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Free Speech, Free Radio, And Free Press Must Be Preserved, Even In War, Says Hoover

Discussing "The Limitations On Freedom In War," Herbert Hoover, at the annual meeting on May 20 of the National Industrial Conference Board on "National Mobilization For Victory," stated that "while economic freedom must suffer most by the war, we can, if we will, and we must, keep the other great personal freedoms and their safeguards alive." "Live free speech, free radio and free press," he went on to say, "are the heat that can thaw out any frozen liberties." Continuing, Mr. Hoover said:

margins between victory and defeat in our foreign campaigns are so narrow that if pressure groups are to take advantage of war to advance their interests, or if we make blunders, or keep incompetent men in office, or allow corruption, bad organization and bad strategy, they can bring about defeat. Democracy can correct mistakes only through public exposure and opposition to them.

The President has unbelievable burdens in war; he deserves every support in this task. We cannot expect him to watch and direct the host of agencies and officials that we must have to make war. The Congress and the people have to watch them. * * *

(Continued on page 1952)

That there must be restraints upon speech and the press against information to the enemy needs no discussion. But there is left ample room to free speech and free press through pep-oratory and criticism of the conduct of the war. The only limit on pep speech, so far as I can see, is endurance of the audience. Criticism is the higher art of protest. We start the practice of protest in the cradle and never let up. The vocal chords of democracy are well trained for this purpose.

And criticism of the conduct of the war is necessary if we are to win the war. We want the war conducted right. The

FROM WASHINGTON AHEAD OF THE NEWS

By CARLISLE BARGERON

Throughout the hectic career of your correspondent he has always been leary of Movements. I have had a lot of them flung at me in my day and time, but I have sought to avoid them with a determination which I should, perhaps, have shown in other things.

But now, I have a Movement of my own in which I am prepared to enlist and to which I am prepared to give a zeal and energy which is characteristic of those usually engaged in Movements.

My Movement is:

Now that we have freed Earl Browder, let's free the Isolationists and the Business Men—in the interest of Unity.

We have this situation: At a time when Earl Browder was doing everything in his power to throw the monkey wrench into American production — by Earl Browder, I mean his comrades because he personally was in jail—the Isolationists were committing no greater offense than insisting that we use our production for our own defense. I do not know of a single Isolationist who did not vote for all appropriations to build up the American navy and our air corps and our army. They opposed the Interventionists only on the question of where we should use this equipment and the men. They wanted us to make our stand in American territory which meant Hawaii, instead of in Britain, Australia, New Caledonia, etc.

But Earl's comrades were against our making it anywhere.

Earl's comrades had established a pretty situation in this country, indeed, in the early months of 1941. They were bringing about disorders in aviation and shipping plants on the Pacific Coast and in industries elsewhere to the great detriment of this country's production, whether it was for Britain, for the United States or whoever it was for. Not only this, but Earl's comrades had control over our merchant marine.

Earl and his comrades were our enemies. They were more dangerous to us than either Hitler or Japan because they were internal enemies. They were defeating the declared policy of our Government.

The situation became so bad in the early months of 1941 that Cordell Hull called the then Soviet Ambassador, M. Oumanski, to the State Department, and delivered very blunt language to him to the effect that we were getting quite fed up with the shenanigans of the Communists in this country.

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THE FINANCIAL SITUATION

"Winning the peace" has apparently come to be rather generally regarded as second in importance only to winning the war. The President and many of those by whom he is surrounded have laid and are laying great emphasis upon their determination that this country shall play a leading, if not dominant, role not only in the salvaging that must be done when this global conflict is over but in remaking the world in the hope of reducing if not eliminating the hazard of future catastrophes similar to that this generation has been obliged to endure. The theme is likewise a favorite with Mr. Willkie who apparently has taken it upon himself to purge the Republican party of all those who do not agree with him in these matters. So strong has the "movement" become that political wiseacres are now heard predicting that the autumn elections will very largely eliminate the "isolationists" from Congress, and perhaps from public life in general.

Blocking Their Own Path

Strangely enough, however, those who are taking the lead in all this, with the possible exception of Mr. Willkie who appears to be interested in little at present but what might be termed anti-isolationism as such, are blindly and eagerly pursuing or supporting courses which must inevitably place serious impediments in their own paths and which may well make their objectives utterly unattainable — assuming they otherwise would be within reach. Heaven knows how many groups and bureaus in Washington are engaged in what is known as post-war planning. Heaven knows how many plans are now in process of formulation covering very nearly every imaginable phase of international relations when the fighting has ceased. All of them, so far as the public has been permitted to learn, rest upon the assumption that the United States will emerge from the war a thoroughly solvent nation. Indeed no plans remotely resembling those now being formulated by these world reformers could possibly hope to succeed without the backing of a nation whose own financial house was in excellent order. Neither could any nation even half slave appropriately, or successfully, go forth into the world at large as an apostle, if not the apostle, of liberty.

(Continued on page 1948)

Solvency Is Also Essential

Of particular interest to foreign traders is the fourth point of the Atlantic Charter which promises, "to further the employment by all States, great or small, victor or vanquished, of access on equal terms to the trade and to the raw materials of the world which are needed for their economic prosperity." This must, of necessity, involve the rehabilitation, on a sound basis, not only of trade relations, but also of monetary, financial and all other international economic relationships.

The far-reaching economic objectives of the Atlantic Charter cannot be attained by wishful thinking. We in this country must realize that their achievement will be impossible if we follow policies of narrow economic nationalism, such as our extreme and disastrous tariff policy after the last war. We must realize that our own prosperity depends fully as much on prosperous conditions in other countries as their prosperity depends on ours. We must show now, by our positive acts of collaboration with other nations of like mind, that we are prepared to shoulder our full share of responsibility for building a better world.—Cordell Hull.

And we must remain solvent!

Binders For The Convenience Of Our Subscribers

Arrangements have been made with the "Expandit" Binder to supply temporary binders in which to file current issues of the Financial Chronicle in its new form. These will facilitate the use of the Chronicle and will protect copies against mutilation and loss. The cost is \$2.50 plus postage for each of these binders which is designed to hold two months' issues of the Financial Chronicle. Orders for binders should be sent to "Expandit" Binder, 25 Spruce Street, New York City.

Present Thrift Plan To Buy More War Bonds

How the individual may adjust living expenses and tune up his savings production to be able to comply with the President's request that he invest 10% of his income in war savings bonds and stamps has been outlined in a 12-point program prepared by the National Thrift Committee. According to J. Robert Stout, the Committee's Chairman, the Committee feels that Americans do not know their own strength in saving because they have never before needed to put their full initiative and ingenuity to work on the problem. A pamphlet entitled, "What You Can Do—The Citizen's Contribution in War," embodying the Committee's program will be distributed through financial institutions all over the country. A summary of the 12-point program recommended by the Committee follows:

1. Postpone purchases not essential to family health, vigor and morale until we win the war.
2. Don't buy things made of materials needed for war.
3. Buy only what you need, when you need it.
4. Streamline your living requirements for war.
5. Conserve your accumulated savings in accustomed depositories; if you have withdrawn savings to purchase war savings bonds and stamps, begin at once to rebuild this fund. If you have the fund intact, continue adding to it regularly.
6. Undertake a regular program of buying war savings stamps and bonds out of current income, and hold the bonds until maturity.
7. Budget to conserve and increase your savings power.
8. Anticipate taxes: Take from each pay envelope or pay check, when you receive it, the tax part of your pay.
9. Set aside 10% of the remainder of your income and apportion between war savings stamps or bonds and your regular savings account.
10. Put aside regular amounts to meet life insurance premiums, home ownership payments, etc., to avoid stress when these items fall due.
11. If your wages have been increased, discharge your debts, double up on instalment-contract payments.
12. Curtail your living costs with the following economies: Conserve all goods and materials you now own; mend and repair; conserve public utility services: telephone, electricity, gas and water; conserve heat; shop around for all purchases; make no new instalment contract unless purchase is vital to health and vigor of family. Use charge accounts sparingly, as if they were cash; avoid buying too many factory-prepared products when home labor can be substituted; be sparing of outside labor services—laundry, bakery; purchase and prepare foods for highest nutritional value; watch small-change purchases: cigarettes, candy, soft drinks, movies, magazines, cosmetics and other toilet goods, novelties in clothing adornment; seek and use economical substitutes, even in recreation; budget your car mileage.

William White Honored

William R. White, New York State Superintendent of Banks was awarded the honorary degree of Doctor of Laws by Union College, Schenectady, N. Y. on May 11th. President Dixon Ryan Fox conferred the degree on Mr. White in recognition of his "brilliant leadership" in the banking field.

Editorial—

France, From Clemenceau To Laval

If the crowned head lies uneasily upon its luxurious pillow, how much more uneasily rests a predominant nation, especially if its course has been domineering, clinging to its precarious tenure. Three times, in the course of modern history, the French nation has pushed itself to that unstable eminence in Europe. Three times it has been, for a while, the first State of the Continent. It was that under Louis XIV, during the closing years of the Seventeenth Century. Again, preeminence was attained after the Revolution of 1789 and held throughout the Consulate and Empire of the first Napoleon. It was regained, for lack of competent rivalry, and briefly held under the Second Empire, despite the fatuous misrule of Napoleon III, to be extinguished, with the dynasty, in the debacle of the Franco-Prussian War, in 1870. Almost, it was acquired for a fourth period when, after 1919, a cowed and famished Germany, broken by its own excesses of ambition and the retaliatory humiliations and hardships of the Versailles Treaty, contrived chiefly by Georges Clemenceau, as principal fabricator of the peace that could be no peace, was shorn of power and influence and relegated to the place of an outcast among the nations. Now, 23 years later, under Pierre Laval, the French people, the most cultivated and accomplished in all Europe, perhaps the most civilized, divided and without a government in reality their own, are subject to the desecrating domination of Germany, their ancient enemy, which is itself threatened and attacked upon all its dangerously extended frontiers and is probably at this moment staking its all upon the last desperate throw of the dice of total war.

From Clemenceau to Laval! From the bold and patriotic Tiger, with no thought and no vision beyond the welfare of his beloved France, to the cringing tool of an alien despotism, stealthily surrendering element after element of national dignity and direction to the remote master! What a fall was there! Men of the present day, many of them, too near to the separate episodes of this incredible degradation to envisage it in its entirety as an historical event from which nothing can be subtracted without distorting the picture may puzzle impotently in their efforts to isolate the causes of this hideous degeneration. How could it be, they ask, that the people, which so gallantly retrieved victory at the very verge of defeat in the first Battle of the Marne, which could stand in steadfast determination while being bled white at Verdun and during the thrust towards the English Channel in the Spring of 1918; failed utterly to hold their lines or to defend their splendid capital against the onrush of invasion in 1940? Why could not the sons of those who held firmly at Ypres and Arras, with a minimum of English assistance, withstand, when much more generously reinforced from across the Channel, the posterity of those over whom their fathers had prevailed? These questions may be difficult to many belonging to this generation, but they need not be to their successors or to history.

The first phase may be said to have begun in the negotiations at Versailles and in the subtle brain of Clemenceau, who thought to protect his country by a paper wall of disabilities imposed upon her prostrate neighbor, vainly supposing, or at least hoping, that in such pledges and their enforcement, there could be found peace and security from alien aggression. Doubtless, his imagination was too realistic to anticipate a peace of permanence, but it was also too circumscribed by his long experience and his cynical interpretations to believe in any peace not founded upon force. So Germany was deprived of all its overseas colonies, of Alsace-Lorraine, Eupen, and Malmedy, of the Polish Corridor, of the Saar Valley (conditionally), of portions of Upper Silesia and Schleswig. Her investments and properties abroad were seized, her coal production was reduced by one-third, and her iron resources by three-quarters. Her naval forces were surrendered or sunk and her merchant marine was confiscated. She was pledged not to possess any submarines, tanks, heavy artillery, or military aircraft; her army was restricted to 100,000 men; the size, tonnage, and number of her naval units were severely limited; and her military forces were excluded from a wide zone along her Rhine frontier. Provisions were made for enormous and crippling reparations, to be paid over a long period of years in commodities and cash. The strength of France, her security, was to be external, to exist in the weakness of an alien rival.

It has become practicable to appraise the results. In the end, which was soon attained, no country save France, which was far from being a unit in resolution, cared ever to enforce these severities! Almost from the first, they were

violated with continued immunity and with progressively increasing enthusiasm. Great Britain not only shunned the sacrifices of resort to force, but came to distrust the ultimate potentialities of her erstwhile ally, should the weakness of Germany and her own relative aggrandizement too firmly establish supremacy in the latter. Meanwhile, the people and politicians of France had too readily and too completely accepted and enlarged upon the doctrine which held that her safety must lie not within herself but in exterior support or artificial curtailment of the capacities of her rival. As Germany restored herself by steady accretions of strength obtained through domestic industry and abstinence from waste and indulgence, the less virile leadership of France sought frantically for foreign alliances and assistance, some even looking across the Rhine with unconcealed aspirations which English statesmen inevitably considered as inimical to British interests and grossly repellent. Louis Barthou, who as Minister of Foreign Affairs, had looked beyond Germany to Russia and the Balkans, was assassinated, with King Alexander of Yugoslavia, at Marseilles on Oct. 9, 1934, and succeeded by Laval who, like Georges Bonnet later in the same position, was, from the first, distinctly pro-German in his tendencies. The Little Entente was formed during the earlier phase and overtures to Russia led to a treaty of slight efficacy but possessing international implications in some quarters disquieting. Poland was first attracted and then repelled, almost driven into the arms of Germany, and Czechoslovakia obtained tenuous assurances which eventuated in lost confidence and grave disappointment. And, while all this was in issue and France incautiously looked the other way, Britain entered upon negotiations resulting in a treaty permitting Germany to exceed the naval limitations imposed at Versailles. In short, through the teachings of Clemenceau and the improvisations and trickeries of less worthy successors, the fine people of France, so superior to nearly all their rulers, were led away from self-reliance and the splendid unity which they had possessed throughout the sacrifices and devastations of 1914-1918 and to external searchings for support, which, save in the cases of Britain and Belgium, completely failed to materialize when the need became most urgent.

Another disruptive factor was in parallel operation, after 1919 and during the disastrous months of 1940. Since the fall of the Roman Empire, no important people has experienced so many changes and indulged such wide experimentation or attempted such astonishing improvisations in their government as France. Louis XVI surrendered to the Revolution of 1789 and lost his kingdom and his head in 1793; the Directory was superseded by the Consulate, the Consulate by the First Empire, and, with the brief interval of the first Bourbon Restoration, the reign of Napoleon the Great lasted to the year 1815. From 1815 to 1830 came the Second Restoration, with Louis XVIII and Charles X as successive sovereigns; there followed the bourgeois revolution which enthroned the cadet or Orleans branch of the Bourbon family, in the person of the umbrella-carrying Louis Philippe. The Second Republic lasted from 1848 to 1851, under Louis Bonaparte, as Prince-President; was replaced, after the *coup d'etat* of President Bonaparte, by his dictatorship, continuing precisely one year, then to be metamorphosed into the Second Empire, with the former President reigning as Napoleon III. The Third Republic, following the short sovereignty of the Commune, was established in 1871 and, seldom possessing the full support of the people, but tolerated by most as preferable to any probable alternative, was perhaps never stronger than during the leadership of Clemenceau, nor ever weaker than it was during the months immediately before it was supplanted by the Dictatorship of Marshal Petain, after the 1940 yielding to Germany.

A conspicuous consequence of these kaleidoscopic changes in government was, very naturally, the general elimination of true patriotism and patriotic loyalties and the common substitution of factional or personal allegiances. Frenchmen, too frequently for the common good, became partisans adhering to causes, or to families, or to systems or doctrines of government, rather than patriots devoted primarily and exclusively to their *patria*, their nation, their France. They were republicans, socialists, communists, legitimatists, Orleanists, Bonapartists, — rather than, in politics, simply and solely Frenchmen. This extensive particularism, becoming almost, in many cases, separatism, has served badly the national cause and vastly accelerated what has occurred in France since Russia became Communist. During that period, for the first time effectively in history and becoming far more influential in France than anywhere else, large and politically active groups have become habituated to receiving political direction from sources beyond the boundaries of the nations of their citizenship. The Third International, called the Comintern, as truly a part of the government of the United States of Soviet Republics, with its

center in Moscow, as though it were not nominally separated by the imaginary line that is reputed to have all the existence which imagination can support, directs communist groups in France, and long has directed them there, much more closely and effectively than the smaller groups in the United States of America. The efficacy of such alien direction cannot be doubted by any American who was not asleep when Russia made its short-lived pact with Germany, in 1939, and when that pact was dissolved, in 1941, and the whole attitude towards the war in Europe of Communists and their fellow-travelers and sympathizers in this country promptly and radically reversed.

The France which yielded so readily before the German attack in 1940 was divided, as the France of 1914-1918 was not divided, between Frenchmen whose political purposes and action were those dictated from the Kremlin, on the one hand, and upon the other, mutually suspicious and hostile groups of those having all shades of political preferences and principles from the extreme monarchical rightists to extreme collectivist leftists, which could be united with difficulty, only for short periods of time and to meet temporary exigencies. But too obviously, the second group fell short in sympathetic homogeneity while the first operated always as a compact and solid phalanx, knowing the voice of but one master, the Russian authorities of the Comintern. It was a calamitous division. While the Hitler-Stalin pact remained operative, that is until after the 1940 surrender, it gave to the defeatists of France, and to Pierre Laval and the others who preferred Germany to Britain, and their own advancement or advantage to everything else, even to their own country unless it could be under their own dominion, an increment of power probably sufficient to turn the scale against patient sacrifice and courageous defense. It certainly robbed the French people of the magnificent unity and unyielding stamina of 1914-1918 and impaired the general morale to the point at which confusion and surrender could not be escaped.

The State Of Trade

Business activity in some lines showed slight weekly setbacks, but the heavy industries generally were holding at high levels. However, there was a marked drop in car loadings, reports showing a decrease of 19,651 cars or 2.3% compared with the preceding week. Production of electricity rose to the highest levels since mid-March. Steel production was off slightly for the week, but still very close to capacity levels. The Federal Reserve Board estimated department store sales in the week ended May 9th, at 6% higher than in the same week last year.

Drastic changes are taking place in business, especially retail lines. Almost 1,800,000 retailers are now licensed by the Government to do business. A week ago some 220,000 wholesalers and jobbers and 110,000 manufacturers were licensed in a similar manner.

The new OPA price regulations require that each business be licensed and permit the Government, if it so desires where price ceiling violations occur, to suspend licenses, which will mean that a concern can no longer do business.

Economic controls are everywhere in business. The Government, through the War Production Board, is telling business what it can and cannot make and what materials it can and cannot use. Never before has American business or the American public been subjected to so many and such widespread controls.

Evidence of the impact of war is widespread. Conversion of plants from peace-time to war-time production is proceeding at a rapid rate and far more successfully than was at first expected. Moreover, before the end of the year, some 12,000,000 men, or almost one-fourth of the 50,000,000 people at work today, are to be shifted into new jobs, either in the armed forces or on the war-production front, according to Major-General Lewis B. Hershey.

"In 1942 we must triple the number of men who were working in war industries last Jan. 1," he said, "and we must double the number of men in our armed forces by the end of the year."

It is stated that production of war materials is making new highs daily. On almost every side there is evidence that American factories are outstripping the Axis

President Commutes Browder's Sentence; Says He Has Been Punished Enough

President Roosevelt on May 16 commuted the sentence of Earl Browder, American Communist leader, who had served 14 months of a four-year sentence for making alleged false statements when obtaining a passport. Mr. Browder was released from the Federal Penitentiary at Atlanta, Ga., on May 17.

A White House statement explained that the sentence imposed upon the former General Secretary of the Communist party in the United States "was longer than the usual sentence imposed for offenses involving the fraudulent obtaining and use of passports."

The statement added that the President believes that the "principle of obedience to law has been sufficiently vindicated by the punishment already suffered," and that the commutation of the sentence, just before Mr. Browder becomes eligible for parole, will have a "tendency to promote national unity, and allay any feeling which may exist in some minds that the unusually long sentence in Browder's case was by way of penalty imposed upon him because of his political views."

In addition to the time served Mr. Browder has paid fines of \$2,000. The White House statement follows:

The President today commuted the sentence of Earl Browder to the term already served. By virtue of this commutation Browder will be released from imprisonment as soon as proper arrangements can be made.

Browder is now serving a four-year sentence in the United States Penitentiary at Atlanta, Ga., where he was committed on March 27, 1941, having been convicted in the United States District Court for the Southern District of New York of using a passport which had been obtained by false statements.

It appears that in April, 1937, and again in February, 1938, Browder, on board steamship in New York harbor, returning from Europe, had used for the purpose of identifying himself and proving his American citizenship, a passport which had been issued to him in 1934 and extended upon a renewal application until Sept. 1, 1938.

The false statement which

than the corresponding week in 1941, and 158,625 cars above the same period two years ago. This total was 133.32% of average loadings for the corresponding week of the 10 preceding years.

Production of electricity rose last week to the highest levels since mid-March, the Edison Electric Institute reveals. A total of 3,351,126,000 kilowatt hours was generated in the week ended May 9, up 1.4% from the 3,304,602,000 produced in the previous week and 11.6% over the 1941 comparative of 3,003,921,000.

The steel industry will turn out this week 1,685,000 tons at operations averaging 99.2% of capacity, the American Iron & Steel Institute estimates.

Last week's production was 1,691,800 tons with the mills operating at 99.6% and a month ago the tonnage was 1,657,900 tons and the rate 97.6%.

For the corresponding week a year ago, with the steel industry's capacity less than now, operations were 99.9% and output 1,612,300 tons.

Engineering construction for April totaled \$898,696,000, averaging \$179,739,000 for each week of the month, according to "Engineering News-Record." The month's volume, on the weekly average basis, was 88% above the corresponding period last year, but declined 1 1/2% from the average for the month previously. The near-record volume of March and the all-time highs of July, 1941, are the only totals that have exceeded the April, 1942, weekly average.

ishment already suffered by Browder and that the commutation of his sentence, which brings about his release at this time, just shortly before he will become eligible for parole, will have a tendency to promote national unity and allay any feeling which may exist in some minds that the unusually long sentence in Browder's case was by way of penalty imposed upon him because of his political views.

In United Press accounts from Washington May 16 it was stated that the commutation of sentence, according to legal observers, does not restore Browder's citizenship. It was added:

Browder was the Communist party's perennial candidate for President before his conviction, but unless a full pardon comes later he will never be able to run for that office again.

Among those criticizing the commutation of the sentence, are Major Paul F. Lawrence, New York State Commander of the Veterans of Foreign Wars and Lawrence A. McNally, New York County Commander of the American Legion.

Hull Warns Of Perils Of Narrow Economic Nationalism Policy In Post-War World

In a statement issued in connection with the celebration of National Foreign Trade Week, May 17-23, Secretary of State Hull said that Americans must realize that achievement of the far-reaching economic objectives of the Atlantic Charter "will be impossible if we follow policies of narrow economic nationalism such as our extreme and disastrous tariff policy after the last war."

"We must realize," Secretary

Hull continued, "that our own prosperity depends fully as much on prosperous conditions in other countries as their prosperity depends on ours. We must show now, by our positive acts of collaboration with other nations of like mind, that we are prepared to shoulder our full share of responsibility for building a better world."

The Secretary's statement further said:

During the year that has elapsed since the last observance of the Foreign Trade Week, a vast change has occurred in our country's position, which profoundly affects the work of those engaged in foreign commerce as it does the life and work of every one of our citizens.

Our country is at war. Together with more than 20 nations united with us in this great struggle, we are engaged in repelling the attacks of powerful and ruthless enemies and are marshaling our human and material resources for armed blows that will crush once and for all the forces of conquest and domination.

The greatly expanded production of our war industries is flowing in ever-increasing volume to our own heroic fighters and to all the battlefronts of the United Nations. With unity and singleness of purpose, by doubling and redoubling our efforts, we are hastening the day of complete victory over the enemies of human freedom, the day when we can begin to build upon firm foundations a world of peace and progress.

In this all-embracing endeavor, foreign trade, as all other phases of our economic activity, must serve the imperative requirements of the great task that is before us. The international movement of goods is indispensable to the winning of the war. It will be equally indispensable to the winning of the peace.

When the war is over, enduring peace and advancing prosperity will be impossible unless international trade and international economic relations in general are established on the basis of fair treatment and mutual benefit. Our war effort itself will be immensely

strengthened if we make sure now that one of the principal things we are fighting for is the establishment of a new and better system of international economic relations.

The United Nations have already resolved that, once victory is achieved, the economic relations among nations will be based on the principles and objectives which have been tirelessly advocated by our Government on all appropriate occasions in recent years. These principles and objectives have been affirmed and incorporated in the declaration of Aug. 12, 1941, known as the Atlantic Charter. They have been accepted as a common program by all of our allies in the United Nations Declaration of Jan. 1, 1942.

Of particular interest to foreign traders is the fourth point of the Atlantic Charter, which promises "to further the enjoyment by all States, great or small, victor or vanquished, of access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity." This must, of necessity, involve the rehabilitation, on a sound basis, not only of trade relations, but also of monetary, financial and all other international economic relationships.

Newsprint Output Down

Newsprint production in North America in April amounted to 386,376 tons, a decline of 1.9% from the output in the same month last year, according to figures issued by the News Print Service Bureau. Total production for the four months of the year, however, totaling 1,597,953 tons was 4.8% above 1941. The Canadian mills production for April amounted to 277,741 tons and shipments to 238,346 tons. Production in the United States was 82,669 tons and shipments to 81,182, while Newfoundland's output totaled 25,966 tons.

Stocks of news print paper at the end of April were 184,021 tons at Canadian mills and 12,648 tons at United States mills, making a combined total of 196,669 tons compared with 155,787 tons on March 31, 1942, and 194,692 tons at the end of April, 1941.

THE FINANCIAL SITUATION

(Continued From First Page)

Shortsighted Planning

In fine, those highly articulate leaders among us who would have us play a dominant role in world reconstruction and liberation should, perhaps above all others, interest themselves incessantly in seeing to it that we emerge both solvent and free, and that domestic post-war plans are such that neither solvency nor freedom be endangered here at home. Yet if such interest stirs in their breasts there is little evidence of it—or else they have not the vaguest idea what constitutes or what protects solvency or freedom. Not one of them is heard doing more at most than offering vague lip service to the elimination of non-essential expenditures even at present when the nation is straining to the utmost in its war effort. Few if any of them show any interest whatever in typical American freedoms. Subsidies continue and regulations, some of them at least most unnecessary and unwise, multiply. Now comes the incredible suggestion that public subsidies be provided to keep alive those businesses which regulations otherwise would destroy! More public debt and more governmental dependents—in a vain effort to make foolish regulation work!

Some Financial Considerations

But consider some of the general features of the program under which the war effort is being financed and the post-war period provided for. In the intensive, nationwide campaign for the sale of war savings bonds and stamps, one of the "selling arguments" is to the effect that the individual, particularly the person of small means, should save now and buy these savings bonds "in order to have a fund with which to satisfy his wants when the war is over." It is very well, of course, to urge the utmost in saving now, but how are these savers who invest in war bonds to obtain their cash upon the conclusion of hostilities? They can do so only by making demand upon the public Treasury which at that time may well be burdened with \$200 billions of debt, which as affairs are now being managed may well be in very substantial proportion in very short term commitments wholly irrespective of the war bonds here in question. Should, as appears to be universally expected, a sharp rise in unemployment occur at that time, the Treasury will, moreover, be at once called upon for large sums in respect of unemployment insurance.

Let it be carefully noted that we shall enter such a period with the public well taught in advance that the time has come to cease to save and to begin spending for what they have long wanted. Let it be further observed that almost certainly by that time the market for any and all types of Government obligations will be glutted, individuals overloaded and the banks bursting with these obligations. Where then will the Treasury obtain the funds to meet the demands which it is daily inviting from the general public? But this is by no means the whole story. Literally thousands of Government employes, national, state and local, are today making their living conjuring "projects" upon which to spend public funds at precisely the time the war comes to an end—to spend public funds which do not exist to bolster the business situation, or, to use a phrase now somewhat out of common usage, prime the pump. Nor is this all. Post-war plans now being developed envisage us feeding, clothing and generally rehabilitating the destitute abroad. It has even been suggested that some sort of lease-lend arrangement be devised for the purpose. Are we to suppose that the Treasury has some mysterious source of inexhaustible funds? Had we not better pause now to inquire whether we are not arranging not for a new heaven and a new earth but a bankrupt Treasury?

Slaves Preaching Freedom

But the state of affairs that we appear to be in danger of creating is not one whose infirmity lies solely in financial difficulties. Such situations, the offspring of regulation, beget further restrictions. A noted essayist once remarked in effect that the cure for the abuses of liberty is more liberty. There is probably a good deal more truth in the aphorism than in that other doctrine now so often proclaimed in action if not in words that the cure for excessive and faulty regulation is more regulation—which in point of fact leads to confusion worse confounded. Yet some such philosophy appears now to guide the planners in public life, and there is no reason to suppose that another will guide them the moment hostilities have ceased. Enough has been said to suggest strongly that the real danger of a price explosion is likely to come when the rank and file who are now buying war savings bonds and stamps undertake to convert them into cash to effect purchases they have been obliged to postpone, and when many other huge demands are made (according to plan) upon the Treasury for funds to "prime the pump" and the like. One

needs to be an optimist indeed to suppose that, given the modern itch to control and the modern faith in restriction, natural economic law will at that time be given an opportunity to effect the adjustments which will be inevitable at one time or another if our economy is to establish itself upon a solid footing.

There is real danger that we shall find ourselves in embarrassing financial difficulties, and in a needless degree, at precisely the time that we desire to take a position of financial world leadership. We may well likewise find ourselves a restricted and regimented people preaching liberty to other peoples far less shackled. A substantial degree of such dangers is inherent in the situation in which we now stand, but there is no good reason why we should not take all precautions available to keep them as slight as may be.

Elimination Of State Trade Barriers Urged At Washington Conference On War Restrictions

An appeal to Governors to eliminate for the duration of the war at least local laws and regulations which interfere with the progress of war production was made by Donald M. Nelson, Chairman of the War Production Board, in addressing delegates in attendance in Washington at the Federal-State Conference on War Restrictions, held May 5, 6, and 7 at the invitation of President Roosevelt. Jesse H. Jones, Secretary of Commerce, who presided at the conference, read a message on May 5 from President Roosevelt in which the latter said that the war effort "demands complete mobility and complete marshalling of all our resources of man power, materials and equipment." The President also said:

"Legal obstacles arising from a desire for regional and local advantage in a country so vast, with industry and interests so diverse, tend to defeat the requirements of free commerce and free enterprise among the States. Vexatious and disruptive in peace, in war they become dangerous. In recent months, as the nation has geared its economy to war, other State and local laws which in peace time were designed to meet local conditions, have through their very rigidity imposed a heavy toll on national efforts to utilize our resources of land, man power and materials most effectively."

The President on May 19 appointed a committee headed by Secretary Jones to meet yesterday (May 20) with the executive committee of the Governors Conference to take action toward the elimination of State and local legal restrictions impeding war effort. In his letter to Mr. Jones respecting the naming of the committee the President said:

As you know, divergent State laws and regulations are impeding many phases of the war effort. Those impediments to full production were discussed at your conference last week between representatives of the State Governments and Federal war agencies. Specific solutions must be developed. The Council of State Governments has suggested that I appoint a committee from the war agencies to meet with the executive committee of the Governors' Conference and formulate those solutions. Besides Secretary Jones, the President named as members of the Federal Government Committee:

The Secretary of the Treasury, Attorney General, Under-Secretary of War, Assistant Secretary of the Navy, Chairman of the War Production Board, Director of the Office of Defense Transportation and the Chairman of the War Man Power Commission.

At the May 5 session of the Conference, various officials of war agencies said that unless some of the existing barriers to transportation, building construction and foodstuffs were removed the Federal Government will have to take action itself.

Associated Press accounts reported Joseph B. Eastman, director of Defense Transportation as having told the Conference that he believed most states could and

would ease the restrictions voluntarily. But in some cases, he said, this might be impracticable. He added that "in that event, the only alternative seems to be to accomplish its through Federal action under the war power."

Paul V. McNutt, Chairman of the War Man-Power Commission, in addressing the Conference on May 6 said that the United States faces a "supreme test" in mobilizing an additional 10,500,000 workers to more than double the war industry labor supply within the next year. Among other things Mr. McNutt said the commission will work out plans for transferring workers from less urgent to more urgent production; for releasing from Army duty vitally needed workmen, and for utilizing the unemployed, the large army of handicapped men and the potential pool of women workers.

According to the United Press he stated that it is not yet necessary to order a nation-wide registration of women, but that a considerable number must be recruited to meet the demand for war labor.

Secretary of Agriculture Wickard in addressing the conference on the subject of "Speeding Up Food for Freedom," said:

"The Federal Government, no less than the State and local government, is responsible for laws and regulations which undoubtedly hinder the free flow of supplies to farmers and hamper the processing and distribution of farm products as they are produced. Let's give these laws and regulations a thorough going over today. We must study them strictly in the light of the war emergency. I believe we are all agreed that every unnecessary obstacle to the production and free flow of the essential farm products must be done away with. As I said at the start, regulations that guard health and safety are just as important in war as in peace. In considering these, we must be careful to continue essential safeguards. I believe there are ways of administering some of these regulations in such a way that the production and flow of farm products can be speeded up without endangering either health or safety. As for restrictions which serve other purposes, we can't afford to keep them at all in this emergency. We must remove every impediment of food production and distribution that can be removed. We must have a flexibility in our regulations that will enable us to deal with each new emergency as it comes up."

Ceilings In Effect For Retail Prices

The General Maximum Price Regulation went into effect on May 18 on sales at retail and established an absolute ceiling (the highest price paid in March) over practically everything that Americans use, wear and eat. The only exceptions of common interest are a limited number of foods. Certain of the millions of articles covered by the ceiling have been designated by the Office of Price Administration as "cost-of-living" commodities and, as such, are accorded special treatment for the information of the buying public. The Regulation, which was issued April 28, required each retail store to display publicly its ceiling prices for every "cost-of-living" item beginning May 18. The OPA originally required retail storekeepers to file a list of these items with local War Price and Rationing Board by June 1 but on May 15 extended the date to July 1 in order to relieve somewhat the burden of physical work that the Regulation imposed on retailers.

All retailers automatically became licensed by the Government as of May 18, although the actual licenses will be issued later following a national registration to be held soon.

Price Administrator Henderson announced on May 14 a procedure by which retailers in exceptional circumstances may apply for adjustment of an abnormally low maximum price. Emphasizing that the machinery is not intended for widespread use, Mr. Henderson said:

Merchants whose margins are lowered or even eliminated on an article or a group of articles not making up a substantial portion of their total volume must consider it their duty to absorb the difference or to seek relief from their suppliers. There will be many cases where the burden can be spread over more profitable lines, while in others the situation will prove only temporary.

We do not expect applications for relief except in the most unusual circumstances.

This is the second step of the General Price Regulation, since ceiling prices for wholesalers and manufacturers went into effect on May 11. The next step under terms of the Regulation will be the ceiling on sale of services at retail which becomes effective on July 1. Under the over-all ceiling the prices at all levels—manufacturer, wholesale and retail, and the services connected with the commodities—are the highest charged in March, 1942.

References to the price regulation appeared in these columns April 30, page 1705, and May 7, page 1785.

House Group Votes Normal Tax Rise To 6% Joint Returns And Lower Exemptions

The House Ways and Means Committee resumed this week its consideration of individual income tax rates as part of the Treasury's goal of \$8,700,000,000 in additional revenues.

The House group on May 19 tentatively voted to increase the normal tax rate in the case of individuals from 4% to 6% and agreed that, with surtax rates, at least \$2,750,000,000 additional should be raised from individual taxpayers. The Committee was expected to decide finally on surtax rates yesterday (May 20). It was reported that the lowest rate said to be under consideration is 11% or 12% on the first \$2,000 of net income, compared with the present rate of 6%, and that the highest contemplated is 80%, or 85%, as against 77% now on the highest income.

The Committee on May 15 tentatively included in the tax bill a provision compelling joint income tax returns by husbands and wives but voted against taxing the income either from outstanding or future issues of State and municipal securities. Both these controversial issues had been recommended by the Treasury. It is reported that the House group voted 13 to 10 in favor of mandatory joint income tax returns—estimated to bring in \$350,000,000 in new revenue. The group's action in refusing to tax State and local bonds is said to eliminate about \$200,000,000 in additional revenue. It is expected that the controversial joint return issue will meet strong opposition, since a similar proposal was defeated on the House floor last year. The chief objection comes from the nine community property States and various women's organizations.

Previously (on May 13) the House Committee voted to reduce personal income tax exemptions from the present \$750 to \$500 for single persons and from \$1,500 to \$1,200 for married couples. It also decided to retain the present \$400 credit for dependents and the 10% earned income credit allowed for individuals with an income of up to \$14,000.

Secretary Morgenthau proposed to the Committee on May 7 that exemptions be reduced to \$600 for single persons, to \$1,200 for married couples and \$300 for dependents. He estimated at that time that his proposal would yield \$1,100,000,000 in new revenue of which only about \$100,000,000 would come from the 6,900,000 new taxpayers affected by the lowering of exemptions, as noted in these columns May 14, page 1867. It is estimated that the House Committee's reductions will increase individual income tax revenue by \$1,200,000,000. Mr. Morgenthau had also asked for elimination of the earned income credit.

The House Committee on May 13 also rejected the Treasury's recommendation for reduction of the present 27½% depletion allowance granted to oil producers and other companies developing natural resources.

Secretary Morgenthau told his press conference on May 14 that the Treasury is studying a proposal for a normal "head" tax on everyone who files an income tax return. He said that an assessment of around \$5 would bring in to the Treasury about \$100,000,000 a year. If such a tax is legal, Mr. Morgenthau explained, the Treasury will recommend its adoption, adding that such a fee would reimburse the Government for the expense of examining otherwise non-taxable returns. The idea for such an "examination fee" was first suggested, it is understood, by Senator George (Dem., Ga.), Chairman of the Senate Finance Committee.

Opposition to the House group's lowering of income tax exemptions was expressed in the Senate on May 15 by four ranking members of the Senate Finance Committee—Senators Brown (Dem., Mich.), La Follette (Prog., Wis.),

Taft (Rep., Ohio) and Vandenberg (Rep., Mich.). They also expressed objection to the Treasury's suggestion that a "head" tax be levied on those filing income tax returns.

On May 17 the American Federation of Labor issued a formal statement protesting against lowering exemptions, saying that it "will not result in equity of sacrifice. It will hurt most those who are least able to pay." The A. F. of L. Executive Council added that "we don't doubt for a moment that Congress will exact heavy taxes from persons with high incomes this year, but we submit that it is much less of a sacrifice to give up luxuries for the sake of the war than to destroy the minimum standards of decent living."

With the sudden death of Representative Patrick J. Boland, on May 18, the Ways and Means Committee adjourned (as well as the House) on that day out of respect to his memory. Mr. Boland was Democratic Whip of the House.

Pope Pius Broadcasts New Appeal For Peace

Making a new appeal for peace, Pope Pius XII in a broadcast from Rome on May 13, offered his plea by stating that "we have labored both before the outbreak of war and during its course for peace with all our mind and strength and within the ambit of our Apostolic Ministry. But now, His Holiness went on to say, "when the nations are living in the painful suspense of waiting for new engagements to begin, we take the opportunity offered by this occasion to speak once again a word of peace and we speak that word in the full consciousness of our absolute impartiality toward all the belligerents and with equal affection for all peoples without exception."

Speaking on the eve of the occasion of the feast of Christ's Ascension into Heaven, and on the 25th anniversary of his consecration as Archbishop, Pope Pius continued:

We know well how, in the present state of affairs, the formulation of specific proposals for a just and equitable peace would not have any well-founded probability of success. Indeed, every time that one speaks a word of peace one runs the risk of offending one or the other side.

In fact, while one side bases its security on the results obtained, the other rests its hopes on future battles.

If, however, the present lineup of opposing forces and of gains and losses in the political and military spheres, does not show any immediate practical possibility of a just peace, the destruction wrought by the war on all nations, in the material and spiritual planes, is all the time accumulating to such an extent that it calls for every effort to prevent its increase by bringing the conflict to a speedy end, even prescinding from arbitrary acts of violence and cruelty against which, on former occasions, we raised our voice in warning.

And we repeat that warning now with insistent supplication, even in the face of threats of still more deadly warfare.

In his broadcast the Pope essayed that "the cries for help which each day bring to us

would tell us, if we did not already know it, what the present moment in its onward rush asks and demands from the Church, namely, to use her authority to secure that the present terrible conflict may cease and the flood of tears and blood may issue forth into an equitable and lasting peace for all."

In part Pope Pius also said: For whole decades a gigantic amount of study and the flower of intellect and good will had been devoted to realizing a solution of the social question and now after all this the peoples must behold how the public moneys, whose wise administration for the public good was one of the cardinal points in that solution, are being spent in hundreds of billions for the destruction of goods and life.

But from the want and sufferings of homes to which we have referred—and which now extend to the whole world—there arises behind the war front another huge front, the front of families injured and in anguish. Before the war some people now in arms could not even balance their deaths with their births; and now the war, so far from remedying this, threatens to send the new additions to the family to physical, economic and moral ruin.

We should like, then, to address a fatherly word of warning to the rulers of nations. The family is sacred; it is the cradle not only of children but also of the nation—of its force and its glory. Do not let the family be alienated or diverted from the high purpose assigned to it by God. . . . Do not let the family home, and with it the school, become merely an anteroom to the battlefield.

We make a warm, fatherly appeal to statesmen that they may not let any occasion pass, that may open up to the nations the road to an honest peace of Justice and moderation, to a peace arising from a free and fruitful agreement, even if it should not correspond in all points to their aspirations.

Let us rekindle in ourselves the spirit of love; let us hold ourselves ever ready to collaborate with our faith and our hands, after the most extensive, disastrous and bloody cataclysm of all history, to reconstruct from the pile of material and moral ruins a world which the bonds of brotherly love will weld in peace, a world in which, with the help of the Almighty, all may be new hearts, words and works.

WPB To Cut New War Plant Construction

A spokesman for the War Production Board said on May 16 that virtually all contracts for war plants which cannot be completed and in production by mid-1943 would be canceled, according to Associated Press Washington advices of May 16, which added:

The drastic decision—giving complete emphasis to Chairman Nelson's "do it now" philosophy—means, he added, that approximately two-thirds of all the war plant construction approved or under contract will be abandoned.

WPB was said to have been guided to this decision by two major considerations: severe shortages of raw materials and belief that developments this spring and summer may spell a turning point in the war.

It was explained that construction will be pushed on such facilities as synthetic rubber and aviation gasoline plants, but will be cut down on such projects as new steel plants.

WPB has determined to produce 80,000 planes, 45,000 tanks and 8,000,000 tons of shipping in 1942 and deal with the vastly

increased program for 1943 when that time comes, officials explained.

The same advices stated: The raw materials "pinch" has reached the point, it was understood, where WPB now has determined to concentrate available supplies on production of arms and munitions rather than on the plants in which they are made.

The program was described in this manner: Facilities already "substantially under way" will be completed.

All war construction authorized or under contract, but not yet begun, will be reviewed and evaluated on the basis of answers to four questions: Is the project absolutely necessary? Can existing plants or facilities be used instead of new construction? How much of a drain will it be on materials supplies? When would it be in production?

Further, if and when new plants are approved in the future, they will be erected strictly as temporary buildings—probably constructed largely of wood and using little if any steel.

Gas Ration'g Confusion Not Reduced As Quickly As Desired, Says FDR

President Roosevelt, commenting on the conflicting reports emanating from Washington concerning gasoline rationing, said that the "press initially contributed to the confusion and this confusion was not reduced as rapidly as might have been by Government departments most directly concerned."

The statement was contained in a letter to Governor Wills, of Vermont, who made public the letter on May 15, in Montpelier, with White House approval.

In a telegram to President Roosevelt on April 26, Governor Wills had criticized "cross purpose announcements originating in Washington from many governmental agencies which there abound." Mention of this was made in these columns April 30, page 1710. According to Associated Press advices from Montpelier, Vt., on May 15, the Governor quoted the President's reply as stating:

You are right, of course, that conflicting reports from Washington on anything so important in American life as gasoline rationing are disruptive of morale; you are also right that there were seriously conflicting reports about this matter. However, in this instance as in other instances where there have been seriously conflicting reports of developments, the difficulty is not one which is exclusively within the power of the executive branch of Government to control.

For example, the first report emanating from Washington that gasoline might be restricted to from two and one-half to five gallons per week was not an official Government report. It was a press report based on some relatively informed conjectures by newspaper correspondents about what might reasonably be expected in the ration. Thereafter Secretary of Interior Ickes, who directs the Office of Petroleum Coordinator, remarked at his press conference that he thought this estimate too low and a conflict of opinion upon the subject was thus presented to the American people. It detracts relatively little from the seriousness of the conflict that it was not due to conflict within governmental departments.

The estimate of ration attributed to Leon Henderson's office

was improperly attributed. A stenographic report of Mr. Ickes's observations on the situation discloses he neither attributed an estimate of two and one-half to five gallons per week to Mr. Henderson nor questioned it on that basis.

I cite these facts not only to clarify the record, but also to indicate the problem of conflicting statements, which distresses you as it distresses me, is much broader than one which can be easily handled by executive departments of the Government.

In this case the press initially contributed to the confusion and this confusion was not reduced as rapidly as it might have been by Government departments most directly concerned.

In other important cases such as those having to do with rubber supplies there have been direct conflicts between statements purporting to be those of fact by authorized spokesmen of executive departments and members of Congress. These conflicts can only have served, as I think you are right in saying that conflicting statements about the rationing program served, to disrupt public morale.

It is my conviction that now, more than ever, it is the patriotic duty of every public person to exhaust every possibility of avoiding conflict in statements of fact with other public persons or agencies. * * *

And it involves a similar care on the part of all agencies of communication, such as the press and the radio.

Most of the nations with which we are now at war for survival would handle this problem very simply—by fiat. There would be no conflicts of official or seemingly official statements of fact because those who made them would be disposed of if the practice were continued.

You and I believe, however, that such a ruthless procedure would be completely repugnant to the ideals for which we are fighting. Consequently, we have the extremely difficult problem of avoiding the type of conflict in statements of fact which you cite, and at the same time preserving to the maximum the freedoms for which we are fighting.

Report Wheat Sales

The U. S. Department of Agriculture announced on May 16 that the Commodity Credit Corporation that week sold approximately 1,560,000 bushels of 1941-crop warehouse-stored wheat which was not redeemed April 30, 1942, the maturity date of the loans. The announcement likewise says:

In accordance with the announcement previously made, the warehouse-stored wheat held under loan which was not sold was acquired by the CCC at the face value of the notes, plus interest and carrying charges. Approximately 197,000,000 bushels of wheat, it is estimated, were taken over in this manner in satisfaction of loans.

Wheat from the 1941 crop held under loan in farm storage, it was announced, may be resealed until April 30, 1943, or may be repossessed any time prior to July 1, 1942. All 1941 farm-stored wheat not redeemed on which loans are not extended will become the property of CCC immediately upon delivery to an accepted warehouse. On May 9, 1942, loans were outstanding on approximately 99,896,000 bushels of this farm-stored wheat. In addition, loans were outstanding on approximately 3,000,000 bushels of wheat from the 1940 crop resealed on farms. This wheat must be redeemed by July 1, 1942, or delivered to CCC.

Small Income Trusts In Majority ABA Finds

More than half of all trusts administered by the trust institutions of the country have an annual of less than \$1,200, Richard G. Stockton, President of the Trust Division of the American Bankers Association, pointed out on May 15 in announcing the findings of a national survey just completed by the Division. Mr. Stockton is Vice-President and Senior Trust Officer of the Wachovia Bank and Trust Co., Winston-Salem, N. C. The survey reveals that 59% of all trusts have an annual income of less than \$1,200, the average being \$369. It also shows that 76% of all trusts have an income of less than \$3,000 a year, with an average of \$748. The results of the survey cover 153,646 trusts managed by 1,047 banks and trust companies in 696 towns and cities blanketing the entire country. They represent, it is stated, reports from most of the active trust institutions of the country. In his comments Mr. Stockton said:

These figures are rich in social significance. They clearly demonstrate that trust institutions are performing a vital service for the benefit of those whose income depends on the competent administration of moderately sized estates. Much of this income is for the benefit of women and children and is used for the support of the home, education of children, care of parents, and for the protection and financial security of other beneficiaries.

While 76% of the 153,646 trusts reported in the survey are in an income group under \$3,000, only 2.57% are trusts having an income of over \$25,000. The report sets forth the findings in three other trust-income groups.

These show that trusts in the \$3,000-\$7,500 income bracket represent 12.15% of all the trusts reported and have an income average of \$4,739. Those in the \$7,500-\$10,000 group are but 3.58% of the total, and their annual income averages \$8,530. Trusts in the \$10,000-\$25,000 income group account for 5.10% of all trusts covered by the report.

The survey was conducted by the Committee on Trust Information of the Trust Division, composed of the following:

- Towner Phelan, Vice-President St. Louis Union Trust Co., St. Louis, Mo., Chairman;
- Henry W. Carlisle, Publicity Manager Guaranty Trust Co. of New York, New York;
- Ralph M. Eastman, Vice-President State Street Trust Co., Boston, Mass.;
- Henry H. Judson, Vice-President and Trust Officer Seattle Trust and Savings Bank, Seattle, Wash.;
- Harve H. Page, Second Vice-President The Northern Trust Co., Chicago, Ill.;
- Craig R. Smith, Assistant Vice-President Central Hanover Bank and Trust Co., New York.

Warns of Loose Talk

President Roosevelt is reported to have cautioned the members of the Pacific War Council on May 13 of the danger of "loose talk" which might be of value to the enemy. At the Council's regular meeting with the President at the White House this was said to be the main topic of discussion, although the figures on production and the warfare in the southwestern Pacific also were reviewed.

Mr. Roosevelt on May 15 told his press conference that there was probably more loose talk in Washington than anywhere else in the country. He said he was warning against releasing war information on every continent.

Limit Cost of Movie Sets

The War Production Board notified the film industry on May 6 that it could spend up to \$5,000 and no more for movie sets for each picture. Heretofore, it is reported, some sets have cost from \$10,000 to \$150,000.

The figure covers new materials costs only, the WPB said, and does not count labor or any materials which might have been left over from earlier pictures.

Associated Press advices further states:

The movie industry, it was understood, had asked for exemption from the \$5,000 limit provided for commercial building projects in WPB's recent construction order, suggesting that the movies were essential to public morale and that the industry would voluntarily hold costs to a minimum.

WPB rejected this idea, but still had to decide whether the \$5,000 limit should apply to each company's total building for a year, for a picture, or for a single set. The \$5,000 per picture figure was chosen as the most reasonable control method.

US And Norway Raise Envoys To Ambassadors

Announcement was made in Washington on May 12 that henceforth the United States and Norway will exchange diplomatic representatives with the rank of Ambassador. This elevation from the rank of Minister, the State Department said, is "an indication of the importance which this Government attributes to the participation of the Norwegian Government and of Norwegians throughout the world in the war effort of the United Nations."

President Roosevelt, who had proposed the change to which the King of Norway agreed, sent to the Senate the nomination of Anthony J. Drexil Biddle, Jr., present Minister to the refugee government of Norway in London, to be the first Ambassador. Similar action with respect to the Netherlands Government was taken on May 7.

The nomination of Mr. Biddle to the Norwegian post and also to the Netherlands' Ambassadorial post in London was confirmed by the Senate on May 12. Mr. Biddle has also been serving for some time as Ambassador to the exiled Governments of Belgium and Poland as well as Minister to a number of other governments in exile in England.

The State Department issued a statement on May 12 which said in part:

For two years the annals of the age-old struggle of free men to preserve their liberties have been enriched by the heroic feats of Norwegian men, women and even children in their unrelenting resistance to the vicious German invaders who now occupy their country.

Assailed from without by overwhelming military force and betrayed from within by a handful of traitors headed by a man whose very name has become synonymous with perfidy, the Norwegian people and their king have nevertheless been unalterable in their determination to restore their freedom.

Accordingly, as an indication of the importance which this Government attributes to the participation of the Norwegian Government and of Norwegians throughout the world in the war effort of the United Nations, the President has proposed to the King of Norway that henceforth the two countries exchange diplomatic representatives with the rank of Ambassador.

On May 13 the unity of purpose of the two countries to maintain their freedom was stressed by President Roosevelt and King Haakon of Norway when Mr. Biddle presented his credentials in

London and Wilhelm von Munthe af Morgenstierne, the Norwegian Minister, submitted his credentials in Washington.

Ambassador Biddle presented a letter of credence from President Roosevelt which said, in part:

In peace, and now in war, unique ties link the destinies of the peoples of Norway and of the United States. Norwegian-born men and women by the hundreds of thousands have found in the New World a warm welcome among kindred people and have made immeasurable contributions to the spiritual and material development of their adopted land.

It is peculiarly fitting, therefore, that the United States and Norway should exchange Ambassadors as a symbol to our friends and to our enemies of the unity of purpose of two nations equally determined to maintain their freedom against the assault of evil forces.

King Haakon stated that he greatly appreciated the proposal "that the representatives of our respective countries should be given the rank of Ambassador, in recognition of the special ties of friendship and collaboration which unite our peoples in their common fight against the enemies of all free nations."

Army Will Take Control Of Commercial Airlines

The War Department announced on May 14 that the domestic air lines will soon be put upon a full war-time footing under an order terminating all routes and services not regarded as essential to the war program. New air transport schedules, prepared by the Civil Aeronautics Board, are to be announced shortly, the Department said. Under the new plan "about to be put into effect," the commercial air fleet will be utilized in three separate ways. The announcement explained this as follows:

A substantial proportion of the available flight equipment will be transferred outright to the Army Air Forces to be available for operation by Army personnel in the various services and commands.

The airlines themselves will convert approximately 70 ships into cargo carriers, title to most of which will remain in the companies, to be operated by airline personnel, under contract for the Air Service Command.

The remaining ships, aggregating about half of those now in commercial service, will until further notice continue to be owned and flown by the airlines, but will be considered always available for emergency military missions.

The statement further said:

Air travel vital to the country's needs will continue subject to a strict system of priorities to be enforced through agencies in various centers in different parts of the country. All persons who can travel by train are to do so, except in real emergencies.

Merely because an individual is a member of our armed forces or is engaged in war work will not, in itself, entitle him to the use of air transport. The statement added that:

The entire plan follows the intent of the law setting up the airlines as an element of national defense and has been drawn up for the purpose of further utilizing in the war effort the equipment of the airlines and the valuable experience of their trained personnel.

Air travel has been under a system of priorities for some time but under the new order the terms will be more stringent.

Cost of Living Shows Rise Of 1% In April

Due chiefly to a 3% rise in clothing and a 1.3% increase in food, the cost of living of wage earners and lower-salaried clerical workers in the United States rose 1% from March to April, according to the Division of Industrial Economics of the Conference Board. Under date of May 15 the Board further said:

Men's clothing rose 3.3% while women's clothing was 2.7% higher.

Fuel and light declined 0.3% due wholly to a reduction of 0.5% in coal, while housing rose 0.3%, and sundries were 0.6% higher.

The Board's index of the cost of living (1923=100) was 97.1 in April as compared with 96.1 in March, 95.1 in February, 94.5 in January, 93.2 in December, 92.9 in November and 86.3 in March, 1941.

Living costs were 11.7% higher than in April, 1941. Food prices led the advance over the year period with a rise of 22%. Clothing prices were second with a 20.6% rise. Other rises during the 12 months were: sundries, 5.9%; fuel and light, 4.3%; and housing, 3.6%.

The purchasing value of the 1923 dollar declined to 103.0 in April. In March it was 104.1, in February 105.2, in January 105.8, and a year ago it was 115.1.

Limits Use of Cocoa

The War Production Board on May 11 acted to curtail the supply of cocoa products used in making such confections as chocolate candy, chocolate coated foods, powdered cocoa, chocolate covered ice cream, cocoa butter, and chocolate syrup. It is pointed out by the Board that the chocolate in these products is obtained from cocoa beans. Order M-145 and Supplementary Order M-145-a, issued May 11, restrict the amount of cocoa beans that may be ground or pressed during the balance of May and the month of June to 38.8% of the grindings during the three months ended June 30, 1941. This percentage represents 70% of the total grindings during the 1941 period, prorated over the remaining portion of the current quarter. The percentage for the next quarter will depend upon the supply prospects for that period, says the WPB announcement, which added:

Any processor who had a total of 50,000 pounds or more of cocoa beans on hand under his control, or in transit to him in the United States on May 1 must report to the WPB on Form PD-473, by June 1, his supply of cocoa beans and the amount he processed each month during 1941.

The supply of cocoa beans is imported chiefly, from the Gold Coast, Ivory Coast, and Nigeria areas of West Africa, and from Brazil. The shipping space allocated to cocoa beans from all of these sources, between April 1, 1942 and Dec. 31, 1942, has been cut to 20% of estimated unregulated consumption of cocoa beans for that nine-month period. Furthermore, imports during the first three months of 1942 were only about 34% of consumption. On April 1, 1942, the supply of cocoa beans in the United States was 452,000,000 pounds, or somewhat less than a year's supply on an unrestricted basis. Today's order is designed to make this supply last about 16 months.

The United States is the largest consumer of cocoa beans in the world, taking about 39% of the total world production. In the three years ended Dec. 31, 1941, the total annual consumption of cocoa beans in the United States averaged about

500,000,000 pounds, while per capita consumption was nearly four pounds.

Any processor may process, without charge to his quota, cocoa beans for the following agencies and persons directly connected with the war program:

The Army, Navy, Defense Supplies Corporation, Veterans Administration hospitals and homes, and any Lend-Lease agency; the American Red Cross and the United Service Organizations; and operators of camp restaurants, post exchanges, and similar camp or ship services for soldiers and sailors.

April Life Insurance Sales Decline

The sales of ordinary life insurance in the United States in April amounted to \$462,761,000, about 23% below the volume sold in the corresponding period of 1941, according to the monthly survey issued by the Life Insurance Sales Research Bureau, Hartford, Conn. The total sales volume for the first four months of 1942 is reported at 2,650,996,000, which is about 18% more than the amount sold in the same period of 1941.

The sales volume and the ratios for all sections are reported by the Bureau as follows:

	-April, 1942-		-Year to Date-	
	Sales Volume	Ratios '42-'41	Sales Volume	Ratios '42-'41
U. S. Total	\$462,761,000	77%	\$2,650,996,000	118%
New Engl'd	37,131,000	78%	213,527,000	118%
M. Atlantic	118,591,000	73%	741,946,000	119%
E. N. Cent.	106,487,000	78%	595,495,000	115%
W. N. Cent.	44,931,000	80%	245,663,000	119%
S. Atlantic	45,968,000	77%	250,167,000	115%
E. S. Cent.	18,950,000	78%	106,925,000	122%
W. S. Cent.	32,604,000	76%	191,317,000	116%
Mountain	11,998,000	74%	63,570,000	113%
Pacific	46,101,000	91%	242,386,000	128%

Victory Fund Committees To Aid War Bond Sales

Secretary of the Treasury Morgenthau announced on May 13 plans for the organization throughout the country of Victory Fund Committees to be set up in each Federal Reserve district and to be made up of bankers and members of the securities industry to aid the Treasury's financing program. This organization, it is pointed out, will work chiefly with the larger investors and will in no way duplicate the work of the War Savings Staff.

The Treasury Department's announcement also said:

Because the nation's war needs have increased tremendously the money-raising responsibilities of the Treasury, the Secretary of the Treasury has accepted the offer of the banking and securities industry to co-ordinate their efforts in helping to distribute Government securities.

It is indicated that committees headed by Presidents of the Federal Reserve Banks will be set up in each Federal Reserve District, the organizations being developed through assistance given the Treasury by the banking and securities industries. The Treasury Department as to this said:

The collaboration of these organizations will be formalized with the establishment of the new Victory Fund Committees, tied together nationally by a committee of Federal Reserve bank presidents, of which the Secretary of the Treasury will be chairman. The Chairman of the Board of Governors of the Federal Reserve System will provide the liaison between the Reserve banks and the Treasury.

In some districts executive committees may be set up for operating purposes, and district committees, with approval of the Secretary of the Treasury, may set up regional subcommittees.

From Washington

(Continued from First Page)
But coupled with his strong words was a plea that the Communists ought to realize that Hitler was not their friend and for their own protection, they should let our production go along unhindered.

Well, a few weeks later, Hull's words had come true—the Soviets now say, they had known it all the time—and we and the Communists were buddies. Now, although the Communists are still saying that after the war is won, there will be a job for them to do on the capitalistic countries, they are going along, purportedly, in a wholehearted war effort on our part.

In that light, as I understand it, Browder has been released. Frankly, I believe his was a political sentence. It came on the eve of the 1940 Presidential campaign when one of the issues which the Republicans planned to make against the New Deal was its association with Communists. The Communists at the time had turned against the New Deal because of its aid to Britain and France policy. I still have my doubts as to how many of them voted for Willkie but it is one of the most amazing episodes in American politics that the New Deal which had worked hand and glove with these fellows for so many years, succeeded in the closing weeks of the campaign in attaching the Communist label to the Republicans.

But that is all water over the dam. What we now want is unity. Well, the New Deal hasn't let up on the Isolationists. Washington today is ringing with the vicious story which a certain and odious New York group has peddled about a Senator long in public life and who occupies one of the most prominent places in Government. Parenthetically, I should warn this group that the story hasn't helped their cause or the people to whom they are catering, in the slightest. There is not the slightest doubt in Washington that the motive behind this attack is that the Senator was an Isolationist.

The attack is not confined to him. There is a movement afoot to smear all of the Isolationists. One of the remarkable stories of history is that Mr. Roosevelt, with all of his power, with his power over all the world, has been for six years personally directing the fight against Ham Fish, an unimportant Congressman from a very unimportant district. This writer knows for a fact, that in the last few weeks of the 1936 campaign, when Mr. Roosevelt knew he had won again, tremendously, he ordered money and men sent into Ham Fish's district—which is Mr. Roosevelt's—to defeat him. He did the same thing in 1940.

These two men — these two spoiled children — have always been neighbors. I doubt seriously, though, that Ham, with all of his faults and his stupidity, would be devoting his time today to trying to "get" Mr. Roosevelt if the situations were reversed.

I submit that if there is to be immunity for Earl Browder there should certainly be immunity for Ham. And the business men. A year ago this time there was a tremendous battle on in Washington as to whether Industry should build new plants. The Industrialists were rightfully frightened because they thought the New Dealers wanted these new plants, to which the Government was to hold title, to compete with them after the war. Steel was particularly on the spot.

Now, after all these months, the war managers have decided that the thing to do is to use all available raw materials for equipment for the soldiers—and not for new plants.

Just what the Industrialists were contending a year ago.

WPB Aids War Financing

The Bureau of Finance of the War Production Board reported on May 15 that during April it helped manufacturers obtain \$55,109,969 of financing for war production from local banks, Federal Reserve Banks, the Reconstruction Finance Corporation, Defense Plant Corporation, Army, Navy, Maritime Commission and prime contractors. The financing, it is announced, went to 289 companies throughout the country, many of which received their loans from local banks.

The Bureau has representatives in 35 WPB field offices who give advice and assistance to firms engaged in war production or seeking war orders.

In explaining its functions, the WPB announcement stated:

Making no loans itself, the Bureau endeavors wherever possible to arrange financing of war work through local banks. Frequently it obtains commercial loans for war contractors or potential contractors by helping them to demonstrate that their contracts constitute a sound basis for credit.

War production involves extraordinary credit requirements for many manufacturers, especially smaller firms called upon to do a volume of business far in excess of normal. Such firms often must employ two or three shifts of workers instead of their normal single shift, acquire increased storage space to accommodate inventories, increase supervisory and clerical staffs, and buy additional equipment. In many instances, credit based on normal volume has proved inadequate. Among the solutions are advances from Government procurement agencies; loans by local banks, which the Government sometimes guarantees in whole or in part; and loans by the armed services and other Government agencies.

When the required financial assistance cannot be arranged through a commercial bank or, in the case of subcontractors, through their prime contractors, the Bureau of Finance assists the manufacturer to make proper applications to the Reconstruction Finance Corporation, a Federal Reserve bank or other Government financing agency.

By an Executive Order made public March 26, the War Department, the Navy Department and the Maritime Commission may make or guarantee loans for war production. The services also may make advances on contracts to provide necessary working capital. Established on March 29 by order of J. S. Knowlson, Director of Industry Operations of the WPB, the Bureau of Finance took over the functions of the Financial Section of the WPB's Contract Distribution Branch.

Child Congress Adopts Declaration Of Rights

Delegates to the eighth Pan-American Child Congress in Washington adopted on May 9 a "declaration of opportunity for children" which summarized the program formulated at the sessions which opened on May 4.

The declaration, adopted at the closing session, covers seven fields as follows:

- "1. Opportunity for every child to grow up within the care and loving discipline of family life.
- "2. Opportunity for every child to obtain the essential elements of wholesome, healthful living.
- "3. Opportunity for every child to find out what his or her special abilities are, and to secure education and training to develop those powers.
- "4. Opportunity for every child to develop responsibility and to

learn to participate in the world's work.

"5. Opportunity for every child to use creatively part of the free time remaining from classroom or job, in learning and practicing freely chosen, enjoyable activities and skills, including participation in normal social activities with other children.

"6. Opportunity for every child as a citizen to take his place in the life of the community.

"7. Opportunity to take part in some of the many creative ways of transforming the raw materials of human life into usefulness or beauty—as artist or craftsman; as worker on the soil or in the mine, mill, or factory; as leader or follower in organizations for community betterment; or as scholar, scientist, or spiritual leader."

Mordecai Ezekiel, economic adviser to the Secretary of Agriculture, on May 5 told delegates from the 21 American republics about present programs of stimulating food consumption and production in the United States. From the Associated Press we quote:

"These programs include, he explained, direct free distribution of surplus products to relief clients, the food-stamp plan, school lunches, 'nickel-a-quart' milk programs for relief families and 'penny-a-glass' milk for school children.

"As the system of Government subsidies for adequate nutrition is extended," he said, "it might be made even more effective by trading food surpluses of one country, such as wheat, beef or sugar, for surpluses of other countries, such as cocoa or bananas, to the advantage of the school children in both."

A message to the Congress from President Roosevelt was given in our issue of May 14, page 1876.

Define Govt. Business For X 'Gas' Ration Cards

The following statement defining official government business in connection with the issuance of X gasoline rationing cards was issued on May 13 by Leon Henderson, Administrator of the Office of Price Administration:

Section 1394.32 of the Emergency Gasoline Rationing Regulations authorizes the issuance of a Class X card if all or substantially all of the use of the vehicle in question is certified by the applicant to be for the official business of a Federal, State, local or foreign government or government agency.

A car is deemed used for official business to the extent that it is actually driven on government business in carrying out the functions of the particular agency of office.

In my opinion the use of a private car by a member of Congress or any other Federal or State employe in order to transact business with a government agency is official business.

Use of a car by any Federal or State employe for driving to and from his work entitles such person to an appropriate A or B card, and, if necessary he may file an application with his Local Board for a supplementary ration. Such use is not official business. But if a person is otherwise eligible for an X card, he may use that card for gasoline necessary to get to and from work.

Persons who have received an X card under an erroneous or mistaken interpretation of the intent of the regulation may return the X card to any registration place and apply for a card of the proper class.

I am relying on the good faith and patriotism of those who hold X cards to see to it that the privilege is not abused for private use.

Study S. Africa Resources

The United States is sending a special mission to the Union of South Africa to explore the possibility of developing natural resources for the United Nations' war effort. The United Press in indicating this as having been disclosed in Washington, stated that an informed official said the mission, composed of members of an interdepartmental committee, is the forerunner of several that will be sent ultimately to neutral and Allied nations throughout the world to explore their potentialities in replacing raw materials cut off by the Axis nations. From the United Press accounts we also quote:

David Sharpstone of the Metals Reserve Corporation, a subsidiary of the Reconstruction Finance Corporation, already is in South Africa. The War Production Board will be represented by Colin Wickersham and the Board of Economic Warfare by Hickman Price.

The State Department also will be represented, relying on its local consular and diplomatic officials.

It was emphasized that the mission is primarily exploratory. Its members will combine on reports indicating the extent to which South Africa can supply needed goods. They also will study the problem of available shipping.

Chattanooga Papers Unite

The Times Printing Co., publishers of The Chattanooga (Tenn.) Daily, Evening and Sunday "Times," and the Chattanooga News-Free Press Company, publishers of The Chattanooga "News-Free Press," afternoon and Sunday editions, on May 9 announced according to Chattanooga advices to the New York "Times" the signing of an agreement to form a new agency corporation to conduct the production of the papers and to direct their advertising and circulation departments. Under the arrangement, it is stated The Chattanooga "Evening Times" suspends publication as does The Chattanooga "Sunday Free Press" effective May 10. The announcements as given in the New York "Times" says in part:

Both the Chattanooga "Times" and The Chattanooga "News-Free Press" join in asking your continued support and patronage for The Chattanooga "Daily Times," published each week-day morning; The Chattanooga "News-Free Press," published each week-day afternoon; The Chattanooga "Sunday Times," published every Sunday.

A new agency corporation to be known as Chattanooga Publishing Company has been formed to conduct the production of these newspapers and to direct their advertising and circulation departments.

The officers of Chattanooga Publishing Company are:

Chairman of the Board, Adolph Shelby Ochs; President, Roy McDonald; Vice-President, Godfrey N. Nelson; Secretary, Everett Allen; Treasurer, John M. Adams.

Board of Directors consists of Everett Allen, Roy McDonald, Godfrey N. Nelson, Adolph Shelby Ochs, Arthur Hays Sulzberger.

The "Times" and "News-Free Press" will continue to maintain independent and competitive news and editorial staffs, and the new agency company will have no direction over the news and editorial departments of either.

It is noted that the directorate of the new company is composed of persons who are identified with the two Chattanooga newspapers and the New York "Times."

Year End War Spending May Be \$60 Billions

Donald M. Nelson, Chairman of the War Production Board, asserted on May 14 that the nation's war production program reached a spending rate of \$41,000,000,000 a year in April and forecast that by the end of 1942 it will be at a \$60,000,000,000 pace. He contrasted these figures with President Roosevelt's declaration last January for a \$40,000,000,000 war program in 1942 saying that this total "looked fantastic" at that time. Mr. Nelson added that "our goal is and must be the absolute physical maximum of production," attained through building new factories and converting civilian industry, and said that the only limits to war production are "the double problem of time and materials."

Mr. Nelson addressed 200 men and women prominent in the fields of industry, philanthropy, social welfare, society and the professions at a dinner in the Waldorf-Astoria Hotel, New York City, given by the National Institute of Social Sciences.

At the dinner, Mr. Nelson, Mrs. Anne O'Hare McCormick of the editorial staff of the New York "Times," and Dr. Rufus B. von Klein Smid, President of the University of Southern California, received the Institute's gold medals for "distinguished service" to humanity.

Presentation of the medal to Mr. Nelson was made by Bernard M. Baruch, who was Chairman of the War Industries Board in 1918.

The award to Mrs. McCormick for her work symbolizing America's free press was presented by Dr. Gano Dunn, President of Cooper Union, while the gold medal conferred upon Dr. von Klein Smid, for developing Pan American cultural relations, was presented by Willis H. Booth, Director of the National Industrial Conference Board.

In his address, Mr. Nelson said that this nation is succeeding in becoming the world's greatest producer of war goods and "is actually doing things today which were truly unthinkable a year ago. It is executing programs which sounded utterly fantastic no more than six months ago." He also asserted that the civilian economy will be "lean" until the war is won, adding that the American people will put up with any privation or sacrifice necessary to victory.

War Expenses In April

The average daily rate of expenditure for war purposes in April increased to \$131,600,000, as compared with \$114,900,000 in March, Donald M. Nelson, War Production Board Chairman reported on May 11.

For the entire month total war expenditures, including Treasury checks and disbursements by the Reconstruction Finance Corp. amounted to \$3,421,000,000, he said, as against \$2,987,000,000 in March.

"April daily rate expenditures were more than four times those of a year earlier and nearly double those of November, 1941, the month before the attack on Pearl Harbor," Mr. Nelson said, adding:

Expenditures reflect the growth of the armed forces as well as increased production. Rising prices affect increased expenditures but are to some degree offset by increased efficiency in production, which means lower unit costs.

Hence, the rapidly rising expenditures may be considered as a rough measure of our vast war effort. Americans can draw much satisfaction from this picture, which means that a mighty mobilization of materials, machines and man power is proceeding at a rapid pace. Now we must strive to increase the daily rate of expenditure very greatly.

Says Free Speech Must Be Maintained

(Continued from First Page)

Generally, there are three tests of criticism of the conduct of the war. That is, it should be decent and should be directed to those things that hinder winning this war or that undermine free men in America both now and after the war.

Among other things, Mr. Hoover stated that "from a philosophical viewpoint I would like to see the Sixth Columnists given a little more liberty." "They are defined," he said, "as the ones who discuss the war or speculate or even criticize in private conversation." He added:

To a person who is reminiscent of American life, it would seem that particular restraint is too drastic. The American people have always been a debating society. They get immense satisfaction out of gossip. They always have views. They always speculate about events. They are profoundly anxious over the fate of their loved ones, and the welfare of their country. And all this cannot be stamped out of them by a hobnail heel. They will debate and speculate on this war around every corner grocery store, every logging camp, every machine shop, every family table, at every party, whether it serves beer or tea, lemonade or cocktails. Even if it is not specifically mentioned in the Constitution, it is part of Americans' inalienable right. All this is the stuff that makes free men. This is the way democracy resolves its problems. It is not sedition. It comes from concern to win the war and they ought to be allowed to grouse and gossip a little without being Sixth Columnists. The excommunication of that category of evildoers puts too great a weight on our national safety valve.

In asserting that "we have three major tasks before the Nation," Mr. Hoover said:

We must win this war if we would preserve liberty. We must secure recovery after the war of our suspended liberties. We must secure lasting peace if liberty is to live. I have three more suggestions to these ends.

First, to win the war we need develop the most effective organization of it. Before the last war ended there came out of the swamps of the war organization of all principal nations the same formation—the establishment of a National War Council. Every nation came to it—American, British, French, Italian and German.

In this present war the British, the Germans, the Russians, the Italians, and I expect the Japanese, have such Councils. I believe the time has come when America should have a more definite War Council embracing in its members the civilian heads of the great war agencies. It should sit directly with the President as many times a week as is necessary. Within such a body a vast amount of coordination, overlap, and conflicting policies, which are the inevitable consequence of war, could be planned out. Perhaps also it could detour a little of these reforms in liberty until after the war.

Second. In the last war we made little advance preparation to cross the precipitous mountains of after-war disorganization or of methods to recover the lost freedoms. We were then ignorant of what lay ahead. We know more about it this time. We need to think out economic reconstruction. We must think out the recovery of freedom. And that preparedness can come only from organized objective research and public debate. It must come from many

sources and many places and not from the Government alone. It is a safe area for vigorous speech.

Third. The last time we did not prepare for peace-making.

We were told: "Destroy the Kaiser first. Discuss peace afterwards." Today, again, it is "Hitler, Mussolini and Tojo must be first destroyed; we cannot discuss peace until that is done."

We went to the Peace Conference in 1919 animated by the loftiest and most disinterested ideals, but we were totally unprepared for the specific problems and the ambushes that had to be met at the peace table. We did not secure much peace.

There must be just as much preparedness for peace making as there is for war. And in many ways it is a more difficult job. Preparedness for war deals mostly with tangibles, men, guns, ships, planes, money, and with tactics and strategy. Preparedness for peace deals largely with intangibles, the setting up of moral, intellectual, economic and political forces over the whole world which will produce and hold peace.

Nor is this alone the job of the several Government departments now engaged upon it. If we are to make a better job of the peace this time than last it will be because intelligent public discussion develops more ideas and better ideas and because a public understanding of the problems is prepared to accept the solutions made.

Allotment Figures On Recent Treasury Issues

Final subscription and allotment figures with respect to the recent offering of 2% Treasury bonds of 1949-51 were announced on May 18 by Secretary of the Treasury Morgenthau, indicating that total subscriptions received amounted to \$3,283,343,400, of which \$1,292,444,100 were allotted.

At the same time, Secretary Morgenthau disclosed that for the 2½% Treasury registered bonds of 1962-67 (so-called "tap" issue), total subscriptions were \$882,078,700. They were allotted in full. The books for this latter issue, designed especially for investment by other than commercial banks, were open from May 4 to May 14.

Preliminary results of the offering of these bond issues were given in our issue May 14, page 1880.

Subscriptions and allotments for the 2% bonds were divided among the several Federal Reserve Districts and the Treasury as follows:

Federal Reserve District	Total Subscriptions Received	Total Subscriptions Allotted
Boston	\$174,935,000	\$67,734,500
New York	1,289,326,000	493,606,700
Philadelphia	136,489,900	53,614,700
Cleveland	170,332,400	67,556,600
Richmond	118,470,900	47,175,700
Atlanta	163,658,800	72,399,400
Chicago	719,358,400	280,229,400
St. Louis	83,653,400	37,002,900
Minneapolis	53,172,900	23,189,000
Kansas City	66,997,200	28,982,900
Dallas	84,668,600	35,329,800
San Francisco	216,329,500	83,439,500
Treasury	5,750,000	2,185,000
Total	\$3,283,343,400	\$1,292,444,100

Subscriptions and allotments for the 2½% bonds were divided among the several Federal Reserve Districts and the Treasury as follows:

Federal Reserve District	Total Subscriptions Received and Allotted
Boston	\$55,589,400
New York	586,998,100
Philadelphia	27,274,900
Cleveland	28,918,100
Richmond	14,881,800
Atlanta	6,740,700
Chicago	48,525,600
St. Louis	6,826,100
Minneapolis	8,575,200
Kansas City	5,187,400
Dallas	19,339,700
San Francisco	18,055,300
Treasury	55,166,400
Total	\$882,078,700

RFC War Funds Voted; Plan Business Subsidy

The House on May 14 voted unanimously to increase the borrowing power of the Reconstruction Finance Corporation by \$5,000,000,000 for war-time loans to expand production and purchase raw materials. This raises the RFC lending authority to \$14,000,000,000.

The Senate Banking and Currency Committee approved a similar increase on May 12 but incorporated in its bill authority for the RFC to subsidize business which might be caught in a "squeeze" between price ceilings and rising costs. Under the Senate amendment, the RFC would be authorized at the request of the Price Administrator and with approval of the Secretary of Commerce to:

"Make payments in conjunction with the production, procurement, processing, servicing, or distribution of any article or commodity for the purpose of stimulating production or holding down prices; "Purchase, acquire, carry, sell, or otherwise deal in any article or commodity."

The agency, it is stated, would be authorized specifically to sell at a loss when deemed necessary.

Senator Wagner (Dem., N. Y.), Chairman of the Banking Committee, said the authority was sought by the Administration in order to maintain distribution of certain commodities where costs might rise too high to permit a profit under ceiling prices.

The approval of additional funds for the RFC by a sub-committee of the Senate Banking and Currency Committee was noted in our issue May 14, page 1868 and on page 1872 reference was made to the prediction by Senator George that the Government will be forced to subsidize some business under the general price freezing order to avoid hardship and bankruptcy.

Study NYC Real Estate

Mortgage and lending policies of many financing institutions may well be drastically revised as the result of a study now being offered for limited distribution by five important mortgage agencies, the Savings Banks Association of the State of New York announces. This study, "New York City, Westchester and Nassau Counties in Relation to Real Estate Investments, 1942," is an up-to-date analysis of the City and its two important suburban counties and is designed as a practical operating manual for those engaged in mortgage and real estate fields. It is pointed out that "in its all-important movements of industry, industrial employment and population are analyzed, together with those factors which most affect real estate rentals and property values in or near the City of New York." The study is compiled and edited by Fred H. Allen, Deputy Mortgage Officer of the Bowery Savings Bank, and is sponsored by the Bank for Savings, The Bowery Savings Bank, The Group Five Mortgage Information Bureau, The Institutional Securities Corporation and The Mutual Life Insurance Co. An adjunct to the study itself is a set of three maps on which are rated the residential areas of New York City, lower Westchester County and Nassau County. The text of the survey, is supported by up-to-date charts, maps and diagrams.

The book, leather bound and containing 250 pages, and maps are being printed in limited quantities and offered for sale (without profit to the sponsors) by the Savings Banks Association of New York State to the savings banks, insurance companies, and a limited number of other institutions concerned with mortgage and real estate in the New York City area.

Peruvian President Completes State Visit

President Manuel Prado of Peru, who has been on two-weeks official visit in this country at the invitation of President Roosevelt, returned to Washington yesterday (May 20) to pay a farewell call on Mr. Roosevelt. He was scheduled to leave later in the day for Miami, the first stop on his homeward air journey.

The Peruvian Chief Executive, who is the first South American President to visit this country while in office, first arrived in Washington on May 7 and was met by Mr. Roosevelt and members of the Cabinet and Congress.

In greeting President Prado at Bolling Field, Washington, Mr. Roosevelt had the following to say:

I am particularly happy to welcome His Excellency, the President of Peru, to the United States and to Washington. This unprecedented visit of the Chief Executive of Peru, during his active incumbency in that high office, is a concrete indication of the strong bonds which today exist between Peru and the United States.

President Prado's visit is, I believe, a splendid example of the friendly and cooperative relationships between the American republics, which are determined to preserve freedom and democracy in the Americas.

A state dinner was held at the White House in the evening in honor of President Prado. After an overnight stay at the White House, the Peruvian President spent the next three days visiting various points of interest in and around Washington, including the Capitol building, Annapolis, Mount Vernon and the Tomb of the Unknown Soldier. Before leaving Washington on May 11, President Prado addressed the Senate and the House pledging Peru's full cooperation with the United States until victory is won. The Peruvian President and his party on May 12 made a tour of Detroit's war plants and on May 13 visited Buffalo's war production centers. The same day Dr. Prado departed from his scheduled tour when he paid a brief informal visit to Canada. He journeyed to Boston on May 14 and arrived in New York City that night for a five-day stay where he was accorded various honors. A luncheon in his honor was given on May 18 at the Federal Reserve Bank of New York and on May 19 Dr. Prado and his entourage of 15 visited the New York Stock Exchange.

Secretary of State Hull on May 12 praised President Prado as an ideal ambassador of good-will.

More Funds For Farmers

The Senate Appropriations Committee on May 13 approved the 1943 Agriculture Department appropriation bill calling for about \$865,000,000 in cash and loans. The bill, carrying \$680,383,695 in cash and \$185,000,000 in loan authority, represented increases of some \$32,213,000 cash and \$80,000,000 in loans over amounts voted by the House in March, but the bill still was well below budget estimates for the first time in seven years.

Included in the measure is a clause permitting the Government to sell up to 125,000,000 bushels of wheat and unlimited stocks of corn for livestock feeding at prices under parity, provided that corn would not be sold at less than 85% of parity. This action modified the House ban upon the sale of farm products by the Commodity Credit Corp. at less than parity prices.

House passage of its farm funds bill was reported in these columns March 26, page 1251.

Import-Export Guide

The "Custom House Guide," 1942 edition, in its 80th year, is now being distributed. In announcing this new edition, John F. Budd, publisher, stated:

"The new edition appears at a time when world-shaking events, climaxed at Pearl Harbor and the Japanese advances in the Far East, while disrupting many channels of Foreign Trade, has but served to stress the vital need for accurate up-to-the-minute information."

Mr. Budd went on to say: "Foreign Trade, far from being dormant, has assumed a new and potent function in the economic as well as military strategy of the whole anti-Axis world. United States foreign policy in the Americas, built around the "Good Neighbor policy," is fostering tremendous Latin-American trade activity. Lend-lease aid to the United Nations, soon to be handled by American Freight Forwarders, likewise is playing a dynamic role."

Revisions of the annual "Guide," during the past year, it is stated, have been unusually heavy; Argentine and Cuban Trade Agreements have changed many rates of duty in the alphabetical index of 30,000 commodities; Customs, Shipping and Commerce Regulations, as well as the Internal Revenue Code have likewise been considerably altered due to war legislation and regulations. From the announcement we also quote:

The annual "Custom House Guide" of over 1,500 pages (7 volumes in 1), thumb-indexed, completely covers the description and limits of each port in the United States as well as its activities, facilities, port charges, and directory of those engaged in shipping and allied commerce trades. There is a general information section devoted to weights, measures, coin values, trade terms, air services, government departments, and other valuable data on foreign and domestic commerce.

The annual "Guide" is supplemented monthly by the "American Import & Export Bulletin," a publication of some 48 pages, which, in addition to keeping the Annual revised to date, assures subscribers a complete "Import-Export Information Service" covering the latest laws, regulations, decisions, rulings, export and import control requirements, reciprocal trade agreements, etc., affecting foreign trade.

The "Custom House Guide" is published by Custom House Guide, Box 7, Station P., Custom House, New York City, and sells for \$15 plus postage.

Curtails Convention

The 1942 convention of the American Legion will be held Sept. 19-21 at national headquarters at Indianapolis and will be confined to business sessions. The organization's convention committee decided that because of war conditions the annual big parade, drum corps contests and other spectacular events would be eliminated this year and that attendance be limited to about 400 delegates and officials. Previous plans to convene in New Orleans were canceled, it is stated, on the advice of the Office of Defense Transportation.

Puerto Rico Oil Tax Bill

The Puerto Rican Legislature's recently passed bill making the tax on re-exported petroleum products retroactive 12 years was signed by Governor Rexford G. Tugwell on May 13. According to a special cable to the New York "Times" from San Juan, the new law will end losses to the insular treasury from the making of refunds to oil companies on products re-exported from Puerto Rico for consumption elsewhere.

Fertilizer Ass'n Price Index Again Higher

The general level of wholesale commodity prices continued to move upward despite ceiling prices which have been placed on most commodities, however, the fractional rise which occurred last week in the commodity price index compiled by The National Fertilizer Association was chiefly the result of higher prices for farm products, on which there are no ceilings. In the week ended May 16, 1942, this index rose to 128.1 from 128.0 in the preceding week. A month ago the index was 126.8, and a year ago, 106.7, based on the 1935-1939 average as 100.

A fractional advance in the all-commodity index during the week took it to a new high point. The prices of cotton and most grains were lower, but the effect of such declines on the farm product group average was more than offset by substantial gains in livestock quotations. The net result was a rise in the farm product price index. This group index, however, is still below the level reached during the second week in April. An increase in the price of linseed oil resulted in a small advance in the building material index. The food price average remained unchanged, with four items included in the group advancing and six declining. The only other group index to register a change was the miscellaneous commodity index, which declined fractionally due to a drop in the price of bran.

During the week price changes were nearly evenly balanced, with 16 price series included in the index advancing and 15 declining; in the preceding week there were 21 advances and four declines; in the second preceding week there were 11 advances and 24 declines.

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

% Each Group Bears to the Total Index	Group	Last Week		Preceding Week		Month Ago		Year Ago	
		May 16 1942	May 9 1942	Apr. 11 1942	May 17 1941	May 16 1941	May 17 1940	May 17 1939	
25.3	Foods	125.3	125.3	125.6	102.6				
	Fats and Oils	139.1	138.7	137.3	111.1				
	Cottonseed Oil	163.0	159.3	159.0	122.0				
23.0	Farm Products	138.1	137.7	138.7	102.8				
	Cotton	191.4	192.1	194.5	119.6				
	Grains	117.2	118.3	115.3	96.1				
	Livestock	133.0	132.0	133.8	100.4				
17.3	Fuels	119.5	119.5	117.4	104.5				
10.8	Miscellaneous commodities	128.1	128.1	128.0	115.0				
8.2	Textiles	149.5	149.5	149.7	126.0				
7.1	Metals	104.4	104.4	104.4	103.4				
6.1	Building materials	151.8	151.7	140.0	116.6				
1.3	Chemicals and drugs	120.7	120.7	120.3	104.5				
.3	Fertilizer materials	118.7	118.8	118.7	107.1				
.3	Fertilizers	115.3	115.3	115.3	101.1				
.3	Farm machinery	104.1	104.1	104.1	99.3				
100.0	All groups combined	128.1	128.0	126.8	106.7				

*Indexes on 1926-1928 base were: May 16, 1942, 99.8; May 9, 1942, 99.7; May 17, 1941, 83.1.

Non-Ferrous Metals—April Copper Output At Higher Rate—Tin Smelting Progressing

"Metal and Mineral Markets" in its issue of May 14 reported that output of crude copper increased from 92,106 tons in March to 94,314 tons in April. The gain was attributed to a larger intake of scrap by primary refineries. Smelting of tin in the United States is gradually expanding. The smelter in Texas has produced some metal under the trademark "Longhorn," analyzing 99.97% tin. The American Smelting & Refining Co. is producing tin at its plant in New Jersey. The publication further reported as follows:

Copper

Production of crude copper in the United States during April increased to 94,314 tons, according to Copper Institute. This total consists of 85,763 tons of primary output, 3,716 tons of primary custom metal, and 4,835 tons of secondary. Deliveries of refined copper for April totaled 106,701 tons, of which 20,281 tons was copper released by Metals Reserve. Reduced deliveries of recent months reflect stockpiling of copper under the direction of the authorities in Washington.

The United States copper statistics for March and April, in tons, are summarized as follows:

	March	April
Production:		
Crude	92,106	94,314
Refined	89,552	90,672
Deliveries, refined:		
Domestic	111,062	106,701
Export		
Stocks, refined, end of month	79,537	83,789

Sales of copper in the domestic market for the last week amounted to 22,264 tons, making the total for the month so far 59,957 tons. The sales total for April has been revised to 95,432.

Allocation of copper will be reviewed by WPB at a meeting with members of the industry on May 15. Some consumers feel that they have been deprived of copper needed on essential work.

An order issued by WPB during the last week imposed further restrictions on use of copper in non-essential applications. The price schedule on scrap copper and brass has been amended, lifting some prices and reducing others.

Production of electrolytic and standard copper in Chile during

February amounted to 42,326 short tons, which compares with 47,015 tons in January, according to the American Bureau of Metal Statistics. Output during the first two months of 1942 was 89,341 tons, against 68,883 tons in the January-February period of 1941.

Lead

Allocations for May requirements of consumers came through during the last week in volume, which was reflected in sales of 15,004 tons of the common grades of lead in the seven-day period ended on May 13. May needs of consumers have been covered to the extent of fully 70%, with June around 10%.

The price situation was unchanged. Common lead continued at 6.50c., New York, and at 6.35c., St. Louis. Chemical lead sold in the St. Louis area on the basis of 6.40c.

Zinc

The Prime Western division of the zinc industry sold 6,332 tons of the ordinary grades during the week ended May 9. Shipments in the same week totaled 6,014 tons. The backlog at the end of the week was 88,790 tons.

The April statistics of the zinc industry revealed a slight gain in the daily rate of production. Total shipments came to 76,177 tons and stocks increased slightly to 22,559 tons.

Consumption of zinc in dip galvanizing during 1941 was 291,085 tons, which compares with 279,901 tons in 1940, 268,815 tons in 1939, and 193,805 tons in 1938, according to the American Bureau of Metal Statistics.

Tin

Canners have been asked to substitute glass containers for tin cans wherever possible, to con-

serve the tin supply. The Government's conservation program also calls for simplification of glass container forms and standardization in sizes. The market situation in tin remains unchanged.

Straits quality tin for future delivery was nominally as follows:

	May	June	July
May 7	52.000	52.000	52.000
May 8	52.000	52.000	52.000
May 9	52.000	52.000	52.000
May 11	52.000	52.000	52.000
May 12	52.000	52.000	52.000
May 13	52.000	52.000	52.000

Chinese tin, 99%, spot, 51.125c, all week.

London Tin—No quotations.

DAILY PRICES OF METALS ("E. & M. J." QUOTATIONS)						
May	Electrolytic Copper		Straits Tin	Lead		Zinc
	Domest., Refin.	Exp., Refin.		New York	St. Louis	
7	11.775	11.700	52.000	6.50	6.35	8.25
8	11.775	11.700	52.000	6.50	6.35	8.25
9	11.775	11.700	52.000	6.50	6.35	8.25
11	11.775	11.700	52.000	6.50	6.35	8.25
12	11.775	11.700	52.000	6.50	6.35	8.25
13	11.775	11.700	52.000	6.50	6.35	8.25
Average	11.775	11.700	52.000	6.50	6.35	8.25

Average prices for calendar week ended May 9 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.

Wage-Hour Laws Are Further Coordinated

The recent amendment to the Walsh-Healey Public Contracts Act providing partial overtime exemptions under certain circumstances was described on May 15 by L. Metcalfe Walling, Administrator of both the Public Contracts Act and the Fair Labor Standards Act, as another step toward bringing the two laws into accord. President Roosevelt signed this bill on May 13. Its passage by Congress was reported in these columns May 14, page 1871. Incident to Mr. Walling's announcement we quote:

Mr. Walling explained that the amendment provides that overtime provisions of the Public Contracts Act may only be relaxed when employers and employees operate under agreements with unions certified by the National Labor Relations Board as bona fide limiting employees to 1,000 hours of work during any period of 26 consecutive weeks or providing for employment on an annual basis of not more than 2,080 hours during any period of 52 consecutive weeks. These provisions, he pointed out, already exist under the Wage-Hour Law. Now both laws will permit the employment of workers covered by such agreements for as much as 12 hours in any workday or up to 56 hours in any workweek before payment of overtime at the rate of time and one-half must be made.

Except in the case of such agreements, the Walsh-Healey Act requires the payment of time and one-half for work in excess of eight hours in any one day or 40 hours in any one week, while the Wage-Hour Law requires that employees be paid time and one-half their regular rate for work in excess of 40 hours in any one workweek.

The amendment, which was supported by the Administrator, follows recent administrative action he took in bringing wage, learner and handicapped worker requirements and other provisions of the two laws into closer accord. Both the Division of Public Contracts and the Wage and Hour Division are in the U. S. Department of Labor.

Quicksilver

Consumers report that they are able to obtain all of the quicksilver needed to cover their requirements under the program restricting the use of the metal on so-called non-essentials. The ceiling price of \$191 per flask, Pacific Coast points, is being shaded on forward business. Spot metal in New York continued at \$197.30—\$199.21 per flask.

Silver

London silver was unchanged during the last week at 23½d. The New York Official continued at 35½c.

as when they left it; they must find it unimpaired and unmarred by any totalitarian or Caesaristic philosophy which would destroy it."

Dr. Curran, who is President of the International Truth Society, was likewise reported in the "Eagle" as saying:

Charging that "American Communism has never repudiated the iniquitous partnership between Communistic Russia and Nazi Germany," Dr. Curran said Communists here still seek world-wide atheism and look forward to imprisoning the nation in their "totalitarian grip."

In addition to fighting Communism "in Atlanta, in New York and in every city and countryside, he added, Americans should combat every effort to 'socialize the home' through forcible regimentation of women' and enrollment of children 'as wards of the State.'"

Wage-Hour Policy On Labor-Management Work

Time spent by an employe as a voluntary member of a labor-management committee is compensable when meetings are held during his regular work hours, but not when meetings are held at other times. This policy of the Wage and Hour Division, U. S. Department of Labor, with respect to such committee functions, encouraged by the War Production Board, was announced on May 16 by L. Metcalfe Walling, Administrator of the Division.

The policy, supplementing the Division's recently announced enforcement policy with respect to other war-time problems, was outlined by Mr. Walling in the following statement:

After careful consideration, and discussion with representatives of both industry and labor, the Wage and Hour Division, U. S. Department of Labor, has adopted the following policy in dealing with the subject of time spent by an employe in labor-management committee meetings:

If participation by the employe is voluntary, time spent by him at such meetings need not be considered hours worked when the meetings take place outside regular working hours.

If such meetings take place during regular working hours, time spent by an employe in attending them is considered hours worked, and is, therefore, to be paid for in accordance with the Fair Labor Standards Act.

ODT Defers Date For Cutting Delivery Service

The Office of Defense Transportation on May 12 postponed until June 1, the effective date of its order placing restrictions on local delivery services. The order, scheduled to go into effect May 15, applies to newspapers, drug stores, dairies, laundries, and other businesses. It will have the effect of eliminating special deliveries, "call-backs," and more than one delivery daily to one person. The restrictions are designed to curtail use of gasoline and conserve tires and equipment. Joseph B. Eastman, ODT Director, said that the 15-day postponement was granted in order to give the effected industries time to put their delivery operations on a war-time basis.

Since newspaper deliveries will be cut to one edition a day under the order, it is considered likely that some cooperative method for pooling deliveries will be worked out. The order as it affects newspapers was mentioned in these columns May 7, page 1780.

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 (Based on Average Yields) Table with columns for 1942 Daily Averages, U.S. Govt. Bonds, Corporate by Ratings (Aaa, Aa, A, Baa), Corporate by Groups (R.R., P.U., Indus.), and rows for dates from May 19 to May 18, 1940.

MOODY'S BOND YIELD AVERAGES (Based on Individual Closing Prices) Table with columns for 1942 Daily Average, Corporate rate, Corporate by Ratings (Aaa, Aa, A, Baa), Corporate by Groups (R.R., P.U., Indus.), and rows for dates from May 19 to May 18, 1940.

* These prices are computed from average yields on the basis of one "typical" bond (3% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages, the latter being the true picture of the bond market.

† The latest complete list of bonds used in computing these indexes was published in the issue of Oct. 2, 1941, page 409.

April Department Store Sales In New York Federal Reserve District 5% Above Year Ago

The Federal Reserve Bank of New York announced on May 19 that April sales of department stores in the Second (New York) Reserve District increased 5% over a year ago. The combined sales for January through April are 20% higher than in the same period last year.

The apparel stores in the New York Reserve District reported a gain of 7% in net sales in April, while their stocks on hand were 56% above April, 1941.

The following is the bank's tabulation:

DEPARTMENT STORE TRADE BY MAJOR LOCALITIES—APRIL, 1942 Second Federal Reserve District. Table showing percentage changes from a year ago for Net Sales and Stock on Hand across various localities like New York City, Northern New Jersey, etc.

INDEXES OF DEPARTMENT STORE SALES AND STOCKS

Table showing indexes for Sales (average daily, unadjusted) and Stocks (average daily, seasonally adjusted) for 1941 and 1942, with 1923-25 average = 100.

Labor Bureau's Wholesale Price Index Shows Slight Decline In May 9 Week

The Bureau of Labor Statistics, U. S. Department of Labor, announced on May 14 that sharp declines in prices for certain farm products and foods—particularly livestock and fruits and vegetables brought the general index of wholesale prices down by 0.1% in the week ended May 9.

Table showing percentage changes to May 9, 1942, from 1941 and 1942 for various commodity groups like Farm products, Foods, Hides and leather products, etc.

Steel Production Down Slightly — Mills' Books Congested With Topmost Ratings

"Placed together from random sources, developments of the last few days show more clearly how the might of industrial America is beginning to win this devastating war." "The Iron Age" states in its issue of today (May 21), adding in part: "With real mass output of war goods an actuality in the United States, the rapid transposition on the production front is without a parallel."

rial surveys with idea of decreasing plant expansion in favor of more production of guns, ships, aircraft, tanks. Just what projects will be abandoned is not known at this time as studies are not complete."

Reese H. Taylor, President of the Union Oil Co. of California, has been selected as successor to C. E. Adams, resigned head of WPB's Iron and Steel Branch.

The American Iron and Steel Institute on May 18 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 99.2% of capacity for the week beginning May 18, compared with 99.6% one week ago, 97.6% one month ago and 99.9% one year ago.

"Steel," of Cleveland, in its summary of the iron and steel markets, on May 18 stated in part: "With a preponderance of orders on steel mill books rated at A-1-a or A-1-b and nothing being accepted below A-1-j, congestion is extreme and producers are much confused as to precedence of shipments."

"Most Eastern sellers cannot offer reasonable assurance of delivery on anything under A-1-c, particularly in shapes and bars, and in sheets the situation is little better."

"Pig iron for essential purposes has been enhanced by refusing all requests in the B classifications and by elimination of the large number of civilian articles no longer allowed to be manufactured. In most districts all blast furnaces are producing."

"Scrap supply continues at the most satisfactory level of the past several weeks and all consuming districts are receiving enough for the high rate of steel production, though in most cases it is sufficient only for current needs. Efforts to accumulate reserves for winter have met little success, though slight progress has been made in some instances."

Bicycle Rationing Soon

The Office of Price Administration announced on May 16 that the rationing of bicycles to adults will begin in about three weeks; with sales then being made under ceiling prices. The sale of new adult bicycles was frozen by the War Production Board on April 2 and it is estimated that there were about 50,000 on hand at that time.

The WPB recently transferred to the OPA the rationing power but retained control over production of bicycles. All dealers, distributors and manufacturers were required to report their inventories as of May 8 to the OPA inventory unit in New York.

Freezing of bicycle sales was reported in our issue of April 23, page 1635.

Moody's Daily Commodity Index

Table showing Moody's Daily Commodity Index for dates from Tuesday, May 12 to 1942 High—April 9 and Low—Jan. 2.

Electric Output For Week Ended May 16, 1942 Shows 11.5% 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 16, 1942, was 3,356,921,000 kwh., which compares with 3,011,345,000 kwh. in the corresponding period in 1941, a gain of 11.5%.

PERCENTAGE INCREASE OVER PREVIOUS YEAR. Table showing percentage increase for Major Geographical Divisions (New England, Middle Atlantic, etc.) and Total United States for weeks ended May 16, '42, May 9, '42, May 2, '42, and Apr. 25, '42.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours) Table showing % Change over 1941 and 1940 for weeks ended from Mar. 14 to May 23.

U. S. & Dutch Ministers Now Rank As Ambassadors

The State Department at Washington announced on May 7 the elevation of the Netherlands Legation to the rank of an Embassy and the promotion of Dr. Alexander Loudon, the Minister, to the rank of Ambassador. This change, taking place on the second anniversary of the German invasion of the Netherlands, was brought about at the instance of President Roosevelt, who suggested it to Queen Wilhelmina.

In presenting his credentials to President Roosevelt on May 7, Dr. Loudon gave him a letter from the Queen expressing her approval and appreciation of the move.

The State Department revealed at the same time that Anthony J. Drexel Biddle, now serving in London as American Minister to the Netherlands, would be raised to the rank of Ambassador. The nomination of Mr. Biddle as Netherlands' Ambassador in London, was confirmed by the Senate on May 12.

Queen Wilhelmina's letter follows:

With you I feel, Mr. President, that it is fitting to give adequate expression to the ties of especially close friendship which have come into being between our countries through their joint sacrifices in our common endeavor to uphold, together with the other united nations, a proper balance between the rights and the duties of human beings and of States against those who, in order to satisfy ambition and greed, are out to enslave others. I share your conviction that this purpose can be served by resolving that the diplomatic envoys we exchange should henceforth have the status of Ambassador Extraordinary and Plenipotentiary, and it gives me great pleasure to know that you agree when I hereby accredit Dr. Alexander Loudon in that capacity to the United States.

I trust that he will continue to prove himself worthy of this new mark of my confidence and to merit your approbation.

In a ceremony in London on May 8, Mr. Biddle presented his credentials to the Queen, together with a letter from President Roosevelt praising the "stout-hearted courage and gallant spirit" of the Dutch armed forces.

The President's letter, as made public by the State Department, follows:

Your Majesty: The stout-hearted courage and gallant spirit which Hollanders have shown on every front in their determined resistance to wanton aggression by Germany and by Japan have stirred the imagination of the American people.

We are proud that the men of our armed forces have in recent months fought side by side with the brave soldiers, sailors and air men of the Netherlands forces in the Indies and in the Caribbean.

It seems fitting, therefore, that the United States and the Netherlands should as a mark of their united efforts against their common enemies henceforth exchange diplomatic representatives with the rank of ambassador. I have been very pleased to learn that you have agreed to receive the Hon. Anthony J. D. Biddle as Ambassador Extraordinary and Plenipotentiary of the United States of America near Your Majesty's Government and I trust that you will give full faith to any action which he may take on behalf of his Government.

FRANKLIN D. ROOSEVELT.

Daily Average Crude Oil Production For Week Ended May 9, 1942, Increased 209,350 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended May 9, 1942 was 3,544,350 barrels, an increase of 209,350 barrels over the preceding week, and a gain of 69,850 barrels over the daily average for the month of May as recommended by the Office of Petroleum Coordinator. The current figure, however, was 211,750 barrels less than the daily average for the week ended May 10, 1941. 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, 3,406,000 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, 100,650,000 barrels of finished and unfinished gasoline. The total amount of gasoline produced by all companies is estimated to have been 10,658,000 barrels during the week.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

State	a O.P.C. Recommendations	b State Allowables	Actual Production		4 Weeks Ended	Week Ended
			Week Ended	Change From Previous Week		
Oklahoma	438,500	438,500	438,500	+ 5,700	400,250	417,900
Kansas	259,300	259,300	242,950	- 12,350	251,150	196,850
Nebraska	4,500		53,750	+ 150	3,900	4,300
Panhandle Texas			82,200	+ 3,700	84,500	82,500
North Texas			144,900	+ 16,900	142,400	129,350
West Texas			186,200	+ 46,050	176,600	248,950
East Central Texas			79,250	+ 5,350	78,000	78,000
East Texas			225,900	+ 79,500	206,000	373,800
Southwest Texas			127,450	+ 12,950	138,750	209,150
Coastal Texas			229,950	+ 48,700	217,400	275,700
Total Texas	960,000	c1,155,000	1,075,850	+179,350	1,043,650	1,397,450
North Louisiana			81,750	- 100	79,450	71,600
Coastal Louisiana			229,300	+ 3,200	237,550	237,400
Total Louisiana	298,600	321,100	311,050	+ 3,300	317,000	309,000
Arkansas	74,000	72,191	71,100	- 2,500	72,900	72,500
Mississippi	48,100		689,900	+ 1,350	93,050	31,250
Illinois	329,200		314,700	- 1,950	300,900	325,050
Indiana	17,900		623,550	+ 2,700	21,100	20,650
Eastern (not incl. Ill. & Ind.)	105,400		96,900	- 6,300	99,250	90,600
Michigan	60,500		64,100	+ 900	61,850	37,800
Wyoming	98,300		94,500	+ 3,750	93,150	83,100
Montana	25,200		21,700	+ 100	21,600	19,100
Colorado	7,900		6,800	+ 1,550	5,550	3,650
New Mexico	73,300	73,300	70,750	- 2,900	75,750	108,800
Total East of Calif.	2,800,700		2,886,550	+173,350	2,861,050	3,118,000
California	673,800	d673,800	657,800	+ 36,000	640,350	638,100
Total United States	3,474,500		3,544,350	+209,350	3,501,400	3,756,100

a O. P. C. recommendations and State allowables represent the production of all petroleum liquids, including crude oil, condensate and natural gas derivatives recovered from oil, condensate and gas fields. Past records of production indicate, however, that certain wells may be incapable of producing the allowables granted, or may be limited by pipeline prorations. Actual State production would, under such conditions, prove to be less than the allowables. The Bureau of Mines reported the daily average production of natural gasoline in February, 1942, as follows: Oklahoma, 29,800; Kansas, 6,000; Texas, 112,700; Louisiana, 20,800; Arkansas, 2,300; New Mexico, 5,600; California, 42,600; other States, 21,900.

b Okla., Kans., Neb., Miss., Ind. figures are for week ended 7 a. m. May 6. c This is the estimated net basic 10-day allowable as of May 1, but experience indicates that it will increase as new wells are completed and if any upward revisions are made. Some fields whose oil was considered necessary for the war effort were exempted from any shutdown. For the same reason several other fields were ordered shut down on May 3, 9 and 10 only. The remainder of the State was ordered shut down on May 2, 3, 4, 8, 9, and 10.

d Recommendation of Conservation Committee of California Oil Producers. **CRUDE RUNS TO STILL; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE AND GAS AND FUEL OIL, WEEK ENDED MAY 9, 1942**

(Figures in Thousands of Barrels of 42 Gallons Each)

Figures in this section include reported totals plus an estimate of unreported amounts and are therefore on a Bureau of Mines basis.

District	Daily Refining Capacity	Potential % Re-Porting	Crude Runs to Stills Daily Average	% Operated	Stocks at Refineries	Finished and Unfinished Gasoline	eStocks of Gas and Oil	eStocks of Residual Fuel Oil
Combin'd: East Coast, Texas Gulf, Louisiana - North Louisiana - Arkansas and Inland Texas	2,383	89.7	1,506	63.2	4,710	45,600	13,943	16,040
Appalachian	174	84.5	156	89.7	471	4,089	428	651
Ind., Ill., Ky.	784	84.9	709	90.4	2,375	21,265	2,755	3,552
Okla., Kansas, Mo.	418	81.1	365	87.3	1,223	9,779	879	1,598
Focky Mountain	138	50.7	80	58.0	278	2,478	310	510
California	787	90.9	590	75.0	1,601	17,439	11,632	57,804
Tot. U. S. B. of M. basis May 9, 1942	4,684	86.9	3,406	72.7	10,658	a100,650	29,947	80,155
Tot. U. S. B. of M. basis May 2, 1942	4,684	86.9	3,441	73.5	10,371	101,376	29,638	79,939
U. S. Bur. of Mines basis May 10, 1941			3,876		12,780	95,150	33,284	92,156

a Finished, 93,072,000 barrels; unfinished, 7,578,000 barrels. e At refineries, at bulk terminals, in transit, and in pipe lines.

*At the request of the Office of the Petroleum Coordinator.

Condition Of All Active Banks On Dec. 31, 1941

In a compilation issued May 9, Comptroller of the Currency Preston Delano lists the assets and liabilities of all active banks in the United States and possessions on Dec 31, 1941, and comparisons of such figures with the assets and liabilities of all active banks on June 30, 1941, and Dec. 31, 1940.

Assets of the 14,885 active banks on Dec. 31, 1941, the Comptroller reports, amounted to \$91,453,694,000, as against \$87,828,719,000 on June 30, 1941, for 14,919 banks, and \$85,571,902,000 on Dec. 31, 1940, for 14,956 banks. Of the total resources for Dec. 31, 1941, the 5,123 National banks held \$43,538,234,000, while 9,162 State (commercial) banks had \$35,915,286,000; 548 mutual savings banks had \$11,808,086,000 and 52 private banks had \$192,088,000.

Total deposits of the 14,885 active banks on the latest date amounted to \$82,233,260,000, in comparison with \$78,549,329,000 and \$76,407,885,000 on the two earlier dates. The National banks had deposits of \$39,554,772,000, State banks, \$31,983,509,000, mutual savings banks, \$10,533,061,000 and private banks \$161,918,000.

The principal assets of all banks on the latest date were: Loans on real estate, \$9,718,024,000; other loans, including overdrafts, \$17,

120,341,000; United States Government obligations, direct and guaranteed, \$25,553,809,000; obligations of States and political subdivisions, \$4,196,861,000; other bonds, notes, and debentures, \$4,165,153,000, and balances with other banks, including reserve balances, \$25,942,377,000.

Total capital accounts of the banks amounted to \$8,495,137,000, consisting mainly of \$2,614,082,000 common stock, \$3,704,368,000 surplus and \$1,248,461,000 undivided profits.

The Comptroller's tabulation follows:

(In thousands of dollars)

	Dec. 31, '41	June 30, '41	Dec. 31, '40
Number of banks	14,885	14,919	14,956
Assets—			
Loans on real estate	\$9,718,024	\$9,633,305	\$9,436,945
Other loans, including overdrafts	17,120,341	15,910,133	14,530,931
Total loans	\$26,838,365	\$25,543,438	\$23,967,876
U. S. Government securities:			
Direct obligations	21,235,684	18,892,790	16,788,834
Guaranteed obligations	4,318,125	4,684,271	4,239,964
Obligations of States and political subdivisions	4,196,861	4,206,526	4,339,983
Other bonds, notes and debentures	4,165,153	4,242,115	4,416,238
Corporate stocks, including stock of Federal Reserve banks	673,523	704,030	743,555
Total investments	\$34,589,346	\$32,729,732	\$30,528,574
Currency and coin	1,545,018	1,408,306	1,407,364
Balances with other banks, including reserve balances	25,942,377	25,471,008	26,846,418
Bank premises owned, furniture and fixtures	1,209,480	1,222,200	1,223,787
Real estate owned other than bank premises	706,486	834,353	930,106
Investments and other assets indirectly representing bank premises or other real estate	133,125	144,408	144,002
Customers' liability on acceptances outstanding	84,468	90,360	104,269
Interest, commissions, rent, and other income earned or accrued but not collected	162,893	157,961	
Other assets	242,136	228,953	419,906
Total assets	\$91,453,694	\$87,828,719	\$85,571,902
Liabilities—			
Deposits of individuals, partnerships and corporations:			
Demand	\$37,805,431	\$35,571,528	\$33,636,143
Time	26,063,374	26,247,184	26,072,015
U. S. Government and postal savings deposits	1,947,950	800,326	805,449
Deposits of States and political subdivisions	4,303,416	4,140,029	3,939,312
Deposits of banks	11,015,110	10,982,431	10,973,203
Other deposits (certified and cashiers' checks, &c.)	1,097,979	807,831	981,763
Total deposits	\$82,233,260	\$78,549,329	\$76,407,885
Bills payable, rediscounts and other liabilities for borrowed money	22,593	22,559	25,060
Acceptances executed by or for account of reporting banks	100,521	106,594	120,773
Interest, discount, rent and other income collected but not earned	97,811	101,181	
Interest, taxes and other expenses accrued and unpaid	124,227	114,899	608,626
Other liabilities	380,145	409,638	
Total liabilities	\$82,958,557	\$79,304,200	\$77,162,344
Capital Accounts—			
Capital notes and debentures	\$108,146	\$114,650	\$123,134
Preferred stock	312,133	331,873	347,613
Common stock	2,614,082	2,608,482	2,599,772
Surplus	3,704,368	3,616,763	3,561,155
Undivided profits	1,248,461	1,247,041	1,186,924
Reserves for retirement account for preferred stock and capital notes and debentures	507,947	605,710	590,960
Total capital accounts	\$8,495,137	\$8,524,519	\$8,409,558
Total liabilities and capital accounts	\$91,453,694	\$87,828,719	\$85,571,902

The figures for June 30, 1941, appeared in our issue of Oct. 30, 1941, page 822.

April Engineering Construction Up 88% From Last Year—Public Construction Higher

Engineered construction for April totaled \$898,696,000 and averaged \$179,739,000 for each of the five weeks of the month according to the "Engineering News-Record" May 13.

The month's volume, on the weekly average basis, was 88% above the corresponding period last year, but declined 1 1/2% from the average for a month ago. The near-record volume of last month, and the all-time high of July, 1941, were the only totals that have exceeded the April, 1942 weekly average.

Almost 93% of the April total was publicly financed, the second highest public total in construction history. The public construction weekly average climbed 157% over last year, and rose 1% over last month. Federal work, which made up 85% of the April total, gained 292% as compared with the April, 1941 average, but decreased 0.2% from March, 1942.

Private volume averaged \$12,746,000 per week during April, a level 58% below a year ago, and 24% under a month ago.

The April volume brought engineered construction to \$2,891,784,000, the highest opening four-month volume in history, and 48% above the previous peak reached in 1941.

New Capital

New capital for construction purposes for April totaled \$1,039,367,000, a drop of 51 1/2% from the financing total for the corresponding month last year. Of the total, \$983,000,000 was in Federal appropriations for military construction, \$40,253,000 was private investment, and \$16,114,000 was in RFC loans for construction.

The April new financing volume brought the total for the four months of 1942 to \$2,458,821,000. This compares with \$3,047,784,000 for the four-month period in 1941.

Construction volumes for the three months are:

	April, 1941 (4 weeks)	March, 1942 (4 weeks)	April, 1942 (5 weeks)
Total construction	\$381,563,000	\$729,485,000	\$898,696,000
Private construction	121,863,000	67,299,000	63,732,000
Public construction	259,700,000	662,186,000	834,964,000
State and municipal	102,608,000	45,788,000	66,036,000
Federal	157,092,000	616,398,000	768,928,000

April Retail Prices Show Further Gains According To Fairchild Publications Index

Retail prices continued to advance in April, according to the Fairchild Publications retail price index. The index in April was at 113.4 (Jan. 3, 1931=100), a gain of 0.8% over March, and of 18.7% over April a year ago. The April gain of 0.8% follows an increase of 0.5% in March, 1.5% in February and 1.8% in January. The latest increase over last year is identical with the gain in March over March, 1941. The latest index shows an increase of 27.6% above the pre-war low in 1939, said Fairchild's announcement, which under date of May 15, further stated:

Each of the major groups advanced during the month of April, with men's apparel again recording the greatest increase, 1.3%. Infants' wear and women's apparel followed, with increases of 1% each. Piece goods gained 0.7%, home furnishings 0.6%. Piece goods, however, still shows the greatest gain above the corresponding period a year ago, with women's apparel following. Infants' wear showed the smallest increase above last year. Piece goods also showed the greatest gain above the pre-war low, 34% with home furnishings following. Infants' wear and men's apparel show the smallest gains over the pre-war low.

East item included in the index advanced during April. The greatest advances were recorded by women's hosiery, men's hosiery, infants' hosiery and floor coverings. Those showing the next greatest gains included women's aprons, corsets, men's underwear and men's shoes. In comparison with a year ago, however, the greatest increases still continue in cotton piece goods, sheets and pillow cases, silk fabrics, women's hosiery, women's aprons, men's hosiery, men's underwear and furniture.

Under the Office of Price Administration's general price freeze order retailers cannot sell at higher than March levels. Therefore the latest gains should be erased, according to A. W. Zelomek, economist, under whose supervision the retail price index is compiled. The Fairchild Publications Retail Price Index is based mainly on staple items, and therefore it will not be materially affected by any supplementary orders. It can thus be assumed that the March level, 112.5 in the index, should show no change unless the Price Administrator finds it necessary later to adjust prices to allow for higher costs.

THE FAIRCHILD PUBLICATIONS RETAIL PRICE INDEX

JAN. 3, 1931=100

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	May 1, 1933	May 1, 1941	Feb. 1, 1942	Mar. 1, 1942	Apr. 1, 1942	May 1, 1942
Composite Index	69.4	95.5	110.2	111.9	112.5	113.4
Piece Goods	65.1	88.8	107.1	110.8	111.8	112.6
Men's Apparel	70.7	89.5	101.1	102.7	104.2	105.6
Women's Apparel	71.8	93.9	109.1	111.2	112.1	113.2
Infants' Wear	76.4	97.6	104.9	106.7	107.5	108.6
Home Furnishings	70.2	97.7	112.7	114.3	115.1	115.8
Piece Goods						
Silks	57.4	70.2	82.1	83.9	84.7	85.1
Woolens	69.2	90.3	104.2	106.6	107.8	108.5
Cotton Wash Goods	68.6	106.0	134.9	141.8	142.8	144.1
Domestic						
Sheets	65.0	96.2	120.8	124.9	126.7	127.7
Blankets & Comfortables	72.9	117.2	128.8	132.0	134.3	135.2
Women's Apparel						
Hosiery	59.2	73.2	89.8	91.5	92.7	94.8
Aprons & House Dresses	75.5	106.8	134.2	138.4	139.5	141.0
Corsets & Brassieres	83.6	92.9	105.2	108.1	110.0	111.4
Furs	66.8	115.4	134.0	135.3	136.3	136.3
Underwear	69.2	87.2	100.6	102.1	102.4	103.1
Shoes	76.5	88.9	91.0	91.6	92.1	92.5
Men's Apparel						
Hosiery	64.9	87.4	102.4	104.9	106.0	108.6
Underwear	69.6	92.0	110.4	111.7	114.4	115.6
Shirts & Neckwear	74.3	86.3	96.1	97.9	98.8	99.6
Hats & Caps	69.7	83.9	90.8	91.8	92.7	94.9
Clothing incl. Overalls	70.1	92.5	102.2	103.4	104.7	105.3
Shoes	76.3	94.7	104.5	106.6	108.3	109.8
Infants' Wear						
Socks	74.0	103.6	108.8	112.0	113.4	115.6
Underwear	74.3	95.2	102.1	102.8	103.2	103.8
Shoes	80.9	93.9	103.8	105.2	105.8	106.4
Furniture	69.4	107.7	128.6	129.8	129.1	129.3
Floor Coverings	79.9	130.6	143.9	144.8	145.2	147.0
Radios	50.6	75.6	86.3	86.6	86.7	86.8
Luggage	60.1	76.6	82.6	83.3	84.7	85.2
Electrical Household Appliances	72.5	80.6	82.3	82.7	83.5	83.6
China	81.5	97.9	108.5	109.6	110.4	110.9

Note—Composite Index is a weighted aggregate. Major group indexes are arithmetic averages of subgroups.

*The Federal tax of 10% at retail is excluded in the computation of the fur index. The excise taxes on luggage, radios, and electrical appliances are levied on the manufacturers.

Automobile Financing Up 99% In Month Diversified Financing Down Slightly

An increase of 99% from February, 1942, to March, 1942, in the number of new passenger cars financed by sales finance companies was announced May 9 by J. C. Capt, Director of the Census. The dollar volume of paper acquired in the financing of new passenger cars increased 108%. These gains are in sharp contrast to the trend in February when both the number and the dollar volume of new passenger car financing were down 78% from January, 1942. For new commercial cars, the number financed and the volume of paper acquired increased 62% and 40%, respectively. Used passenger car financing increased 8% for the number of cars and 11% for the dollar volume, while used commercial car financing decreased 6% in number and 9% in dollar volume.

Retail automotive outstandings held by sales finance companies decreased 9% during March, 1942, compared to an 8% decline during the previous month.

From February to March of 1942 the volume of paper acquired by sales finance companies for the wholesale financing of new cars decreased 63%, while the wholesale financing of used cars registered only a slight loss. The outstanding balances for wholesale automotive decreased slightly during March after having increased substantially during January and February.

Increases were generally registered for March, 1942, over February, 1942, in the volume of paper acquired by sales finance companies for diversified financing (all commodities other than automotive). In retail financing the largest increase was 70% for refrigerators, followed by 47% for other household appliances, 39% for furniture, 31% for radios, pianos, and other musical instruments, 30% for residential building repair and modernization, and 24% for industrial, commercial, and farm equipment. The volume of whole-

sale paper acquired for diversified financing was down 36% contrasted to an increase of 54% for the previous month.

Diversified outstanding balances held by sales finance companies recorded moderate to negligible reductions during March. Retail outstanding balances for other consumers' goods were reduced 3% for the third successive month, while the balances for industrial, commercial, and farm equipment were maintained at approximately the same level as in February, 1942, after having increased moderately during each of the last two months.

The ratios of the paper acquired during March, 1942, to the outstanding balances as of March 31, 1942, are 4 for retail automotive, 6 for retail—other consumers' goods, 10 for wholesale automotive, 11 for industrial, commercial, and farm equipment, and 31 for wholesale—other than automotive.

The data on the current trends of sales financing for the month of March are based on reports from 293 sales finance companies. Neither the dollar volumes nor the indices should be used to indicate the total amount of financing by all sales finance companies in the United States. The data are published as reported without adjustment for seasonal or price fluctuations. The dollar volumes in tables 5, 6, and 7 of this release are not comparable to those published for January or February, since the reports compiled for the month of March are not in all cases from the same companies as were those compiled for the previous releases for January or February. All indices for March were obtained by calculating the percent changes from February to March, as shown by reports for February and March from companies reporting comparable data, and by linking these percentages to the indices previously derived for February, 1942.

Figures of automobile financing for the month of February, 1942, were published in the April 23, 1942, issue of the "Chronicle," page 1636.

Sales—Finance Companies

AUTOMOTIVE AND DIVERSIFIED FINANCING

Volume of Paper Acquired During March, 1942, and Balances Outstanding March 31, 1942

Class of Paper—	Dollar volume of paper acquired during March, 1942		Outstanding balances Mar. 31, 1942	Ratio of paper acquired to outstanding balances†
	By all companies*	By all companies reporting outstanding balances‡		
Total retail automotive	\$39,515,671	\$39,012,548	\$989,532,229	4
Total wholesale automotive	39,923,585	39,846,551	385,499,463	10
Total wholesale—other than automotive	3,252,912	3,180,846	10,254,869	31
Total retail—other consum. goods	18,015,209	17,736,960	291,697,267	6
Industrial, commercial and farm equipment	1,334,264	1,294,964	12,134,260	11
Total sales financings	\$102,041,641	\$101,072,169	\$1,689,118,088	6

*Data are based on reports from all sales finance companies regardless of whether or not they could supply a breakdown and whether or not they could report their outstanding balances.

†Data are based on figures from sales finance companies able to report both their paper acquired and their outstanding balances.

‡Ratios obtained by dividing paper acquired by outstanding balances for an identical group of firms.

AUTOMOTIVE FINANCING*

Number of Cars Financed and Volume of Paper Acquired During March, 1942

Class of Paper—	Number of Cars		Volume	
	Number	% of total	Dollars	% of total
Total retail automotive	93,092	100	\$338,911,602	100
New passenger cars	5,048	5	3,959,475	10
New trucks, buses, tractor-trailers	1,332	2	2,540,456	7
Used passenger cars	81,907	88	30,480,843	78
Used trucks, buses, tractor-trailers	4,805	5	1,930,828	5
Total wholesale automotive			\$37,535,000	100
New cars (pass. and commercial)			30,901,419	82
Used cars (pass. and commercial)			6,633,581	18

*Data are based on reports from sales finance companies providing a breakdown of their retail and wholesale automotive financing.

†These amounts are less than those reported in column one of table on "Automotive and Diversified Financing," due to the inclusion in that table of data from the sales finance companies that could not provide a breakdown.

DIVERSIFIED FINANCING*

Volume of Paper Acquired During March, 1942

Class of Paper—	Dollar Volume	% of total
Retail—other consumers' goods:		
Furniture	\$361,635	3
Radio, television sets, pianos and other musical instruments	548,985	4
Refrigerators (gas and electric)	3,053,686	22
Other household appliances	1,184,238	9
Residential building repair and modernization	3,352,413	24
Miscellaneous retail	716,801	5
Total retail—other consumers' goods	\$9,217,758	67
Total wholesale—other than automotive	3,252,912	23
Industrial, commercial, and farm equipment	1,334,264	10
Total diversified financing	\$13,804,934	100

*Data are based on reports from sales finance companies providing a breakdown of their retail financing of other consumers' goods.

†These amounts are less than those reported in column one of table on "Automotive and Diversified Financing," due to the inclusion in that table of data from the sales finance companies that could not provide a breakdown.

Coffee Imports Under Quotas

The Bureau of Customs announced on May 12 preliminary figures showing the quantities of coffee authorized for entry for consumption under the quotas for the 12 months commencing Oct. 1, 1941, provided for in the Inter-American Coffee Agreement, proclaimed by the President on April 15, 1941, as follows:

Country of Production—	Quota Quantity (Pounds)	Authorized for Entry for Consumption As of (Date)	Authorized Consumption (Pounds)
Signatory Countries:			
Brazil	1,401,426,521	May 2, 1942	707,842,934
Colombia	475,086,450	May 2, 1942	279,900,095
Costa Rica	30,144,642	May 9, 1942†	28,968,172
Cuba	12,109,603	May 2, 1942	2,916,695
Dominican Republic	18,098,664	(Import quota filled)	
Ecuador	22,634,408	May 2, 1942	17,913,253
El Salvador	96,657,909	May 2, 1942	64,917,808
Guatemala	80,715,477	May 2, 1942	63,257,062
Haiti	41,436,647	May 9, 1942†	38,238,077
Honduras	3,287,588	May 2, 1942	1,839,674
Mexico	74,966,100	May 2, 1942	26,838,869
Nicaragua	32,078,385	May 2, 1942	17,258,831
Peru	3,767,088	May 9, 1942†	3,111,658
Venezuela	38,094,430	May 9, 1942†	31,844,325
Non-Signatory Countries:			
British Empire, except Aden and Canada	17,674,322	(Import quota filled)	
Kingdom of the Netherlands and its possessions	19,669,574	May 2, 1942	13,086,296
Aden, Yemen, & Saudi Arabia	3,872,909	May 2, 1942	875,809
Other countries not signatories of the Inter-American Coffee Agreement	12,276,800	(Import quota filled)	

*Quotas revised effective Feb. 26, 1942. †Per telegraphic reports.

Treasury Frowns On War Bonds, Stamps As Prizes

The Treasury Department's policy with reference to the use of War Savings Bonds or Stamps as prizes in lotteries, games of chance, and the like, and as premiums, prizes, discounts, or gifts in connection with the promotion and sale of merchandise, was announced on May 12 as follows:

"The Department disapproves of the use of Savings Bonds or Savings Stamps as prizes or rewards, either alone or in combination with merchandise, through lotteries, punch boards, pin ball games, or other games of chance where an element of personal profit is involved either directly or indirectly. Objection is not made to such use in contests of knowledge or skill, not depending upon chance, such as quizzes, slogan contests or the like, not directly connected with retail sales of merchandise.

"The Treasury also strongly disapproves of the use of either Bonds or Stamps as premiums, discounts or gifts in connection with the retail sale of merchandise, particularly as premiums for coupons or other stamps or counters in the nature of trading stamps or the like, or the use of Bonds or Stamps in any way calculated to give one merchant or dealer any advantage, real or apparent, over his competitors.

"These objections are based on considerations of public policy and do not depend upon the legality or illegality of any of the devices or games mentioned under the laws of the United States or of any State, nor upon whether or not practices to which the Department objects may be considered violations of fair trade practices."

Leon Henderson Opposes General Wage Increase

Reports that Price Administrator Leon Henderson, in testifying before the House Ways and Means Committee on May 11, urged the "freezing" of wages and some form of compulsory savings were denied on May 12 in a statement issued by him. Mr. Henderson explained that he does oppose general increases in the wage level but did not intimate the need for "freezing" of wages nor did he discuss compulsory savings before the House Committee. He further reported that he was "unalterably" opposed to a national sales tax but is in favor of the Treasury's entire tax program, including lower personal exemptions.

The Price Administrator said that the "variety of reports" which appeared after his testimony impelled him to release a statement outlining "my expressed position on several important questions."

Mr. Henderson's statement follows:

1. Wages:
It is essential to the success of President Roosevelt's 7-point program for control of the wartime cost of living that wages be stabilized and that general wage increases be avoided. Without wage stabilization there can be no effective administration of the price level. However, as a part of real wage stabilization, the wage levels of sub-standard groups of workers in our population must be raised. Sub-standard groups cannot be condemned to a continuation of a sub-standard existence at a time when the country's welfare demands that every citizen's health and productive capacity be maintained and improved.

Further, real wage stabilization requires adjustments to remove inequities, as between higher-paid groups. This is necessary to continued effective

production of war material at the highest possible rate.

Reports that I have intimated the need for wage "freezing" are untrue, but it is true that I oppose general increases in the level of wages.

Also untrue are intimations that the Office of Price Administration desires additional powers to deal with the wage question. I have repeated time and again, and take occasion to repeat once more, my firm conviction that the laws and problems related to the administration of prices are unsuitable for stabilization of wages.

2. The sales taxes: I am unalterably opposed to a national sales tax. Such a measure would raise the prices of the necessities of life and would fall with heaviest burden on those persons whose standard of living is already below safe levels. By making higher the prices of goods, the sales tax also would greatly increase the difficulties of rationing essential products equitably, particularly for sub-standard income persons.

3. Taxes: The Treasury's program on higher taxes to meet the mounting cost of war and to absorb the dangerous excess of purchasing power over supplies of goods is a vital part of the President's over-all attack on the cost of living. I have urged the adoption of the entire program advanced by the Treasury, including reductions in individual exemptions. In fact, I would support an even sharper cut in personal exemptions.

4. Compulsory Savings: I did not discuss compulsory savings before the House committee. The Treasury is launching its drive to stimulate each individual to save 10% of his income voluntarily. I am supporting, and I feel every one should support this, campaign to the utmost of his ability.

More U. S. Forces In War Zone, Says FDR

President Roosevelt said on May 15, that American forces were getting into the fighting in more and more places and in greater numbers. Making this remark at his press conference, the President declined to amplify it further.

Simultaneously he issued his monthly report on lend-lease aid, revealing that in April the total assistance to friendly nations reached a new high of \$677,000,000. The White House statement of explanation follows:

1. Total lend-lease aid in April to all countries amounted to \$677,000,000.
2. Lend-lease aid has been rising steadily each month since the program started. In March, 1941, lend-lease aid amounted to \$18,000,000. In March of 1942 it amounted to \$588,000,000. Lend-lease aid in April was at an annual rate of more than \$8,000,000,000, compared with an annual rate of \$4,000,000,000 last December.

3. Total lend-lease aid from the inauguration of the program to May 1, 1942, amounted to \$3,835,000,000.

4. Since the start of the program the proportion of fighting weapons to food, drugs, raw materials and other industrial materials has steadily increased. Today the major part of the aid supplied is in the form of finished munitions.

5. The division of the guns, planes, ships and industrial materials between our own armed forces and industries and those of our Allies is made by military, naval and industrial experts in a manner aimed at putting the supplies to their most effective use in fighting our common enemies.

Weekly Coal And Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest coal report states that production of soft coal continues to show little change from week to week. The total output for the country in the week ended May 9 is estimated at 11,365,000 net tons, indicating an increase of 105,000 tons, or 0.9%, over the preceding week. Production in the corresponding week last year amounted to 9,193,000 net tons.

The U. S. Bureau of Mines reported that production of Pennsylvania anthracite for the week ended May 9 was estimated at 1,266,000 tons, a decrease of 55,000 tons, or 4.2%, from the preceding week. When compared with the output in the corresponding week of 1941, however, there was an increase of 437,000 tons (about 53%). The calendar year to date shows a gain of 15.3% 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 9 showed an increase of 11,000 net tons when compared with the output for the week ended May 2. Coke from beehive ovens decreased 300 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

(Data for Pennsylvania anthracite from Weekly Anthracite and Beehive Coke Report of the Bureau of Mines; data for crude petroleum computed from weekly statistics of American Petroleum Institute.)

	Week Ended			January 1 to Date		
	May 9, 1942	May 2, 1941	May 10, 1941	May 9, 1942	May 10, 1941	May 8, 1937
Total, incl. mine fuel	11,365	11,260	9,193	203,519	152,890	169,763
Daily average	1,894	1,877	1,532	1,864	1,390	1,570

*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 9, 1942	May 2, 1941	May 10, 1941	May 9, 1942	May 10, 1941	May 11, 1937
Penn. anthracite—	1,266,000	1,321,000	829,000	21,109,000	18,305,000	26,698,000
†Total, incl. colliery fuel	1,203,000	1,255,000	788,000	20,054,000	17,390,000	24,776,000
‡Beehive coke—	145,300	145,600	112,900	2,750,900	1,831,800	2,286,600
§By-product coke—	1,182,100	1,171,100	† 21,566,100	†	†	†

*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

(In Thousands of Net Tons)

(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]
	May 2, 1942	April 25, 1942	May 3, 1941	May 4, 1940	May 1, 1937	
Alabama	4	4	3	4	3	**
Arkansas and Oklahoma	391	387	49	277	26	412
California	62	53	7	16	13	70
Colorado	115	105	98	92	90	184
Georgia and North Carolina	1	1	*	*	*	**
Illinois	1,241	1,302	353	719	573	1,471
Indiana	430	437	277	274	209	514
Iowa	48	48	40	40	22	100
Kansas and Missouri	149	136	114	78	63	138
Kentucky—Eastern	976	977	242	780	832	620
Kentucky—Western	208	226	354	123	158	188
Maryland	44	41	10	23	15	52
Michigan	4	5	5	7	2	22
Montana	50	60	42	47	31	42
New Mexico	21	26	17	21	30	59
North and South Dakota	28	30	20	22	24	**16
Ohio	732	761	320	435	396	766
Pennsylvania bituminous	2,742	2,881	1,197	1,989	1,855	3,531
Tennessee	153	153	42	126	37	121
Texas	5	5	7	16	16	20
Utah	81	82	61	37	30	70
Virginia	413	402	200	308	204	249
Washington	23	30	29	23	32	35
West Virginia—Southern	2,300	2,326	956	1,873	1,697	1,256
†West Virginia—Northern	913	895	486	565	500	778
Wyoming	125	127	74	92	64	116
‡Other Western States	1	*	*	*	*	**6

Total bituminous coal— 11,260 11,500 5,003 7,987 6,922 10,836
 †Pennsylvania anthracite— 1,321 1,289 1,058 1,058 1,419 1,974

Total, all coal— 12,581 12,789 6,061 9,045 8,341 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.

Commercial Paper Outstanding

The Federal Reserve Bank of New York announced on May 13 that reports received by the bank from commercial paper dealers show a total of \$373,100,000 of open market paper outstanding on April 30. This amount compares with \$384,300,000 outstanding on March 31, 1942 and with \$274,600,000 on April 30, 1941.

In the following table we give a compilation of the monthly figures for two years:

1942—	\$	1941—	\$
Apr. 30	373,100,000	Apr. 30	274,600,000
Mar. 31	384,300,000	Mar. 31	263,300,000
Feb. 28	388,400,000	Feb. 28	240,700,000
Jan. 31	380,600,000	Jan. 31	232,400,000
1941—		1940—	
Dec. 31	374,500,000	Dec. 31	217,900,000
Nov. 29	387,100,000	Nov. 30	231,800,000
Oct. 31	377,700,000	Oct. 31	252,400,000
Sept. 30	370,500,000	Sept. 30	250,700,000
Aug. 30	353,900,000	Aug. 31	244,700,000
July 31	329,900,000	July 31	232,400,000
June 30	299,000,000	June 29	224,100,000
May 31	295,000,000	May 31	234,200,000

Cottonseed Receipts Again Smaller

On May 13 the Bureau of the Census issued the following statement showing cottonseed received, crushed, and on hand, and cottonseed products manufactured, shipped out, on hand, and exported for the nine months ended with April, 1942 and 1941:

Cottonseed received, crushed, and on hand, and cottonseed products manufactured, shipped out, and on hand for nine months, ended April 30, 1942 and 1941.

	COTTONSEED RECEIVED, CRUSHED, AND ON HAND (TONS)	
	Received at mills* Aug. 1 to Apr. 30 1942	Crushed Aug. 1 to Apr. 30 1941
United States	3,884,609	4,375,024
On hand at mills Apr. 30	300,592	407,283

State	Received at mills*		Crushed		On hand at mills	
	Aug. 1 to Apr. 30 1942	Aug. 1 to Apr. 30 1941	Aug. 1 to Apr. 30 1942	Aug. 1 to Apr. 30 1941	Apr. 30 1942	Apr. 30 1941
Alabama	218,979	205,889	212,514	191,466	17,638	15,005
Arizona	77,752	80,256	74,962	80,129	3,007	1,135
Arkansas	472,248	528,753	437,996	452,455	59,182	81,853
California	158,781	200,937	154,851	159,155	10,425	44,851
Georgia	261,038	397,434	246,818	348,332	33,636	50,234
Louisiana	85,120	129,190	85,482	126,741	164	12,703
Mississippi	554,183	480,598	519,405	426,073	38,804	61,039
North Carolina	212,778	269,773	209,196	256,566	13,318	16,817
Oklahoma	238,841	236,179	229,502	236,037	9,871	9,650
South Carolina	117,309	259,853	116,222	249,394	4,095	10,975
Tennessee	394,210	395,514	368,573	334,447	48,305	62,193
Texas	953,693	1,071,442	925,438	1,038,477	55,449	48,712
All other States	139,677	119,206	136,087	113,311	6,698	6,116

*Does not include 130,529 and 39,507 tons on hand Aug. 1 nor 54,115 and 47,441 tons reshipped for 1942 and 1941, respectively. Does include 665 tons destroyed for 1941.

COTTONSEED PRODUCTS MANUFACTURED, SHIPPED OUT, AND ON HAND

Item—	Season	On hand		Produced Aug.		Shipped out		On hand
		Aug. 1	Apr. 30	Aug. 1 to Apr. 30	Aug. 1 to Apr. 30	Apr. 30		
Crude oil (thousand pounds)	1941-42	29,708	1,154,258	1,143,252	1,143,252	1,143,252	1,143,252	105,714
Refined oil (thousand pounds)	1941-42	37,352	1,290,667	1,290,667	1,290,667	1,290,667	1,290,667	126,142
Cake and meal (tons)	1941-42	164,444	1,620,649	1,620,649	1,620,649	1,620,649	1,620,649	311,403
Hulls (tons)	1941-42	79,501	1,780,804	1,780,804	1,780,804	1,780,804	1,780,804	256,406
Linters (tons)	1941-42	151,439	921,632	921,632	921,632	921,632	921,632	124,998
Linters (running bales)	1941-42	20,914	1,008,316	1,008,316	1,008,316	1,008,316	1,008,316	199,241
Hull fiber (500-lb. bales)	1941-42	1,834	27,892	27,892	27,892	27,892	27,892	1,133
Crabbits, notes, &c. (500-lb. bales)	1941-42	1,215	31,334	31,334	31,334	31,334	31,334	2,208
	1941-42	6,183	50,683	50,683	50,683	50,683	50,683	27,008
	1940-41	12,449	43,286	43,286	43,286	43,286	43,286	13,266

*Includes 13,192,000 and 78,390,000 pounds held by refining and manufacturing establishments and 7,859,000 and 7,661,000 pounds in transit to refiners and consumers, Aug. 1, 1941, and April 30, 1942, respectively.

†Includes 7,268,000 and 4,487,000 pounds held by refiners, brokers, agents, and warehousemen at places other than refineries and manufacturing establishments and 3,903,000 and 1,932,000 pounds in transit to manufacturers of shortening, oleomargarine, soap, etc., Aug. 1, 1941, and April 30, 1942, respectively.

‡Produced from 1,065,962,000 pounds of crude oil.

Exports and Imports of Cottonseed Products

In the interest of national defense, the Department of Commerce has decided to discontinue until further notice the publication of statistics concerning imports and exports.

Dept. of Labor Reports Retail Food Costs Advanced 0.8% Between Mid-March & Mid-April

The family food bill rose 0.8% between mid-March and mid-April as retail prices of many foods continued to advance, Acting Commissioner Hinrichs of the Bureau of Labor Statistics reported on May 14. Advances were larger than those usual at this season for fresh pork, fresh fruit and onions, and substantial increases were also reported for beef, potatoes, and coffee. Fresh milk and certain vegetables such as green beans and carrots were seasonally lower, and exceptionally large supplies of oranges and lettuce resulted in contraseasonal price declines. By the end of April, preliminary reports indicated further advances for beef, pork, canned salmon, butter, canned tomatoes, and lard, said the Labor Bureau's announcement, which further stated in part:

The advance in retail prices of pork during the last half of April followed a change in the Office of Price Administration regulation issued on April 15, affecting wholesale prices of pork, fixing the selling price level at prices prevailing during the period Feb. 16-20, 1942. By mid-April, after the Department of Agriculture's request to packers to offer at least two-fifths of their production of pork cuts for sale for lend-lease purposes, hog prices on the Chicago market reached their highest level in 16 years. Beef prices moved up seasonally during the month, while unusually large marketings of lambs in March resulted in reduced prices for lamb at retail. Fresh fish prices declined for the first time in 11 months as larger supplies reached the market, while canned salmon reached new high levels. * * *

Retail food costs for April 14, 1942, were 18.9% higher than in April, 1941. The principal increases, ranging from 21% to 41%, were reported for fruits and vegetables, beverages, sugar, pork, fish, eggs, fats and oils. Beef, lamb, chickens, dairy products, cereals and bakery products were 8 to 15% higher than a year ago.

Index numbers of food costs by commodity groups for the current period and for March 17, 1942, Feb. 17, 1942, April 15, 1941, and Aug. 15, 1939, are shown in the following table:

Commodity Group—	INDEX NUMBERS OF RETAIL COSTS OF FOOD BY COMMODITY GROUPS (Five-Year Average 1935-39 = 100)				
	Apr. 14, 1942	Mar. 17, 1942	Feb. 17, 1942	Apr. 15, 1941	Aug. 15, 1939
All Foods	119.6	118.6	116.8	100.6	103.5
Cereals and bakery products	105.1	104.8	104.3	95.2	93.4
Meats	121.5	120.5	118.5	103.5	95.7
Beef and veal	120.6	119.7	119.9	108.7	99.6
Pork	120.5	117.5	110.9	92.1	88.0
Lamb	108.0	108.7	109.2	99.8	96.8
Chickens	112.2	112.2	110.7	103.8	94.6
Fish, fresh and canned	156.8	156.9	157.7	120.0	99.6
Dairy products	122.3	121.7	121.8	106.3	9

Farm Product Buying Reaches Record In April

A high record of monthly purchases of farm products, totaling \$193,893,000, was reached during April by the Agricultural Marketing Administration under the general buying program for lend-lease and other needs, the U. S. Department of Agriculture reported on May 15. April purchases exceeded by \$89,500,000 the previous high peak of \$104,370,000 reached in March, said the Department; from its announcement we also quote:

As in previous months, meat products and dairy and egg products led the groups of commodities bought—both in volume and dollar value. Particularly heavy purchases were made of canned and cured pork, frozen pork loins, lard, dried eggs, dry skim milk, evaporated milk, cheese, butter, and granulated sugar. Compared with March, the volume of pork and of dried eggs purchased more than doubled and lard purchases nearly tripled, indicating a particularly heavy demand for these commodities for lend-lease purposes.

Commodities bought in large quantities included 106,502,000 pounds of lard at an f. o. b. cost of \$14,572,000; 108,825,000 pounds of canned pork, \$42,295,000; 90,788,000 pounds of cured pork, \$19,278,000; 29,713,000 pounds of cheese, \$6,827,000; 35,630,000 pounds of dry skim milk, \$4,378,000; 4,689,000 cases of evaporated milk, \$14,774,000; 56,836,000 pounds of dried eggs, \$58,269,000; 21,026,000 pounds of frozen pork loins, \$5,800,000; 85,451,000 pounds of dry beans, \$3,809,000; 4,967,000 pounds of butter, \$1,818,000; 84,676,000 pounds of granulated cane sugar, \$3,762,000; 36,565,000 pounds of rice, \$2,437,000, and 15,948,000 pounds of oleomargarine, \$2,507,000. Among other important purchases were frozen boneless beef, canned potatoes, oat cereal, concentrated orange juice, and canned fish.

Commodities purchased in April for the first time included canned corned beef, corned beef hash, barreled family beef, frozen boneless beef, condensed milk, dried figs, currants, fresh lemons, buckwheat cereal, wheat bran, cottonseed meal, chow chow, fatty acids, and soy grits. The cumulative value of all farm products bought for lend-lease shipment and other distribution needs approximated \$1,471,000,000 for the 13½-month period ending April 30.

WPB Regional Offices

In line with its general decentralization policy, the War Production Board on May 11 issued orders and regulations officially creating 13 regional offices and placing broad authority in the regional directors. Effect of this action, it is said, is to keep policy and planning work in Washington but to put operations, in so far as possible, in the field where war production lines are being turned out.

The policy of decentralization will be further developed, the regulations stated, to the end that "so far as practicable, the work of the War Production Board in Washington shall center in policy determination, program planning, the institution of major procedures and general co-ordination, while the day-to-day operations shall be conducted through the regional offices."

The regional offices are at Boston, New York, Philadelphia, Atlanta, Cleveland, Chicago, Kansas City, Dallas, Denver, San Francisco, Detroit, Minneapolis and Seattle.

Preliminary organization of the 13 offices was announced in these columns April 2, page 1340.

Revenue Freight Car Loadings During Week Ended May 9, 1942, Totaled 839,253 Cars

Loading of revenue freight for the week ended May 9, totaled 839,253 cars, the Association of American Railroads announced on May 14. The increase above the corresponding week in 1941 was 2,104 cars, or 0.3%, and above the same week in 1940 was 158,625 cars, or 23.3%.

Loading of revenue freight for the week of May 9 decreased 19,651 cars, or 2.3% below the preceding week.

Miscellaneous freight loading totaled 374,434 cars, a decrease of 8,777 cars below the preceding week, but an increase of 18,361 cars above the corresponding week in 1941.

Loading of merchandise less than carload lot freight totaled 98,433 cars, a decrease of 14,303 cars below the preceding week, and a decrease of 64,454 cars below the corresponding week in 1941.

Coal loading amounted to 167,809 cars, a decrease of 1,610 cars below the preceding week, but an increase of 28,753 cars above the corresponding week in 1941.

Grain and grain products loading totaled 35,145 cars, a decrease of 1,048 cars below the preceding week, but an increase of 27 cars above the corresponding week in 1941. In the Western Districts alone, grain and grain products loading for the week of May 9 totaled 21,815 cars, a decrease of 858 cars below the preceding week, and a decrease of 859 cars below the corresponding week in 1941.

Live stock loading amounted to 11,698 cars, a decrease of 2,187 cars below the preceding week, and a decrease of 495 cars below the corresponding week in 1941. In the Western Districts alone, loading of live stock for the week of May 9 totaled 9,030 cars, a decrease of 2,083 cars below the preceding week, and a decrease of 82 cars below the corresponding week in 1941.

Forest products loading totaled 50,618 cars, an increase of 211 cars above the preceding week, and an increase of 10,051 cars above the corresponding week in 1941.

Ore loading amounted to 86,800 cars, an increase of 7,803 cars above the preceding week, and an increase of 8,400 cars above the corresponding week in 1941.

Coke loading amounted to 14,316 cars, an increase of 260 cars above the preceding week, and an increase of 1,461 cars above the corresponding week in 1941.

All districts reported increases compared with the corresponding week in 1941 except the Eastern, Allegheny, Northwestern and Central Western, 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	794,299	665,547
Week of May 9	839,253	837,149	680,628
Total	15,201,680	13,812,063	12,011,917

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended May 9, 1942. During this period 66 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED MAY 9

Railroads	Total Revenue Freight Loaded			Received from Connections		
	1942	1941	1940	1942	1941	1940
Eastern District—						
Ann Arbor	434	506	562	1,304	1,398	
Bangor & Aroostook	1,806	2,046	1,681	313	292	
Boston & Maine	6,372	8,769	7,241	15,834	13,967	
Chicago, Indianapolis & Louisville	1,307	1,209	1,326	1,880	2,170	
Central Indiana	31	19	25	58	60	
Central Vermont	1,003	1,396	1,418	2,152	3,079	
Delaware & Hudson	6,829	5,940	4,755	12,455	10,341	
Delaware, Lackawanna & Western	8,154	9,346	9,247	9,006	8,198	
Detroit & Mackinac	299	324	282	101	140	
Detroit, Toledo & Ironton	1,738	3,260	2,322	1,244	1,286	
Detroit & Toledo Shore Line	2,800	396	303	2,948	2,861	
Erie	14,806	15,103	11,402	16,641	14,239	
Grand Trunk Western	3,771	6,242	4,517	7,655	8,350	
Lehigh & Hudson River	252	304	343	414	2,424	
Lehigh & New England	2,031	1,937	1,993	1,951	1,679	
Lehigh Valley	9,398	8,917	8,269	12,008	8,991	
Maine Central	2,156	3,064	2,445	3,641	3,357	
Monongahela	6,963	6,280	4,608	323	326	
Montour	2,443	2,187	1,968	35	37	
New York Central Lines	45,752	51,377	39,938	56,413	47,341	
N. Y., N. H. & Hartford	9,704	11,901	9,078	20,920	16,328	
N. Y., Ontario & Western	1,008	1,031	1,090	3,431	2,201	
New York, Chicago & St. Louis	7,561	6,538	5,231	14,975	11,707	
N. Y., Susquehanna & Western	472	473	381	1,593	1,391	
Pittsburgh & Lake Erie	8,001	8,205	6,169	9,238	9,143	
Pere Marquette	5,443	7,068	5,959	6,015	5,977	
Pittsburgh & Shawmut	874	513	779	38	52	
Pittsburgh, Shawmut & North	407	505	334	318	298	
Pittsburgh & West Virginia	1,162	1,229	1,012	3,095	2,177	
Rutland	370	638	645	1,045	1,124	
Wabash	5,146	6,059	5,103	12,509	9,983	
Wheeling & Lake Erie	5,655	5,915	3,847	4,862	3,825	
Total	161,628	178,697	144,273	228,175	194,742	
Allegheny District—						
Akron, Canton & Youngstown	682	748	471	955	949	
Baltimore & Ohio	41,619	41,602	31,579	27,517	21,719	
Bessemer & Lake Erie	7,690	6,820	5,703	2,158	2,230	
Buffalo Creek & Gauley	291	254	330	1	0	
Cambria & Indiana	1,980	2,044	1,154	15	7	
Central R. R. of New Jersey	7,414	8,593	6,693	20,098	15,010	
Cornwall	765	728	616	72	50	
Cumberland & Pennsylvania	299	133	214	8	32	
Ligonier Valley	150	123	80	51	33	
Long Island	845	824	565	3,509	2,964	
Penn-Reading Seashore Lines	1,543	1,650	1,166	2,535	1,887	
Pennsylvania System	84,158	84,257	61,316	67,826	53,512	
Reading Co.	15,060	16,002	14,036	29,333	22,891	
Union (Pittsburgh)	21,065	19,846	14,783	7,504	7,319	
Western Maryland	3,962	4,250	3,476	13,464	8,881	
Total	187,523	187,874	142,182	175,046	137,484	
Pocahontas District—						
Chesapeake & Ohio	29,587	28,594	24,667	13,786	11,149	
Norfolk & Western	23,004	23,633	20,166	7,080	5,503	
Virginian	4,421	4,779	4,049	2,049	1,753	
Total	57,012	57,006	48,882	22,915	18,405	

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1942	1941	1940	1942	1941
Southern District—					
Alabama, Tennessee & Northern	429	410	236	404	1,65
Atl. & W. P.—W. R. R. of Ala.	746	782	716	2,462	1,759
Atlanta, Birmingham & Coast	703	803	674	1,253	1,132
Atlantic Coast Line	13,441	11,674	8,801	8,840	6,546
Central of Georgia	3,883	4,445	3,768	4,275	3,636
Charleston & Western Carolina	420	576	471	1,691	1,841
Clinchfield	1,703	1,775	1,379	3,100	2,698
Columbus & Greenville	304	231	288	183	292
Durham & Southern	243	205	160	1,244	490
Florida East Coast	2,042	1,255	1,822	988	1,066
Gainesville Midland	44	36	26	84	93
Georgia	1,169	1,108	1,080	2,573	1,892
Georgia & Florida	415	365	302	594	574
Gulf, Mobile & Ohio	3,913	3,569	3,271	3,772	3,015
Illinois Central System	27,182	22,535	19,762	15,702	12,997
Louisville & Nashville	26,265	23,087	22,231	10,893	7,221
Macon, Dublin & Savannah	146	174	137	777	825
Mississippi Central	281	167	147	402	350
Nashville, Chattanooga & St. L.	3,571	3,363	3,001	4,177	3,206
Norfolk Southern	1,392	1,204	1,057	2,270	1,180
Piedmont Northern	375	501	395	1,307	1,381
Richmond, Fred. & Potomac	547	418	307	10,866	6,480
Seaboard Air Line	10,961	10,675	9,198	8,728	5,584
Southern System	23,817	24,762	20,286	24,783	17,905
Tennessee Central	732	617	478	1,013	662
Winston-Salem Southbound	103	164	134	941	874
Total	124,827	114,901	100,127	113,322	83,864
Northwestern District—					
Chicago & North Western	20,980	22,700	17,627	12,822	11,449
Chicago Great Western	2,282	2,681	2,421	3,105	3,070
Chicago, Milw., St. P. & Pac.	19,182	21,696	18,021	9,651	8,562
Chicago, St. Paul, Minn. & Omaha	3,407	3,974	3,179	3,654	3,943
Duluth, Missabe & Iron Range	26,800	22,200	14,320	279	254
Duluth, South Shore & Atlantic	1,503	1,133	894	538	552
Flt. Dodge, Des Moines & South	10,393	10,100	6,598	9,974	8,268
Great Northern	536	534	536	143	131
Green Bay & Western	23,313	24,254	17,794	4,704	4,126
Lake Superior & Ishpeming	533	570	481	669	752
Minneapolis & St. Louis	3,081	4,539	3,054	41	75
Minn., St. Paul & S. S. M.	1,883	1,917	1,728	2,290	2,058
Northern Pacific	6,969	7,541	5,639	3,215	2,787
Spokane International	10,477	9,830	9,455	4,752	4,269
Spokane, Portland & Seattle	151	211	161	552	320
Total	133,912	136,311	103,673	58,493	52,720
Central Western District—					
Atch., Top. & Santa Fe System	21,325	21,048	18,052	9,629	7,437
Alton	2,979	3,196	2,597	3,907	2,617
Bingham & Garfield	692	617	555	148	90
Chicago, Burlington & Quincy	14,671	16,061	13,136	10,259	9,483
Chicago & Illinois Midland	2,726	2,292	1,698	906	732
Chicago, Rock Island & Pacific	10,693	12,801	10,806	10,513	9,305
Chicago & Eastern Illinois	2,377	2,589	2,329	2,886	2,742
Colorado & Southern	786	679	671	1,903	1,522
Denver & Rio Grande Western	2,810	2,677	2,235	4,952	3,573
Denver & Salt Lake	472	347	474	10	36
Fort Worth & Denver City	973	1,070	985	1,116	978
Illinois Terminal	1,771	2,040	1,497	1,997	1,635
Missouri-Illinois	1,270	1,139	825	430	497
Nevada Northern	1,953	2,028	1,865	131	103
North Western Pacific	1,093	815	746	471	456
Peoria & Pekin Union	19	14	8	0	0
Southern Pacific (Pacific)	29,358	27,631	23,664	8,873	6,472
Toledo, Peoria & Western	248	294	188	1,732	1,480
Union Pacific					

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on May 15 a summary for the week ended May 9, 1942, of complete figures showing the 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, which are based upon reports filed with the Commission by the odd-lot dealers and specialists, are given below:

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE NEW YORK STOCK EXCHANGE

	Total for week
Week Ended May 9, 1942	
Odd-lot Sales by Dealers: (Customers' Purchases)	
Number of orders	9,420
Number of shares	239,260
Dollar value	\$8,741,681
Odd-lot Purchases by Dealers: (Customers' Sales)	
Number of Orders:	
Customers' short sales	288
Customers' other sales*	9,081
Customers' total sales	9,369
Number of Shares:	
Customers' short sales	7,547
Customers' other sales*	218,851
Customers' total sales	226,398
Dollar value	\$6,748,101
Round-lot Sales by Dealers:	
Number of Shares:	
Short sales	720
Other sales†	66,320
Total sales	67,040
Round-lot Purchases by Dealers:	
Number of shares	75,540

*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."

Lumber Movement—Week Ended May 9, 1942

Lumber production during the week ended May 9, 1942, was slightly greater than the previous week, shipments were 6% less, new business 7% less, according to reports to the National Lumber Manufacturers Association from regional associations covering the operations of representative hardwood and softwood mills. Shipments were 18% above production; new orders 13% above production. Compared with the corresponding week of 1941, production was 4% less, shipments, 8% greater, and new business 1% less. The industry stood at 131% of the average of production in the corresponding week of 1935-39 and 163% of average 1935-39 shipments in the same week.

Year-to-Date Comparisons

Reported production for the first 18 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 18 weeks of 1942, new business was 28% above production, and shipments were 16% above production.

Supply and Demand Comparisons

The ratio of unfilled orders to gross stocks was 62% on May 9, 1942, compared with 40% a year ago. Unfilled orders were 28% greater than a year ago; gross stocks were 18% less.

Softwoods and Hardwoods

Record for the current week ended May 9, 1942, for the corresponding week a year ago, and for the previous week, follows in thousand board feet:

	1942		Previous Week (rev.)
	1942 Week	1941 Week	
Mills	460	460	474
Production	245,706	254,622	245,100
Shipments	289,226	287,354	308,426
Orders	276,650	280,104	297,658
	Softwoods	Hardwoods	
Mills	372	104	
Production	233,167—100%	12,539—100%	
Shipments	275,903 118	13,323 106	
Orders	263,620 113	13,030 104	

Trading On New York Exchanges

The Securities and Exchange Commission made public on May 15 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 week ended May 2, 1942, continuing a series of current figures being published by the Commission. Short sales are shown separately from other sales in these figures, the Commission explained.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended May 2 (in round-lot transactions) totaled 559,100 shares, which amount was 15.21% of total transactions on the Exchange of 1,837,380 shares. This compares with member trading during the previous week ended April 25 of 427,570 shares, or 11.65% of total trading of 1,835,280 shares. On the New York Curb Exchange, member trading during the week ended May 2 amounted to 84,225 shares, or 14.36% of the total volume on that Exchange of 293,220 shares; during the preceding week trading for the account of Curb members of 79,220 shares was 14.59% of total trading of 271,555 shares.

The Commission made available the following data for the week ended May 2.

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:

	N. Y. Stock Exchange	N. Y. Curb Exchange
Total number of reports received	1,023	719
1. Reports showing transactions as specialists	175	83
2. Reports showing other transactions initiated on the floor	119	16
3. Reports showing other transactions initiated off the floor	169	46
4. Reports showing no transactions	627	555

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 May 2, 1942		
A. Total Round-Lot Sales:	Total for Week	a Per Cent
Short sales	101,630	
Other sales b	1,735,750	
Total sales	1,837,380	
3. 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	157,550	
Short sales	49,830	
Other sales b	112,470	
Total sales	162,300	8.70
2. Other transactions initiated on the floor—		
Total purchases	65,270	
Short sales	15,000	
Other sales b	55,630	
Total sales	70,630	3.70
3. Other transactions initiated off the floor—		
Total purchases	49,370	
Short sales	7,600	
Other sales b	46,380	
Total sales	53,980	2.81
4. Total—		
Total purchases	272,190	
Short sales	72,430	
Other sales b	214,480	
Total sales	286,910	15.21

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

Week Ended May 2, 1942		
A. Total Round-Lot Sales:	Total for Week	a Per Cent
Short sales	5,260	
Other sales b	287,960	
Total sales	293,220	
B. Round-Lot Transactions for the Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	28,310	
Short sales	3,680	
Other sales b	27,620	
Total sales	31,300	10.16
2. Other transactions initiated on the floor—		
Total purchases	3,465	
Short sales	100	
Other sales b	3,750	
Total sales	3,850	1.25
3. Other transactions initiated off the floor—		
Total purchases	8,045	
Short sales	235	
Other sales b	9,020	
Total sales	9,255	2.95
4. Total—		
Total purchases	39,820	
Short sales	4,015	
Other sales b	40,390	
Total sales	44,405	14.36
C. Odd-Lot Transactions for the Account of Specialists—		
Customers' short sales	75	
Customers' other sales c	22,456	
Total purchases	22,531	
Total sales	12,037	

*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."

Class I Net Railway Operating Income In February Up 18% From Year Ago

The Bureau of Statistics of the Interstate Commerce Commission has issued a statement showing the aggregate totals of selected income and balance sheet items for Class I steam railways in the United States for the month of February, 1942 and 1941.

These figures are subject to revision and were compiled from 132 reports representing 136 steam railways. The present statement excludes returns for Class A switching and terminal companies. The report is as follows:

Income Items—	All Class I Railways		For the Two Months of	
	For the Month of February 1942	1941	1942	1941
Net ry. operat. income	\$66,486,019	\$58,135,963	\$135,450,258	\$120,156,261
Other income	10,955,380	10,614,688	23,507,992	23,014,221
Total income	77,441,399	68,750,652	158,958,250	143,170,482
Miscellaneous deductions from income	2,373,746	2,231,828	4,661,151	4,664,604
Income available for fixed charges	75,067,653	66,518,824	154,097,099	138,505,878
Fixed charges:				
Rent for leased roads and equipment	12,234,401	12,041,809	25,818,799	24,308,316
*Interest deductions	36,958,221	38,142,379	74,077,317	76,785,696
Other deductions	117,195	117,706	234,369	238,383
Total fixed charges	49,309,817	50,301,894	100,130,485	101,332,395
Inc. after fixed charges	25,757,836	16,216,930	53,966,614	37,173,483
Contingent charges	2,042,212	1,531,767	4,122,761	3,056,694
†Net income	23,715,624	14,685,163	49,843,853	34,116,789
Depreciation (way and structures equipment)	18,837,533	17,662,462	36,590,188	35,343,427
Amortization of defense projects	4,041,608		7,903,306	
Federal income taxes	24,178,119	6,964,813	41,759,165	14,353,551
Dividend appropriations:				
On common stock	12,738,588	14,985,496	15,098,588	19,848,145
On preferred stock	2,583,473	2,583,411	5,069,870	3,119,847
†Ratio of income to fixed charges	1.52	1.32	1.54	1.37

All Class I Railways Balance at End of February

Selected Asset Items—	All Class I Railways		Class I Railways Not in Receivership or Trusteeship	
	Balance at End of February 1942	1941	Balance at End of February 1942	1941
Investments in stocks, bonds, etc., other than those of affiliated companies	\$466,729,588	\$560,181,476	\$450,059,150	\$509,802,102
Cash	\$746,705,113	\$674,589,645	\$552,551,561	\$534,030,832
Temporary cash investments	136,101,795	71,888,388	127,910,432	65,579,131
Special deposits	181,794,431	156,274,100	143,456,009	141,962,872
Loans and bills receivable	1,220,565	1,532,399	1,047,704	1,232,099
Traffic and car-service balances (Dr.)	29,601,328	28,956,904	25,958,650	27,115,500
Net balance receivable from agents and conductors	86,655,150	56,620,166	72,586,504	45,912,909
Miscellaneous accounts receivable	234,485,006	135,287,643	186,753,169	107,618,957
Materials and supplies	499,808,867	356,648,514	403,708,194	285,445,201
Interest and dividends receivable	17,723,327	15,834,004	15,946,984	13,424,748
Rents receivable	1,132,869	1,162,326	900,951	1,012,339
Other current assets	24,780,496	5,522,191	23,364,215	4,538,886
Total current assets	\$1,960,008,947	\$1,504,316,280	\$1,554,184,373	\$1,227,873,474

Selected Liability Items—

Selected Liability Items—	All Class I Railways		Class I Railways Not in Receivership or Trusteeship	
	Balance at End of February 1942	1941	Balance at End of February 1942	1941
†Funded debt maturing within six months	\$101,994,179	\$137,659,296	\$84,047,611	\$111,604,938
Loans and bills payable	57,853,165	81,455,554	4,353,400	25,447,311
Traffic and car-service balances (Cr.)	62,288,307	47,315,220	45,722,212	34,329,955
Audited accounts and wages payable	328,296,528	257,196,977	268,439,926	209,333,361
Miscellaneous accounts payable	55,132,675	52,229,179	39,553,238	40,912,238
Interest matured unpaid	56,809,751	38,716,871	52,253,880	34,991,450
Dividends matured unpaid	4,879,905	1,541,672	4,527,642	1,189,284
Unmatured interest accrued	88,506,612	86,972,521	74,971,219	70,089,775
Unmatured dividends declared	17,777,638	16,468,346	17,777,638	16,468,346
Unmatured rents accrued	22,572,658	23,605,127	20,805,015	21,934,173
Accrued tax liability	371,139,068	212,386,556	336,893,028	183,283,504
Other current liabilities	55,112,644	50,656,872	42,096,021	40,705,926
Total current liabilities	\$1,120,368,951	\$868,544,895	\$907,393,217	\$678,065,323

Analysis of accrued tax liability: U. S. Government taxes, \$255,153,046; Other than U. S. Government taxes, \$115,986,022.

*Represents accruals, including the amount in default. †For railways not in receivership or trusteeship the net income was as follows: February, 1942, \$21,115,180; February, 1941, \$17,881,192; for the two months ended February, 1942, \$46,119,750; two months ended February, 1941, \$40,448,144. ‡Includes payments of principal of long-term debt (other than long-term debt in default) which will become due within six months after close of month of report. §Includes obligations which mature not more than two years after date of issue. ¶For railways in receivership and trusteeship the ratio was as follows: February, 1942, 1.27; February, 1941, 0.80; two months, 1942, 1.21; two months, 1941, 0.80.

Construction Down 47% In Week

Engineered construction volume for the week totals \$229,877,000, an increase of 142% over the volume for the corresponding 1941 week, but 47% lower than the all-time high of a week ago as reported by "Engineering News-Record" May 14. The week's total is the fifth highest of the year, and the seventh time in 1942 that the value of engineered construction exceeded \$200,000,000.

Public construction gains 256% over a year ago, but is 49% below the record of a week ago. Private work decreases 51% from the week last year, however, it is 1% higher than last week. Federal construction tops the 1941 week by 466%, but is 49% below the preceding week.

The current week's construction volume brings the 1942 total to \$3,556,616,000, a 67% increase over the corresponding 20-week period in 1941. Private construction, \$235,998,000, is 52% below the period last year. Public work is 113% higher as a result of the 191% gain in Federal work.

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

	May 15, 1941	May 7, 1942	May 14, 1942
Total construction	\$94,991,000	\$434,955,000	\$229,877,000
Private construction	35,387,000	17,191,000	17,371,000
Public construction	59,604,000	417,764,000	212,506,000
State and municipal	23,838,000	21,644,000	10,380,000
Federal	35,766,000	396,120,000	202,126,000

Items About Banks, Trust Companies

With the election of Willard K. Denton as President, two of New York's oldest savings banks, the Manhattan Savings Institution and the Metropolitan Savings Bank, it was announced on May 13, have consolidated their resources and facilities in order to increase their support of the government in the war savings program and to render greater service to the public. The name of the Manhattan Savings Institution is retained, as it is the older bank, incorporated in 1850. In announcing the consolidation, Mr. Denton, who was formerly President of the Metropolitan, said:

"Combining of the Boards of Trustees and the official and clerical staffs provides an exceptional concentration of trained and experienced banking personnel that will enable the smooth adjustment of our service organization at any time, should additional members of our staffs be called upon to enter the U. S. Armed forces. Also, the three offices of the institution will provide greater convenience to depositors."

The bank, with offices at Broadway at Eighth Street, Broadway at Bleecker Street and at 154-156 East 86th Street, serves, it is stated, more than 85,000 depositors and has resources exceeding \$60,000,000.

The Board of Directors of the Clinton Trust Company of New York City has elected William J. Waite, Chairman of the Board, and Edward W. Smith, Executive Vice-President. Both have been associated with the bank for a number of years. Mr. Waite as Chairman of the Executive Committee and Mr. Smith as Vice-President and Treasurer. The Board also extended to the President, Lee S. Buckingham, a leave of absence in order that he might devote his time to duties in connection with his appointment as New York State Director of the OPA.

James Gamble Rogers, architect, and Boylston A. Tompkins, a Senior Vice-President of the Bankers Trust Co., New York, were elected on May 13 to the Board of Trustees of the North River Savings Bank, New York City.

Paul N. Robins, formerly Assistant Vice-President of Manufacturers Trust Co., New York City, has rejoined the bank in the same capacity.

The Lynbrook National Bank and Trust Co., Lynbrook, Long Island, N. Y., recently announced the retirement of the last of its preferred stock A held by the Reconstruction Finance Corporation. The number of shares of stock retired was 16,000 and it was the last of a 1935 issue of 86,000 shares with a par value of \$215,000.

James M. Brittain has been elected a Director of the Provident Trust Co., Philadelphia, filling the vacancy caused by the death of Parker S. Williams, Chairman of the Board and former President of the Provident Trust. Mr. Williams' death was noted in these columns of Feb. 26, page 872.

The Board of Directors of the American National Bank and Trust Co., Chicago, on May 13 elected William G. F. Price a Vice-President. Mr. Price was recently connected with the Navy Department in Washington where he helped to organize the financial department of the Office of Procurement and Material. He is a former President of the New York Chapter of the American Institute of Banking and was formerly Assistant Vice-President of the National City Bank of New York.

OPA Halts Sugar Shipments To East—Local Markets Over-Supplied With Beet Sugar

The Office of Price Administration has instructed beet sugar processors in the Middle and Far West to discontinue shipments, at least for the time being, to areas east of a line extending from Buffalo through Pittsburgh and beyond. It is explained that there is no need for further beet sugar shipments now since stocks at refineries and at warehouses have been built up to what is considered a satisfactory level.

The OPA has allowed a special price for such sugar sold to consumers under a program designed to encourage use of beet sugar instead of cane. Commenting on the situation which has developed indicating a sugar surplus in the East, Preston S. Kreckler, writing in the New York "Sun" of May 15 said:

Only a week after the Nation was placed on short sugar rations by the OPA, sugar has become a glut on the market. Official recognition that the pinch is over was seen today in notification received by beet sugar processors in the Middle and Far West from the OPA that they no longer should ship any beet sugar to Atlantic seaboard States.

As a result of the notice received by the local sugar trade, the American Crystal Sugar Co., one of the large Western beet processing companies, sent out the following announcement:

"We have been notified by the OPA to discontinue shipments east of the Buffalo-Pittsburgh-Bristol, Va., line but to continue offerings east of Chicago to and including that line."

When a sugar shortage developed this spring the Govern-

ment made arrangements for shipment of 100,000 tons of beet sugar, the supply of which is plentiful in the West, into the seaboard area. It is the shipment of that sugar that has been halted suddenly before any substantial amount had actually arrived. The beet sugar companies have been ordered to send no sugar east of a line drawn roughly southward from Buffalo through Pittsburgh and beyond.

Inquiry in the sugar trade today revealed that the OPA order was issued because sugar stock piles are accumulating at refineries and in warehouses. The sugar has no place to go. Sugar brokers are idly "twiddling their thumbs," as one member of the trade expressed it, because the public is not buying sugar. Wholesalers are doing little business because the retail demand for sugar has slumped.

In the meanwhile sugar is arriving daily in car load lots from Southern ports. Formerly steamship companies routed sugar from Puerto Rico and Cuba to New York, Philadelphia and Boston, but now the ships are sailing to such Southern ports as Mobile, Ala., and Fort Everglades and

N. Y. Bankers To Meet For Annual Election

Discussion of the war's effects on costs, personnel lending activities and other bank operating details will feature the 49th annual meeting of the New York State Bankers Association at the Hotel Astor, New York City, May 24, 25 and 26, it was announced on May 18 by Eugene C. Donovan, President. This will be the Association's first annual meeting in New York City in 40 years, and through elimination of the usual forms of social activity will be shorter by a half day than such meetings in the past. About 800 bankers from all parts of the State are expected to attend. After a word of welcome by Herbert P. Howell, President of the New York Clearing House Association, the first business session will get under way on Monday morning, May 24, with an address by Superintendent of Banks William R. White on "Essentials on the Banking Front." This will be followed by a talk on "The Responsibilities of Country Bankers Today," by C. W. Bailey, President, First National Bank of Clarksville, Tenn., who is National Chairman of the Food-Freedom program.

Among others who will address the bankers will be Loren B. Allen, Manager of the Credit Department of the Federal Reserve Bank of New York, who will speak on "Regulation W as Revised."

The Association's annual dinner will be held Monday evening, with Dr. Paul F. Cadman, Economic Advisor, American Bankers Association, the chief speaker. His subject will be "Wartime Financing and Its Effects on the American Economy."

The only social event of the meeting will be a reception and buffet supper to delegates on Sunday evening, May 24, being arranged by member banks of the New York Clearing House Association. The election of 1942-1943 officers will take place on Monday, and at the same time annual reports on the Association's activities will be given. The annual meeting of New York State members of the American Bankers Association will follow. Nominations for officers were announced on May 18, with John P. Myers, President of the Plattsburg National Bank & Trust Co., Plattsburg, selected as President to succeed Eugene C. Donovan, President of the Auburn Trust Co., Auburn. E. Chester Gersten, President of the Public National Bank & Trust Co., New York City, has been nominated to be Vice-President, and Theodore Rokahr, Vice-President and Treasurer of the First Bank & Trust Co., Utica, to be Treasurer.

Tampa, Fla. cargoes are unloaded there and brought up by rail. Deliveries have been substantial because the vessels make shorter voyages and can bring more cargoes than formerly. It is estimated by trade authorities that up to May 9 1,000,985 long tons of raw sugar alone had arrived at ports.

The sugar trade believes that one early effect of the accumulation of surplus sugar will be an increase in the allotment for canning purposes. Housewives are limited now to five pounds for the season. A strong effort is being made to get an increase. Because of the abundance of sugar it is quite likely to be successful.

A further effect of the turn of affairs may be an increase in the individual ration from half a pound a week to a higher figure, either three-fourths or a pound.

Proposes Tax Credit For Life Ins. Premiums

A recommendation that the Treasury Department permit a deduction, before income taxes, for payment of life insurance premiums to some limited extent, was made on May 15 by Roswell Magill, former Under-Secretary of the Treasury and now Professor of Law at Columbia University. Mr. Magill, addressing the New York Chapter of the American Society of Chartered Life Underwriters at the Waldorf-Astoria Hotel in New York City, said that such a provision would be a logical and desirable recognition of the importance of life insurance to the average American's lifetime financial program. "A deduction for life insurance premiums," Mr. Magill said, "would be almost as justifiable as the deductions now allowed for charitable contributions." He stated, however, that any such provision should be limited to a definite percentage of income, to prevent its use in unjustified cases for deliberate tax avoidance. Mr. Magill further said:

Under present conditions the middle class individual will have little income left after payment of living costs and income taxes. Because of existing tax schedules, however industriously he saves, he cannot build up much of a competence for his dependents. Life insurance is almost the only way he can now assure protection of his family. Hence, unless something is done to enable him to carry adequate life insurance protection, the American tradition of individual provision for one's dependents may be broken down, with great loss to the country as a whole.

From the Government's standpoint, it seems entirely logical that investment in life insurance should be encouraged, because, like the purchase of War Savings Bonds, it tends to reduce the possibility of inflation. The money that goes into life insurance premiums is not used for consumption, but for investment in government and industry. As a matter of aid to the country's war effort, it is about as good an expenditure as could be made.

85% Of War Bonds Sold By Banks Treasury Finds

The nation's banks have sold 85% of the \$5,000,000,000 of War Savings Bonds bought thus far by the public in the Treasury's war savings plan campaign, Robert W. Sparks, field director of the Treasury's War Savings Staff, stated on May 13 at a "Victory Meeting" held by the employees of the American Bankers Association in New York City. The Association's staff was awarded the Treasury's Minute-Man honor flag at the meeting for its participation in the war bond program by Nevil Ford, New York State Administrator of the Treasury's War Savings Staff. The "Victory Meeting," officially sponsored by ABA headquarters, brought together approximately 150 men and women of the Association's staff, Mr. Ford and Robert W. Sparks, field director of the Treasury's War Savings Staff, as representatives of the Treasury Department, officials of the New York State Bankers Association, and representatives of New York newspapers.

The meeting was addressed by Mr. Ford, Mr. Sparks, and Dr. Harold Stonier, ABA executive manager. It was presided over by Ed Drew, secretary of the Association's Public Relations Council. Mr. Sparks told the meeting that the Government will shortly establish increased quotas for war bond sales. The June quota will be \$800,000,000, and July's will be \$1,000,000,000.

Chase Employees Give Red Cross Ambulance

A fully equipped field ambulance purchased with funds contributed by the employees of the Chase National Bank was presented to the American Red Cross at the annual meeting of the Chase Bank Club in the grand ballroom of the Waldorf-Astoria Hotel. H. Donald Campbell, President of the Bank, made the formal presentation of the ambulance, which was unveiled on the ballroom floor. It was accepted on behalf of the Red Cross by Miss Jean Arnot Reid, Assistant Treasurer of the New York Chapter.

After the ceremony, ten Chase employees received awards as winners in the seventeenth annual Henry W. Cannon prize competition—a general examination on banking and financial subjects. Fred N. Garrett, Jr., won first prize and the others who received awards were, in order of their rating: Herbert P. von der Porten, George J. Suter, William H. Promann, Clifton B. Wilburn, Horace A. Foulks, Samuel E. Shaw, Michael J. O'Mara, Charles B. Newton, Milton S. Coe.

Another annual Chase award announced at the meeting was the Samuel H. Miller Prize, which was presented to Robert J. Pollock for attaining the highest standing among the bank's employees in the last graduating class of the American Institute of Banking.

At the conclusion of the club's business session, the new officers for the 1942-43 term were announced as follows: President, Thomas C. Moore; Vice-President, Alexander F. Jensen; Second Vice-President, Philip Schwendeman; Secretary, Lillian L. Hutchinson, and Treasurer, William Reiners.

Heiser Heads ABA Membership Committee

George W. Heiser, Vice-President of the Manufacturers Trust Co., New York City, has been appointed Chairman of the Committee on Membership of the American Bankers Association, it is announced by Henry W. Koeneke, President of the Association. Mr. Koeneke is President of the Security Bank of Ponca City, Ponca City, Okla. Mr. Heiser succeeds Dunlap C. Clark, President of the American National Bank, Kalamazoo, Mich., who has resigned from his third term as Chairman of the Membership Committee to become a Lieutenant-Colonel in the United States Army. Mr. Heiser is now in his third year as a member of the committee.

FDR Signs WAAC Bill—Mrs. Hobby To Head Corps

President Roosevelt on May 15 signed the legislation creating a Women's Army Auxiliary Corps of 150,000 members for service with the U. S. Army. The House passed this bill on March 17 and the Senate adopted it on May 12, as was reported in these columns May 14, page 1860.

Secretary of War Stimson on May 15 named Mrs. Oveta Culp Hobby of Houston, Texas, as Director of the WAAC with the rank of Major. Mrs. Hobby, who had headed the women's interest division of the War Department, was sworn into her new post on May 13 at a ceremony in the Department. The oath was administered by Maj. Gen. Myron C. Cramer, Judge Advocate General of the Army, in the presence of Secretary Stimson and Gen. George C. Marshall, Chief of Staff.

The first group of officer candidates, numbering about 400, are expected to begin an eight-week course at Fort Des Moines, Iowa, around July 15. The first basic training course for auxiliaries will get under way about Sept. 15.