1,760         |
| Atlanta, Birmingham & Coast     | 815                          | 798            | 676           | 1,176                                 | 1,106         |
| Atlantic Coast Line             | 13,029                       | 12,559         | 8,975         | 8,944                                 | 6,260         |
| Central of Georgia              | 4,148                        | 4,693          | 3,928         | 4,351                                 | 3,897         |
| Charleston & Western Carolina   | 489                          | 552            | 427           | 1,790                                 | 1,506         |
| Clinchfield                     | 1,701                        | 1,682          | 1,519         | 2,907                                 | 2,017         |
| Columbus & Greenville           | 367                          | 272            | 253           | 231                                   | 295           |
| Durham & Southern               | 173                          | 203            | 169           | 831                                   | 302           |
| Florida East Coast              | 1,927                        | 1,176          | 1,681         | 1,383                                 | 1,052         |
| Gainesville Midland             | 40                           | 51             | 25            | 107                                   | 92            |
| Georgia                         | 1,191                        | 1,181          | 1,035         | 2,557                                 | 1,891         |
| Georgia & Florida               | 404                          | 360            | 269           | 587                                   | 868           |
| Gulf, Mobile & Ohio             | 4,605                        | 3,813          | 3,196         | 4,050                                 | 3,267         |
| Illinois Central System         | 28,402                       | 22,808         | 18,869        | 16,529                                | 12,584        |
| Louisville & Nashville          | 26,793                       | 16,878         | 21,907        | 10,677                                | 5,303         |
| Macon, Dublin & Savannah        | 162                          | 196            | 123           | 766                                   | 347           |
| Mississippi Central             | 394                          | 178            | 99            | 442                                   | 347           |
| Nashville, Chattanooga & St. L. | 3,486                        | 3,402          | 3,050         | 4,042                                 | 3,442         |
| Norfolk Southern                | 1,526                        | 1,387          | 1,045         | 2,086                                 | 1,969         |
| Piedmont Northern               | 457                          | 513            | 404           | 1,220                                 | 1,169         |
| Richmond, Fred. & Potomac       | 610                          | 422            | 322           | 11,256                                | 6,196         |
| Seaboard Air Line               | 11,554                       | 10,712         | 9,214         | 8,020                                 | 5,467         |
| Southern System                 | 25,516                       | 25,266         | 20,918        | 24,308                                | 16,681        |
| Tennessee Central               | 734                          | 656            | 435           | 1,044                                 | 639           |
| Winston-Salem Southbound        | 130                          | 151            | 140           | 903                                   | 792           |
| <b>Total</b>                    | <b>129,808</b>               | <b>111,089</b> | <b>99,596</b> | <b>113,362</b>                        | <b>78,946</b> |

| Railroads                        | Total Revenue Freight Loaded |                |               | Total Loads Received from Connections |               |
|----------------------------------|------------------------------|----------------|---------------|---------------------------------------|---------------|
|                                  | 1942                         | 1941           | 1940          | 1942                                  | 1941          |
| <b>Northwestern District—</b>    |                              |                |               |                                       |               |
| Chicago & North Western          | 22,854                       | 23,062         | 16,912        | 12,960                                | 10,955        |
| Chicago Great Western            | 2,547                        | 2,716          | 2,402         | 3,359                                 | 3,115         |
| Chicago, Milw., St. P. & Pac.    | 19,858                       | 21,612         | 18,513        | 9,693                                 | 8,612         |
| Chicago, St. Paul, Minn. & Omaha | 4,098                        | 3,893          | 3,333         | 3,671                                 | 3,812         |
| Duluth, Missabe & Iron Range     | 23,720                       | 21,820         | 10,937        | 320                                   | 277           |
| Duluth, South Shore & Atlantic   | 1,243                        | 1,219          | 561           | 564                                   | 524           |
| Elgin, Joliet & Eastern          | 10,147                       | 9,981          | 6,334         | 10,119                                | 5,332         |
| Fort Dodge, Des Moines & South   | 570                          | 598            | 498           | 139                                   | 131           |
| Great Northern                   | 21,638                       | 23,073         | 15,661        | 4,914                                 | 4,082         |
| Green Bay & Western              | 566                          | 637            | 455           | 731                                   | 769           |
| Lake Superior & Ishpeming        | 3,456                        | 4,123          | 2,009         | 81                                    | 85            |
| Minneapolis & St. Louis          | 2,019                        | 1,855          | 1,659         | 2,401                                 | 2,152         |
| Minn., St. Paul & S. S. M.       | 6,840                        | 8,043          | 5,416         | 3,045                                 | 2,614         |
| Northern Pacific                 | 10,431                       | 9,656          | 9,538         | 4,576                                 | 4,311         |
| Spokane International            | 158                          | 197            | 170           | 556                                   | 323           |
| Spokane, Portland & Seattle      | 2,695                        | 2,573          | 1,663         | 3,404                                 | 1,892         |
| <b>Total</b>                     | <b>132,840</b>               | <b>135,058</b> | <b>96,061</b> | <b>60,503</b>                         | <b>48,988</b> |

| Railroads                        | Total Revenue Freight Loaded |                |               | Total Loads Received from Connections |               |
|----------------------------------|------------------------------|----------------|---------------|---------------------------------------|---------------|
|                                  | 1942                         | 1941           | 1940          | 1942                                  | 1941          |
| <b>Central Western District—</b> |                              |                |               |                                       |               |
| Atch., Top. & Santa Fe System    | 20,998                       | 19,904         | 18,029        | 11,036                                | 8,007         |
| Alton                            | 3,497                        | 3,322          | 2,652         | 4,091                                 | 2,496         |
| Bingham & Garfield               | 734                          | 654            | 504           | 157                                   | 92            |
| Chicago, Burlington & Quincy     | 15,448                       | 14,475         | 13,493        | 9,841                                 | 9,142         |
| Chicago & Illinois Midland       | 2,457                        | 211            | 1,877         | 872                                   | 781           |
| Chicago, Rock Island & Pacific   | 11,529                       | 12,527         | 10,873        | 11,205                                | 9,393         |
| Chicago & Eastern Illinois       | 2,492                        | 2,763          | 2,352         | 3,092                                 | 2,848         |
| Colorado & Southern              | 758                          | 676            | 666           | 1,500                                 | 1,467         |
| Denver & Rio Grande Western      | 2,621                        | 2,410          | 2,205         | 4,946                                 | 3,421         |
| Denver & Salt Lake               | 355                          | 356            | 474           | 14                                    | 17            |
| Fort Worth & Denver City         | 857                          | 901            | 1,009         | 1,205                                 | 1,177         |
| Illinois Terminal                | 1,939                        | 1,996          | 1,528         | 2,258                                 | 1,468         |
| Missouri-Illinois                | 1,414                        | 1,097          | 761           | 469                                   | 549           |
| Nevada Northern                  | 2,045                        | 2,040          | 1,507         | 146                                   | 99            |
| North Western Pacific            | 959                          | 862            | 694           | 439                                   | 453           |
| Peoria & Pekin Union             | 10                           | 4              | 11            | 0                                     | 0             |
| Southern Pacific (Pacific)       | 28,167                       | 27,867         | 23,451        | 9,998                                 | 6,821         |
| Toledo, Peoria & Western         | 247                          | 432            | 306           | 1,702                                 | 1,466         |
| Union Pacific System             | 14,267                       | 14,717         | 12,714        | 12,751                                | 10,657        |
| Utah                             | 483                          | 362            | 177           | 4                                     | 1             |
| Western Pacific                  | 1,974                        | 1,671          | 1,553         | 3,671                                 | 2,391         |
| <b>Total</b>                     | <b>113,251</b>               | <b>109,247</b> | <b>96,836</b> | <b>79,397</b>                         | <b>62,743</b> |

| Railroads                     | Total Revenue Freight Loaded |       |       | Total Loads Received from Connections |       |
|-------------------------------|------------------------------|-------|-------|---------------------------------------|-------|
|                               | 1942                         | 1941  | 1940  | 1942                                  | 1941  |
| <b>Southwestern District—</b> |                              |       |       |                                       |       |
| Burlington-Rock Island        | 191                          | 119   | 156   | 181                                   | 263   |
| Gulf Coast Lines              | 5,553                        | 2,874 | 3,141 | 2,310                                 | 1,604 |
| International-Great Northern  | 2,306                        | 1,767 | 1,640 | 3,835                                 | 2,711 |
| Kansas, Oklahoma & Gulf       | 235                          | 169   | 186   | 1,110                                 | 805   |
| Kansas City Southern          | 4,470                        | 2,089 | 1,810 | 2,385                                 | 2,627 |
| Louisiana & Arkansas          | 3,325                        | 2,318 | 1,566 | 2,247                                 | 2,028 |
| Litchfield & Madison          | 372                          | 428   | 309   |                                       |       |

### Lumber Movement—Week Ended May 2, 1942

Lumber production during the week ended May 2, 1942, was 4% less than the previous week, shipments were 2% greater, new business 18% less, according to reports to the National Lumber Manufacturers Association from regional associations covering the operations of representative hardwood and softwood mills. Shipments were 25% above production; new orders 21% above production. Compared with the corresponding week of 1941, production was 7% less, shipments, 7% greater, and new business 2% less. The industry stood at 129% of the average of production in the corresponding week of 1935-39 and 152 of average 1935-39 shipments in the same week.

#### Year-to-Date Comparisons

Reported production for the first 17 weeks of 1942 was 4% below corresponding weeks of 1941; shipments were 6% above the shipments, and new orders 11% above the orders of the 1941 period. For the 17 weeks of 1942, new business was 29% above production, and shipments were 17% above production.

#### Supply and Demand Comparisons

The ratio of unfilled orders to gross stocks was 61% on May 2, 1942, compared with 39% a year ago. Unfilled orders were 32% greater than a year ago; gross stocks were 16% less.

#### Softwoods and Hardwoods

Record for the current week ended May 2, 1942, for the corresponding week a year ago, and for the previous week, follows in thousand board feet:

| SOFTWOODS AND HARDWOODS |         |         |            |
|-------------------------|---------|---------|------------|
|                         | 1942    | 1941    | 1942       |
|                         | Week    | Week    | Wk. (rev.) |
| Mills                   | 458     | 458     | 489        |
| Production              | 239,659 | 258,606 | 249,048    |
| Shipments               | 298,421 | 279,319 | 293,803    |
| Orders                  | 290,591 | 295,922 | 352,472    |
| SOFTWOODS AND HARDWOODS |         |         |            |
|                         | 1942    | 1941    | 1942       |
|                         | Week    | Week    | Wk. (rev.) |
| Mills                   | 370     | 101     | 100%       |
| Production              | 228,173 | 11,486  | 100%       |
| Shipments               | 285,430 | 125     | 113        |
| Orders                  | 279,253 | 122     | 99         |

### Farm Prices 99% of Parity

The Bureau of Agricultural Economics, U. S. Department of Agriculture, announces that continuation of local market increases in prices of meat animals, cotton, and fruit during the month ended April 15 lifted the general level of prices received by farmers to 150% of their pre-World War I level. Prices of commodities bought by farmers also advanced and the ratio of prices received to paid was 99% of parity. Department of Agriculture officials pointed out, however, that the general average of prices received by farmers may be lower now than at mid-month in view of subsequent downturns in prices of wheat and some other grains.

The Bureau's announcement continued:

The general level of local market prices received by farmers for agricultural commodities rose 4 points during the month ended April 15. Advances recorded in prices received for cotton, fruit, meat animals, and poultry more than offset declines in prices of grains and dairy products during this period.

The advance in cotton and cottonseed amounted to 7 points. Meat animals were up 10; fruit, 7; chickens and eggs, 1 point. Grains declined 2 points. Dairy products were down 2. All major groups except cotton, meat animals, and truck crops were still below parity.

The general level of prices paid by farmers for commodities bought on April 15 was 151% of the 1910-14 average. This was 1 point higher than on March 15, and 27 points higher than in mid-April last year. Slight advances occurred in prices of commodities used for both family maintenance and for farm production.

### Steel Output In First Four Months Exceeds 1941 Record Total By 4%

Production of 7,122,313 tons of steel ingots and castings during April, as announced May 8 by the American Iron and Steel Institute, brought total steel output in the first four months of this year more than 4% over the tonnage produced in the corresponding period of 1941.

The total for the first four months of this year was 28,161,202 tons, compared with 27,030,888 tons in the corresponding months of 1941. Production in April this year exceeded by almost 5 1/2% the total of 6,754,179 tons of steel produced in April a year ago.

Steel production last month was slightly below the record output of 7,392,911 tons achieved in the longer month of March.

An average of 1,660,213 tons of steel was produced per week during April, only 1/2 of 1% below the peak of 1,668,829 tons per week produced in March. In April a year ago, an average of 1,574,401 tons of steel was produced per week.

During the past month the steel industry operated at an average of 97.7% of rated capacity, as against 98.2% of capacity in March. In April, 1941, the industry operated at 97.6% of a considerably smaller total capacity than is available today.

#### PRODUCTION OF OPEN HEARTH, BESSEMER AND ELECTRIC STEEL INGOTS AND STEEL FOR CASTINGS

| Period       | Estimated Production—All Companies— |                     | Calculated weekly production, all companies (net tons) | Number of weeks in month |
|--------------|-------------------------------------|---------------------|--|--------------------------|
|              | Net tons                            | Percent of capacity |  |                          |
| 1942 ↑       |                                     |                     |  |                          |
| January      | 7,124,922                           | 94.7                | 1,008,335  | 4.43                     |
| February     | 6,521,056                           | 96.0                | 1,530,264  | 4.00                     |
| March        | 7,392,911                           | 98.2                | 1,668,829  | 4.43                     |
| 1st Quarter  | 21,038,889                          | 96.3                | 1,635,994  | 12.86                    |
| April        | 7,122,313                           | 97.7                | 1,660,213  | 4.29                     |
| 1941 ↑       |                                     |                     |  |                          |
| January      | 6,922,352                           | 96.8                | 1,562,608  | 4.43                     |
| February     | 6,230,354                           | 96.5                | 1,557,589  | 4.00                     |
| March        | 7,124,003                           | 99.6                | 1,608,127  | 4.43                     |
| 1st Quarter  | 20,276,709                          | 97.7                | 1,576,727  | 12.86                    |
| April        | 6,754,179                           | 97.6                | 1,574,401  | 4.29                     |
| May          | 7,044,565                           | 98.5                | 1,590,155  | 4.43                     |
| June         | 6,792,751                           | 98.1                | 1,583,392  | 4.29                     |
| 2nd Quarter  | 20,591,495                          | 98.1                | 1,582,744  | 13.01                    |
| 1st 6 months | 40,868,204                          | 97.9                | 1,579,753  | 25.87                    |
| July         | 6,812,224                           | 93.3                | 1,541,227  | 4.42                     |
| August       | 6,997,496                           | 95.6                | 1,579,570  | 4.43                     |
| September    | 6,811,754                           | 96.3                | 1,591,531  | 4.28                     |
| 3rd Quarter  | 20,621,474                          | 95.1                | 1,570,562  | 13.13                    |
| 9 months     | 61,483,678                          | 96.9                | 1,576,658  | 39.00                    |
| October      | 7,236,068                           | 98.9                | 1,633,424  | 4.43                     |
| November     | 6,960,885                           | 98.2                | 1,622,584  | 4.29                     |
| December     | 7,150,315                           | 97.9                | 1,617,718  | 4.42                     |
| 4th quarter  | 21,347,268                          | 98.3                | 1,624,602  | 13.14                    |
| Total        | 82,836,946                          | 97.3                | 1,588,741  | 52.14                    |

†Based on Reports by Companies which in 1941 made 98.5% of the Open Hearth, 100% of the Bessemer and 87.8% of the Electric Ingot and Steel for Castings Production.

Note—The percentages of capacity operated are calculated on weekly capacities of 1,438,029 net tons open hearth, 128,911 net tons Bessemer and 71,682 net tons electric ingots and steel for castings, total 1,638,622 net tons; based on annual capacities as of Jan. 1, 1942 as follows: Open hearth 78,107,260 net tons, Bessemer 6,721,400 net tons, electric 3,737,510 net tons.

The percentages of capacity operated in the first 6 months are calculated on weekly capacities of 1,430,102 net tons open hearth, 134,187 net tons Bessemer and 49,603 net tons electric ingots and steel for castings, total 1,613,892 net tons; based on annual capacities as of Jan. 1, 1941, as follows: Open hearth 74,565,510 net tons, Bessemer 6,996,520 net tons, electric 2,586,320 net tons. Beginning July 1, 1941, the percentages of capacity operated are calculated on weekly capacities of 1,459,132 net tons open hearth, 130,292 net tons Bessemer and 62,761 net tons electric ingots and steel for castings, total 1,652,185 net tons; based on annual capacities as follows: Open hearth, 76,079,130 net tons, Bessemer 6,793,400 net tons, Electric 3,272,370 net tons.

### April Department Store Sales

The Board of Governors of the Federal Reserve System announced on May 7 that the value of department store sales declined somewhat in April, although usually there is an increase at this time of year. The Board's seasonally adjusted index dropped to 117% of the 1923-25 average, as compared with an average of 129% in the first quarter, when there was a considerable amount of anticipatory buying.

| Adjusted for seasonal variation | INDEX OF DEPARTMENT STORE SALES* (1923-25 AVERAGE=100) |            |            |            |
|---------------------------------|--|------------|------------|------------|
|                                 | Apr., 1942   | Mar., 1942 | Feb., 1942 | Apr., 1941 |
| Without seasonal adjustment     | 117  | 124        | 126        | 104        |
|                                 | 114  | 118        | 99         | 106        |

| Federal Reserve District | Change from corresponding period a year ago (per cent) † |                   |         |         |
|--------------------------|--|-------------------|---------|---------|
|                          | One week ending  | Four weeks ending |         |         |
|                          | May 2  | Apr. 25           | Apr. 18 | Apr. 11 |
| Boston                   | +16  | +20               | +19     | +20     |
| New York                 | +5   | +8                | +15     | +17     |
| Philadelphia             | +9   | +8                | +16     | +18     |
| Cleveland                | +13  | +18               | +16     | +14     |
| Richmond                 | +14  | +27               | +24     | +13     |
| Atlanta                  | +8   | +15               | +6      | +13     |
| Chicago                  | +4   | +15               | +15     | +8      |
| St. Louis                | +10  | +2                | +2      | +3      |
| Minneapolis              | +10  | +2                | +2      | +3      |
| Kansas City              | +6   | +10               | +21     | +7      |
| Dallas                   | +3   | +14               | +20     | +1      |
| San Francisco            | +13  | +13               | +21     | +3      |
| U. S. total              | +8   | +13               | +15     | +12     |

| 1942— | WEEKLY INDEX, WITHOUT SEASONAL ADJUSTMENT (1935-39 AVERAGE=100) |         |         |       |
|-------|---|---------|---------|-------|
|       | Apr. 11   | Apr. 18 | Apr. 25 | May 2 |
|       | 120   | 135     | 129     | 134   |
| 1941— | WEEKLY INDEX, WITHOUT SEASONAL ADJUSTMENT (1935-39 AVERAGE=100) |         |         |       |
|       | Apr. 12   | Apr. 19 | Apr. 26 | May 3 |
|       | 136   | 117     | 114     | 124   |

\* Revised. † Not shown separately but included in United States total. ‡ Monthly indexes refer to daily average sales in calendar month; April 1942 figures estimated from weekly sales. † During March and April changes from a year ago reflect in part the fact that Easter was on April 13 last year while this year it was on April 5. On this account it is estimated that in comparisons with last year allowance should be made for an increase of about 4% for the month of March as a whole and for a corresponding decrease for the month of April as a whole.

### Trading On New York Exchanges

The Securities and Exchange Commission has made public figures showing the daily volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the weeks ended April 18 and 25, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

The data published are based upon weekly reports filed with the New York Stock Exchange and the New York Curb Exchange by their respective members. These reports are classified as follows:

|   | New York Stock Exchange—Week Ended |          |
|---|------------------------------------|----------|
|   | April 18                           | April 25 |
| Total number of reports received                              | 1,012                              | 1,009    |
| 1. Reports showing transactions as specialists                | 177                                | 169      |
| 2. Reports showing other transactions initiated on the floor  | 128                                | 105      |
| 3. Reports showing other transactions initiated off the floor | 146                                | 143      |
| 4. Reports showing no transactions                            | 633                                | 650      |
| New York Curb Exchange—Week Ended                             |                                    |          |
|   | April 18                           | April 25 |
| Total number of reports received                              | 721                                | 719      |
| 1. Reports showing transactions as specialists                | 90                                 | 84       |
| 2. Reports showing other transactions initiated on the floor  | 15                                 | 17       |
| 3. Reports showing other transactions initiated off the floor | 46                                 | 55       |
| 4. Reports showing no transactions                            | 572                                | 568      |

Note—On the New York Curb Exchange, odd-lot transactions are handled solely by specialists in the stocks in which they are registered and the round-lot transactions of specialists resulting from such odd-lot transactions are not segregated from the specialists' other round-lot trades. On the New York Stock Exchange, on the other hand, all but a fraction of the odd-lot transactions are effected by dealers engaged solely in the odd-lot business. As a result, the round-lot transactions of specialists in stocks in which they are registered are not directly comparable on the two exchanges.

The number of reports in the various classifications may total more than the number of reports received because a single report may carry entries in more than one classification.

#### Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members\* (Shares)

|   | Week Ended   |       |              |       |
|---|--------------|-------|--------------|-------|
|   | Apr. 18, '42 | % a   | Apr. 25, '42 | % a   |
| A. Total Round-Lot Sales:   |              |       |              |       |
| Short sales   | 82,250       |       | 68,130       |       |
| Other sales b   | 2,050,890    |       | 1,767,150    |       |
| Total sales   | 2,133,140    |       | 1,835,280    |       |
| B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists: |              |       |              |       |
| 1. Transactions of specialists in stocks in which they are registered—  |              |       |              |       |
| Total purchases   | 125,250      |       | 118,630      |       |
| Short sales   | 37,860       |       | 25,870       |       |
| Other sales b   | 109,040      |       | 89,670       |       |
| Total sales   | 146,900      | 6.38  | 115,540      | 6.38  |
| 2. Other transactions initiated on the floor—   |              |       |              |       |
| Total purchases   | 36,160       |       | 49,330       |       |
| Short sales   | 5,700        |       | 6,300        |       |
| Other sales b   | 75,030       |       | 44,030       |       |
| Total sales   | 80,730       | 2.74  | 50,330       | 2.72  |
| 3. Other transactions initiated off the floor—  |              |       |              |       |
| Total purchases   | 49,240       |       | 43,320       |       |
| Short sales   | 9,090        |       | 7,800        |       |
| Other sales b   | 51,670       |       | 42,620       |       |
| Total sales   | 60,760       | 2.58  | 50,420       | 2.55  |
| 4. Total—   |              |       |              |       |
| Total purchases   | 210,650      |       | 211,280      |       |
| Short sales   | 52,650       |       | 39,970       |       |
| Other sales b   | 235,740      |       | 176,320      |       |
| Total sales   | 288,390      | 11.70 | 216,290      | 11.65 |

#### Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members\* (Shares)

|  | Total for Week of |       |              |       |
|--|-------------------|-------|--------------|-------|
|  | Apr. 18, '42      | % a   | Apr. 25, '42 | % a   |
| A. Total Round-Lot Sales:  |                   |       |              |       |
| Short sales  | 5,625             |       | 3,765        |       |
| Other sales b  | 352,050           |       | 267,790      |       |
| Total sales  | 357,675           |       | 271,555      |       |
| B. Round-Lot Transactions for the Account of Members:                  |                   |       |              |       |
| 1. Transactions of specialists in stocks in which they are registered— |                   |       |              |       |
| Total purchases  | 25,290            |       | 20,745       |       |
| Short sales  | 4,495             |       | 3,490        |       |
| Other sales b  | 45,145            |       | 32,595       |       |
| Total sales  | 49,640            | 10.47 | 36,085       | 10.47 |
| 2. Other transactions initiated on the floor—                          |                   |       |              |       |
| Total purchases  | 4,975             |       | 3,775        |       |
| Short sales  | 0                 |       | 100          |       |
| Other sales b  | 3,575             |       | 3,675        |       |
| Total sales  | 3,575             | 1.20  | 3,775        | 1.39  |
| 3. Other transactions initiated off the floor—                         |                   |       |              |       |
| Total purchases  | 9,355             |       | 8,375        |       |
| Short sales  | 830               |       | 25           |       |
| Other sales b  | 8,225             |       | 6,440        |       |
| Total sales  | 9,455             | 2.63  | 6,465        | 2.73  |
| 4. Total—  |                   |       |              |       |
| Total purchases  | 39,620            |       | 32,895       |       |
| Short sales  | 5,125             |       | 3,615        |       |
| Other sales b  | 57,545            |       | 42,710       |       |
| Total sales  | 62,670            | 14.30 | 46,325       | 14.59 |
| C. Odd-Lot Transactions for the Account of Specialists—                |                   |       |              |       |
| Customers' short sales   | 325               |       | 50           |       |
| Customers' other sales c   | 25,648            |       | 21,735       |       |
| Total purchases  | 25,973            |       | 21,785       |       |
| Total sales  | 15,667            |       | 12,356       |       |

\* The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

a Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes only sales.

b Round-lot short sales which are exempted from restriction by the Commission rules are included with "other sales."

c Sales marked "short exempt" are included with "other sales."

## Items About Banks, Trust Companies

Bank Credit Associates of New York, of which Leslie J. Christensen of the National City Bank is President, announced on May 7 that J. P. Morgan & Co. Inc. had become a member. This makes practically every large bank in the metropolitan New York area a member of the credit organization. Robert C. Brown of the Morgan bank will be its representative.

At the regular meeting of the Board of Directors of the National City Bank of New York on May 5 Frederick C. Windisch was appointed an Assistant Vice-President. He was formerly an Assistant Cashier.

C. Alison Scully, Executive Vice-President of the Corn Exchange National Bank and Trust Company of Philadelphia, was elected a member of the board of directors of that bank in place of Hale Holden, Jr., who is retiring from the board because he is leaving the city.

Richard K. Mellon, President of the Mellon National Bank, Pittsburgh, has been granted a leave of absence in order to serve as a Major in the United States Army. Lawrence N. Murray, Vice-President of the bank, has been made First Vice-President and thereby becomes chief executive officer of the institution while Mr. Mellon is on leave. The Mellon Bank also announces the retirement of A. W. McEldowney, as Vice-President and Director, thus terminating 40 years' active service. He will continue his association with the organization in an advisory capacity.

A final dividend of 12.57% will soon be paid to about 11,000 creditors of the closed Commercial National Bank, Washington, D. C., Harry J. Hall, receiver of the bank, announced on May 6.

The payment, amounting to \$703,000, brings total dividends to 82.57%.

## Fixing Resale Price of Patented Articles Violates Trust Law Supreme Court Holds

Anti-trust suits of the Department of Justice against 10 leading firms in the hardboard industry and the Univis Lens Company, maker of bifocal eye glasses, were upheld by the United States Supreme Court on May 11. The latter, according to the Associated Press, ruled that agency and licensing agreements in these fields constituted illegal price fixing even though patents were involved. The Associated Press further reported:

The holder of a patent "cannot control the resale price of patented articles which he has sold . . . by stipulating price maintenance by his vendees" without violating the Sherman Anti-Trust Act, the Court said. There was no dissent in either of the two cases.

The hardboard case involved agreements made by the Masonite Corporation, of Chicago, with nine other companies which manufactured or sold building material. Masonite holds patents on hardboard, a synthetic board made of wood chips. Some of the other firms hold patents on competitive products.

The other firms involved were Celotex Corporation, of Chicago; Certain-teed Products Corporation, of New York; Johns-Manville Sales Corporation, of New York; Insulite Company, of Minneapolis; Flintkote Company, of New York; National Gypsum Company, of Buffalo; Wood Conversion Company, of Cloquet, Minn.; Armstrong Cork Company, of Lancaster, Pa., and Dant & Russell, Inc., of Portland, Ore.

Under the agreements, Masonite appointed the other firms as agents for the sale of its hardboard and set the minimum prices, maximum terms and other conditions of sale.

The Supreme Court's opinion, delivered by Justice Douglas, said that, except for two factors, "there can be no doubt that this is a price-fixing combination which is illegal per se under the Sherman Act." These two factors were the agency agreements and the Masonite patents. And the opinion struck down both of them as defenses.

As to the Supreme Court's ruling in the case of the Univis Lens Co., the Associated Press stated:

The Univis Company, of Dayton, Ohio, makes multifocal lens blanks, rough pieces of glass composed of two or more pieces of different refractive power, on which it holds patents.

The Court's opinion, by Chief Justice Stone, said that Univis collected 50 cents royalty for each pair of lens blanks sold and that "the prices prescribed and maintained under the licensing system are \$3.25 a pair for the blanks sold by the lens company to wholesalers, and \$4 a pair for those sold to finishing retailers; \$7 a pair for finished lenses sold by wholesalers; \$16 a pair for white, and \$20 for tinted, lenses sold to consumers by prescription and finishing retailers."

The decision ruled that "merely because the licensee takes the final step in the manufacture of the patented product, by doing work on the blank which he has purchased from the patentee's licensee, it does not follow that the patentee can control the price at which the finished lens is sold."

## AAA Opposes Bill To Confiscate Automobiles

Opposition to a Federal speed law of 40 miles an hour, carrying the penalty of confiscation of vehicles for violations, has been expressed by the American Automobile Association in a telegram to Senator Robert R. Reynolds of North Carolina, Chairman of the Senate Military Affairs Committee, according to the Cleveland "Plain Dealer" of May 10, from which the following is also taken:

Declaring that the proposal "is untimely, unnecessary and would do more harm than good," Thomas P. Henry of Detroit, Mich., President of the National Motoring Body, predicted that enactment of the bill would tend to discourage voluntary cooperation on the part of the motorists, discourage State action and tend to break down State enforcement procedures.

"The American Automobile Association," he said, "strongly favors conservation and the lowered speed limit through voluntary observation, State legislation and strong State and local enforcement. We are certain all this can be had without resort to such drastic measure as the bill in question."

In part, the telegram said:

The confiscation feature of the pending legislation would result in serious injustice and much court controversy as regards value of personal property that might be taken over by the Government for violations of the Federal speed limit. The proposed law would not differentiate between the person who unwittingly was guilty of driving at a rate of 41 miles an hour and the person who was wilfully driving at the rate of 70 miles an hour.

As bearing on the proposed legislation, United Press advices from Washington, May 6, stated that seven government officials were reported to have urged the Senate Military Affairs Committee on that day to approve legislation authorizing Federal requisitioning of private automobiles and seizure of cars whose owners are convicted of driving more than 40 miles an hour. From the same advices (United Press) we quote further:

They are understood to have told the Senate Military Affairs Committee, which is considering requisitioning legislation, that no rubber will be available one year from today for civilian uses; that all synthetic rubber developed will be needed for war weapons, and that civilian users will have to depend upon whatever stocks are available.

Opinion differed as to how soon the Government may be required to take over private vehicles and tires. Price Administrator Leon Henderson, one of those who testified, is reported to have said that requisitioning may be essential in the near future.

Several committeemen doubted that anything "drastic" would be done immediately. Others believed the Government merely is taking all necessary steps in preparation for requisitioning when, and if, it becomes necessary. The fact that legislation is being sought, it was pointed out, is a warning to all autoists of what lies ahead unless they heed Government requests for conservation of their tires.

Latest available statistics estimate the number of privately-owned automobiles at 34,000,000, of which 10,000,000 are in the eastern seaboard states.

Appearing before the Senate group in addition to Mr. Henderson were Undersecretary of War Robert P. Patterson, Deputy Petroleum Co-Ordinator Ralph K. Davies, Chairman Joseph B. Eastman, of the Defense Transportation Board; Arthur B. Newhall, representing the War Production Board; F. Eberstadt, representing the Army and Navy Munitions Board, and Budget Director Harold D. Smith.

They were called primarily for testimony on a bill sponsored by Senator Sheridan Downey (Dem., Calif.), authorizing the President to acquire private automobiles and tires—by requisitioning if necessary—to a total value of \$5,000,000,000. The owners would receive a "fair price," which would be fixed by the Price Administration.

Chairman Robert R. Reynolds (Dem., N. C.) indicated after the session that the Committee will write into the bill a provision authorizing Government requisitioning of cars that exceed a 40-mile speed limit and another section establishing that speed as a national policy.

He said the witnesses presented a picture of the rubber situation "which is more serious than has ever been expressed to the people of this country."

"Actually the rubber shortage is perilous from a military standpoint," he said. "In order to provide our Army with rubber, we are going to have to get not every pound but every

## Steel Output At Record High—Plate Supply Situation Shows Improvement

"Since one step in winning of war is the providing of all steel plates needed by the nation's shipyards, reports of improvement in the plate supply situation must be classified as good news," says "The Iron Age" in its issue of today (May 14), adding, in part: "For many months plate demands, because of sharp increases in shipbuilding, have outrun production from plate mills and from other mills pressed into service to roll this product. In March and April, however, shipments of plates on Maritime Commission orders actually met the tonnages asked. Some shipyards report no loss of production due to shortages of steel plates. The raw materials situation, particularly in scrap, has eased throughout the industry and furnaces now idle for the most part are down for repairs. The weekly production of steel ingots in the United States is well over 1.6 million tons."

The American Iron and Steel Institute on May 11 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel capacity of the industry will be 99.6% of capacity for the week beginning May 11 (a new high record),

ounce that is available in this country."

Mr. Reynolds and other committeemen believed the car owner with more than five tires will be the first affected by requisitioning orders. He said this was discussed at today's meeting, and pointed out that an automobile with less than five tires would be "of little use to a man."

On May 11 Associated Press Washington accounts indicated that formidable opposition appeared to be developing in the Senate against the proposed legislation.

## Dr. Stonier Honored For Education Work

Harold Stonier, Director of The Graduate School of Banking, was the recipient of the honorary degree of Doctor of Letters at the 176th anniversary commencement of Rutgers University at New Brunswick, N. J., on May 10. The degree was conferred upon Dr. Stonier by Dr. Robert C. Clothier, President of Rutgers, in recognition of his contribution to the field of adult education and especially in recognition of his work as founder and director of the Graduate School of Banking, whose resident sessions are held each summer at Rutgers.

The Graduate School of Banking began its existence at Rutgers in 1935 with a student body of 200 bank officers. Now in its sixth year, it has a capacity enrollment of 600 student bank officers and a faculty of 50 consisting of bankers, government officials and university teachers. Among the latter are several members of the Rutgers faculty, including Dr. Eugene E. Agger, head of Rutgers' economics department and Banking Commissioner for New Jersey, who is associate director of the Graduate School. In 1937 Dr. Stonier was given the Rutgers award for "Service to Education." He was given further recognition on May 10 for his contribution to professional business education through the Graduate School of Banking.



Dr. Harold Stonier

compared with 98.6% one week ago, 97.2% one month ago and 99.2% one year ago. This represents an increase of 1.0 points or 1.0% from the preceding week. The operating rate for the week beginning May 11 is equivalent to 1,691,800 tons of steel ingots and castings, compared to 1,674,800 tons one week ago, 1,651,100 tons one month ago and 1,601,000 tons one year ago.

"Steel," of Cleveland, in its summary of the iron and steel markets, on May 11 stated in part: "Each month sees more steel on mill books carrying top priority and the point below which deliveries can not be made is constantly rising. Rapid spread of production to war goods as more consumers convert from civilian work is indicated by the greater diversification of buyers, many now taking forms of steel differing widely from their normal lines."

"Steady trend toward heavier products, plates, bars and shapes, is intensified by recent allocations of considerable tonnage of steel rails for export under lend-lease. This increases demand on ingots as rail rolling demands rapid supply, the effect being felt in decreased tonnage available for lighter finished steel products."

"Improvement in scrap supply is being held and most consumers have sufficient current tonnage to operate near capacity. However, reserves can not be built for next winter and concern is felt over prospects for that period. Collections from dormant sources are returning good results but when these are exhausted the tonnage will fall back to production from current fabrication, thus cutting down the flow materially. One effect from automobile wrecking is an increase in cast grades, which has relieved the tight situation of foundries to some degree. Licensing of scrap material dealers will afford closer control of the industry as violations of ceiling regulations can be dealt with by revocation of license, barring the offender from further trading. Registration must be made by June 20."

## Treasury Offering of 2% Bonds Oversubscribed

The Treasury Department announced on May 8 that reports received from the Federal Reserve Banks show that subscriptions for the cash offering of \$1,250,000,000 of 2% Treasury bonds of 1949-51 aggregate \$3,287,000,000. Subscriptions in amounts up to and including \$10,000, totaling about \$69,000,000, were allotted in full. Subscriptions in amounts over \$10,000 were allotted 38% on a straight percentage basis, but not less than \$10,000 on any one subscription, with adjustments where necessary to the \$100 denomination.

With respect to the 2½% Treasury registered bonds of 1962-67, which were offered to the public on the same day (May 4), the Treasury revealed that these sales for the first three days totaled \$633,705,500. The subscription books for these 2½% bonds, designed especially for investment by other than commercial banks, will close at the end of business today (May 14). Subscriptions placed in the mail before midnight will be considered as having been entered on time.

Details as to the offering of these Treasury bonds were given in these columns of May 7, page 1792.