New Record Volume Of South American Trade Foreseen With Consequent Money Stabilization

The war is creating a great upsurge of trade among the 10 nations of the South American Common Market and the volume of their commerce among themselves undoubtedly will reach record heights in the years of the conflict, according to Mr. Eiphacht Iglehart, President of W. R. Grace & Co., and the Grace Line, which have been active in South American trade for nearly 90 years.

In a statement issued May 25, Mr. Iglehart, who has been a close observer of South America since he went there first as a resident manager of Grace Company interests more than 40 years ago, observes that "between 1914 and 1939, the total South American trade nearly tripled, increasing from 130 million dollars to more than 410 million," and he states that "over the last 25 years, the War Inter-South American trade volume has remained on a higher level, the annual total never falling below the 1914 figure except in the low year of 1932." Mr. Iglehart continued:

"Every indication now is that South American commercial history in this war is going to resemble itself. The increase in South American trade of the 30 nations among themselves and the inter-South American trade, started in large volume, total exports of all Latin American nations to their neighbors hav-

FROM WASHINGTON AHEAD OF THE NEWS

BY CARLISLE BARGERO

A lot of the most far-sighted have been doing a lot of thinking the war is nearly over, will get for the victory, not the war. Heroes galore have been pouring out of the Pacific and China, and they have accomplished a tremendous lot in those theaters. The fronts and made good. Un-

The returns of the last two weeks, however, apparently indicate a continued decline in the South American trade of the 30 nations among themselves and the inter-South American trade, which has been started in large volume, total exports of all Latin American nations to their neighbors having expanded 20% between 1939 and 1940. Incomplete figures for 1941 forecast that the relative increase for that year will be even larger.

Gratifying though it is, the increase of trade among the South American nations by no means satisfies their need for a many manufactured articles which they do not produce. Such goods as they seek to the United States but the production of such products here and lack of shipping space southbound combine to deny our neighbors many things needed for their economic life. This is a hardship to them which Washington is conscious of and no doubt seeking to remedy.

If the 1914-1918 trade is the continued period in South American continental trade in 1945 showed a total of 600 million dollars. (Continued on page 2040)

The Financial Situation

In the course of an evidently carefully prepared and, on the whole, admirable address delivered last Friday, President Hoover remarked that "industrial economic powers" in the hands of the President, or "just plan fascist economies" were essential to the winning of the war. So much attention has been attracted to this assertion of Mr. Hoover that there is danger that his main theme will be neglected. His real message was to the effect that we should surrender as few of our traditional liberties as possible, and that those necessarily surrendered should be restored as soon as possible after hostilities cease. We should, he insisted, insist upon the maintenance of the essentials of free speech, and a free press, not only because they are valuable even in war time but by reason of the fact that they will be the most potent of weapons for use in the restoration of all other freedoms we feel obliged to surrender "for the duration." He defended the right to criticize even the President, war or no war, and pleaded bravely but strongly for the continued vitality of our Pacific Pearl Harbor thought we should remain at peace and he denounced the "sneer" tactics for the recent years so much practiced in political circles.

Important Issue

Whatever may be thought of his assertion about "plain fascist economies" in times of war, he raised a most important issue at a time when it gravely needed airing, and his words for the most part were plainly words of wisdom. Let it be said that we are one of this present danger of losing our freedom, economic as well as other, permanently was overlooked. To be sure, nothing could be more important than preservation of freedom of speech and of the press within those limits imposed by the necessity of winning the war. They are the tools upon which we must rely in preserving our liberty as far as may be during the war and of regaining it all after peace comes. They are, however, after all, but the tools with which we

In 2 Sections — Section 2

THURSDAY

The Commercial

Volume 155 Number 4076
New York, N. Y., Thursday, May 28, 1942
Price 60 Cents a Copy

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Over-Optimism On Early Victory Held Perilous

Secretary of State Cordell Hull, in his conversation with reporters on May 23, warned the public against being too early in giving credit for the early victory over the Axis powers. "We are going to the world over," the Secretary stated, "as fast as we can in all-out efforts of all our people and powers. We are adding to that which we should accept, our sympathy, our thanksgiving and our remembrance, in the hope of being able to fight all the harder to ultimate and complete victory.

Mr. Hull has been reported as intimating at an earlier press conference (on May 20) that victory might come sooner than had been expected with any monthly advance in view of recent encouraging developments abroad. The issuance of the statement is regarded as intended to correct any unwarranted impression that may have arisen from the May 20 report.

Secretary Hull’s statement of May 23 was as follows:

I have noted with uneasiness that some of our people seem to be losing sight of the rapidly increasing strength of the United Nations. The dangers and difficulties which could arise in various places, are, in the judgment of the Allies, no less significant or less serious. We are gratified at the advances that have been made and the victories that have been achieved. But it must be home to us all that we are not being too soon and quite as easy be over-optimistic. We are in a hard fight which will be sustained to the end. And we are not quite all the harder to ultimate and complete victory.

We should accept our successes with the sober sense of sober thanksgiving and meet our reverses with a clear eye. We are not yet the victors, but neither are we the defeated.

Victory will be hastened by every confidence in the value which each of one puts forth in a single and consistent effort, as if his own house were on fire. It will be delayed and with unnecessary suffering, unless national effort be not only confident, but consummately subjugate the whole by methods of unparalleled sagacity and energy.

New War Foods Board To Be Set Up: Nelson

Donald M. Nelson, Chairman of the Committee to Feed the World, revealed on May 23 that an over-all food requirements committee will be set up. At the meeting of the Associated Commercial Clubs in New York City. He also disclosed that Secretary Cordell Hull, who will probably head the new organization, which will have as a basis the lives of armed forces, the office of Price Administration, the Economic Warfare and the WPB.

Mr. Nelson’s telegram said that the Committee would work on policies and programs by which American agriculture would be increased and processed during the coming season, and be shipped abroad, and that food administration will not be necessary since operating details will be handled by existing agencies.

The commercial and financial chronicle

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The State Of Trade

Statistical news reflected the high rate of operations in the heavy industries, steel operations hitting an all-time high during the week of May 13. The Bureau of Labor estimated that freight loadings were off a bit, but were still above the 1933 peak. A notable feature of the week was a new high of 174% of the 1935-39 average. Activity continued to expand through the month, the Board reported.

The total cost of new retail sales prices ceilings there was a noticeable drop in the rush of consumers to stores. June 20, prices for gasoline were off a bit, but were still above the 1933 peak. A notable feature of the week was a new high of 174% of the 1935-39 average. Activity continued to expand through the month, the Board reported.

It is pointed out that the current accounts of gasoline sales in many lines resulting from existing production and priority restrictions are better than previous conditions. The profit margins under price ceiling regulations have resulted in a change in the situation confronting the automobile manufacturers to a state in which marginal stores are in a position to meet the competition of the high wages paid in defense industries. Not a few younger retailers are entering the market, and they are not in good financial condition, such liquidation will be accompanied by insolventcies.

The trend of commercial failure has been downward for some time past, and credit policies in many lines have reflected this condition. Dun's index declined to a low point late last year, and since then its trend has been upward. The favorable effects of the war upon profits and profit margins of numerous concerns, however, have not been as considerable in business failure, and an even greater increase in the number of insolventcies during the period ahead, if anything, can be expected.

This month, $900,000,000 in electric power output was shown last week, according to the figures released by the Edison Electric Institute. For the year ended Saturday May 16, the amount of electrical energy consumed in the United States was 3,052,000,000 kilowatt hours, compared with 2,572,000,000 kilowatt hours produced in the preceding year. While the output represented a drop of 3/10ths of a percent, it was still more than 20% above the same week last year. The output for the country in the preceding week was 2,400,000,000 kilowatt hours above the corresponding week last year.

Loading of revenue freight for the week ended May 16, totaled 3,249,000 tons, according to reports filed by the railroads with the Bureau of Labour. This was a decrease of 200,000 tons from the corresponding week last year, 2,750,000 tons under the corresponding week in 1919 and 1920, and 1,970,000 tons below the corresponding week two years ago.

This was 131.9% of average loadings for the corresponding week of the 10 preceding years. Steel production for the current week will amount to 1,891,000 tons of ingots, with 99.8% of the tonnage used for forgeable and rolling stock. The iron & Steel Institute announced.

Estimated output for the current week was 1,200,000 tons last week, when operations were practically at capacity.

Industrial activity is expected to improve next week, after several months of relative stagnation. The steady growth in Bank board index of industrial production has exceeded the 175% (of the 1935-39 average), informed sources state.

During April, at the end of 90 days the industrial price index for finished products was 110.5, a decline of 2.1% in the same period last year. This was the fifth successive month of decline.

The American people have poured more than $3,000,000,000 into the Treasury in the beginning of the calendar year, the Federal Reserve Board announced on May 20. From Jan. 1 to May 15, government receipts from taxes, business, and other sources amounted to $15,797,000,000, a record for the month. In May alone, in excess of any amount ever collected in the comparable period of time, says the Treasury's announcement, which further stated: the Secretary of the Treasury was called "the heavy influx was the voluntary purchase by the War Savings Bond and Stamps of bonds and stamps, which indicated the widespread popularity of this class of security, particularly in the light of the fact that no limit on maximum purchases permitted in any one year.

Income tax payers, making their first returns under the higher levies enacted last year, contributed a total of $3,000,000,000 in May, through the purchase of $15,797,000,000 of Certificates of Indebtedness, $1,500,000,000 of War Savings Bonds, and $4,000,000,000 of Certificates of Indebtedness, making the total proceeds in May 14, $15,000,000,000. The cost of the first installment period of Bonds which were due in May 20, 1923, was $15,000,000,000 a month by the end of the calendar year 1942. Nevertheless, Treasury officials said that it was a proof of the financial soundness and stability of the country. Treasury Secretary Henry Morgenthau, Jr. said that the vast amount of $15,797,000,000 could be collected in any year without destroying the economy or without any widespread public awareness of the total amount of money in circulation.

In the table that follows is a summary for the first four and a half months of the fiscal year receipts and expenditures, taken from official Treasury records:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount in (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General revenue</td>
<td>$7,265</td>
</tr>
<tr>
<td>Income tax</td>
<td>$7,005</td>
</tr>
<tr>
<td>Mineral real property</td>
<td>$1,355</td>
</tr>
<tr>
<td>Old Age and Survivors Insurance</td>
<td>$300</td>
</tr>
<tr>
<td>Net receipts</td>
<td>$5,860</td>
</tr>
<tr>
<td>Trust Fund Receipts</td>
<td>$27,100</td>
</tr>
<tr>
<td>Employment</td>
<td>$27,000</td>
</tr>
<tr>
<td>Unemployment</td>
<td>$247</td>
</tr>
<tr>
<td>Total trust fund receipts</td>
<td>$27,347</td>
</tr>
<tr>
<td>Public debt receipts, cash</td>
<td>$6,500</td>
</tr>
<tr>
<td>Current installations</td>
<td>$6,500</td>
</tr>
<tr>
<td>United States savings bonds</td>
<td>$1,575</td>
</tr>
<tr>
<td>Total public debt receipts</td>
<td>$8,075</td>
</tr>
<tr>
<td>General revenue, public debt, cash</td>
<td>$8,075</td>
</tr>
<tr>
<td>Total public debt receipts</td>
<td>$8,075</td>
</tr>
<tr>
<td>Expenditures</td>
<td>$13,257</td>
</tr>
<tr>
<td>Governmental corporations and instrumentalities</td>
<td>$13,257</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>$13,257</td>
</tr>
<tr>
<td>Surplus of receipts over expenditures</td>
<td>$700</td>
</tr>
<tr>
<td>Federal Reserve Balance</td>
<td>December 13, 1931</td>
</tr>
<tr>
<td>Net increase</td>
<td>$798</td>
</tr>
</tbody>
</table>
must work. Of course, intolerance and the "sneer" technique are undoubtedly heavy burdens for democracy to carry. But, unless we make our position clear and firm, if not positive, to fix public attention upon the real questions of the day.

A More Fundamental Question

But behind all this lies a more fundamental question with which the American people are faced as the war slowly draws to a close. It is the question of what kind of liberty we would like very well to suppress free discussion—and something of this sort probably holds much more importance for the future than attacks upon free speech and a free press. A free press does not mean that the American people will long suffer much infringement of their right to say what they want to say, or great abridgement of the freedom of the press. These rights are too highly prized, and have been for too long a time.

 Freedoms Misused

The greatest danger is from those who make clever and plausible use of the rights of free speech (including the radio) and of a free press to build air castles into which all too many are likely to rush. It is clear that the war, particularly industrial achievements during the conflict, will seriously enhance that danger. There is already considerable evidence of it. How often it has been heard or said, and sometimes repeatedly, that after the experiences of this war, we shall never permit this or that to happen in this country—widespread unemployment, unequal press freedom, high price of living, and such things—and it is usually obvious that the speaker or writer means to say that such unfortunate circumstances will be prevented by raising Government fiat, or something very like it.

Economic Welfare and Liberty

We hazard the guess that our post-war liberty, particularly our economic liberty, stands in no greater danger than that arising from the persistency that broad economic principles which determine the character of foreign trade, and in expressing the belief that here in this Hemisphere, almost, without our knowing it, there has been created the pattern of conditions responsible for bringing the inflation for our world which is setting the pace in the present and present, and directing the future of the world. I believe that what we have determined about the character of foreign trade, or about the freedom of the press, is an indication that we ourselves have well established the Under-Secretary of State for Foreign Affairs, Smith, in a speech, pointed out the fallacy of this doctrine. And these ideas, he enumerated in part, as follows:

1. Domination by a master race, a master nation, or a master international power. That is what is talked about, that is what is called protectionism. Translating this into what we are fighting for it means the Good Neighbor Policy—a system of international organization and understanding under which agreement, freedom to trade will be reached not merely because one nation is strong and another nation weak, but because there will be tangible reasons for a close relationship represented by a close economic union.

Concessions which turn over to private groups the exploitation of the resources of a country. The exclusive development of vital national industries is a serious matter. The public interest is fully protected. The special interests are protected and the concessions are granted to foreign groups under such conditions as will be advantageous for the country's business. The foreign company will grant the concession.

A 3. National economic policy must be based on full production, full employment, and no inflation.

The nature of the case guarantee us all those other liberties which are essential unless both are effectively used for that purpose.

Partial Freedom

Another fallacy, also grown popular lately, is for some people to say that we can put business in shackles and in addition hedge it about with all manner of obstacles which in practical effect amount to shackles, and thereby guarantee our own economic liberty. The truth of the matter is that a very large part, not to say the major and most vital part, of an individual's economic liberty is terminated by such an arrangement. If he must pay homage to racketeering labor unions in order to obtain employment; if he must comply with so many regulations and restrictions that he can no longer fit into the hard knocks of business within a week or two; if, as in the case of the farmer, he is paid to refrain from using his own judgment and penalized for using it; if he must sign over to his future employer some money as a sort of prepayment of his payers' expense; if taxation is so arranged that he can retain but a pittance of his earnings no matter how hard or skillfully he works; if for any of these reasons he has not been able to become a ward of the politicians—then he is no longer a free man and the general level of economic welfare will severely suffer no matter how free he is to complain and criticize.

It is, of course, the utmost importance that we refuse to surrender the tools with which we can keep our economic freedom. It is not important only for the reason that it is upon the essence of freedom itself—important not only for freedom's sake but that we may continue to build a progressively stronger and more existent for ourselves as for the years and the decades past.

Pan-Americanism Will Establish Pattern For Future Foreign Trade, Says Chatfield-Taylor

At the World Trade Luncheon in New York on May 18, during Foreign Trade Week, Wayne Chatfield-Taylor, Under Secretary of Commerce, commenting on the Pan-American Conference, pointed out that much has to be done. We have talked of the past, and most of all, about the future. Therefore, I believe that the purpose of the future of the Hemisphere is that the Hemisphere can be achieved.

The Under-Secretary of State for Foreign Affairs, Smith, in a speech, pointed out the fallacy of this doctrine. And these ideas, he enumerated in part, as follows:

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Pan-Americanism will be the pattern for future foreign trade, according to Chatfield-Taylor, and that is as it should be. The spirit of Pan-Americanism showed its full vitality, internationalism, and a clear conscience. And these ideas, he enumerated in part, as follows:

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Objective Of Manpower Commission Is
To Break Bottle Necks, Declares McNutt

Discussing the objectives of the War Manpower Commission at a 29 in New York of the National Industrial Conference Board said, "Ours is, in a very real sense, a peace-time problem, though we may not always have the best answer, we can recognize it as such and cannot let the possibilities of losing the war stop the friction losses. We have been going through a period of pirating means. We can recognize the impact of discriminatory practices and the slowdown in war production. We can see the loss occasioned by stiff-necked adherence to seniority and other practices that are inimical to full peace-time conditions.

We recognize these things. And we believe that our objective is to achieve maximum production in the shortest time. The means of the way of maximum production is not private business. It is a task which we face as a nation, as the country of America's arts. It is a task which we shall need to approach with the same spirit as we did and shall and must be broken.

In short, we must subsidize the working man and ford and will not tolerate artificial immobilization of workers. We must not shrink from the use of race, creed, or color must go, and that is the real peculiar idea, because discrimination represents waste and industrial slowdown.

America will not make unemployment any more a man with one eye is not disabled for life. We all know that one leg can produce for factory on most jobs. The man on 40 cases is not handicapped at all.

At present, the War Manpower Commission is meeting every Wednesday afternoon as a basis in shaping the facts. I have the full benefit of their advice.

Our first job is fact finding. We have already completed more than the basis on the present estimates, 10,500,000 additional workers for the production by Jan. 1 of 1943. By May 31 there will be additional workers will be needed to meet the 1943 production goal.

During this period, 5,000,000 men will be needed for the armed forces, 2,000,000 in 1943 and 2,500,000 for war equipment. This means tremendous shifts in our labor force. The 50,000,000 workers, the 10,50,000 workers we need this year, 7,500,000 may be shifted to other types of work, coming from the armed industries, and we shall need 2,000,000 new workers from the unemployed and 2,500,000 women who are not now in the labor market.

These changes must be broken in terms of the skills involved. The number of men of such skills now available and the number of women who are not now in the labor market.

Earlier in his remarks Mr. McNutt said: "The cause of victory will not be served by hasty, half-cocked, or unseasoned steps. The War Manpower Commission has been set up to minimize dislocation, delay and difficulty.

The principle of the War Manpower Commission is simple and I believe an accepted one, which I present to every American in this country shall apply his skill at the point of greatest need. We do not want fractional victory. Just as tins and chalumeau and plating work will not be used on gaudies, so the skill of a ma-
Treasury Recommends Wage Deductions
For Collecting Income Taxes At The Source

In a statement in support of the proposal for the deduction at the source of the income tax, the Committee on the Federal Reserve Board of St. Louis has recommended that the collection of income taxes at the source would be:

1. A means to reduce the burden on the taxpayer;
2. An instrument of speed and flexibility in meeting the threat of inflation;
3. A matter of assurance of collection for certain groups of taxpayers,

Mr. Paul pointed out that the suggestion for deduction at the source had been made by Secretary Morgenthau in his letter to Treasury Secretary Morgenthau on May 20, 1942, to the House Committee on May 20, 1942.

If collection at source were introduced on July 1, 1942, at 19% rate, there would be withdrawn from consumers during the last 15 days of the month alone about a billion and a quarter dollars under the lower exemptions tentatively adopted by the Treasury Department and the Means Committee. This is at an annual rate of 2.5% of all wages, salaries, and commissions collected.

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Major Problem Of Industrial Conversion
To Meet War Needs Still Lies Ahead

The conversion problem that lies ahead in the remaining months of this year is as great, if not greater, than the changes introduced in industry from Pearl Harbor to the present.

The Board under date of May 20 (p. 6) reports that the amount of industrial conversion, expressed in the form of man-hours of labor, is as great as or greater than in any previous year. While the total amount of production completed is still unknown, the dollar payments on contracts was about $2,000,000,000 in the first nine months of the war, an increase of about 30% of the total production. The dollar figure is now over $9,000,000,000. The extent of the conversion activities is clear, in January, the corresponding figure was 19% and in March, 31%.

"Since January of this year the total monthly conversion of all industries other than defense industries has risen from $1,000,000,000 to $9,000,000,000. At the April rate of production, unfilled orders are equal to a 3½-year production load. Even at a maximum war rate of production, 2,000,000 monthly unfilled orders require a full year to be removed," the Board adds that by the end of May the production amounted to only $18,700,000,000, or less than 15% of the total manufacturing output.

Official Warn Of Acute Rubber Shortage
Four leading war agencies on May 20 issued a joint statement to clarify the facts about the severe rubber shortage, and the need for the Office for Emergency Management (OEM) to hasten the production of railroad cars and other transportation equipment. The statement points out that the shortage is extremely serious, and that unless the shortage is eliminated, the nation will be hampered in its ability to produce war materials. The Joint statement is a call to action for all segments of the transportation industry.

Rubber and its uses are essential to the war effort. The Office of Defense is working closely with the Treasury Department to ensure that the rubber necessary to produce war materials is available.

Employment Held Principal Problem Of Post War Period Of Readjustment

Stating on May 18 that "the observance of National Maritime Trade Week and of Maritime Day has no message for the nation," Mr. Biddle, chairman of the Maritime Administration, said that "nevertheless, we should not lightly assume that the observance of National Maritime Trade Week and of Maritime Day has no message for the nation."

"It is not our intention," Mr. Biddle added, "to fill their hopes of self-sufficiency and a clearer recognition of the ease and necessity which is our responsibility alone can further the aims of those who are planning for a new and better world." The Admiral addressed an address of Secretary of State Hull to the observance of National Maritime Trade Week, and a news release issued in our May 21 issue, page 1947.

Oppose Patman Bill As Real Estate Threat
Owners of commercial real estate who have for years opposed the enactment of a law which would be a great help to many of them, have been lent to a new bill that would change the law. The Patman bill, introduced by Representative Patman (D-Tex.), whose principal business is in real estate, would change the law under the government’s rationing plan by taking over some of the credits that are being used to build houses. The bill, if passed, would make the property owner assume the principal of the principal items in his operating expenses—his rent or, if his property is mortgaged, his principal payments. This would force many of the real estate owners to pay for their property, or to lose it. The Patman bill would be a great help to many of the real estate owners, who have been forced to pay for their property, or to lose it.
Average hourly earnings of wage earners in manufacturing industries rose 0.7% from March to April, according to the Federal Reserve Bank of St. Louis. Hourly earnings in 10 industries were up, while in 2 they were down. Hourly earnings in 4 industries were down from March to April.

The increase in average hourly earnings from March to April was 0.7% compared to the previous year. The average hourly earnings in March, 1941, was $4.85. This is a 17.1% increase from the average hourly earnings in March, 1939, which was $4.12.

Hourly earnings in durable-goods industries have increased substantially from March to April. Hourly earnings in 10 industries were up, while in 2 they were down. Hourly earnings in 4 industries were down from March to April. Hourly earnings in 4 industries were down from March to April.

It is important to note that the increase in average hourly earnings from March to April was 0.7% compared to the previous year. The average hourly earnings in March, 1941, was $4.85. This is a 17.1% increase from the average hourly earnings in March, 1939, which was $4.12.

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Non-Ferrous Metals—End-Use Of Copper To Fix Allocations By WPB
Price Of Iridium Cut 10

"Metal and Mineral Markets"

The price of copper in the metal market during April ran about $186 an ounce, a re-
classification of the Federal Reserve Bank of St. Louis. Source of the publication further reported as follows:
Copper
Harry O. King, head of the Copper Market Research Department, members of the industry during the month. This proves the close cooperation found development and handling of all the metal by means of dealers in the metal by means of dealers in the metal.

The Government wants 3,250,000 tons of copper a year for the defense of the war program.

Customers will be required to fill out a questionnaire to determine exactly where and when the product manufactured will be put to use. They will also eliminate all guess-work in fixing the movement of the metal into essential industries. These industries will be in sight for this year, which includes some copper, very much.

Production of copper in Chico, Cal., and Sierra County during April, totaled 51,424 tons, which compares favorably with the same month last year.

Sales of copper in the domestic market during the week ended May 16, amounted to 22,017 tons, the prices at which the metal sold being on the basis of 11.5c. and 12.5c. a pound.

The price of copper in the domestic market during the week ended May 16, in the New York market, was $1.15c. a pound.

The price of copper in the Dutch market during the week ended May 16, was $1.15c. a pound.

The price of copper in the London market during the week ended May 16, was 850.58 percent of the price of copper in the New York market.

The trend in production has been upward since the beginning of the war.

The trend in the industry is busy preparing for full allocation scheduled for June 1. Under the plan, production is expected to increase by 25 percent of a consumer's needs, which will provide the farmer with certain that the crop is harvested.

Daily Price of Metals

Copper

Bears continued to dominate the market, with the price unchanged at 211c.

New York and Official, and the U.S. Treasury prices are also unchanged at 351c. and 33c., respectively.

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From Washington
(Continued from First Page)

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The Federal Reserve Bank of St. Louis, in its issue of May 21 stated that the war program, end-use of copper continued its rapid progression to consumers monthly. Frozen in fractions of a cent yield the 0.0 percentage of tonnage, according to Iridium. The greatest source of Iridium is in the metal business and will obtain an allocation certificate for any shipment of not more than 200 tons a week.

They are making a valiant but a not sufficient contribution, as I understand it, and one which I hope, to have, of course, in war. But if I were to state it so, it would be well engaged on the psychological level. We want to talk in terms of the public, I mean the men who are engaged in the psychological level of the public, and one who is engaged in the psychological level of the public.

The use of Iridium in the world is about 0.021 percentage of tonnage, according to Iridium.

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War Industry Strikes Increased in April

Man-days lost from war production due to strikes in April of this year were 8/10 of 1% of total man-days worked during the month, William H. Davis, Chairman of the National War Labor Board, announced on May 14.

The following table, made available by the Board, gives a detailed picture of the strike situation as it affected war production during April, compared with March of this year and April of last year.

<table>
<thead>
<tr>
<th>Man-days lost</th>
<th>April, 1942</th>
<th>April, 1941</th>
<th>April, 1940</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steel</td>
<td>5,844,000</td>
<td>8,311,000</td>
<td>6,352,000</td>
</tr>
<tr>
<td>Iron and Steel</td>
<td>5,948,000</td>
<td>8,224,000</td>
<td>6,750,000</td>
</tr>
<tr>
<td>Shipbuilding</td>
<td>7,171,000</td>
<td>9,188,000</td>
<td>11,213,000</td>
</tr>
<tr>
<td>Aircraft</td>
<td>1,807,000</td>
<td>4,022,000</td>
<td>5,553,000</td>
</tr>
<tr>
<td>Total</td>
<td>15,578,000</td>
<td>23,885,000</td>
<td>24,778,000</td>
</tr>
</tbody>
</table>

"Out of this number was a breakout.

The Board states that the strike figures were based on the work of interdepartmental sub-committees on strike control. The committee consists of representatives of the War, Navy, and Labor Departments, the War Production Board, the Maritime Commission, and the War Labor Board.

Moody’s Bond Prices and Bond Yield Averages

Moody’s computed bond prices and bond yield averages are given in the following table:

<table>
<thead>
<tr>
<th>Date</th>
<th>U. S. Gov't Bond Prices on Average Yield</th>
<th>Corporate Bond Prices on Average Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 20</td>
<td>104.25 (114.25)</td>
<td>108.00 (118.00)</td>
</tr>
<tr>
<td>May 25</td>
<td>104.40 (114.40)</td>
<td>108.15 (118.15)</td>
</tr>
<tr>
<td>May 30</td>
<td>104.55 (114.55)</td>
<td>108.30 (118.30)</td>
</tr>
</tbody>
</table>

Steel Production Again at Record High—War Needs Increasing—More Plants Converted

War Production Board officials this week are preparing to take steps to prevent "priorities inflation" under which too many of the high priority industries could use all the materials so United States war plants, reports Moody’s Industrial Index. When the Allocation Plan is put into use in conjunction with the production requirements plan, the "Iron Age" data of the day will no longer operate under the "P" or preference rating system. Today’s man days worked indicate that the extended use of the preference ratings has been a real possibility to continue the use of preference ratings for some time. This is without any exact check of the amount of material at the plants. The peak in automobile manufacturing has already passed so these plants can take advantage of its automotive manufacturing and production of war materiel.

The American Iron and Steel Institute on May 20 announced that telegraphic reports which it had received indicated that the operating capacity of the steel industry is having 91% of the steel capacity of the U.S. steel industry is available. The capacity for the week beginning March 19, 1941, and for the week ending March 23, 1941, was 99.9% one month ago and 88.6% one year ago. The increase in capacity was due to the all-time peak figure established for the first time in the industry’s history. This trend of increase of 0.4 points or 0.4% from the preceding week. The operating rate for the week beginning May 23, 1941, was 98.4% equivalent to 1.3% of the total of steel ingots and castings, compared to 1,800,000 tons in March to levels never before attained according to statistics compiled monthly by the Conference Board, New York.

Under date of May 20, the Board states that the Board has established the minimum operating capacity which would be expected to stabilize and clarification of materials, and materials which are required to be with the problem of war needs increases that have been granted with some difficulty and might have an inflationary effect. A special committee of the Board, headed by Washington Associates, had as follows from Washington Associated Press accounts: Citing Canada’s wage controls, Mr. Davis said that Mr. Davis said that "a very tragic thing because it will have the effect not only on the lowest income groups."

Moody’s Daily Commodity Index

<table>
<thead>
<tr>
<th>Date</th>
<th>Additions</th>
<th>Subtractions</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 20</td>
<td>2.96</td>
<td>3.02</td>
</tr>
<tr>
<td>May 21</td>
<td>3.00</td>
<td>3.04</td>
</tr>
<tr>
<td>May 22</td>
<td>2.99</td>
<td>3.03</td>
</tr>
<tr>
<td>May 23</td>
<td>3.00</td>
<td>3.05</td>
</tr>
</tbody>
</table>
Weekly Coal And Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest report states that the total production of bituminous coal in the week ended May 15, 1941 was 36,440,000 tons, an increase of 6,500 tons, or 0.2%, over the output in the preceding week. Production in the corresponding week of 1940 was estimated at 35,989,000 tons.

The U. S. Bureau of Mines reported that production of Pennsylvania anthracite for the week ended May 8, 1941 decreased 2,000 tons, or 0.1%, from the preceding week. The Bureau reported that the production of anthracite in the corresponding week of 1941, however, was an increase of 39,000 tons, or 4.4%, over the output in the calendar year to date which shows a gain of 16.7% when compared with the same period last year.

The Bureau of Mines also reported that the estimated production of iron and steel in the United States for the week ended May 15 showed a decrease of 2,100 net tons, when compared with the week ended May 9. Coke from beam ovens increased 21,467 tons.

ESTIMATED UNITED STATES PRODUCTION OF SOFT COAL, IN THOUSANDS OF NET TONS WITH COMPARABLE DATA PRODUCTION OF CRUDE PETROLEUM, 1923-1930

<table>
<thead>
<tr>
<th>Year</th>
<th>Bituminous coal</th>
<th>Lignite</th>
<th>Total</th>
<th>Petroleum</th>
</tr>
</thead>
<tbody>
<tr>
<td>1923</td>
<td>11,050,000</td>
<td>1,000,000</td>
<td>12,050,000</td>
<td>21,850,000</td>
</tr>
<tr>
<td>1924</td>
<td>11,500,000</td>
<td>1,050,000</td>
<td>12,550,000</td>
<td>21,950,000</td>
</tr>
<tr>
<td>1925</td>
<td>12,000,000</td>
<td>1,100,000</td>
<td>13,100,000</td>
<td>22,150,000</td>
</tr>
<tr>
<td>1926</td>
<td>12,500,000</td>
<td>1,150,000</td>
<td>13,650,000</td>
<td>22,750,000</td>
</tr>
<tr>
<td>1927</td>
<td>13,000,000</td>
<td>1,200,000</td>
<td>14,200,000</td>
<td>23,400,000</td>
</tr>
<tr>
<td>1928</td>
<td>13,500,000</td>
<td>1,250,000</td>
<td>14,750,000</td>
<td>24,050,000</td>
</tr>
<tr>
<td>1929</td>
<td>14,000,000</td>
<td>1,300,000</td>
<td>15,300,000</td>
<td>24,700,000</td>
</tr>
<tr>
<td>1930</td>
<td>14,500,000</td>
<td>1,350,000</td>
<td>15,850,000</td>
<td>25,350,000</td>
</tr>
</tbody>
</table>

Coal, exclusive of western:

<table>
<thead>
<tr>
<th>Year</th>
<th>Bituminous coal</th>
<th>Lignite</th>
<th>Total</th>
<th>Petroleum</th>
</tr>
</thead>
<tbody>
<tr>
<td>1923</td>
<td>3,500,000</td>
<td>300,000</td>
<td>3,800,000</td>
<td>21,800,000</td>
</tr>
<tr>
<td>1924</td>
<td>3,500,000</td>
<td>325,000</td>
<td>3,825,000</td>
<td>21,900,000</td>
</tr>
<tr>
<td>1925</td>
<td>3,500,000</td>
<td>350,000</td>
<td>3,850,000</td>
<td>22,000,000</td>
</tr>
<tr>
<td>1926</td>
<td>3,500,000</td>
<td>375,000</td>
<td>3,875,000</td>
<td>22,100,000</td>
</tr>
<tr>
<td>1927</td>
<td>3,500,000</td>
<td>400,000</td>
<td>3,900,000</td>
<td>22,200,000</td>
</tr>
<tr>
<td>1928</td>
<td>3,500,000</td>
<td>425,000</td>
<td>3,925,000</td>
<td>22,300,000</td>
</tr>
<tr>
<td>1929</td>
<td>3,500,000</td>
<td>450,000</td>
<td>3,950,000</td>
<td>22,400,000</td>
</tr>
<tr>
<td>1930</td>
<td>3,500,000</td>
<td>475,000</td>
<td>3,975,000</td>
<td>22,500,000</td>
</tr>
</tbody>
</table>

Federal Reserve Bank of St. Louis
Digitized for FRASER

Federal Reserve April Business Indexes

The Board of Governors of the Federal Reserve System on May 25 issued its monthly business indexes for various activities, such as employment and payrolls, etc. At the same time the Board issued its customary summary of business conditions for the month of March, together with comparisons for a month and year ago, as follows:

<table>
<thead>
<tr>
<th>BUSINESS INDEXES</th>
<th>1919-20 average</th>
<th>1929-20 average</th>
<th>1941-20 average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial production</td>
<td>109.4</td>
<td>108.3</td>
<td>109.0</td>
</tr>
<tr>
<td>Million units produced</td>
<td>12,800</td>
<td>12,400</td>
<td>12,500</td>
</tr>
<tr>
<td>Productivity</td>
<td>93.7</td>
<td>93.2</td>
<td>94.1</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>93.5</td>
<td>92.9</td>
<td>93.5</td>
</tr>
<tr>
<td>Mines</td>
<td>96.1</td>
<td>96.2</td>
<td>96.2</td>
</tr>
<tr>
<td>Construction</td>
<td>95.3</td>
<td>95.0</td>
<td>95.1</td>
</tr>
<tr>
<td>Transportation</td>
<td>97.2</td>
<td>95.9</td>
<td>96.5</td>
</tr>
<tr>
<td>Wholesale</td>
<td>92.4</td>
<td>92.1</td>
<td>92.8</td>
</tr>
<tr>
<td>Retail</td>
<td>91.6</td>
<td>91.5</td>
<td>92.0</td>
</tr>
<tr>
<td>Services</td>
<td>90.7</td>
<td>90.7</td>
<td>91.0</td>
</tr>
<tr>
<td>Agriculture and fisheries</td>
<td>90.6</td>
<td>90.6</td>
<td>90.7</td>
</tr>
<tr>
<td>Mining and manufacturing</td>
<td>93.5</td>
<td>93.5</td>
<td>93.5</td>
</tr>
<tr>
<td>Transportation and communication</td>
<td>96.5</td>
<td>95.8</td>
<td>96.2</td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
<td>92.8</td>
<td>92.5</td>
<td>93.0</td>
</tr>
<tr>
<td>Services</td>
<td>91.5</td>
<td>91.5</td>
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Note—To convert coal and miscellaneous indexes to points in total index, multiply by 313 and miscellaneous by 349.
Farmers May Defer Wheat Crop Insurance Payments

A deferred payment plan for the new three-year crop insurance program was announced for the first time this year was announced by the Farm Credit Administration. Payment of the premium can be deferred, usually about a year and a half after harvest, by paying the first 25% of the amount due. Lerro K. Smith, Manager of the Farm Credit Administration, explained. He added:

"Each installment on the premium is due on the 15th day of the month or the cash equivalent on or before that date. In the case of payment, installment payment is due. The dates installments become due will vary from region to region, but these due dates will be about harvest time."

If installments are not paid when due, the borrower, under terms of his contract, allows the Corporation to deduct the amount of the installment from his indemnity, if any; from proceeds from sales of products in the national farm program; or from future advances. If no such funds are available, then the loan may be underwritten by any loan programs administered by the Department of Agriculture for that purpose."

The announcement

Growers may make one payment covering premium installments for the first and second years' three crop years embodied in the contracts for years. The Corporation is not permitted to extend installment loans for more than one year in advance. Collection of installments is required of the borrower within six months of the due date, a part of the three-year period."

Although the contract specifies insurance protection against such natural disasters as drought, wind, flood, injury to crops, and similar phenomena for three years, growers may cancel the last year's insurance upon written notice to their local agents. The second year's insurance continues until the final day for accepting contracts during the selected crop years. No one-year contract will be written on the 1940 wheat crop.

RFC To Assist Dealers

In Rationalized Articles

The Reconversion Finance Corporation has announced to the War Production Board, or to make loans to, dealers in articles or commodities which were rationed during the war. The RFC was announced on May 17 by Secretary of the Treasury, Henry Morgenthau, Jr. His announcement said:

"The loans or purchases will be made on a basis which will enable dealers (a substantial part of the reconversion) to carry in the handling of rationed articles. The loans will be made to secure for any such article or commodity an amount equal to its market value at the date of the loan. The extent that the cost is a reason or incentive to maintain the national course of business. A reversion to rationalized articles will in the following items: storage, businesses, insurance and carrying charges may be made for the cost of the loan or purchase price."

In particular, the agency applications, should be made to the RFC loan program. They should be made, to the War Production Board, or to make loans to, dealers in articles or commodities which were rationed during the war. The RFC was announced on May 17 by Secretary of the Treasury, Henry Morgenthau, Jr. His announcement said:

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Treasury Amendment—On War Bond Reissue

In making available on May 19 to the public, $30,000,000 of the 1939 C War Bonds for reissue, the Federal Reserve Bank of San Francisco, as authorized by the Treasury Department, circulated Circular No. 530, Fourth Revision, on May 20, 1942. In the Circular, the United States Savings Bonds, the Treasury Department, and the Federal Reserve Bank of New York point out that it is the purpose of the Treasury Department to make available approximately $4,000,000,000 of war bonds in the next few weeks, as follows:

1. That a United States Savings Bond registered in the name of one person alone in his own right, or in the name of one other person, is shown to be entitled to its full face value. Any request (Form PD 172) by such person may be filed at any bank in the name of the owner together with that of another individual as coowner; and

2. That a United States Savings Bond registered in the name of one person alone in his own right, or in the name of one other person, is shown to be entitled to its full face value. Any request (Form PD 172) by such person may be filed at any bank in the name of the designated beneficiary as coowner.

P. L. 91, President of the Reserve Bank, also says:

The Reserve Bank of St. Louis, a Federal Reserve Bank, and the Reserve Bank of New York, a Reserve Bank under the provisions of the Federal Reserve Act, have been incorporated in the United States as an instrumentality of the United States and its government. The Federal Reserve System is a system of banks and their branches, and is the means by which the government collects its taxes. The Federal Reserve System is a system of banks and their branches, and is the means by which the government collects its taxes. The Federal Reserve System is a system of banks and their branches, and is the means by which the government collects its taxes. The Federal Reserve System is a system of banks and their branches, and is the means by which the government collects its taxes. The Federal Reserve System is a system of banks and their branches, and is the means by which the government collects its taxes.

Activity In The Cotton Spinning Industry for April

The Bureau of the Census announced on May 20, that according to reports of the Association of American Cotton Spinners, 448 cotton spindles were operated on April 30, 1942, of which 232,202 were operated at some time during the month, compared with 239, 001,724 on March, 237,072,927 for February, and 238,072,112 for December, 239,069,112 for September, and 238,072,041 for April, 238,072,041 for April.

The aggregate number of active spindles in the United States was reported to be 56,998,185 on April 30, 1942, of which 239,001,724 were operated at some time during the month, compared with 239, 001,724 in March, 239,072,927 in February, and 238,072,112 in December, 239,069,112 in September, and 238,072,041 in April, 238,072,041 for April.

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Revenue Freight Car Loading During Week Ended May 16, 1942

Total revenue freight cars loaded during the week ended May 16, 1942, were 839,026 cars. Total revenue freight cars loaded amounted to 2,454,963 cars above the corresponding week in 1941. In the Western Districts alone, and grain and grain products loading totaled 29,466 cars a decrease of 5,212 cars below the corresponding week in 1941. In the Western Districts alone, and grain and grain products loading totaled 29,466 cars a decrease of 5,212 cars below the corresponding week in 1941. In the Western Districts alone, and grain and grain products loading totaled 29,466 cars a decrease of 5,212 cars below the corresponding week in 1941. In the Western Districts alone, and grain and grain products loading totaled 29,466 cars a decrease of 5,212 cars below the corresponding week in 1941. In the Western Districts alone, and grain and grain products loading totaled 29,466 cars a decrease of 5,212 cars below the corresponding week in 1941.

The following table is a summary of the freight car loadings for the corresponding week in 1941.

<table>
<thead>
<tr>
<th>Region</th>
<th>Total Freight Loaded</th>
<th>Change from 1941</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Districts</td>
<td>239,001,724 cars</td>
<td>2,454,963 cars</td>
</tr>
<tr>
<td>Western Districts</td>
<td>1,426,871 cars</td>
<td>7,494 cars</td>
</tr>
<tr>
<td>Northeastern States</td>
<td>1,024,902 cars</td>
<td>34,964 cars</td>
</tr>
<tr>
<td>Middle Atlantic</td>
<td>1,426,871 cars</td>
<td>7,494 cars</td>
</tr>
<tr>
<td>Southern States</td>
<td>1,024,902 cars</td>
<td>34,964 cars</td>
</tr>
<tr>
<td>Total</td>
<td>5,936,187 cars</td>
<td>273,477 cars</td>
</tr>
</tbody>
</table>

Weekly Statistics of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 85% of the total industry, and this program includes a statement each week from each member of the orders and production figures which indicate the activity of the mills based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

<table>
<thead>
<tr>
<th>Week</th>
<th>Index of Production</th>
<th>Production in Thousands of Cases</th>
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<tbody>
<tr>
<td>April 30</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>May 7</td>
<td>101</td>
<td>101</td>
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<td>May 14</td>
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<td>103</td>
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<tr>
<td>May 28</td>
<td>104</td>
<td>104</td>
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</table>

Note—Includes orders of the price war plus orders received, less production, do not necessarily equal the total orders at the time. Compensation for anticipated orders made for filled stock, and other items made necessary adjustments of unfilled orders.
Retirement Benefits

Showed Decline In 1942

The number of workers who were awarded monthly retirement benefits in 1942 was 30,619,000, a decrease of 216,300, or 0.7%, as compared with 1941. According to the Federal Security Administration, 30,000,000 of these recipients were aged 75 or over. The percentage of beneficiaries aged 75 or over has increased from 70.9% in 1939 to 72.7% in 1942.

The average monthly benefit of all workers receiving retirement benefits in 1942 was $62.38, an increase of $0.82, or 1.3% as compared with 1941. This increase is a result of an increase in the number of workers receiving benefits.

The average monthly benefit for workers aged 75 or over was $74.45, an increase of $1.40, or 1.9% as compared with 1941. This increase is a result of an increase in the number of workers receiving benefits.

The average monthly benefit for workers aged 75 or over was $90.30, an increase of $2.00, or 2.3% as compared with 1941. This increase is a result of an increase in the number of workers receiving benefits.

Bank Loans For War

Production Increase

Loans made by commercial banks and savings and loan associations on the production of orders for war goods and/or war materials in 1942 amounted to $81,000,000,000, a decrease of $1,300,000,000, or 9.8%, as compared with 1941. This decrease is a result of a decrease in the number of orders for war goods and/or war materials.

The average loan per order for war goods and/or war materials in 1942 was $3,100,000,000, a decrease of $3,100,000,000, or 9.8%, as compared with 1941. This decrease is a result of a decrease in the number of orders for war goods and/or war materials.

Gross And Net Earnings Of United States Railroads For The Month Of March

The United States railroads are obliged to handle freight and passenger traffic in an efficient manner to support the war effort. In order to do this, they must make a profit. The gross earnings for the month of March are the proceeds of all services rendered on the railroads, whether for the production of war materials or for the transportation of passengers. The net earnings are the gross earnings minus the operating expenses.

The gross earnings for the month of March are $124,773,258, an increase of $1,247,732, or 1.0% as compared with 1941. This increase is a result of an increase in the number of passengers and freight.

The net earnings for the month of March are $74,457,258, an increase of $7,457,258, or 1.1% as compared with 1941. This increase is a result of an increase in the number of passengers and freight.

The statistics of earnings for the month of March reflect the higher passenger fare charges as well as additional revenue from the sale of goods and services on the railroads.

Gross revenues of the railroads for March, 1942, amounted to $50,259,600, an increase of $5,259,600, or 1.1% as compared with 1941. This increase is a result of an increase in the number of passengers and freight.

Net earnings amounted to $24,773,258, an increase of $2,773,258, or 1.2% as compared with 1941. This increase is a result of an increase in the number of passengers and freight.

The increase in net earnings for the month of March is in line with the general increase in net earnings for the year to date. The increase in net earnings is due to the increase in the number of passengers and freight.
Lumber Movement—Week Ended May 16, 1942

Lumber movement in the week ended May 16, 1942, was 1,146,650,000 board feet, 9% less than the corresponding week of 1941, production of all wood less than the 1941 figure, new business 6% greater, and new business 4% greater. The average percentage of new business was 122% of the average production in the corresponding week of 1941, and the average of new business 1942-59 shipments in the same week was 50% greater than in 1942.

Year-to-Date Comparisons

Reported production for the first 18 weeks of 1942 was 4% below corresponding weeks of 1941; shipments were 5% above the shipments, and new orders 11% above the orders of the 1941 period. Total new business was 28% above previous year; new business was 17% above production.

Supply and Demand Comparisons

The increase of 14% of the market over the January-October period of 1941 was due in part to the great increase in the business of the manufacturers and dealers, and in part to the increase in the business of the armed forces and the government. The market was held by the industry at the end of 1941, and the production of all wood was 7% less in 1941 than in 1942.

Softwoods and Hardwoods

Record for the current week was $58,125, 1941, for the corresponding week last year, and $50,587, 1940. The total output, 10,000 feet, fell, in thousand board feet: 3,294, 1063, 1063.

Youths 18 To 20 To Register On June 30

President Roosevelt on May 22 extended the time for registering for military service to 18 and 19 year old boys and to those who had not registered since the first of the year. This extended the time for registration under the Selective Service Act of 1940 to one year, thus complete the inventory of manpower, notably 1942. The younger and 19 years of which there is an estimated 3,800,000 throughout the country, are not subject to the Selective Service Act of the present legislation, but the approximately 600,000 who will be 20 years old by June 30 are. It is reported, however, that they will be subject to registration to lower the minimum age for draft registration.

There were approximately 40,000,000 men between the ages of 18 and 45 years registered for the 1942 draft and 30,000,000 of them in the previous drafts, of which about 3,000,000 are in the armed forces of the United States subject to military service.

Bans Sight-Seeing Buses

The Office of Defense Transportation, on May 20 banned all sight-seeing buses in the nation, in order to restrict the chartering of buses to persons eligible for the transportation of the armed forces, war workers and school children. It was expected that the Executive Order 9006, to take effective on June 1, will result in an announcement of a ban of all sight-seeing buses, including crude rubber. ODT Director Mr. Van Riper said that such a ban would represent a real contribution to the war effort.
Treasury Offers 1%2/3% Notes Of 1946 To Holders Of Maturing HOLC And RFC Issues

Treasury Secretary of the Treasury Morgenthau on May 25 offered up to $1,112,000,000 of 1% Treasury Notes of Series G-1942-44 2% bonds of the Home Owners Loan Corporation, and $3,000,000 of Series S 1% notes of the Reconstruction Finance Corporation, until June 1, 1946. The new Treasury notes are dated May 25, 1942, will bear interest from that date until June 1, 1946, and will be payable on a semi-annual basis, at par, with interest paid on June 1 and Dec. 1. The RFC notes will be redeemable for the amount of $757,000,000, at par, on May 25, 1945.

The subscription books for the current exchange offering were closed at the close of business on May 28, 1942. New subscriptions from holders of $25,000 or less of the HOLC bonds in the latter case, the books were closed on May 27.

Sixth. Subscription and allotment
1. Subscriptions will be received for all, in whole or in part, for the public Debt Act of 1941, and for the Home Owners Loan Corporation of Series G 1942-44, called by the Department of Commerce, and for the National and Security Corporation of Series S 1942-44, called by the Reconstruction Finance Corporation, for the purpose of payment in accordance with the assignments on the bonds surrendered.

V. Surrender of Called Bonds
1. Coupon bonds—Home Owners’ Loan Corporation bonds of Series G 1942-44 in coupon form tendered hereunder should be presented and surrendered with the subscription to a Federal Reserve Bank or Branch, or to the Treasury Department, Washington, D.C. Coupons dated July 1, 1942 and subsequent dates should be ashed to the registered holder, and if any such coupons are missing, the subscription must be accompanied by a letter of facts, with the same effect as if the proper form of notice for the entire face amount of the missing coupons were delivered at the expense and risk of the holder.

The Secretary of the Treasury for exchange for Treasury Notes of Series G 1942-44, and for the outstanding Series G 1942-44 2% bonds of the Home Owners Loan Corporation, and Series S 1% notes of the Reconstruction Finance Corporation, matured in accordance with the provisions of the Public Debt Act of 1941, and for the Home Owners Loan Corporation of Series G 1942-44, called by the Department of Commerce, and for the National and Security Corporation of Series S 1942-44, called by the Reconstruction Finance Corporation, for the purpose of payment in accordance with the assignments on the bonds surrendered.

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