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House Committee Completes Tax Program; Income And Corporation Taxes Increased

With the completion of action on the proposed new tax bill by the House Ways and Means Committee on June 24 the draft of the intended legislation was turned over to the drafting experts with the expectation that it will speedily be brought before and acted upon by the House, and be ready for submission to the Senate by July 20. As it came from the Ways and Means Committee the bill is designed to yield \$5,924,000,000 additional revenue as compared with \$8,700,000,000 asked for by the Treasury to finance the war and combat inflation. In a last minute change in the bill the Committee stripped it of the provision, recommended by Secretary of the Treasury Morgenthau to require the filing of joint income tax returns by married persons.

Although the bill was about \$2,800,000,000 short of the Treasury's goal, it was noted by the Associated Press, the measure does not impose a general sales tax, advocated by some Committee members but opposed by the President and Mr. Morgenthau on the ground that it would fall disproportionately on low income groups. It was likewise noted in the Associated Press accounts from Washington June 24 that Mr.

Morgenthau told the Committee that even if it (the bill) raised as much as \$7,000,000,000 in new revenue and another \$2,000,000,000 in social security taxes—as the President recommended—it would be necessary to borrow at least \$39,000,000,000 in the fiscal year which begins July 1. Appropriations approved by Congress are approaching the \$90,000,000,000 mark thus for this year.

As was indicated in our issue of a week ago (page 2393) the House Committee substituted a flat 94% excess profits tax on corporations for the present graduated scale ranging from 35 to 60%. Under a post-war program adopted by the Committee on June 23 by a vote of 11 to 10, corporations subject to the 94% excess profits tax (Continued on page 21)

FROM WASHINGTON AHEAD OF THE NEWS

By CARLISLE BARGERON

In the general debate about what is wrong with Congress and why, it is interesting to note that the high and august body known as the Senate has become to be the Administration's rubber stamp instead of the House. This is true today as it has been for the past several years. It is strictly a New Deal innovation. It is a worthwhile study in view of the recent stirring in the legislative branch to recover some of its lost prestige. The Senate, for the first time in history, perhaps; certainly for the first time in the twenty years memory of this correspondent, is the stumbling block.

There has long been a tremendous rivalry between the two Houses. You may recall that back in the days before billions of expenditures and American forces scattered throughout the world utterly dulled the American sensibilities, that the country figuratively rocked over the tremendous controversy of whether Alice Longworth, the wife of the Speaker of the House, or Dolly Ganns, the sister of the Vice-President who presided over the Senate, should be seated first at the Washington dinner tables. There was no question among the contenders that the Senate presiding officer's lady should sit ahead of the lady of the Speaker of the House. The only question was whether the Senate's presiding officer could make his sister, instead of a wife, the official

lady. The point is that the Senate admittedly rated higher.

The House members in those days were fellows who, being elected for only two years at a time, were anxious to bask in the popularity of the current President. There was therefore, never any question that an Administration sponsored bill would get through the House; conversely no question that the House would stop a bill which the Administration opposed. The Senators, on the other hand, elected for six-year terms, and not up against the current whims of the people or the popularity of a President, were more independent. It was they who kept the feet of the executive branch on the ground. It was they, with their rival ambitions and their rival caibres, in fact, who, up until the time of Roosevelt, prevented any man in the White House from getting a third term. The Senate turned down Presidential appointees for (Continued on page 21)

Notice To Our Readers

Due to the constantly expanding volume of current news of paramount importance to business and industry, we are obliged, owing to space limitations, to divert to Section 1 a considerable amount of material which, under ordinary conditions, is usually contained in this section of the "Chronicle." In bringing this matter to the attention of our readers, we are mindful of our pledge to make every effort to increase the value of the "Chronicle" by reporting, without delay, all of the information essential to a thorough knowledge of the manifold changes in tax and other legislative matters originating in Washington, together with the activities of the many Government agencies whose functions are of increasing importance to the conduct of business in the present emergency.

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THE FINANCIAL SITUATION

Should some inhabitant of another planet suddenly gain access to American newspapers he would certainly find himself hopelessly puzzled over the nature and quality of what would inevitably to him appear a strange phenomenon—American industry. He could scarcely fail to observe very quickly that according to the Department of Justice, particularly in the person of one Mr. Arnold, most of the more important corporate enterprises in this country and their executives have been and are constantly violating the law of the land, as often as not for the purpose of suppressing or limiting production, and not infrequently doing so in a manner calculated to do great injury to their country in this time of trial and tribulation. Yet he would not proceed far before he would discover the Chief Executive, both of Mr. Arnold and of the nation, assuring the public that the same industry is today doing that which only a short time ago was all but universally regarded as utterly impossible for that or any other industry to do—meeting, and even passing, production schedules generally termed fantastic but a few short months ago.

Unfair and Injurious

The situation is, however, more than merely strange or inexplicable. If nothing more were involved than a baffled state of mind of some visitor from another planet, the matter might well be passed by as without great importance. The truth is, of course, that American industry is outdoing even itself in the production of the requirements of modern war, but it is likewise true that this "trust-busting" campaign of the Department of Justice has many elements of unfairness and of future trouble. The unthinking observer doubtless makes note of the fact that most of the actions instituted are not resisted in the courts by the accused who are regularly placed under what is termed consent decrees, and probably leaps quickly to the conclusion that the defendants are guilty as charged.

The situation is, however, not nearly so simple as is thus suggested. It is probably quite true that a great many patriotic business men, when placed in under the necessity of spending a great deal of time and energy in fighting a (Continued on page 19)

A Strange Doctrine

The Office of Price Administration is keenly aware of the inequity of making consumers of petroleum products bear the entire cost of the submarine warfare against tanker movement along the Eastern coast.

It is my own feeling, and one which I am sure is widely shared, that the higher cost of getting petroleum to the East Coast resulting from enemy action is an appropriate charge against the public treasury, just as is the cost of the patrol boats with which we sink the submarines.

Moreover, price increases of this sort have a bad dislocating effect on the whole cost situation of industries operating under our ceilings. Water-borne fuel oil, for example, delivered at tanker rates is an economical fuel for most industries. Should it have to carry, even temporarily, land transportation rates this would have a serious effect on prices charged by the industries which use heavy fuel oil.—Leon Henderson.

To many who are saturated with the notion of an economy planned and directed by government it usually does appear "inequitable" for any one—unless it is the manufacturer—to be obliged to pay what a good he wants actually costs but it is difficult to understand how private enterprise can survive on any other basis.

It is about as difficult to see how the Treasury can survive if it is to assume the burden of preventing or eliminating all such "inequities."

*See Section 2, Chronicle of June 18.

Consider Mandatory Finger Printing of All

The possibility that Congress will make it mandatory for the fingerprinting of every man, woman and child in the country was indicated on June 17 when, according to the Associated Press, it was officially disclosed that a large percentage of the nation's population has already been fingerprinted as a result of the war. From the Washington Associated Press advices we also quote:

In testimony made public by the House Appropriations Committee, S. A. Andretta, an administrative assistant in the Department of Justice, declared that the FBI had purchased 48,000,000 fingerprint cards this year.

He declared that the Bureau "has continued to receive a tremendous number of fingerprint records," resulting chiefly from Army and Navy demands that all employees in war industries be fingerprinted.

The FBI furnished 15,876,275 cards to manufacturers of war materials and 10,000,000 more to the Army, all of which Mr. Andretta said will be returned and placed in the Bureau's files upon their execution.

One legislative leader, after studying the figures, declared it was "extremely probable" that Congress would act upon mandatory fingerprinting for every one later this year.

An attempt to enact mandatory fingerprinting legislation was defeated two years ago, chiefly because of its cost.

President Extending Scrap Rubber Drive

President Roosevelt on June 29 extended the scrap rubber collection drive through July 10 in view of the disappointing total of 219,000 tons turned in during the first 13 days of the campaign. The President acted on the recommendation of Secretary Ickes, in his capacity as Defense Petroleum Coordinator, and William R. Boyd, Jr., Chairman of the Petroleum Industry War Council.

Speaking for the President, Stephen Early, White House Secretary, said that "in the face of the various serious needs for rubber, the total collections as reported today are disappointing."

The total of 219,000 tons had been brought to filling stations up to June 27 and excluded rubber now in the hands of approximately 20,000 junk dealers. In the first six days of the campaign there was a total of 100,438 tons of scrap rubber collected.

The drive was opened on June 15 and was originally scheduled to end on June 30. The President's radio talk inaugurating the campaign was given in the columns June 18, page 2312.

Arbitration Booklet For Foreign Traders

The Inter-American Commercial Arbitration Commission announced on June 29 that it had issued a booklet for distribution without cost to exporters and importers, which contains the standard arbitration clause for use in foreign trade contracts and instructions for procedure in arbitration under the standard rules of the Commission. Copies may be obtained on request at the organization's offices at 9 Rockefeller Plaza, New York City. The Commission, a non-profit, non-partisan organization, maintains an inter-American system of commercial arbitration and is represented in all South and Central American countries. It was authorized in 1933 by resolution of the Seventh International Conference of American States, at the meeting in Montevideo.

Editorial—

Homo Sapiens, So-Called

The perplexed old Earth has witnessed much that seemed mad and senseless during his relatively short experience with the strange biped which has recently asserted primacy among the animals inhabiting his surface. Never anywhere nor at any time, however, has his vision included such an orgy of unlimited and unconsidered spending as that now in progress throughout some three millions of square miles situated in the northern half of his Western Hemisphere. "Ask and it shall be received" has become the rule of action among all the agencies especially equipped to destroy and to waste, and "much shall be added thereto" has been proven to be a logical anticipation. The United States which, at the splendid height of its unparalleled prosperity, possessed properties of all sorts valued, in 1922, in the aggregate and according to a scientific appraisal based upon the rather high prices of the period, at \$320,803,862,000, has within a war period of seven months and a brief anticipatory period, made specific commitments to supply its own armed forces and those of other nations which are presently more friendly than they sometimes have been, with equipment and subsistence to have a total cost of \$220,000,000,000. And this is not the end nor is the end even in sight. The executives of the Nation contend, and as yet without arousing more than scattered whispers of protestation, that, in morals and necessity, the inescapable commitments are really unlimited, that is to say, presently unmeasured and beyond the possibilities of measurement. Undoubtedly, the total war cost is well on its way to exceed the \$320,000,000,000 of wealth supposed to exist in 1922, and certainly somewhat diminished before 1940.

In the course of adding the latest increment, of \$42,820,003,067, to the rapidly growing aggregate, the committee of the House of Representatives which is supposed to supervise all legislative exercise of the spending power declared that the addition of further vast sums of expenditure during the fiscal year 1943 has already become unavoidable and sure. Contemporaneously with this declaration the Committee on Ways and Means produced and publicized the greatest tax bill in the history of this or any other country, proposing to raise, during the single fiscal year about to begin, no less than \$22,424,000,000 from a population that, including all ages, sexes, and races represented, cannot exceed 135,000,000.

Lest the citation of such incomprehensible aggregate should defeat its purposes, because no mentality can truly envisage a billion dollars, a few comparisons may be made. Including the assumption of the debts left from the Revolutionary War, those owed by the several States as well as those incurred by the Congresses that antedated the Constitution of 1787, and the redemption at par of the Continental currencies of various issues, the entire expenditures of the United States from 1789 to 1940 amounted only to \$154,000,000,000, or not much more than two-thirds of the commitments already outstanding on account of a war in which participation is only seven months old. During that century and a half, the country engaged in six foreign wars, if the undeclared naval war of 1799 with France is included, and fought its way through the long Civil War which, until the World War of 1914-1918, still remained the greatest and bloodiest contest of arms in human history. The cited appropriation of \$42,820,003,067, just provided, was for the uses of the War Department and may be compared with what that branch of the Federal establishment received for the expenses of other wars. For the War of 1812-1814, with England, it took \$20,350,807; for the Mexican War of 1846, \$38,305,520; for the Civil War, 1861-1865, \$1,031,323,361; for the Spanish War, 1898, \$229,841,254; for the World War, in which this country participated from April 6, 1917, to November 11, 1918, \$9,009,075,789. All the expenditures of our Government on account of that last great conflict, including the loans to England, Italy, and other nations, amounted to less than one-fifth of the total already specifically provided for as part of the still unimaginable aggregate to be spent to finance the war that began last December.

Already the acknowledged Federal debt stands at \$76,545,287,362. On June 25, 1942, it was \$21,336,071,201 above the figure of one year before, although during the elapsed portion of the fiscal year revenues had been \$5,271,730,686 above those of the corresponding part of the fiscal year 1941. There had been absolutely no net economies during the compared periods in non-military expenditures. Eleemosynary undertakings of the Government, begun to relieve the States and local communities from the pressure of mendicancy during a time of extreme unemployment and widespread suffering, were continued, perhaps from force of habit or from solicitude for impecunious voters, after need had disappeared and despite the enormous difficulty in obtaining sufficient labor for the farms and the war industries. Some diminution of their scope and cost had to

be accepted even by their strongest official partisans, because the numbers of their beneficiaries had to yield when the best of these were taken by selective service conscription and many others among their "clients" gave way to the attractions of high wages in the munitions plants. Therefore, however unwillingly, the Administration could not avoid decreases in the expenditures under these headings. So the record stands:

Fiscal Year	Work Projects Admin. & Civilian Conservation Corps	Other Non-military Exps.	Total
1941	\$1,528,613,491	\$4,751,863,957	\$6,280,477,448
1942	1,036,064,435	5,211,691,816	6,247,756,251
Increase		\$459,827,859	
Decrease	\$492,549,056		\$32,721,197

Increase in interest on the public debt accounts for \$109,994,754 of the above increase, the balance was distributed with notable impartiality among most of the other non-military activities, all of which ought, in common decency, very materially to have been reduced. Another incident of the week which witnessed the latest, but certainly not the last, huge addition to the war commitments was the unmerited defeat of Senator McKellar's determined and commendable effort to do away entirely with both the Civilian Conservation Corps and the National Youth Administration, both of which have plainly outlived any merit or justification which they ever possessed. In spite of this fact, the CCC only is apparently to be done away with and the NYA is still to be continued, even though on a reduced scale.

Americans are officially advised that this is to be a long war. Imagination fails, however, when it attempts to estimate the cost to the United States of a war running through 1943 and into the year 1944, if the present spirit of blind profusion is not restrained. War costs are now accumulating, as measured by actual expenditures from the Treasury, at the rate of about \$150,000,000 for every day except Sundays, not excepting holidays. The authorities insist that the maximum has not yet been even approximately attained and intend that the present daily rate shall be greatly exceeded. They seem strongly inclined, indeed, to boast of outlays rather than output, the former being largely swelled by daily concessions to "labor," which invariably multiplies costs while frequently curtailing production per unit effort and per dollar paid out. Obviously outlay and output are never identical and they are rarely even proportional. On the contrary, it is certain that England, for example, whose negotiations with this country under the Lease-Lend system plainly show that it is not entirely oblivious to considerations of cost, obtains very much more per unit of its expenditures within its own borders than the United States receives at the hands of its own domestic industry. Talk anywhere with any one engaged in the practical labors of directing production in the United States and little is heard except almost unbelievable accounts of racketeering and extravagantly wasteful practices indulged at the behest of selfish leaders of unionized employes and made substantially compulsory by the partiality towards them and their followers of the heads and underlings of the Administration, of demands made and acceded to under this practical duress which ignore and destroy efficiency, and of egregious wastes of effort and materials which are inconceivable to men who have never dealt at first-hand with conditions of such ugliness. No wonder that Senator Byrd, who fights undismayed and with the finest courage and persistence for the most meager rewards in recognition and improvement, would like, to use his own words, "to take a few thousand key employes of the United States Government—particularly some \$10,000 to \$15,000 a year bosses—into a quiet corner and patiently explain to them the facts of life." Among these facts, he would doubtless try to teach them that no one, not even Franklin Roosevelt nor the Treasury of the United States, really possesses the inexhaustible purse of Fortunatus. When, where, and how the end of this long and senseless orgy will come, it would be futile to attempt to guess. But that it must come to an end, that there must be a time of accounting, which will be increasingly appalling to every truly patriotic heart with every day of its postponement, and extremely unpleasant to those responsible for the debacle, whenever it occurs, is not guesswork but unmitigated certainty. It is the plain teaching of common sense and of all history. It is much too late now to escape all the penalties of recklessness, but their rapid accrual and accumulation could still be retarded by immediate and wise action by a clear-sighted Congress, not awed by the demands of a wilful Administration, and freeing itself from subserviency. Non-military expenditures ought at once to be cut drastically and with full measure of arbitrary determination. The fatuity of proceeding at complacent full-speed during an

emergency without precedent in the annals of humanity requires neither argument nor demonstration. Military expenditures ought to be less than they are or, in the alternative, if they are not to be reduced, results fully commensurate with the current outlays ought speedily to be obtained.

THE FINANCIAL SITUATION

(Continued From First Page)

case in court if they are to exonerate themselves and their enterprises, prefer at this juncture to concentrate their attention upon helping to win the war. Doubts in individual instances that such considerations are the sole factor accounting for so many pleas of nolo contendere in the cases in question is not the equivalent of believing that American industrialists have in recent years adopted the practice of deliberate, or even reckless, disregard of the so-called anti-trust laws. The fact is that from the very first it has been utterly impossible to know from decade to decade, or often from year to year, what the Sherman Law or the other related statutes mean when applied to many specific situations. It may well be questioned whether any other statute ever placed upon the books has been so variously, and so inconsistently interpreted by the Supreme Court of the United States.

Meaning Uncertain

Surprise after surprise even to the most learned and most astute of the lawyers specializing in the field have come from the highest court. It would be scarcely going too far to assert that no sooner than have a number of moot points apparently been settled to the satisfaction of the legal profession than a new decision in some other case raises a multitude of important issues thought definitely settled. At various times in the past, notably during the Coolidge regime, the situation was recognized as exceedingly troublesome and great, though not always wise, efforts were directed at finding a solution—some way of enabling a business man to know with reasonable certainty precisely what he could or could not do lawfully so far as the anti-trust laws were concerned. The NRA program raised many of these problems afresh, and further dabbling effort was made to clarify the atmosphere—one of the aftermaths being the notorious oil industry prosecution.

A New Court

And now we have virtually a newly constituted Supreme Court! It is still to be seen what its views are on many of the questions raised under the anti-trust laws, but its rulings so far give strong indications that it is disposed to turn the hands of the clock back to the era when the severest interpretations of the acts were in vogue, if indeed it is not prepared to go further than the Supreme Court has ever gone before. Many of the agreements now the subject of prosecution date from an era when the highest court seemed definitely to have greatly broadened the permissible area of action by business men in cooperation with one another. In a sense the anti-trust laws appear now to be in process of being again rewritten as they have been by the courts time and again. If so, many a business man may well find himself vulnerable even though he had obtained the best of legal advice and conscientiously followed it.

Consent Decrees

There is also another aspect of this matter which can hardly fail to give trouble. If the present rate of issuing "consent decrees" continues very much longer, a substantial part of American industry will be governed in these matters, not so much by law as by a long series of decrees which are the result of a sort of bargaining process between the defendants in such cases and the Department of Justice (with the approval of the country, of course). Each decree, naturally, governs only those to whom it is directed. Thus it happens that of a group of competing enterprises some are subject to this decree, some to another, and still others are free to govern themselves according to what they believe to be the meaning of the laws as they apply to them. Such decrees do little or nothing to lift the obscurity by which the provisions of the laws are surrounded in actual practice. The net result is confusion worse confounded, to say nothing of unequal application of law to different individuals or enterprises.

Here is a situation to which the American people might well address themselves. There is no reason or excuse for the vacillating policies of the past, policies which give rise to periods of loose construction and indifferent enforcement of the anti-trust laws followed by periods of strict construction and zealous, not to say over-zealous, enforcement—all quite apart from the wisdom of any such campaign as is now being waged at a time when all American industry is straining every nerve to meet "impossible" war production demands. What the business man requires, and what he is entitled to, is an opportunity to know with a reasonable degree of precision and assurance what the laws mean as applied to him and to his activities. It would

not appear to be an insuperable task to redraft legislation in such a manner that its meaning is more readily and certainly determined. So far as existing uncertainties have their origin in the newly constituted Supreme Court—it can only be said that we have here an excellent example of the reasons why the personnel of our highest tribunal should not be tampered with in any such manner as has occurred.

The least that can be demanded in light of all these circumstances is that the powers that be refrain from insinuations which give the impression to those not acquainted with the labyrinthine complexities of the situation that all those hailed into court, or at least the larger number of them, have acted with deliberate criminal intent or something very near it.

The State Of Trade

Though a number of the leading industries showed slight setbacks for the week, figures of production continued substantially above those of last year. For instance, electric power production during the week ended June 20 was 11.1% above output for the same week in 1941; engineering construction was also 11% above 1941 figures. Steel production showed a considerable drop for the week, this being due largely to seasonal influences.

Car loadings showed up exceptionally well for the latest week, totaling 844,913, according to reports filed by the railroads with the Association of American Railroads and made public recently. This was an increase of 12,187 cars over the preceding week, 40,626 cars lower than the corresponding week in 1941 and 116,420 cars above the same period two years ago. It was further pointed out that latest weekly carloadings of 844,913 were 128.13% of average for ten years.

Steel operations for the current week are scheduled at 96.5% of ingot capacity, the lowest since the week beginning March 2, a decline of 1.5 points from the 98% rate of last week, the American Iron & Steel Institute announced.

In steel quarters the let-down in steel output was ascribed as due chiefly to seasonal influences. Because of the emergency, all of the steel producers will operate through Independence Day, but in some instances, where staffs have been working at high pressure for many months, some additional time off is being given, it was indicated.

Other causes, it was suggested, may include necessity of repairs for overtaxed equipment and possibly in a few instances where the spotty scrap-supply situation has prevented full-scale output.

Department store sales on a country-wide basis were up 9% for the week ended June 20, compared with the same week a year ago, it was shown in the weekly figures issued by the Federal Reserve System.

Store sales for the four-week period ended June 20, compared with the same period a year ago, remained exactly the same.

It is pointed out that retail prospects for the rest of this year will reflect consumer convictions about the permanence of the price ceilings and fears that various products will no longer be available if purchases are delayed.

Retail trade during June, in dollar volume, has run about on an even keel with last year, so far as department store sales indicate. Since prices of goods sold by these stores have increased about 17% on the average, a sharp decline in unit sales has occurred.

Dollar sales will probably continue close to last year's level, despite the very high national income, unless inflation fears revive and bring another wave of forward buying, observers state. Store inventories are probably large enough to support one more such buying wave, although many products now on the shelves could not be replaced, so that sales would have to decline once this buying wave had been completed.

Donald M. Nelson's testimony before the Truman Committee provides a significant sidelight on the extent to which the war production program will crowd out regular civilian activity during 1943.

The War Production Program is now some \$220,000,000,000, which, by the way, is roughly ten times the size of the first World War cost. Mr. Nelson estimated that \$140,000,000,000 of this would be produced this year and next. The 1943 share of this production will top \$80,000,000,000. This means that more than two-thirds of the prospective 1943 national income will be devoted to the war.

The average war production for 1942-1943 then will be \$6,000,000,000 a month. Since production is still slightly short of \$4,000,000,000 a month, actual war expenditures later in the year will be considerably higher than the \$6,000,000,000 average.

With the acceleration of the military program and the resulting effect on government finances, it still appears that, unless a compulsory savings plan of some kind is adopted, a large part of the war deficit will continue to be financed by banks, with further increases in the volume of deposits as an inevitable result, according to the Guaranty Trust Co. of New York in its current issue of "The Guaranty Survey."

These conditions, the survey continues, have been such as to exert continuous upward pressure on the price level; and the general price movement, which had been marked by increasing stability during the three months preceding our entry into the war, was sharply upward in December, 1941, and in the first four months of this year.

While various steps are being taken in Washington to halt this upward movement, the "Survey" points out that it is still too early to conclude that the greater stability will be permanent.

It is pointed out that several broad groups of commodities are exempt from the provisions of the order, the most important consisting of farm products, for which, under the law, no limits can be fixed until they attain levels reflecting substantial premiums over parity.

"Nor does the regulation apply to wages of any kind, the 'Survey' continues. "Some of the most important categories of prices and costs are thus free to rise further; and to the extent that they do so, they cannot fail to exert a powerful upward pressure on other prices. It is not logical to attempt to control price levels unless all the essential factors, including wages and farm prices, are controlled."

Mortality among new car dealers during the first five months of automobile and truck rationing, according to the trade publication "Automotive & Aviation Industries," has been only 7.2%. The publication says there were 37,607 dealers in business as of June 1, a decrease of 2,932 retail outlets from the 40,439 dealers in operation last January 1. The mortality rate is much lower than had been anticipated.

Among automobile repair shops,

To Aid Program For War Savs. Investment

An Advisory Council of nationally known leaders in the fields of education, finance, and public and social service will aid the National Thrift Committee with suggestions and advice in its program of public education to tune up the nation's savings power to at least 10% of earnings for War Savings investment. J. Robert Stout, Chairman of the Committee, announced on June 29. The members thus far appointed include:

Julius H. Barnes, former President U. S. Chamber of Commerce, New York City; Philip A. Benson, President, Dime Savings Bank, Brooklyn, N. Y.; Henry S. Kingman, President, Farmers & Merchants Savings Bank, Minneapolis, Minn.; Roy R. Marquardt, Vice-President, First National Bank, Chicago, Ill.; R. H. McCune, Vice-President, Roswell Building & Loan Association, Roswell, New Mex.; James M. McKay, President, The Home Savings & Loan Company, Youngstown, Ohio; M. K. M. Murphy, Executive Vice-President, Boiling Springs Savings & Loan Association, Rutherford, N. J.; Dr. Marcus Nadler, Professor of Finance, New York University, New York City; Walter J. L. Ray, Vice-President, Standard Savings & Loan Association, Detroit, Mich.; Levi P. Smith, President, Burlington Savings Bank, Burlington, Vt.; L. A. Tobie, President, Meriden Savings Bank, Meriden, Conn.; George W. West, President, First Federal Savings & Loan Association, Atlanta, Ga.; Carl K. Withers, President, Lincoln National Bank, Newark, N. J.

The Thrift Committee in its announcement says:

The Committee's program underlines budgeting and economizing as the primary citizen contributions to war, with sacrifice of non-essentials a patriotic and personal necessity. It warns against the danger of not setting aside taxes as pay is received, and of mortgaging anticipated income with installment contracts. Since war financing through bonds and stamps will fail and taxes increase if people cash War Savings bonds before maturity, the Committee emphasizes the importance of continuing emergency-savings programs of pre-war days, and so that the War Savings investment may be a real cushion against post-war readjustment, it recommends that wage increases pay debts and clean up installment payments quickly.

If these steps are followed the Committee believes that the average American will come out of the war in a much better financial condition than he entered it, with a comfortable 10% of earnings in War bonds to reward his prudence.

Leaves Chgo. Reserve Bank

Frank J. Lewis, Chairman of the Board of the Federal Reserve Bank of Chicago, has resigned effective July 1. Mr. Lewis, who is Chairman of the F. J. Lewis Manufacturing Co., has served as Chairman of the Chicago Reserve Bank and Federal Reserve Agent since Jan. 1, 1941. He had previously been a Class "C" Director of the bank for six years. According to the Associated Press, Mr. Lewis is resigning because of the fact that he is absent from Chicago much of the time. He is interested in the silk industry in Florida.

including new car dealers and independent services but exclusive of filling stations, the survey says mortality has been even less than that of new car dealers alone. In the five months ended June 1, total repair shops had dropped only 3.4% to 89,938 outlets.

New 'Gas' Rationing Plan Gives 'A' Card Holders 16 Gallons Per Month—4 Gallons A Unit

Official instructions for operating the new gasoline rationing plan, which requires an exchange of coupons for all purchases of gasoline, were issued June 26 by the Office of Price Administration. The plan will go into effect in the East on July 22. At the same time, OPA announced that coupons in the ration books for private passenger automobiles will be valued at four gallons each. This value, it was emphasized, will be subject to change in accordance with any change in the East's petroleum supply situation.

The announcement states that this means that on the basis of 15 miles to the gallon the basic "A" ration books, containing a year's supply of 48 coupons, will provide 2,880 miles of driving annually. All passenger car owners, except a certain few who will be eligible for "S" books, will be entitled to this basic ration.

In order to obtain any supplemental ration through a "B" or "C" book, an applicant will be required to show that the "A" book will not meet his occupational driving needs.

In this connection OPA announced that 1,800 miles of the total mileage in the basic "A" book are considered available for occupational use, while the remaining 1,080 miles are regarded as available for general purposes, such as driving necessary to attend church, to take children to and from school, and for shopping.

Thus, as the first requirement for obtaining any supplemental ration the holder of a basic book must prove that his occupational driving is in excess of 1,800 miles a year.

The second requirement, as listed in the instructions, is a Car-Sharing Club to take three, or more other persons to and from work. These persons may be either car owners or non-car owners. Failing to form such a club the applicant must prove that he cannot carry three or more other persons but is carrying as many as he can, and that alternative means of transportation are inadequate.

Application blanks for these supplemental rations may be obtained upon request when motorists register for their basic books on July 9, 10 and 11 in the public schools. Registrars, however, will be instructed to issue only the basic books: "A" books to car owners and basic "D" books to motorcyclists. The application blanks for supplemental rations when filled out, are to be presented in person, or mailed to a local rationing board for action.

Such applications may be filed with the board any time after the basic book is obtained. While local boards will receive applications beginning July 9, OPA pointed out that the filing need not necessarily be done before July 22, when the plan goes into effect. Holders of "A" books can use the first eight coupons in that book while they are in process of getting supplemental rations.

The "B" book of 16 coupons may be issued an applicant who shows that his occupational driving exceeds the 150 miles per month provided by his "A" book. This "B" book must last for a period of three months, thus giving the applicant 320 miles of additional driving a month. This mileage figure is reached by multiplying 16 coupons by four gallons by 15 miles to the gallon, and by dividing by three months.

Thus a total of 470 miles a month (150 from the "A" book and 320 from the "B") are possible for occupational driving under the plan. But an applicant who can show that he needs more than the "A" book, but less than the full amount of the "B" book will have his supplemental ration book "tailored" by extending the expiration date of the book beyond the three-month minimum. A "B" book might be made to last four months, or five months, or six months, or a year. Local

boards will be provided with tables determining the date of expiration on the basis of monthly mileage allowed in the application.

Before issuing a "C" book a local board must see that the applicant's needs cannot be met by an "A" book, or an "A" book plus a "B" book. In other words, his occupational driving must exceed 470 miles a month. He must also have met all the requirements for a "B" book, and in addition must belong to a category of users recognized as essential to the war effort and to the public welfare. Services for which "C" books may be issued include medical care, maintenance of public utilities, carrying farm labor, giving religious comfort or assistance, and making official trips on government business.

The "C" book will be issued for three month periods. While a full book will contain 96 coupons, the board will tear out coupons to "tailor" each book issued to fit the applicant's needs. More than one "C" book may be issued if necessary.

Local rationing boards are given specific instructions not only in considering applications for supplemental rations, but also in issuing rations for types of users other than those in the "A", "B" and "C" and "D" groups. Such types include trucks, taxis, busses, hearses, ambulances, rental vehicles and Government cars for which "S" books will be issued, and non-highway uses for which "E" and "R" books will be issued.

All applications for "S", "E" and "R" books are to be made at the rationing boards, beginning July 9.

Trucks, taxis, ambulances and Government vehicles may be issued one or both of the two types of "S" books. Operations of these vehicles will be controlled but, with some exceptions, will not necessarily be curtailed by the rationing plan. In no case, will rations provide for more mileage than applicants are permitted by orders or regulations of other government agencies.

The "S-1" book will have 96 coupons worth 5 gallons each, while "S-2" books will have 384 coupons of the same value. The coupon value is subject to change. Applicants may be issued either of the "S" books, or both, as may be needed to meet their requirements for a four month period. Individual requirements are to be met by tearing coupons from the books.

Motorcycle operators entitled to supplemental rations will be issued additional "D" books, tailored to individual needs by tearing out certain of the coupons. "D" coupons will be worth 1.5 gallons each.

Non-highway rations for in-board and outboard motor boats, farm machinery, gasoline engines, cleaning and dyeing establishments, etc. will be issued through the "E" and "R" books good for a six-month period. Each book will have 48 coupons. The "E" book will have 48, a unit value of one gallon each and "R" books will have 63 valued at five gallons each. They may be issued in such combination as to meet needs shown by the application. Both will be tailored by tearing out coupons.

Explaining that rationing of gasoline in the East is necessary to conserve a supply drastically cut by lack of transportation facilities, the instruction handbook

points out how the coupon plan will achieve this purpose.

Coupons will be distributed to all users on the basis of need, except for the basic ration for private passenger automobiles and motorcycles. These coupons, which must be exchanged for any purchase of gasoline, will form the basis of a rigid audit system controlling all movement of gasoline. From the user the coupons will flow to dealer and to intermediate distributor. Then, while the coupons themselves may be exchanged at a War Price and Rationing Board for Exchange Certificates, control forms will proceed through the licensed distributor and State Tax Administrator to the Fuel Rationing Division of the Office of Price Administration. Thus at every step of the marketing and distribution process, the flow of gasoline will be controlled by the provisions of the rationing plan.

OPA pointed out that a check of audit control forms with records kept by State Tax Administrators for purposes of collecting gasoline taxes should be an effective means of detecting and stamping out black market activities.

The handbook contains instructions directed specifically to State OPA Directors, to local custodians of all forms and documents connected with the plan, to county and city superintendents of schools who will be responsible for setting up organizations for registering motorists in their localities, to school site administrators, to registrars, and to members of local War Price and Rationing Boards.

The instructions also describe the procedure for the registration of dealers and distributors with the War Price and Rationing Boards. All dealers and intermediate distributors—but not licensed distributors—must report to the Boards the amount of gasoline in their stocks as of the first opening of business on July 22, 1942. In exchange they will receive inventory coupons covering the difference between their inventory as the effective date of the rationing plan, and their tank capacity. These coupons will enable them at any time to build up their stocks as they are able to obtain new supplies from the supplier or distributor and will also make it possible to use a spot-checking method for determining whether the dealer or distributor is complying with rationing regulations.

At the same time the dealers and distributors will receive forms for keeping a record of their sales under rationing, as well as gummed coupon sheets to which they are to paste coupons turned in by their customers before turning them into suppliers or to Rationing Board.

Car owners away from home on the registration dates may apply for their "A" books at a school site wherever they may be, or if they are outside the rationed area, they may register later with a local War Price and Rationing Board, but not before July 24.

Stations May Allot 'Gas'

According to an Associated Press dispatch from Washington, the Office of Price Administration on June 24 ruled that filling stations whose gasoline supply is insufficient to meet all consumer demands under the rationing program may give preference to defense workers, trucks and ambulances. The dispatch goes on to say:

"The revision of original regulation, which prohibited a dealer from discriminating among consumers legally entitled to gasoline, was embodied in an amendment to the rationing regulations which expire July 22, the date of the start of the permanent ration plan in Eastern States.

"The amendment also makes persons engaged in experimental work contributing to the war ef-

Eccles Urges Keeping Living Costs Down, And Discouraging Credit Instalment Buying

The urgency of complying with President Roosevelt's 7-point program to keep the living costs from spiraling upward, was stressed on June 24 by Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System, in speaking at Washington over the Mutual Broadcasting System. Directing his remarks specifically to the 7th point in the President's program, Mr. Eccles said "you will recall that this point

stressed the importance at this time of discouraging credit and instalment buying and encouraging the paying of debts." In part, Mr. Eccles continued:

The reasons for asking you to pay your debts and to refrain from buying unnecessarily, at this time—the reasons why this is the time to save, to pay taxes and to invest in War Bonds—should be made clear to you so that you will give your support to the President's program, for it is devised in your interest.

You are aware that national income is rapidly going up. It is going up because the Government is approaching an expenditure of 150 million dollars a day for war purposes. It is expected to increase to 200 million dollars a day before the year ends. It is this huge expenditure which is rapidly expanding national income, which is the sum of all wages, salaries, dividends, rents, interest and other income received by individuals—and approximately two-thirds of it represents wages and salaries.

Today our national income is running at the rate of close to 110 billion dollars a year. It is estimated that it will soon reach a rate of 117 billion dollars a year. Even in 1929 national income was 30 billions less than it is right now. It is still increasing. And this is happening at the very time when there are fewer and fewer things for us to buy.

If we had the plants, the labor forces, the raw materials, to turn out more and more war supplies and at the same time turn out more and more civilian goods, there wouldn't be any problem. The more money you had, the more goods you could buy. But, of course, that is not the case because there are limits—including time limits—on our ability to produce war supplies for ourselves and for our allies and at the same time produce for civilian consumption. Since our very existence is at stake, war production must have the right of way over everything else. That means more and more of our indus-

try, and in scientific expedition, eligible to receive supplemental rations of gasoline.

"Before showing preference to one or more of the classes of consumers, a dealer must post a notice of his intention to do so and specify in the notice which class or classes of consumers are to get preferred treatment.

"OPA defined a 'defense worker' as an executive or employee at naval, military or hospital establishments; public utilities plants, including public transportation and communication systems; and plants producing machines, munitions and other war materials."

Brazil Coffee Export

Exports of coffee from Brazil during 1941 decreased by 998,933 bags of 132 pounds each from the 12,053,499-bag trade of 1940, according to advices made available by the Department of Commerce at Washington on June 23, which added:

Twenty-one foreign markets of 1940 did not participate in the 1941 trade. Among these countries were Italy, Belgium, Greece, Holland, Norway, Denmark, Palestine, Syria, Algeria and Morocco.

Purchases by the United States increased by 918,283 bags to a total of 9,804,811 bags during 1941.

trial resources and manpower must be used for war production, less and less for civilian production. It means more munitions, planes, ships, tanks. It means fewer automobiles, refrigerators, houses, and many other things that are available in peacetime.

Clearly, then, there is but one course open to us. We must go without things we can't buy. We should go without things we do not need to buy. There is no real hardship, no great sacrifice, in this. There is adequate food, clothing and shelter, and we can make things last longer.

One objective of the President's program is to see that what is available is as fairly distributed as possible. Another objective is to keep the rising pressure of spending power from flooding our markets and driving up prices—not just the prices of civilian goods, but the prices of war materials as well. We must not let that happen. It would impair our war efforts.

For the same reasons you are asked not to go into debt to buy things. You are asked to pay much heavier taxes than ever before because this not only helps pay for the war, as do your investments in War Bonds, but it helps keep your dollars from bidding up prices. You are asked not to seek higher wage rates, salaries, dividends, and other returns, and if you are a farmer you are asked not to seek higher prices, because such actions increase buying power but do not add to what you can buy.

Mr. Eccles further said that "if the Government's rapidly increasing expenditures and the consequent rapid rise in national income were accompanied by production of an equivalent amount of goods for you to buy, it would not be necessary to ask you in your own interest to comply with and support this program. But the Government's expenditures must go mainly for war production and not for the things for which you might spend your dollars." He added:

Accordingly, the logic of the situation calls for Government policy designed to draw back into the Treasury out of this expanding national income an amount equal to what the Government is spending. And this can be done through taxes and through the sale of Government securities. So far as the Treasury can in this way get back as much as it spends for war, the financing of the war is readily accomplished.

More than that, however, the effects of this policy are threefold. First, it draws off the market money that might otherwise bid up prices. Secondly, spending power is reduced in relation to the supply of civilian goods. Third, the Government is able to finance the war without borrowing from the commercial banks—for such borrowing creates additional money, and may have highly inflationary effects.

The President's 7-point program outlined to Congress April 27 (and given in our issue of April 30, page 1708), proposed an "all embracing" plan for stabilizing the cost of living, and included the levying of higher taxes, the fixing of ceiling prices, stabilizing wages, rationing scarce commodities, purchasing war bonds, curtailing credit and instalment buying, and fixing farm product prices.

From Washington

(Continued from First Page)
the Cabinet, for the Supreme Court. Any President seeking to name a Federal judge or a Federal official in a particular locality without getting the approval of the Senators from that locality, if they were members of his own party, was more than likely kicked down and put in his place. The Senate was, indeed, a powerful body. It made some Presidents, it broke others. A President under any circumstances, had to cater to the Senate.

In the past two and a half years we find the House frequently kicking over the traces, but the President continuing to exercise his power over Congress through his control of the Senate. In the pre-Pearl Harbor days, the Senate docilely acquiesced in his lend-lease proposals, the House was far more difficult. The House only passed the proposal to extend the term of the draftees, last year, by one vote. On two occasions the House had passed labor control legislation. In each instance the Senate, at the behest of the President, has checked it.

The situation is well understood in Washington today, in fact, that legislation to which the Administration is opposed can be gotten through the House, but not through the Senate. The House only recently denied an appropriation for the continuance of CCC, the Senate approved the Administration sponsored appropriation. The fact is that the Administration has been able to get any appointee it made confirmed in the Senate. No man went out of the Washington set-up more criticized for sheer inability, aside from his radical hue, than Rexford Tugwell. When Mr. Roosevelt after getting his third term, decided to give Rex another job, as Governor of Puerto Rico, Rex made not the slightest effort to disguise the fact that he intended to try out on the hapless Puerto Ricans the same experiments which he had in mind for reorganizing this country. The Senators tried not to hear what he said and confirmed him. The Puerto Ricans we gather, have been screaming ever since.

Why is this true? Why has the Senate become the lesser independent of the two bodies?

We have talked with a lot of our colleagues in an effort to find the answer. The best opinion is that the members of the House are reflecting the restlessness of the country, the impatience over inefficiency in Washington, the dissatisfaction with the progress of the war. They reflect this because every single one of them must face the electorate in November.

But the Senators with their six-year terms—they are generally older men and too many of them perceive the world to be in an upheaval which they can't control and are looking for the relative security which the President can give them in the way of Federal judgeships and the like. Too many of them are without hope of the legislative branch's regaining its lost prestige, and figure that it is every man for himself. There are specific instances of this thinking: Senators Schwelmbach of Washington, and Minton, of Indiana, two of the most vociferous New Dealers up until last year, two men who went to the bat with everything they had whenever a debate about the New Deal came up, yet never sought to hide their cynicism from their colleagues. And they both got Federal judgeships.

There are too many in the Senate today of similar minds. There are even more such minds in the House. But those fellows don't have a six-year term over which to attain their security. They've still got to keep their ears to the ground. It is an interesting commentary on things.

House Committee Acts On New Tax Program

(Continued from First Page)

would receive a refund of all over 80% of excess profits taxes paid on income received during and after 1942. Pointing out that the post-war credit provision was not controversial since it was proposed in the Treasury's tax recommendations, and backed by industry, the American Federation of Labor and the American Legion, the New York "Journal of Commerce" in advices from its Washington bureau June 23 added in part:

The post-war credit program adopted today was suggested by Representative A. Willis Robertson, of Virginia, and provides for a refund of 14% of the adjusted net profits income.

This in effect limits the excess profits tax rate to 80%. Although corporations must pay the full 94% excess profits tax for the taxable year 1942 and thereafter until after the war.

Non-negotiable, non-interest bearing Government bonds would be issued to the corporations in the amount of the proposed refund of excess profits taxes.

According to the Committee's action, bonds representing this refund would amount to "14% of the adjusted profits net income—the base on which the excess profits tax is computed. (Giving effect to the proposed refund, therefore, the net excess profits tax rate will be 80%)." Stating this in another way,

the corporations will be issued bonds for the difference between their excess profits tax payments and the amount which they would have paid if an 80% rate on excess profits had been adopted.

Under the Robertson plan, one-third of the bonds will mature at the end of the second calendar year following the cessation of hostilities; one-third at the end of the third calendar year after the cessation of hostilities; and one-third at the end of the fourth calendar year following the cessation of hostilities.

The Robertson resolution adopted by the Committee also provides that the bonds will become negotiable after the cessation of hostilities. However, it is provided that the bonds will not be redeemable for the payment of either cash or stock dividends.

The Robertson proposal also stipulates that the bonds cannot be used for the payment of bonuses or salary increases to executives or for the purchase of securities. Another restriction would prohibit the bonds from being used to increase cash reserves unless this cash reserve was used in the business.

On June 24 the House Committee voted to require the Post Office Department to raise the rates on third-class postage, for periodicals and advertising matter, enough to pay the cost of handling them. In Associated Press accounts from Washington June 24 it was stated:

Representative Cooper, Democrat, of Tennessee, said it had been estimated that the department was suffering a \$26,000,000 annual loss in delivery of that type of mail.

The Committee directed the Post Office Department to submit a report before it raised either second or third-class rates. Second-class rates, affecting newspapers, would be raised a total of \$78,000,000 under a Committee decision last week. It said this was the amount of the annual deficit in handling second-class matter.

Mr. Cooper said the Committee also had approved a resolution to exempt from duty and internal taxes any goods sent to

Axis prisoners in the United States. It also would apply to articles made by American prisoners in Axis countries and to articles imported for the use of armed forces of the United Nations in the United States.

The principal provisions of the bill, viz., the income tax and corporation tax, as well as the excise tax, features of the bill, were indicated as follows in Associated Press advices from Washington June 24.

INCOME TAXES

Personal exemptions lowered from \$70 to \$500 for single persons, from \$1,500 to \$1,200 for married persons; \$400 credit for each dependent continued. Normal tax raised from 4 to 6%, with 10% earned income credit retained; surtaxes increased from 6% on first \$2,000 to 12%. Beginning next January, 10% of income in excess of personal exemptions and credits will be deducted from pay checks to apply on taxes.

CORPORATION TAXES

Present excess profits rates ranging from 35 to 60% raised to flat 94%, with post-war credit equal to 14% of net income which is subject to this rate. Invested capital and average earnings alternatives continued for computing "excess profits." Combined normal and surtax rates—applied on income not subject to excess profits taxes—raised from 31 to 40% for corporations with income above \$25,000. Specific exemption to which all corporations entitled raised from \$5,000 to \$10,000. Numerous provisions adopted for special hardship cases.

Here is the way a corporation with \$1,000,000 of invested capital and a \$200,000 net income would compute its taxes:

Net income—\$200,000.
Specific exemption—\$10,000.
Exemption on 8% of invested capital—\$80,000.
Total credit—\$90,000.
"Excess profits"—\$110,000.
94% tax on \$110,000—\$103,400.

Normal tax and surtax, totaling 40%, on \$90,000 income not subject to excess profits taxes—\$36,000. Total taxes—\$139,400. Post-war credit of 14% of excess profits base—\$15,400.

Excise Taxes

Taxes on beer, wine, whiskey, cigars, telegraph bills, parimutuel wagers, travel fares, freight and express transportation, and lubricating oil either increased or new taxes imposed. General sales tax defeated, as were proposals to tax soft drinks and to increase taxes on gasoline and transportation by pipe line.

Under date of June 24 the Associated Press reported that protests were beginning to pile up against the Committee's decision to grant certain corporations post-war refunds and to impose a 5% tax on transportation of freight and express.

A reference to the Committee's earlier action appeared in our June 25 issue, page 2393.

Crop Goal Depends On Scientific Farming

The crop goals set by the U. S. Department of Agriculture, calling for the greatest farm production in the country's history, cannot be attained "unless the very best farm practices prevail throughout the country," it was stated on June 19 by John A. Miller, President of the National Fertilizer Association, in addressing the organization's 18th annual convention at Hot Springs, Va. Among these practices and one of the most important, Mr. Miller stated, "is the proper use of the products of our industry, for it is estimated that 15% of our total

crop production is the direct result of fertilizer use and that we would have to increase our crop area by 30,000,000 acres if we had no fertilizers." He further said:

"Consumption of fertilizers during 1941 totaled 9,264,000 tons, the largest consumption in all our history. Production of superphosphate and of potash salts were at peak levels, but there was a considerable shortage of nitrogen materials for direct use this spring. While the prospects for next season's supplies are good, with the exception of the uncertainty in the nitrogen situation, our industry must assist the Government in every way possible to see that each pound of plantfood is used to the best advantage of the country as a whole."

Mr. Miller is President of the Price Chemical Co. of Louisville, Ky. Charles J. Brand, Executive Secretary and Treasurer of the National Fertilizer Association, in his remarks at the convention, stated that "last year's fertilizer consumption was the largest in our history." He added:

"The average plantfood content of mixed fertilizer in 1925 was only 16%—now it is over 20%. In fact, if this improvement had not been made it would have been necessary to handle, ship and apply 1,430,000 more tons of fertilizer and fertilizer materials in order to get as much plantfood on to American farms as were used in 1941, or 11,000,000 tons instead of the 9,264,000 tons actually used.

"Because of the work that has been done by our Association during the past 17 years we are now able to give the Government agencies that are dealing with war emergency problems, information concerning our industry and the use of fertilizers which we hope is helpful not only to the Government but to farmers and to the entire production program."

T. E. Milliman, Chief of the Agricultural Chemicals Section of the War Production Board, stated that the interests of farmers can be served best in so far as the distribution of needed crop fertilizers is concerned, by full cooperation between the various agencies of Government, the State Land Grant Colleges and the fertilizer industry. He added that a series of conferences is now being held in all fertilizer-using regions to determine the fertilizer needs of crops and to reduce the number of grades of fertilizer to be sold during the war period to the minimum number needed.

Dr. Clarence Poe, President and Editor of "The Progressive Farmer," of Raleigh, N. C., stated at the convention that "while service and not exploitation would seem to be the world's keynote in the years just ahead, I do not wish to see Government take over all the functions of private business. I fear that without competition and the profit motive retrogression and dry rot set in in many fields of production and industry."

"Progress in the development of scientific aids to the economic production of crops has been rapid since the last war," Prof. Robert M. Salter, chief of the Bureau of Plant Industry, U. S. Department of Agriculture, said in addressing the convention on June 20. He observed that "plant breeders have produced varieties and strains of grains, forage and fiber crops, vegetables and fruits that are higher yielding and superior in quality than the crops that were grown only a few years ago." He likewise stated:

"As a result of a research program that has been carried on for more than 20 years and which is now nationwide, machinery for planting and fertilizing most every crop has been improved, and the increased yields obtained through better methods of applying fertilizers are worth many millions of dollars annually."

Hull Praises Russia's Stand Against Nazis

Secretary of State Hull, in a message to V. M. Molotov, Soviet Commissar for Foreign Affairs, praised the Russians upon the success with which they have resisted the aggression of Nazi Germany in the past year and expressed confidence "that before the end of another year the instigators of this war will have been given to understand how seriously they have underestimated the determination and the ability for effective action of the peace-loving nations." Secretary Hull's message follows:

I extend through you to the government and people of the Soviet Union on behalf of the government and people of the United States congratulations upon the success with which you have resisted the brutal aggression of Nazi Germany and have thus frustrated the plans for world conquest so overconfidently laid by our common enemy.

For one year the peoples of the Soviet Union have been engaging the armies not only of Nazi Germany but also of those other European countries the governments of which have accepted Nazi dictation.

In this struggle the armed forces of the Soviet Union, with the heroic support of the entire population, have so acquitted themselves as to win the admiration of the liberty-loving peoples of the world and to earn a place in history besides those Russian armies which over a century and a quarter ago did so much to ruin the plans of another aspirant to world conquest.

During the past year the American people, although themselves threatened by aggression from several directions, have gladly shared their arms and supplies with the Soviet Union. It is planned that during the coming year these arms and supplies will pour forth from our factories and countryside in an ever widening stream until final victory has been achieved.

We are confident that before the end of another year the instigators of this war will have been given to understand how seriously they have underestimated the determination and the ability for effective action of the peace-loving nations and will have learned that in an aroused world aggressors can no longer escape the consequences of acts resulting in human suffering and destruction.

Returns To Australia

Dr. Herbert Vere Evatt, Australian Minister for External Affairs, returned to Melbourne on June 22 after completing a special mission in Washington and London. Dr. Evatt had arrived in the United States on March 18 to confer with President Roosevelt on the Pacific theatre of war operations. During his stay here the President set up a consultative body, known as the Pacific War Council, giving recognition to Australia and New Zealand as well as the United Kingdom, Canada, China and the Netherlands; this was reported in these columns April 9, page 1446.

New British Minister Here

Harold Beresford Butler, new British Minister to the United States, arrived in New York on June 21 by trans-Atlantic clipper. Mr. Butler will be Director General of the British Information Services, succeeding Sir Gerald Campbell. He had served as Commissioner for Civil Defense of the southern region of England since 1939. Mr. Butler previously had been associated with the International Labor Office in Geneva from its inception, first as Deputy Director from 1920 to 1932 and then as Director to 1938.

OPA Makes Sugar Ration Stamps Valid For 4 Weeks

The Office of Price Administration announced on June 17 that sugar ration stamps numbered 5 and 6 will be valid for a four weeks period and good for two pounds each but the ration will remain unchanged at half a pound a week. The first four stamps in the ration books were valid for two weeks and good for one pound of sugar. Doubling the life of each stamp, OPA officials explained, is designed as a matter of convenience to storekeepers and other distributors.

Under the changed plan, Stamp No. 5 will be good for the purchase of two pounds of sugar during the period between June 28 and midnight July 25, and Stamp No. 6 from July 26 to Aug. 22. Stamp No. 4, now valid for one pound of sugar, will expire on June 27. The OPA said that the period of validity of subsequent stamps will be announced some time before Aug. 22.

In another amendment to the rationing regulations, the OPA permits industrial and institutional users to obtain their sugar allowances for two-month periods, an extension of one-month over the present quota periods.

The Department of Agriculture, in a recent survey of the world sugar supply situation, indicated that the United States supply will be the smallest in two decades because war demands on shipping are preventing the movement of sugar to the American mainland and due to the meeting of lend-lease commitments.

The present voluntary system of sugar rationing in Canada will be replaced on July 1 by sugar coupon books, Donald Gordon, Wartime Prices and Trade Board Chairman, announced on June 17. The individual allowance of one-half pound per week will continue unchanged.

Meanwhile, sugar refiners and producers are urging the OPA to raise the domestic ration to a pound a week per person in view of the improved supply situation and because many warehouses throughout the country are overflowing and need storage space for this year's production.

Roberts Named Head Of N. Y. Sav. Loan League

The officers of the New York State League of Savings and Loan Associations for the year 1942-43, elected on June 10, at the League's 55th annual convention at Saranac Inn, N. Y., are: Clarence J. Roberts, Carthage, N. Y., President; George C. Rogers, Monroe, N. Y., Vice-President; and Zebulon V. Woodward, New York City, Executive Vice-President.

Total assets for the 258 savings and loan associations in the State reached a new all-time high of \$476,058,641 during 1941, an increase of \$28,570,978 over the previous high mark of 1940, Mr. Woodward told the meeting on June 10. This increase is all the more noteworthy, he added, since there were four less associations at the end of 1941 than 1940. Mr. Woodward said that this continues the upward curve of increasing assets each year since 1935, the total gain for the six years being \$119,477,140. He also reported that the total volume of mortgage loans also was higher in 1941, increasing \$29,447,903 over 1940.

Edward H. Leete, New York State Deputy Superintendent of Banks, speaking on June 11, urged the executives present to build up the proportion of cash and marketable investments in their associations to 10 and preferably 15% of free shares and borrowed money. He also suggested greater efforts to inform shareholders of the nature of their interest in the association. Mr. Leete also stated:

Undertake to teach your shareholders the difference between their relation to the as-

sociation and that of a depositor to a commercial bank.

Point out that they are partners in the ancient, honorable, and sound business of lending money on first mortgages; that, as shareholders, they are receiving larger dividends than they can get as depositors in other financial institutions, and that one of the reasons for the better return is because their funds are invested in long-term obligations, sound but not quickly realizable.

Mr. Leete recommended share insurance and urged the State-chartered associations to take the steps necessary to meet the requirements of the Federal Savings and Loan Insurance Corporation.

President Signs Army-Navy Pay Bill

President Roosevelt signed on June 16 the legislation increasing the pay of men in the armed forces. Final Congressional action on the measure came on June 11 when the Senate by a 69 to 0 vote adopted the conference report which the House had approved on June 10.

Under the bill pay increases are provided for seven grades of enlisted men in the Army, Navy, Marine Corps and Coast Guard, while the only grade of commissioned officers who will receive base pay increases are Navy ensigns and Army second lieutenants—\$300 annual pay raise.

The pay of Army privates and apprentice seamen is raised from \$30 a month to \$50, and that of first class privates and seamen, second class from \$36 to \$54. Corresponding raises are provided for higher grades. These pay rates are for service in the United States—a 20% further increase is added for service outside the continental United States.

The bill also raises the rental allowances for officers.

Previous reference to the bill was noted in these columns June 11, page 2205.

Peruvian Cotton Purchase By U. S. Not For Import

The Commodity Credit Corporation plans to buy but not import 200,000 bales of Peruvian cotton, it was reported on June 15. Present plans of the CCC, it is said, call for storing the cotton in Peru, possibly for the war's duration, for later export sale to countries other than the United States. In advices from its Washington bureau on June 15 the New York "Journal of Commerce" stated that the CCC officials dismissed as pure rumor reports that the CCC is buying 400,000 bales of Peruvian cotton for a total of \$44,000,000. The advices to the paper indicated added: "Under the agreement, they emphasized this Government can purchase a maximum of only 200,000 bales, and its purchases may not approach that maximum. The price the CCC will pay for Peruvian cotton is less than half the per bale price of 400,000 bales at \$44,000,000."

More Navy Blimps

President Roosevelt signed on June 17 the legislation authorizing the Navy to build or acquire up to 200 lighter-than-air craft.

When this measure originally passed the Senate on May 27 it provided for the acquisition of 72 blimps, representing an increase of 24 over the 48 previously authorized. At the request of the Navy Department the House on June 8 raised the limit to 200 and the Senate on June 11 concurred in this change.

The Navy requested the measure because of the valuable assistance this type of craft has rendered in the defense against submarines.

U. S. And Belgium Sign Master Lend-Lease Accord

The United States and Belgium on June 16 signed a lend-lease agreement similar to the pacts previously entered into by Great Britain, China and the Soviet Union. The agreement, signed by Secretary of State Cordell Hull and the Belgian Ambassador, Count Robert van der Straten-Ponthoy, was offered to Belgium on June 8 as was noted in these columns June 11, page 2203.

The State Department observed on June 16 that the signing of the agreement "adds Belgium to the growing list of those countries who have pledged their material, as well as spiritual, resources to a common victory of the United Nations."

The Department further said:

As in the other agreements, there is embodied in this with Belgium the firm assurances that the Governments of the United States and Belgium will collaborate to the fullest extent in promoting mutually advantageous economic relations by means of agreed action open to the participation of other like-minded countries.

Confers With FDR On Wages In Bahamas

The Duke of Windsor, Governor of the Bahamas, held a three-hour luncheon conference with President Roosevelt at the White House June 15 discussing the "affairs in the world in general and, of course, affairs in the Bahamas." The Duke said that a wage adjustment was being worked out on American military projects in the Bahama Islands in order to prevent a recurrence of rioting by native labor over the disparity between the wages they were receiving and those paid to American workers. He said that American troops did some general guard duty but "were not brought in to quell the civil disturbance."

The Duke and Duchess arrived in Washington on June 1, at which time they were luncheon guests of the President and Mrs. Roosevelt. Because of reported "labor disturbances," the Duke returned on June 2 to Nassau (Bahamas) but with an adjustment of the troubles he again visited Washington a few days later.

Bicycle Inventory

Total United States stocks of adults' new bicycles, soon to be rationed, was 150,668 as of May 8, according to inventory reports filed with the Office of Price Administration. This figure, said the OPA on June 16, while not final, is substantially larger than preliminary reports had indicated. It includes 122,243 in dealers' and distributors' stocks and 28,425 held by manufacturers. Of the 150,668 total, 114,008 were men's bicycles and 36,660 women's. Dealers and distributors held 92,580 of the men's style and 29,663 of the women's, while the breakdown of manufacturers' inventories showed 21,428 and 6,997, respectively.

July Rate Of Oil Output Increased

Harold L. Ickes, Petroleum Coordinator, on June 22 authorized an increase of 200,000 barrels in the daily production rate for July over June of all petroleum liquids. Mr. Ickes's recommendation is for production of 3,833,800 barrels, compared with 3,636,300 for this month, in the 20 oil-producing States. The Texas quota was increased by 145,800 barrels daily. Mr. Ickes said most of the increased production recommended has been made possible by improvement of pipe line, barge and rail transportation facilities out of the Gulf Coast area.

Organizes Food Supply

To assist in handling new responsibilities imposed on the Department and the Secretary of Agriculture by the creation of the new Foods Requirements Committee of the War Production Board, Secretary Wickard announced on June 15 new appointments of four Department officials. The Secretary also announced changes affecting the immediate Office of the Secretary and the Office for Agricultural War Relations, the Secretarial staff office for liaison with war agencies. In making this known the Department on June 15, said:

Former Governor M. Clifford Townsend of Indiana has been named Administrator of the Agricultural Conservation and Adjustment Administration succeeding R. M. Evans, who recently was appointed a Governor of the Federal Reserve System.

Governor Townsend left the directorship of the Office for Agricultural War Relations to assume the ACAA post. To succeed him, Secretary Wickard appointed an assistant, S. B. Bledsoe, who will continue to be a member of the Secretarial staff. The Secretary appointed another of his assistants, H. W. Parisius, Associate Director of the OAWR.

To provide liaison between the Department's economic and statistical services and the food supply planning functions of the Foods Requirements Committee, the Secretary created a new Division of Foods Requirements in the OAWR. This division will be headed by D. A. Fitzgerald, formerly of the Bureau of Agricultural Economics.

French Africa Trading

On a limited scale the shipment of supplies between the United States and French North Africa is being resumed, Secretary of State Hull announced on June 12.

In reporting this announcement, Associated Press accounts said:

Trade with Vichy controlled French North Africa was abruptly suspended in mid-April, when the collaborationist leader, Pierre Laval, returned to power.

Two ships loaded with food and other non-military supplies were at that moment about to sail for North Africa. They were held in port, and Undersecretary of State Welles indicated they would be held there indefinitely pending further developments.

What caused the Government to lift the embargo was not disclosed. In answer to questions, Secretary Hull said the decision had been reached after due consideration of all the pros and cons.

Chgo Home Borrowings Up

A seasonal upturn in April of 16.2% in dollar volume over March brought home-owner borrowings from all sources up to \$36,429,000 in Illinois and Wisconsin, the Federal Home Loan Bank of Chicago reported on June 20. This it is stated is more than was borrowed in five of the months in 1941 and greater than in any month of 1940. The demand for home owner funds was only 9.7% off from April, 1941.

New Cotton Exch. Members

At a meeting of the Board of Managers of the New York Cotton Exchange held on June 22, the following were elected to membership in the Exchange: A. C. T. Beasley, cotton merchant, of Memphis, Tenn., and Edward Elmont Aronson, cotton merchant, of Memphis, Tenn. Mr. Beasley and Mr. Aronson are members of the Memphis Cotton Exchange.

Yugoslav King Visits U. S.

King Peter II of Yugoslavia was officially welcomed in Washington on June 24 by President Roosevelt and was guest at a dinner in the White House in the evening. The 19-year-old King arrived in Washington on June 21 by airplane but was travelling incognito until the official program of his visit began. He conferred with the President and Prime Minister Churchill of Great Britain up to a late hour on June 24 discussing, it is intimated, lend-lease aid. On June 25 King Peter made brief addresses before the Senate and House pledging that his nation will strive for the four freedoms set down by President Roosevelt. The King on June 26 visited Walter Reed General Hospital in Washington where he met five wounded aviation heroes of the Pacific campaign. Later that day he visited the Red Cross headquarters, had dinner with Secretary of State Cordell Hull and made a special radio broadcast.

Following the conclusion of his stay in Washington, the King will be entertained in New York City. He later will inspect war production plants.

Cotton Penalty Rate Fixed

The Department of Agriculture announced on June 27 a preliminary cotton marketing quota penalty rate of 8 cents a pound for the 1942-43 marketing year. Under the terms of amendments to the Agricultural Adjustment Act of 1938, loans will be made by the Commodity Credit Corporation at 85% of the parity price on Aug. 1, the beginning of the marketing year. The Department added:

While the cotton loan rate will not be set until Aug. 1, early harvests necessitate an immediate estimate of the penalty rate for cotton marketed in excess of the farm marketing quota. Final marketing quota penalty and loan rates will be announced by the Department shortly after the start of the marketing year. Last year, the penalty rate was 7 cents a pound.

Fortas Nominated

President Roosevelt on June 18 nominated Abe Fortas of Tennessee to be Under-Secretary of the Interior, succeeding John J. Dempsey, whose resignation was accepted on June 17. Mr. Dempsey resigned in order to enter the race for the Governorship of New Mexico. Mr. Fortas is now Director of the Interior Department's Power Division and has been in Federal service since his graduation from Yale University in 1933.

Fly Renamed To FCC

President Roosevelt on June 15 nominated James Lawrence Fly for reappointment as a member of the Federal Communications Commission. Mr. Fly, who is Chairman of the FCC, was renamed for a term of seven years, from July 1, 1942. He also serves as Chairman of the Defense Communications Board.

Stettinius Added To BEW

Vice-President Henry A. Wallace announced on June 16 that, with the approval of the President, he had appointed Edward R. Stettinius, Jr., Lend-Lease Administrator, a member of the Board of Economic Warfare. Mr. Wallace is Chairman of the BEW. The other members are Secretaries Hull, Morgenthau, Stimson, Knox, Wickard and Jones, Attorney General Biddle, Donald M. Nelson, Chairman of the War Production Board, and Nelson A. Rockefeller, Coordinator of Inter-American Affairs.

Senate Bloc Opposes Export Of Silver

The Senate silver bloc is reported as opposed to Secretary of the Treasury Morgenthau's request for authority to send part of the country's silver stocks to other United Nations. According to an Associated Press Washington dispatch of June 20, Senator Pat McCarran (Dem., Nev.), designated as spokesman for Senators from States producing or interested in the metal, said the group had decided at a closed session that the Treasury "should retain its silver to back up our own currency." These advices further stated:

"We are perfectly willing that silver be used in this country for non-consumptive purposes," the Senator said.

Mr. Morgenthau, Commerce Secretary Jones and Chairman Donald Nelson of the War Production Board have urged legislation to permit use of Treasury silver to replace copper as a conductor of electricity in war plants, or its use in other operations where the metal might be reclaimed later.

Mr. McCarran said the silver Senators had opposed sending any Treasury silver stocks outside this country on the grounds it might be used later to debase the value of United States money.

"The nation with most of the world's gold and silver will be a powerful nation at the peace table that follows this war," he added.

Mr. McCarran said that England had asked for 2,500,000 ounces of silver monthly for an indefinite period and that Australia and some South American and Middle East nations, including Iran and Turkey, also had asked for silver.

Greek King Visits U. S.

King George II of Greece was greeted by President Roosevelt and high Government officials on June 10 upon his arrival in Washington. The King, who is accompanied by his Prime Minister, Emmanuel Tsouderos, landed earlier in the day at Baltimore in a Pan American clipper which had brought him part of the way from Cairo, Egypt.

Included in the formal reception group, besides the President and Mrs. Roosevelt, were Vice-President Wallace, Chief Justice Harland F. Stone, Senator Connally of Texas, Chairman of the Senate Foreign Relations Committee, and Representative Bloom, of New York, Chairman of the House Foreign Affairs Committee.

The King was guest of honor at a state dinner at the White House on June 10 and at a State Department dinner on June 11. The purpose of his talks with the President and Secretary of State Hull, it is understood, is to arrange for direct lend-lease shipments of American materials to Greek forces.

At a press conference on June 12, King George said that even though Greece is occupied by the enemy his country will fight on until a new world is established.

During his six-day stay in Washington the King visited Arlington National Cemetery, the Tomb of the Unknown Soldier, Mount Vernon, the headquarters of the American Red Cross, the U. S. Naval Academy at Annapolis and the Capitol.

On June 15 King George addressed both the Senate and House; in its account of this, the New York "Times" reported in part, as follows, from Washington, June 15:

Dressed in the uniform of a Field Marshal of the Army of Greece, the Hellenic monarch emphasized to both Houses of Congress his hope that the sufferings of this war would result

in a new and more equal order in which all nations would play their part in keeping the peace. "The preservation of freedom," he said, "is not the obligation of any single people in any one part of the world; it is an obligation of all peace-loving peoples throughout the world. This simple truth is the backbone of international understanding and the cornerstone for cooperation between free men in the world to come."

Decency and justice, King George said, must govern relations among peoples in the post-war world, but he emphasized that those who had brought this scourge upon the world must be made to pay for their crimes.

"Above all else," he said, "it is vital that those who have fought the battle of right be secured against invasion, and the wrongdoers — including those who either for ulterior motives or simply because of weakness permitted themselves to become tools of the Axis — be impressed that predatory policies do not pay."

Vice-President Wallace introduced the King to the Senate, after which he went to the House, where Speaker Rayburn and Representative McCormack, majority leader, paid tribute to him and his people. King George read the same speech before both Houses.

On June 13, King George made a special plane trip to New York City to review part of the "New York at War" parade. He flew back to Washington later in the same afternoon.

The King arrived in New York City from Washington on June 16 and received an official welcome from Mayor F. H. LaGuardia at City Hall on June 17. In the afternoon he visited Columbia University where an honorary degree of Doctor of Laws was conferred on him.

During the next few days King George was the guest at various dinners in his honor by the Greek War Relief Association, the Mayor and his official reception committee, the Council on Foreign Relations, the Overseas Press Club and the American Hellenic Educational Progressive Association.

On June 20 the King reviewed the Corps of Cadets at the U. S. Military Academy at West Point and on June 22 visited Independence Hall, Philadelphia. After an inspection tour of war factories in a number of cities, the King plans to travel to Canada and remain there several days.

Davis Assumes Duties As War Information Head

Elmer Davis, Director of the new Office of War Information, was sworn in on June 17 and established his office at the headquarters of the Office of Facts and Figures, one of the merged bureaus. Mr. Davis first conferred with staff members of the OFF and then paid calls on Secretary of War Stimson and Secretary of the Navy Knox. He had luncheon with Vice-President Wallace and then visited the Bureau of the Budget, where he took the oath of office.

On the same day (June 17), the White House announced the appointment of Milton S. Eisenhower as Deputy Director of the OWI, to serve as administrative officer under Mr. Davis. Mr. Eisenhower is said to have drafted the Budget Bureau plan for consolidating into one new agency the information functions of the Government—foreign and domestic. He is a former land use coordinator of the Department of Agriculture and since last March has been directing the War Relocation Authority, providing a program for those persons removed from designated military areas in the interests of national security.

Merging of the information bureaus was reported in these columns June 18, page 2308.

Treasury Seeks New Billions In July, Aug.

Secretary of the Treasury Morgenthau announced on June 22 that the Treasury will have to borrow between \$3,750,000,000 and \$4,500,000,000 of "new money" in July and August. In addition, Secretary Morgenthau told his press conference the Treasury will continue to issue weekly \$300,000,000 of Treasury bills.

During May and June the Treasury borrowed slightly more than \$4,000,000,000 in "new money."

Mr. Morgenthau indicated on June 22 that the financing plans for July and August will be similar to those used recently. In May the Treasury sold \$1,292,444,100 of 2% bonds of 1949-51 and \$882,078,700 of 2½% registered bonds (so-called "tap" issue) and in June it offered \$1,500,000,000 of 5% certificates of indebtedness of Series A-1943. These amounts were supplemented by the sale of \$634,537,000 of War Savings Bonds and of about \$355,000,000 of Treasury tax anticipation notes and increased bill offerings in May.

Pipeline, Barge Canal Approved For Florida

Reversing its previous action, the House on June 17 passed and sent to the Senate a bill authorizing the construction of one or more pipelines across Florida and a barge canal. This action came on a voice vote after the House had rejected a motion to recommit the legislation to the Rivers and Harbors Committee and eliminate the barge canal. In Associated Press accounts from Washington June 17 it was stated:

The House action followed approval by Petroleum Coordinator Harold L. Ickes of the construction of an eight-inch pipe line to carry oil across Florida from the Gulf of Mexico to Jacksonville.

Some informed Congressional quarters said that legislation would not be necessary to build the Florida line, under the terms outlined by Mr. Ickes. Nevertheless, the House went ahead with its plans to consider the bill, which would give President Roosevelt authority to approve the new conduit.

The measure passed on a voice vote after two attempts to eliminate the barge canal had been defeated and an amendment authorizing construction of the pipe line from Tinsley, Miss., to the Savannah-Charleston, S. C., area had been accepted.

Speaker Rayburn, Democrat, Texas, announced that a move to recommit the bill to the Rivers and Harbors Committee with instructions to eliminate the barge canal was defeated, 205 to 134. On an earlier teller vote, the membership voted down, 142 to 124, an amendment by Representative Dondero, Republican, Michigan, to eliminate everything from the bill but the Florida pipe line at an authorized cost of \$10,000,000.

On June 1, the House refused to pass the same bill under procedure requiring a two-thirds vote.

In rejecting the bill on June 1, the House heeded warnings of opponents that it was the opening wedge in a new drive for construction of the controversial Florida ship canal.

Approval by Mr. Ickes of the 220-mile pipe line across northern Florida marked the second time within a week that the Administration had acted to increase the flow of vitally needed gasoline and fuel oil into the eastern seaboard area. Officials estimated the line could be laid at a minimum cost of \$3,500,000.

Just a week ago today, the

War Production Board approved immediate construction of a 24-inch steel conduit from Longview, Tex., to Mount Vernon, Ind. The 550-mile line would deliver 300,000 barrels of oil daily at Mount Vernon, from where much of it would be transported by tank cars, barges and Great Lakes carriers to the Eastern seaboard.

The Florida pipe-line bill, passed by the House on June 17, is designed to relieve the Eastern oil and gasoline shortage; the estimated cost of the projects is \$93,000,000. The bill also provides for enlargement and improvement of the Gulf and Atlantic inter-coastal waterways and its extension to the Mexican border.

The refusal of the House on June 1 to authorize the projects was reported in these columns June 11, page 2213.

Returns To England

Oliver Lyttelton, British Minister of Production, returned to England by airplane on June 21 after a three weeks' visit in the United States. The object of his trip here was the "integration" of British war production with that of the United States through establishment of a joint production agency. Setting up of the Combined Production and Resources Board was announced in Washington on June 9 with Mr. Lyttelton as British member, and Donald M. Nelson, War Production Board Chairman, as the American representative (referred to in these columns of June 11, page 2202).

Since the Board will operate in Washington, Mr. Lyttelton will name a deputy to represent him.

Mr. Lyttelton said in London on June 24 that the United States' war production has passed that of Britain "forty or fifty days before we thought it would," according to Associated Press London advices, which further said:

He told a press conference that the production of airplanes in the United States and Britain exceeded by a substantial margin the total aircraft output of Germany, Italy and Japan.

He said that Britain would reach her production limit in a few months, but that there was no limit to American production except availability of raw materials.

Reduced WPA Fund Voted By Congress

Legislative action on the bill appropriating \$280,000,000 for the 1943 fiscal year operations of the Work Projects Administration was completed on June 30 when the Senate adopted the conference report. The House had approved it on June 29. The bill also re-appropriates \$56,000,000 which are unobligated from last year's appropriations, making a total of \$336,000,000 available to permit an average monthly employment of 400,000 persons on WPA projects.

For the 1942 fiscal year there was \$875,000,000 appropriated for the WPA, with average employment at 1,000,000 persons.

President Roosevelt estimated in January that \$465,000,000 would be required but reduced this figure by \$185,000,000 on May 25 in view of the fact that many on the WPA rolls had obtained war work. (Referred to in these columns May 23, page 2037.)

The House originally passed the bill on June 11 by a vote of 279 to 52 and the Senate on June 25 by a voice vote. The measures were then sent to conference for adjustment of differences.

Before the House took final action on the appropriation measure on June 11 it defeated several motions to drastically curtail WPA activities.

By a record vote of 184 to 133 the House defeated a motion by Representative Mav (Dem., Ky.), Chairman of the Military Affairs

Committee, to force the WPA to first obtain the approval of the Secretary of the War or Navy or the Maritime Commission Chairman before starting any new projects. This proposal was first approved by a teller vote of 101 to 84 but was later rejected.

Another motion by Representative Taber (Rep., N. Y.) to recommit the bill in order to reduce the total funds to \$225,000,000 and to turn the administration of relief over to the States was defeated by a 184 to 139 vote.

Senator Taft, in recording in the Senate on June 25 his "opposition to any appropriation for WPA because any able man can find other more necessary work," is reported as stating that "the only way to get these men into war work is to stop WPA funds. There are many farmers, for example, who are unable to get manpower to harvest crops."

N. Y. War Bond Pledge Campaign Closes

The War Bond Pledge Campaign in Greater New York was officially ended on June 28 with the goal of 2,000,000 signed pledges said to be achieved. However some of the 200,000 "Minute Men" continued the drive in order to complete their assignments. When final tabulations are completed it is expected that pledges to invest in war bonds and stamps will exceed the \$1,900,000,000 mark, which is the city's quota in the \$12,000,000,000 national war savings quota. The campaign was launched on June 15 and was originally scheduled to close on June 24, but had been extended through June 28 in order to permit complete coverage of all the boroughs. John T. Madden, chairman of the drive, announced on June 22 that 98% of the homes visited had yielded at least one pledge. He added that between 60 and 65% of the homes in the city had been visited. The Treasury has requested all workers to invest 10% of their average income in war bonds and stamps for the duration of the war.

Previous reference to the drive was made in these columns of June 11, page 2218.

Argentine Representative To Be At Bank Conference

Argentina has accepted the invitation extended by the Inter-American Financial and Economic Advisory Committee to participate in a conference at Washington, according to word received in New York by the Argentine Information Bureau. The conference will commence on June 30 and will discuss hemisphere financial and economic procedure as recommended by the Rio de Janeiro conference. Argentina has nominated Dr. Edmundo Gagneux, sub-general manager of the Argentine Central Bank to attend the Washington conference, and he will be accompanied in an advisory capacity by Eduardo Grumbach, foreign exchange manager of the Central Bank and by Jose J. Brignoli.

It is expected that representatives from all the American Republics will be in attendance at the conference which will be in session for around 10 days. Previous reference to the meeting appeared in these columns June 4, page 2126.

Ramspeck Dem. Whip

Representative Ramspeck (Democrat) of Georgia, has been appointed majority whip of the House by Representative McCormack of Massachusetts, the majority leader. He succeeds the late Representative Boland of Pennsylvania. Mr. Ramspeck is Chairman of the House Civil Service Committee and ranking majority member of the House Labor Committee. Representative Boland's death occurred on May 18.

Aluminum Scrap Drive Far Below Expectation

The aluminum scrap campaign undertaken last summer made a "disappointing showing" in that the amount collected only reached 42½% of the total expected. In a report on the drive, the Bureau of Industrial Conservation of the War Production Board on June 19 said that the principal reasons for the failure to reach better results were that the Office of Civilian Defense undertook the campaign without adequate preparation and without the cooperation of dealers, who were not included in the program. Regarding the results disclosed in the report, the Associated Press advices from Washington June 19 said:

The report, it was understood, showed that a total of about 11,200,000 pounds of aluminum and other scrap was collected—compared with the 20,000,000 pounds which had been predicted. Of this scrap, only 6,400,000 pounds was in the form of aluminum, contrasted with a 15,000,000 pound forecast.

Pointing out that only 57.4% of the total scrap collected, was in the form of aluminum, an account of the report from Washington to the New York "Times" June 19 had the following to say:

The remainder was largely scrap iron with smaller quantities of copper, brass, pewter and other materials present. Actually, therefore, the amount of aluminum collected was only 42½% of the amount desired.

The reasons for this disappointing showing are not difficult to discern. The collection was undertaken by the Office of Civilian Defense without adequate preparation and without the cooperation of the dealers, who were left entirely out of the program. Also, the expected results were based on two sample drives of an intensive nature and should not have been regarded as typical.

The delay in the shipment of aluminum scrap from the various concentration points to the plants of the smelters can be traced in large measure to the by-passing of dealers, since adequate facilities for cleaning, sorting and treating aluminum scrap were not available and smelters had to undertake this work themselves although they were not set up to do the job. Other causes for the delay were: Lack of adequate transportation facilities, failure on the part of local authorities to assume obligation in locating the scrap material, the failure on the part of local chairmen to notify us of the completion of their collection and the tendency of some smelters to delay the smelting of their aluminum scrap in the interest of their regular business.

Several important lessons were learned from this campaign. The most obvious one, of course, was the impracticability of eliminating the dealers from any large-scale scrap collection campaign. Also it became apparent that considerable planning is necessary before a campaign of this kind is undertaken since most of the participants are not trained workers.

1943 Wheat Allotment

Secretary of Agriculture Claude R. Wickard on June 17 announced a 55,000,000-acre 1943 national wheat allotment, the minimum under the law, but asked wheat producers whose lands and equipment are suitable for growing other crops, needed more urgently in the war effort, to hold this land for those crops rather than plant it to wheat this fall. Announcement of the wheat allotment, which is the same as the national allotment in 1942, is the first important determination affecting farming operations for

1943, the Department points out. Goals and allotments for other farm crops will be determined later. Wheat farmers, however, it states, will soon begin plans for winter wheat seeding.

The Department's announcement further said:

The national wheat allotment will be allocated among the States as in previous years. In areas where more urgently needed crops can be grown successfully, the war production plans to be worked out for individual farms will call for a wheat acreage substantially less than the allotment. In areas where wheat produces more feed grain per acre than other crops, however, farmers will be encouraged to plant their full allotment. In view of transportation and storage difficulties and continued need for livestock and dairy products, growers in areas where wheat is produced are urged to plan now to use as much wheat as possible for livestock feed.

"America will be going into the 1943 crop year with approximately a two-years' wheat supply," the Secretary said. "Consequently, even with relatively low yields, the 55,000,000-acre allotment will result in supplies well above any probable emergency. Domestic food requirements of 500,000,000 bushels could be produced on 40,000,000 acres." Mr. Wickard added:

By helping farmers direct their production to needed crops, the wheat allotment is an integral part of agriculture's wartime program for 1943. The AAA committeemen will work out with each grower a war production plan that will enable him and his farm to make the maximum contribution to the war effort. Growers who carry out such plans will be in a position to benefit from such price supporting measures, loans, crop insurance, and conservation payments as may be offered under the program.

Treasury Warns Of Axis-Origin Dollars

The Treasury on June 17 announced, in line with its freezing control policy of prohibiting the importation into the United States of Axis-tainted dollars, the first serial numbers of currency en route believed to be of German origin. Officials said that similar information will be released from time to time with respect to any such currency which was known to have infiltrated into Latin America. In its announcement, the Foreign Funds Control Division of the Treasury Department said that a large amount of United States currency, a part of which is destined for Cuba, is known recently to have reached the Dominican Republic. This currency was brought into the Dominican Republic on a Spanish vessel, and there is good reason to believe that such currency is of Axis origin. The announcement further said in part:

"It was further stated that the serial numbers of such currency had been obtained, and that there was a presumption that such currency would not be licensed for release in the United States under any circumstances.

"The Treasury's enforcement officials have been instructed to seize any of this currency if any attempt is made to bring it into the United States. Banks and other institutions have been encouraged immediately to inform Treasury officials if they should, at any time, discover the presence of any such currency in this country.

"Strict measures will be taken against anyone who is found to have brought such currency into this country in violation of our laws, the Department's officers said."

Complete Action On Aid Service Men's Dependents

The bill providing financial aid for dependents of men in the armed forces and also permitting deferments of married men from military service was sent to President Roosevelt on June 16.

Final Congressional action on the measure came on June 16 when the House adopted the conference report which the Senate had approved on June 15. The bill originally passed the Senate on June 4 and the House on June 8. Its signing by the President was announced June 24.

Under the basic section of the bill, the dependents of the men in the four lowest ranks of the Army, Navy, Marines and Coast Guardsmen are to receive allotments for their support. Deductions taken from the men's pay would be supplemented by Federal allowances.

The second section of the bill revises the Selective Service Act. As to this Associated Press accounts from Washington June 15 stated:

That provision amends the Selective Service Act. As the act now stands, a man's wife and children are not reasons for his deferment unless they are actually dependent on his earnings for their livelihood. A working wife, who earns her own living, is not, for instance, presently a cause for deferment, but under the pending measure a draft board could take into consideration the undesirability of breaking up a home.

Senator Edwin C. Johnson, Democrat, of Colorado, author of the measure, said he had been assured by selective service headquarters that the machinery would be set up in the local boards to see to it that men with wives and children would not be called into the service while single men were available.

Explaining the allotment section for financial aid to dependents, the Associated Press reports:

The bill defines two groups of dependents, class A and class B. In the former are wives and children and former wives entitled to alimony; in the latter are parents, brothers, sisters and grandchildren.

Where a service man has class A dependents, the deductions from his pay for their benefit are mandatory and amount to \$22 a month. To this the Government would add \$28 for a wife, \$40 for a wife and one child, and \$20 for a child but no wife, and \$10 for each additional child.

Deductions for class B dependents would be optional with the service man and would amount to \$22 monthly if there were no class A dependents and \$5 monthly if there were class A dependents.

The Federal payments to class B dependents would be \$15 for one parent, \$25 for two parents, and \$5 for each brother, sister or grandchild designated for aid.

The payments are effective as of June 1 but first payments, including accruals from June 1, are not payable until Nov. 1.

Alaska War Council

President Roosevelt in an Executive Order dated June 11 authorized the creation of an Alaska War Council, headed by Governor Ernest Gruening of Alaska. The President said the action had been taken for the purposes of "(a) promoting the safety of the citizens of the Territory of Alaska and of the entire North American continent; (b) securing the more effective and more efficient administration by the President of his powers as Commander-in-Chief of the Army and Navy as President, and (c) facilitating co-

ordination of Federal civil policies, plans and activities of the military authorities responsible for the defense of the Territory."

The other members of the Alaska War Council are the ex-officio Commissioners for Alaska designated by the Secretaries of the Interior, Agriculture and Commerce, designated officials of the Federal Security Administration and the Federal Works Administration, a representative of the Attorney General, and a resident of Alaska to be elected by the Council itself.

The Executive Order provides that:

It shall be the duty of the Council, and of the said special representatives with regard to programs and progress in their respective fields of activity, to maintain close liaison with the military authorities in Alaska to the end that for the duration of the war the conduct of Federal civil activities shall be brought into closest possible conformity with military requirements.

The Council will have authority under the Executive Order to "make such recommendations to the military and other Federal authorities as it deems desirable relative to coordination of Federal civil activities with the military program and relative to the safety and security of the civilian population of Alaska."

Cotton Spinning Industry for May 1942

The Bureau of the Census announced on June 19, that according to preliminary figures 24,061,836 cotton spinning spindles were in place in the United States on May 31, 1942, of which 23,120,666 were operated at some time during the month, compared with 23,100,202 for April, 23,053,479 for March, 23,077,722 for February, 23,077,352 for January, 23,063,112 for December, and 23,004,082 for May 1941.

The aggregate number of active spindle hours reported for the month was 11,192,738,078. Based on an activity of 80 hours per week, the cotton spindles in the United States were operated during May 1942 at 138.4% capacity. This percentage compares, on the same basis, with 135.3 for April, 134.3 for March, 135.9 for February, 136.9 for January, 124.0 for December, and 121.7 for May 1941. The average number of active spindle hours per spindle in place for the month was 465.

President Lauds States For Aid In War Effort

President Roosevelt, in a message to the National Conference of Governors in session at Asheville, N. C., said on June 22 that the peoples of this world will determine "by their work, by their sacrifices and through the instrumentalities of their armed forces whether generations to come shall live and work as free men or slave states."

The President's message follows:

My dear Governors: The Governors' conference meets this year at a most critical period in the history of our United States. Last year your conference dealt almost exclusively with problems of defense, a defense program which we all hoped would keep this country of ours out of the maelstrom of world-wide war, but at the same time prepare us for anything that might happen in a world torn loose from its moorings.

Despite our efforts, however, we are in—all in—a war which in its very nature is a supreme struggle for survival. Within the days and months to come the peoples of this world will determine by their work, by their sacrifices, and through the instrumentalities of their armed

forces whether generations to come shall live and work as free men or slave states.

The States have been in the forefront of our war effort; they have perfected the organization of their defense councils to handle all civilian defense activities; they have established and operated a selective service system which has met with universal approval; they have set up machinery covering every community throughout the country for rationing and price control and, in co-operation with the war agencies of the Federal government, recently they have eliminated many impediments which were hampering the war effort.

I wish to take this opportunity not only to express my appreciation, and that of the nation, to the Governors of the several States for the aid and assistance which they have contributed during these trying times, but to express my unwavering confidence that the nation, the States, the counties and the municipalities all composed of the same people—Americans—will press on to victory.

Very sincerely yours,
FRANKLIN D. ROOSEVELT.

Candy Stressed as Food

That candy will continue to hold its place as an important low cost food item in the American diet in 1942 was brought out by representatives of the industry and the government at the 59th annual convention of the National Confectioners' Association held in New York from June 8 through June 11. War mobilization of the candy industry to meet wartime needs was discussed in the convention's business sessions with special emphasis placed on the problems of food materials and supplies and on the possible conversion of food plants to war work. Commenting on the present state of the candy industry, Philip P. Gott, President of the Association, said that sales of confectionery and chocolate products in the nation were up 36% during April compared with the same month last year, but estimated that this increase would not continue for the year in view of material shortages. The large increases to date, he said, was from the sale of product manufactured from inventories on hand.

The problems of the candy industry in securing agricultural products were dealt with in an open Raw Materials Forum at which Ellsworth Bunker, President of the National Sugar Refining Co., expressed the belief that present supplies of sugar were ample to take care of 1942 needs. Others participating in the discussion pointed out that the most serious problems of the candy industry today center on the shortages of coconut oil and cocoa.

Post At Steel Bldg. Inst.

Due to the increasing problems facing the industry, produced by the war and likely to be intensified by the peace, and in view of the resulting increase in work imposed upon the American Institute of Steel Construction, the Board of Directors of this organization have decided to create the position of manager and have engaged L. Abbott Post of New York to fill the office. It is announced that this appointment does not otherwise alter the staff of the institute in personnel or functions, all of which are continued. Mr. Post will have his duties assigned him by the Board of Directors and the Executive Vice-President. During the past year he has been attached to the Construction Branch, Production Division, of the War Production Board, in Washington.

Realtors, Lawyers Form Conference Group

Formation of a National Conference, consisting of representatives of the American Bar Association and of the National Association of Real Estate Boards was announced on June 13. The governing boards of both organizations have approved a resolution that it is in the interests of the public that realtors do not engage in the practice of law and lawyers do not engage in the real estate business, and that the National Conference should be organized to adopt and implement statements of principle defining the proper field of activity for each group. In its announcement the Association of Real Estate Boards says:

The National Conference will consist of five lawyers and five realtors. Among its other activities it is to engage in the common effort to simplify laws and procedure governing real estate transactions and to reduce the cost thereof, to eliminate detrimental practices by either group, to consider any controversies which may be referred to it by either realtors or lawyers, to try to be of assistance in an advisory capacity to State and local Bar Associations and Real Estate Boards in the settlement of controversies and misunderstandings.

The action by the two Associations followed a joint meeting held on May 5, 1942, at Memphis between the committee on unauthorized practice of law of the American Bar Association, of which Edwin M. Otterbourg, of New York, is Chairman, and David B. Simpson, Portland, Oregon, President of the National Association of Real Estate Boards, Herbert U. Nelson, Chicago, its Executive Vice-President, and Clifford W. McKibbin, Lansing, Michigan, Chairman of its Committee on Legal Rights.

The National Conference is founded upon a recognition of the importance to the public both of competent disinterested legal advice in real estate matters and of expert real estate service by skilled and experienced brokers. Organization of the Conference will not in any way interfere with local agreements now existing between local Real Estate Boards and local Bar Associations, officers of the two groups point out. The Conference hopes to serve in an advisory capacity whenever called upon by Bar Associations or Real Estate Boards in matters with which both are concerned.

Plan Conservation Of N. Y. Transportation

Governor Herbert H. Lehman and Carroll E. Mealey, Commissioner of Taxation and Finance and Chairman of the War Transportation Committee, announced on June 16 the major points of a broad new transportation conservation program which is designed to assure the people of New York State adequate and comfortable transportation for the duration of the war. Gov. Lehman and Commissioner Mealey, speaking over a State-wide net work of the Columbia Broadcasting System, appealed to the people to cooperate with the newly established State War Transportation Committee, and local war transportation committees which are to be appointed immediately, in a united plan to reorganize existing facilities. Mr. Lehman said:

We are going ahead with a rational and adequate program to assure transportation so far as possible for the people of New York State. We are proud that our State has always led in having the best obtainable

transportation. Our goal is to continue to hold that leadership for the duration of this war. In that determination I ask your wholehearted, militant and willing support.

Both Gov. Lehman and Commissioner Mealey specifically promised the public that transportation problems would be studied and solved according to local needs and pledged that in requesting public cooperation as each step is initiated the people would not only be told what they should do but also why. Commissioner Mealey, listing eight major steps which must be taken to assure transportation throughout the war, declared that while the first job must be to get war workers to and from their plants, the conservation program gives full consideration to the needs of business and industry generally and even to recreational requirements.

Conservation of tires, gasoline and vehicles; improvement of mass transportation facilities, and widespread staggering of working hours are three of the primary steps listed by Commissioner Mealey as essential if the people of New York State are to have convenient and comfortable transportation for the duration.

Housing & Aviation Post-War Prospects

For the first time in American history it is claimed building is undergoing a real national mobilization and the new techniques and construction methods being developed in the war program are already so pronounced that it begins to appear that new housing and an expanded commercial aviation industry will emerge as the two greatest employers of workers in the immediate post-war period. A statement to this effect was made by Frederick P. Champ, President of the Mortgage Bankers Association of America in Milwaukee on June 16. Mr. Champ spoke before a joint noon meeting of the Milwaukee Mortgage Bankers Association and the Milwaukee Real Estate Board. Mr. Champ said that new methods and new techniques being developed in building war housing are cutting new patterns for new building in the future and added that he felt many of these innovations will work wonders in future new construction. The war has made many changes possible which a few years ago seemed insurmountable. Mr. Champ added:

Business is gearing its activities to the war effort and if any business activity hampers that effort, it should—and is—being stopped. Every person and organization interested in housing and real estate development must re-examine and re-appraise their procedures to meet wartime conditions.

In this national crisis—unprecedented in its grim possibilities and potentialities—there is absolutely no acceptable middle ground for usual business conduct in any field. In subjecting ourselves to rigid self-discipline in a whole-hearted effort to do all we can to help win the war, we as real estate men, builders and mortgage lenders have every right to ask similar self-discipline on the part of those who would use the war emergency to push legislative programs that have nothing to do with the war.

Legislation with long-term social implications has no place in the war picture nor do appropriations which burden the national treasury with subsidies for peace time pursuits. Citizens and business men have a right to expect full team-work from legislators and Federal agencies in this crisis.

Reed Urges Govt. To Aid Small Business

Philip D. Reed, chief of the Bureau of Industrial Branches of the War Production Board, on June 10 urged the Federal Government to spend \$200,000,000 annually to keep 24,000 small manufacturing plants in business.

Speaking at graduation exercises of the Polytechnic Institute of Brooklyn, where he received an honorary degree, Mr. Reed, who is Chairman of the General Electric Co., said that the 24,000 plants have no part in the war production program and could not continue because of a lack of materials. He added that a WPB survey showed they would be forced to shut down by October.

"The future of thousands of small communities is dependent upon the existence of these private plants," Mr. Reed asserted, "and if they cannot be preserved during the war and revived when it is over, a tremendous and imponderable change will occur in the structure of the social and economic life of America."

According to the Associated Press, Mr. Reed said one suggested remedy is creation of a Government agency to:

Defray, during the period of enforced shutdown, the minimum fixed charges and maintenance costs of those plants which have been or will be closed.

Make loans at favorable interest rates to those plants which, although not completely closed down as a result of war production orders, are unable to operate at a profitable level.

Make loans, up to the fair value of frozen inventories, to those plants which have not unreasonable inventories of fully or semi-fabricated parts that cannot be finished and assembled into completed products without additional amounts of critical raw materials, and which are in need of and unable to obtain financial assistance.

May Second Largest Construction Month

The volume of construction contracts awarded last month was the second largest on record, having been exceeded only in August, 1941. The May total of building and engineering contracts let in the 37 Eastern States was \$673,517,000, according to a statement released by the F. W. Dodge Corporation on June 13th. This was 35% greater than the total for the preceding month and 23% greater than the total for May, 1941.

Since the large May volume represented principally war construction, it was natural that non-residential building and heavy engineering work should predominate. Non-residential building contracts amounted last month to \$297,885,000, compared with \$234,939,000 in the preceding month and with \$202,492,000 in May of last year. Heavy engineering contracts (public works and utilities) reached a total of \$227,668,000 last month, compared with \$101,706,000 in April and with \$144,934,000 in May of last year. Residential building contracts (including army and war-worker barracks along with the other usual types of housing) amounted to \$147,964,000 last month, compared with \$162,097,000 in April and \$201,274,000 in May, 1941.

The cumulative total of construction contracts for the first five months of this year, \$2,533,461,000, represents a 26% increase over the corresponding period of 1941. Other five-month comparisons are as follows: Non-residential building, 40% over 1941; residential building, nearly 8% over 1941; heavy engineering construction, 32% over last year.

Inflation Must Be Curbed On All Fronts

At a luncheon meeting of the Kiwanis Club in Philadelphia on June 16, C. A. Sienkiewicz, Vice-President of Federal Reserve Bank of Philadelphia, declared that an attack on inflation must be made on all the basic fronts, and that every one must fully participate in the effort to curb it. These basic fronts, said the Philadelphia "Inquirer," he listed as heavy taxation, control of prices, stabilization of wage rates, rationing of essential commodities, the widest distribution possible of War Savings Bonds and other Treasury securities among investors other than commercial banks, and control of consumer credit. The "Inquirer" further reports Mr. Sienkiewicz's remarks as follows:

He said an important part of the program is the cutting down of instalment and credit buying and the encouragement of the paying of debts. This, he said, would build up a backlog of demand through current saving for the post-war period when vast public expenditures are curtailed.

"All the inconveniences, discomforts and hardships are but pin pricks in the face of the grave peril confronting us," Mr. Sienkiewicz added.

"Obviously, controls such as we are facing will disturb the even tenor of the traditional pattern of living, as they are disturbing it in Great Britain and Canada. Compulsions are always distasteful in a democracy, but the hopeful fact is that, unlike totalitarian countries, they may be withdrawn when victory is achieved."

In view of the size of the United States war financing program, the Federal Reserve official told the group it is essential that as much as possible of the needed funds should come out of taxes.

"It is also imperative," he continued, "that as much borrowing as possible should come out of current income. This means the maximum purchase of War Savings Bonds by every one of us, if ruinous inflation is to be avoided or minimized. The resort to bank credit expansion increases buying power, which is already large, in the face of a shrinking supply of goods available for purchase. This tends to aggravate the upward spiral of prices and costs."

Hails New AEF Newspaper

President Roosevelt, in a message written for the first issue of "Yank," the new official Army newspaper, sent greetings to the "fighting men of our armed forces overseas" and said "you are not only fighting for your country and your people—you are, in the larger sense, delegates of freedom."

"Yank" is edited and published by enlisted men for the Army overseas and will not be distributed in this country. The initial issue appeared at a dinner in New York City on June 13 given the staff of "Yank" by the staff of its predecessor of the first World War, the Stars and Stripes.

Mr. Roosevelt's message follows: To you fighting men of our armed forces overseas your Commander-in-Chief sends greetings in this, the first issue of your own newspaper.

In "Yank" you have established a publication which cannot be understood by your enemies. It is inconceivable to them that a soldier should be allowed to express his own thoughts. It is inconceivable to them that any soldiers—or any citizens, for that matter—should have thoughts other than those dictated by their leaders.

But here is the evidence that you have your own ideas, and

the intelligence and the humor and the freedom to express them. Every one of you has an individual mission in this war—this greatest and most decisive of all wars. You are not only fighting for your country and your people—you are, in the larger sense, delegates of freedom.

Upon you, and upon your comrades in arms of all the United Nations, depend the lives and liberties of all the human race. You bear with you the hopes of all the millions who have suffered under the oppression of the war lords of Germany and Japan. You bear with you the highest aspirations of mankind for a life of peace and decency under God.

All of you well know your own personal stakes in this war: Your homes, your families, your free schools, your free churches, the thousand and one simple, homely little virtues which Americans fought to establish, and which Americans have fought to protect, and which Americans today are fighting to extend and perpetuate throughout this earth.

I hope that for you men of our armed forces this paper will be a link with your families and your friends. As your Commander-in-Chief, I look forward myself to reading "Yank"—every issue of it—from cover to cover.

Rail Brotherhood Gives \$75,000 For War Effort

The Brotherhood of Railroad Trainmen, through its President, A. F. Whitney, on June 17 presented a check for \$75,000 to Secretary of the Treasury Morgenthau to aid America's war effort, according to a Treasury announcement, which said:

"The money was contributed voluntarily by members of the Brotherhood to be used toward the purchase of an Army bomber which, they hope, will blast Tokyo or Berlin, or be successful in sprinkling iron daisies on the man that everybody hates."

"The Brotherhood is an international organization, representing railroad men on all divisions of all railroads in the United States, Canada and Newfoundland. It has invested already more than \$17,000,000 in Government securities.

"The international convention, scheduled to take place in 1943, has been abandoned, and the \$1,000,000 which would have been spent to conduct it will be invested in War Bonds at the express wish of Brotherhood members."

Sea War Power Extended

President Roosevelt signed on June 16 an omnibus measure extending all wartime emergency maritime powers for the duration of the war and six months thereafter. According to Associated Press advices of June 17, we quote:

"Congressional committees were told that the broad authority over merchant ships was vital to the wartime program for ship construction and control of ocean shipping. The acts are administered by the Maritime Commission and the Administrator of War Shipping.

"Among the numerous powers extended were authority to enforce priorities on all ocean shipping and port facilities; to charter, purchase or requisition any idle foreign shipping in ports of this country; to negotiate for charter or construction of ships without competitive bidding; to determine subsidies, hours of labor and overtime wages on ships, and to dispose of charter vessels under terms of lease-lend or other acts."

President Praises Wagner And Brandeis

President Roosevelt on June 17 praised the contributions to the American way of life made by the late Justice Louis D. Brandeis, of the United States Supreme Court, and Senator Robert F. Wagner of New York. The President expressed these views in a message sent to the testimonial dinner tendered on June 17 to Senator Wagner for his work in connection with the campaign to perpetuate the name of Mr. Brandeis by the establishment of a refugee colony in Palestine.

Isidore Nagler, Vice-President of the International Ladies' Garment Workers' Union, as Chairman of the National Committee arranging the function, released the text of the President's letter which follows:

June 13, 1942.

My dear Mr. Nagler:

I am pleased to learn from your letter of June 2 that a testimonial dinner will be tendered in New York on June 17 to Senator Robert F. Wagner in connection with a campaign to perpetuate the name of Louis D. Brandeis, late Justice of the United States Supreme Court, by the establishment of a refugee colony.

In sending my personal greetings to those present on this occasion, I hardly need to remind them that both of these eminent names are and will remain associated with the great endeavor to safeguard our free democracy. Their achievements, like those of thousands upon thousands of our fellow citizens, who, each according to his ability, have built this great Nation, are now threatened by the Axis aggressors. At this moment it is entirely appropriate that we pause, and in our own minds compare the character of the contributions made by the organizers of the so-called new order which grips Europe temporarily, with the character of the contributions to the American way of life made by Justice Brandeis, which most regrettably have come to an end; and those which have been made, and I am happy to say, are continuing to be made, by Senator Wagner.

The humanitarian object of this gathering has my deep sympathy.

Very sincerely yours,
FRANKLIN D. ROOSEVELT.

Report Of Church Pension Fund

Reporting assets of \$35,650,000 and current pension benefits of \$1,390,000 a year, the 24th annual report of the Church Pension Fund of the Protestant Episcopal Church, issued on June 22, stresses the difficulties now being experienced by charitable institutions in respect to interest earnings on their invested assets. In a supplementary report, issued in conjunction with the regular annual report, Bishop Cameron J. Davis, President of the Fund, announces that the Trustees, at a recent special meeting on May 26, adopted a more cautious program of extra benefits beyond those originally promised, pointing out that the Fund is now paying total benefits which exceed the original plan by more than \$354,000 a year. In a special letter to all of the clergy of the Protestant Episcopal Church, Bishop Davis says:

It was because of fortunate conditions in the financial world and careful management that the Trustees were able to go far beyond the basic promises of the Fund in the extra benefits which they have paid to beneficiaries. Today investment conditions have changed, and the low rate of interest paid

by high grade investments makes it necessary to reduce somewhat the program of extra benefits for future beneficiaries in order that the Trustees may fulfill their fundamental responsibility to safeguard the basic obligations of the Fund and to preserve its excellent financial condition.

He makes clear, however, that no existing pension is to be reduced and that the recent action taken by the Trustees refers only to future grants. The Fund now has about 2,500 beneficiaries and during the year 1941 it granted new pensions in the total amount of \$122,208 a year.

Further advices regarding the Fund state in part:

J. P. Morgan, reporting as Treasurer of the Church Pension Fund in which office he has served continuously for over 25 years, gives a detailed list of the investments and points out, in a footnote to the balance sheet, that the market value of the invested assets exceeds their book value by over a million dollars. Commenting upon the excellent investment position of the Fund, the report states that "the Trustees do not feel justified in sacrificing the present high-grade quality of the Fund's investment portfolio in an effort to increase the investment income at the risk of impairing security of principal, particularly under present conditions." Of the Fund's total investments, over 27% are in United States Government securities.

In his report as Executive Vice-President, Bradford B. Locke points out that the assets of the Fund increased by approximately \$600,000 during the course of the past year but that its liabilities, which are calculated on a full actuarial reserve basis, increased by approximately the same amount, leaving a surplus of \$2,504,217 at the end of 1941.

The report, in summarizing the results of the first quarter century of its existence, points out that the assets have grown from an initial reserve of \$8,750,000 in 1917 to \$35,650,000 at the end of 1941 and that in the meantime the Fund has paid out over \$21,000,000 in pension benefits to clergymen and to their widows and minor orphans.

N. Y. Factory Employmt. Continued High In May

Although the factories of New York State employed about the same number of workers in May as in April, the constitution of the labor force changed considerably during the month, according to a statement issued on June 13 by Industrial Commissioner Frieda S. Miller. The hiring during the month of thousands of additional workers by war plants was counterbalanced by the release of many workers by plants making civilian goods. The Commissioner likewise says:

A small number of large firms in the transportation equipment, ordnance, instrument and electrical goods industries continued to expand their production of war supplies. In the silverware, rubber and silk and rayon goods industries, several firms rehired a portion of the workers that had recently been laid off. Seasonal gains were reported by the beverage, fur goods and construction material industries. The great majority of other industries reported layoffs. The largest losses, reported by apparel plants; were caused by seasonal factors, usual in May. Sizable layoffs were reported by metal plants manufacturing tin cans, razors, heating apparatus, radios, agricultural machinery, castings, etc., as metal supplies for civilian use were curtailed

sharply. Textile plants, making carpets and rugs and other woolen fabrics also laid off many employees due to material shortages.

Commissioner Miller's statement further pointed out:

Both factory payrolls and average weekly earnings rose 2.1% from the middle of April to the middle of May. The granting of a large number of wage rate increases, ranging from 5 to 15%, by some firms in practically every industrial group was the main factor in producing these gains. Wage rate increases were widespread in the men's clothing, confectionery, knit goods, wood products, pulp and paper, drug, industrial chemical, rubber goods, abrasives, munition, nonferrous metal, machinery, aircraft and instruments industries. The rise in the cost of living of about 13% during the past year was one of the factors influencing the granting of the wage rate increases.

The above statements are based on preliminary tabulations of the reports from 2,442 factories throughout the State. These firms employed 619,338 wage earners during the middle week of May on a total payroll of \$24,345,131. The New York State Department of Labor's May 1942 index of factory employment, based on the 1935-39 average as 100, was 145.3 (preliminary), 13.5% above the May, 1941, figure. The corresponding payroll index, at 222.5, was 38.0% above last year's level. These data are collected, tabulated and analyzed by the Division of Statistics and Information, under the direction of Dr. E. B. Patton.

Upstate New York Industry Continues to Expand in May

Industry in Upstate New York has expanded much more as a result of the war than has New York City industry. Large plants making producers' goods, most of which are located outside of New York City, are more easily converted to the production of the military supplies required in the war than are the small consumers' goods plants of New York City. In May, 1942, New York City plants were operating with 30% more workers than in the base period 1935-39, while Upstate plants employed 58% more workers. Factory payrolls in New York City this May were 79% higher than in the base period; Upstate, they were 162% higher.

To Buy Costa Rica Rubber

The Rubber Reserve Co. will purchase the entire Costa Rican rubber crop for the next five years, except for small quantities to meet essential domestic uses there, the State Department announced on June 16. The agreement was signed between the Republic of Costa Rica and Rubber Reserve Co., the State Department and the Board of Economic Warfare, said advices to the "Wall Street Journal" from its Washington bureau, which added:

By terms of the contract, Rubber Reserve Co., with the BEW, will finance development of Costa Rican rubber resources, which are believed to have "considerable potential" value in both the wild and cultivated product.

Signing of this contract, the State Department declared, is "another step in the program of the United States to assure to the united war effort the maximum effective use of the rubber produced in the Western Hemisphere."

Arrangements for purchase of Latin American rubber now have been completed with Brazil, Peru and Nicaragua, as well as with Costa Rica, and negotiations are proceeding with "other American rubber-producing countries," the Department said.

Urge Lifting Embargo On Argentine Beef

Removal of the United States embargo against Argentine fresh beef, which is readily accepted in other countries, would salve Argentine pride, eliminate a potent propaganda element used by our enemies and greatly improve Argentine-United States relations, according to the Conference Board, New York. While intellectuals in Argentina may jibe at our "materialism," at our political and social inconsistencies, and may have some misgivings about our intentions in Latin America, it is safe to assume, said the Board, under date of June 11, that most Argentines are not pro-Axis and will resist any government which may attempt to lead them too far in that direction. The Argentine press, it continues, is conspicuously pro-democratic, pro-English, pro-United States and anti-fascist, and President Roosevelt and Secretary Hull, along with the good neighbor policy for which they stand, are extremely popular in Argentina, as well as elsewhere in Latin America. "Mutual interest calls for close harmony and economic cooperation between the two countries," the Board finds, observing at the same time that "during the present war period, Argentina's dependence upon the United States for supplies and markets will be so great that she is not likely to digress to the point of incurring the active displeasure of this country." At the same time, however, it states "there are many needed products, such as tungsten, linseed oil, hides, tanning materials, wool, and canned beef which Argentina can furnish this country."

Guggenheim Gift For Aeronautical Research

Announcement was made on June 17 by Major Lester D. Gardner, Executive Vice-President of the Institute of the Aeronautical Sciences, of the gift by Mrs. Daniel Guggenheim of her estate near Port Washington, L. I., for the establishment of a center for aeronautical research and study as a memorial to her husband. The Council of the Institute of the Aeronautical Sciences, in accepting the property, informed Mrs. Guggenheim that her generous gift "will render a great service to the advancement of the art and science of aeronautics." The estate is located on Sands Point and has two-thirds of a mile of waterfront. The main residence contains 40 rooms and overlooks Long Island Sound. Other buildings are suitable for laboratories and experimental investigations. The property of 162 acres has been named Daniel Guggenheim Park by the Council of the Institute. A Board of Trustees will supervise the Institute's program for the use of the property and will appoint a Board of Scientific Advisers to organize divisions to conduct aeronautical research. In announcing the gift Major Gardner said in part:

"The gift of Mrs. Guggenheim will permit the Institute to make a direct contribution to the war effort by providing exceptional facilities for experimental aeronautical investigations by specialists. After the war, the Institute plans to advance the art and science of aeronautics by using the estate to enlarge the scope of its Aeronautical Archives so that its large libraries, collections of prints, photographs and other aeronautical material will be available to the aeronautical industry and others for research and experimentation."

It is pointed out that the Daniel Guggenheim family has long been one of the most generous patrons of aviation in the United States. As to this the announcement says:

"In 1926, the late Mr. Guggenheim established the Daniel Guggenheim Fund for the Promotion of Aeronautics with the deeds of gift totaling \$2,500,000, subsequently increased by about \$300,000. The Fund was to spend both income and principal to 'promote aeronautical education throughout the country; to assist in the extension of aeronautical sciences; and to further the development of commercial aircraft, particularly in its use as a regular means of transportation of both goods and people.'"

"Prior to the formation of the Fund, Mr. Guggenheim had established the Daniel Guggenheim School of Aeronautics at New York University with an endowment of \$500,000. The Fund itself endowed schools of aeronautics or professorships at the Massachusetts Institute of Technology, Georgia School of Technology, California Institute of Technology, University of Washington, Leland Stanford University, Syracuse University and the University of Michigan. It also gave \$250,000 for the establishment of the Airship Institute in Akron.

"During the existence of the Fund, Harry F. Guggenheim, the son of the founder, was its President. He was a naval aviator during the first World War and is now on active duty again as a Lieutenant Commander, in the United States Navy."

Real Estate Bds. Approve Nat'l War Housing Policy

Accepting the statement of governmental policy on war housing presented to Congress recently by NHA Administrator John B. Blandford, Jr., under which 90% of public housing for the war emergency will be temporary in character and private enterprise will be given a chance to do as much of the permanently needed housing as it can, the National Association of Real Estate Boards in hearings before a House committee, has expressed approval of the program thus outlined. The Association in indicating that the temporary type of structure has been used up to the present time in only 43% of government-built war housing, points out that it has long held that where war housing will be of doubtful usefulness after the war is over, and where public construction may be necessary, that construction should be temporary in nature to avoid ghost cities and post-war urban blight. In its announcement made available June 20 the Association likewise says in part:

The program outlined by Administrator Blandford is reached through consultation with WPB as to plant location and with the War Manpower Commission as to extent of expected in-migration. It appears to represent a real meeting of minds between WPB and NHA as to the necessity for minimum housing for war workers limited to in-migrants. WPB and NHA are agreed that housing is essential to the war effort and that materials must be made available for it, Mr. Blandford states.

Estimating that in the 12 months immediately ahead there will be a need for housing 1,600,000 in-migrants, which will call for 1,320,000 housing units, the program as Mr. Blandford outlines it allots 200,000 of these units for new production by private enterprise.

It calls for securing 260,000 dwelling units through remodeling, and for maximum use of 650,000 existing dwellings through a war guest plan. It estimates that government-built war housing for the remainder will call for an additional authorization of \$600,000,000, and tags 90% of this to be of temporary character. The housing is to be programmed locally to fit in the community pattern.

Steel Production Rate Off 1 1/2%—Lend-Lease Shipments Heavy—Shipbuilding Largest User

"Since most manufacturers and producers in the United States are now required to operate under the Production Requirements Plan (starting with July 1), a last minute rush to understand its workings is now under way in many sections of the metal working industry," says "The Iron Age" in its issue of today (July 2), further adding: "For another week the pressure for Lend-Lease material has given industry, particularly steel makers, a clearer understanding of the vastness of the material requirements of this war. Steel production this week is down, the depressing factor being scrap shortages rather than the Fourth of July holiday on which there will be little if any slowing up."

The American Iron and Steel Institute on June 29 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 96.5% of capacity for the week beginning June 29, compared with 98.0% one week ago, 99.3% one month ago and 91.8% one year ago. This represents a decrease of 1.5 points, or 1.5% from the preceding week. The operating rate for the week beginning June 29 is equivalent to 1,639,200 tons of steel ingots and castings, compared to 1,664,600 tons one week ago, 1,686,700 tons one month ago, and 1,516,700 tons one year ago.

"Steel," of Cleveland, in its summary of the iron and steel markets, on June 29 stated in part: "Shipbuilding has assumed first place in the war program and is taking more steel than any other one industry. For some time the destination of the greater part of the record plate output, it now is assuming a similar position with regard to shapes.

"Producers of structural shapes find their field changing rapidly from material for land installations to sections used in ship construction. Private construction has been halted and plants for war purposes are not taking as much steel as formerly, though some are still under way or planned.

"Better distribution to shipyards is being achieved and inventories are being held to a minimum consistent with capacity production. In addition to plates and shapes for hull construction, a large aggregate tonnage is being consumed by manufacturers of deck equipment and other special assemblies. Numerous converted plants are engaged in this class of fabrication, with the same priorities as for ships.

"Cancellations continue on orders for which priority is so low that delivery is unlikely within many months. Some of this tonnage bears ratings that until a short time ago were considered high.

"Most mills find difficulty in completing deliveries on allocations in the month for which they are issued, some tonnage going over to the next month, though the gap is being narrowed in most instances. Allocations and directives cover the entire output of some mills, precluding deliveries on any ratings, while others still are able to ship in the higher brackets."

Ickes Urges Corp. To Aid Oil Companies

Defense Petroleum Coordinator Ickes urged the House Banking and Currency Committee on June 25 to approve legislation for the establishment of a \$500,000,000 War Petroleum Corporation empowered "to make secured loans, to purchase and sell petroleum and petroleum products, to transport and store petroleum both above and underground, and to pay transportation charges covering the movement of petroleum products."

The bill is sponsored by Senator Connally (Dem., Texas) and Representative Steagall (Dem.,

Ala.). Mr. Ickes said that unless positive action is taken in this field "we must steel ourselves to face a whole series of probably unnecessarily stringent rationing orders and perhaps actual shortages of petroleum or some of its products for direct military use." He added that the bill would prevent many small oil companies from going bankrupt because of the increased cost of transporting petroleum supplies.

Mr. Ickes, according to June 25 Washington advices to the New York "Herald Tribune," listed the purposes of the bill as follows:

- (1) To assist the delivery of supplies of petroleum and petroleum products into shortage areas to meet military and essential civilian demands,
- (2) the expansion and most efficient use of petroleum facilities,
- (3) the production of the necessary amounts of the specific petroleum products required for the war program and to meet essential civilian demands,
- (4) the maintenance of adequate reserves of such petroleum or petroleum products as are of strategic importance in quality or as to location, and
- (5) the return, upon such terms and conditions as will protect the public interest, to the natural underground reservoir or other disposition of petroleum products purchased by the corporation for the purpose of assuring the production of other essential petroleum products.

Martin Heads So. Illinois Victory Fund Committee

John C. Martin, of Salem, Illinois, has been appointed Chairman of the Regional Victory Fund Committee for the 44 counties constituting the southern district of Illinois. Mr. Martin's appointment was made by Chester C. Davis, Chairman of the Victory Fund Committee for the Eighth (Chicago) Federal Reserve District, with the approval of the Secretary of the Treasury. His function will be to organize the 44 counties of southern Illinois within the Eighth Federal Reserve District, and to direct within that area a continuing campaign for the sale of United States Government securities to help finance the war effort. These counties have total banking resources of \$409,909,000. Mr. Martin has appointed a group of prominent bankers from the area to work with him. Mr. Martin served two terms as State Treasurer, and he has been active in Illinois Bankers Association affairs since 1907 when he was elected Cashier of the Salem National Bank, of which he is now President. He also served nearly 10 years as a Class A Director of the Federal Reserve Bank of St. Louis.

The committee of which Mr. Martin is chairman is part of the nationwide Victory Fund organization which is being developed to coordinate and direct the efforts of the investment bankers, security dealers, commercial bankers, business men and industrialists in mobilizing the financial resources of the nation. While the Victory Fund Committees will cooperate with the State and local War Savings Staffs in the sale of Series F and G War Savings Bonds, they will neither duplicate nor compete with such organizations; rather, they will complement the work of the War Savings Staff and will undertake to reach the larger investors by working through normal financial channels.

Treasury Estimate Of New Tax Revenues

The Treasury Department on June 24 tentatively estimated the effect of the tax changes made by the House Ways and Means Committee over revenues produced by the present law as follows, it was indicated in Washington advices to the New York "Times."

Income and excess profits taxes:	
Corporation income	+\$60,600,000
Excess profits	+2,288,900,000
Declared value excess profits tax	-58,500,000
Total corporation income & excess profits taxes	+\$2,291,000,000
Individual income tax	+2,730,000,000
Total income and excess profits taxes	+\$5,021,000,000

Miscellaneous internal revenue:	
Capital stock tax	-\$51,500,000
Estate tax	-14,800,000
Gift tax	+7,700,000
Total	-\$58,600,000

Liquor taxes:	
*Distilled spirits	+\$266,100,000
*Fermented malt liquors	+61,800,000
*Wines	+11,600,000
Total liquor taxes	+\$339,500,000

Tobacco taxes:	
*Cigarettes (small)	+\$51,400,000
Tobacco, smoking	+11,800,000
Cigars (large)	+15,800,000
Cigarette papers and tubes	+7,800,000
Total tobacco taxes	+\$86,800,000

Manufacturers' excise taxes:	
Lubricating oil	+\$13,800,000
Photographic apparatus	+10,600,000
Rubber articles	-8,900,000
Electric signs	-100,000
Washing machines	-100,000
Optical equipment	-300,000
Total manufacturers' excise taxes	+\$15,000,000

Miscellaneous taxes:	
Telephone, telegraph, radio and cable facilities, leased wires, etc.	+\$26,800,000
Telephone bill	+36,800,000
Transportation of persons	+33,900,000
Coin-operated amusement & gaming devices	+4,400,000
Freight and express	+292,000,000
Pari-mutual wagers	+23,600,000
Total miscellaneous taxes	+\$417,500,000

Total miscel. internal rev.	+\$800,200,000
Total internal revenue	+\$5,821,200,000
Miscellaneous revenues and receipts (postal surplus)	+102,800,000
Gross revenue effect	+\$5,924,000,000
Less portion of corporation exc. profits tax refunded in non-interest bearing bonds	-876,700,000
Net revenue effect	+\$5,047,300,000

*Excluding the revenue effect of floor stocks taxes, which, if enacted, are estimated to yield in the first year only: Distilled spirits, \$90.0 millions; fermented malt liquors, \$2.0 millions; wines, \$2.3 millions; cigarettes (small) \$5.8 millions.

Note—All estimates show full year effect, assuming all proposed changes were fully reflected in revenue for an entire year. Estimates of income and excess profits taxes and the gift tax are at levels of income estimated for calendar year 1942. All other estimates are at levels of income estimated for fiscal year 1943.

May Building Permit Valuations Are Down

The first full month of operations under the War Production Board's stop construction order shows that the construction industry was vitally affected, Secretary of Labor Frances Perkins reported on June 27. "Permit valuations in May were 33% lower than during the corresponding month of the preceding year," she said. "All classes of construction showed marked declines. The heaviest decrease, 46%, occurred in the value of new residential building. New non-residential building showed a falling off of 10%, while additions, alterations, and repairs to existing structures were 41% lower."

Secretary Perkins further stated:

"Total permit valuations in May were also lower than those for April, the decline amounting to 11%. This was brought about by a decrease of 27% in the permit valuation of new residential buildings, and 22% in permit valuations for additions, alterations, and repairs. There was an increase of 19% in indicated expenditures for new non-residential buildings between April and May, 1942.

"During the first 5 months of 1942, permits were issued in reporting cities for buildings valued at \$1,008,335,000, a decrease of 14%, as compared with the corresponding period of 1941. Permit valuations for new residential buildings for the first 5 months of the current year amounted to \$468,220,000, a loss of 21%, as compared with the first 5 months of the preceding year. Over the same period new non-residential building showed a decrease of 3%, and additions, alterations, and repairs, 15%.

"Tabulations of the Bureau of Labor Statistics include contracts awarded by Federal and State Governments in addition to private and municipal construction. For May, 1942, Federal and State construction in the 2,410 reporting cities totaled \$80,346,000; for April, 1942, \$60,312,000, and for May, 1941, \$53,670,000."

Changes in permit valuations in the 2,410 reporting cities between May, 1942, April, 1942, and May, 1941 are summarized below:

Class of Construction	Change from May, 1941 to May, 1942	
	All Cities	Excluding N. Y. City
New residential	-45.5%	-42.5%
New non-residential	-10.3%	-19.2%
Additions, alterations, & repairs	-41.0%	-39.7%
All construction	-32.8%	-33.9%

Class of Construction	Change from April, 1942 to May, 1942	
	All Cities	Excluding N. Y. City
New residential	-27.2%	-26.1%
New non-residential	+18.9%	+7.0%
Additions, alterations, & repairs	-21.9%	-21.5%
All construction	-10.6%	-14.0%

Comparisons of permit valuations in cities reporting for the first 5 months of 1941 and 1942 are shown in the following table:

Class of Construction	Change from First 5 Months of 1941 to First 5 Mon. of 1942	
	All Cities	Excluding N. Y. City
New residential	-21.4%	-16.9%
New non-residential	-2.5%	+5.3%
Additions, alterations, & repairs	-15.3%	-11.4%
All construction	-13.7%	-8.3%

The Bureau's advices also state: "New housekeeping dwellings for which permits were issued in the 2,410 reporting cities in May, 1942, will provide 24,051 dwelling units, or 23% less than the 31,412 dwelling units reported in the previous month, and 36% fewer than the number provided in May, 1941. Dwelling units in publicly financed housing projects included in these totals numbered 13,121 in May, 1942, 8,298 in April, 1942, and 3,940 in May, 1941.

"Principal centers of various types of building construction for which permits were issued or contracts were awarded in May, 1942, except those awarded by the War and Navy Departments, Maritime Commission, and the Defense Plant Corporation which have been excluded because of their confidential nature, were: East Hartford, Conn., 1-family dwellings to cost \$1,272,000; New York City — Borough of Queens, factories to cost \$5,429,000; Syracuse, N. Y., factories to cost \$707,000; Glassport, Pa., factories to cost \$700,000; Philadelphia, Pa., 1-family dwellings to cost \$990,000; Chicago, Ill., 1-family dwellings to cost \$889,000 and factories to cost \$2,073,000; Detroit, Mich., 1-family dwellings to cost \$2,442,000; Saginaw, Mich., a factory to cost \$700,000; Akron, O., a factory to cost \$630,000; Canton, O., factories to cost \$518,000; Cincinnati, O., factories to cost \$601,000; Cleveland, O., 1-family dwellings to cost \$330,000; Columbus, O., 1-family dwellings to cost \$681,000; Wichita, Kans., 1-family dwellings to cost \$774,000; Washington, D. C., multi-family dwellings to cost \$903,000; Baltimore, Md., factories to cost \$1,572,000; Alexandria, Va., multi-family dwellings to cost \$1,230,000; El Segundo, Calif., factories to cost \$625,000; Los Angeles, Calif., 1-family dwellings

to cost \$634,000.

"Contracts were awarded during May for the following publicly financed housing projects containing the indicated number of dwelling units: Boston, Mass., \$275,000 for 66 units; Lackawanna, N. Y., \$1,500,000 for 400 units; Camden, N. J., \$1,225,000 for 306 units; Paterson, N. J., \$1,234,000 for 300 units; Duquesne, Pa., \$393,000 for 83 units; Erie, Pa., \$161,000 for 40 units; Johnstown, Pa., \$443,000 for 111 units; Euclid, O., \$3,080,000 for 800 units; Baltimore, Md., \$5,760,000 for 1,900 units, of which 1,000 were demountable; Sylacauga, Ala., \$212,000 for 75 demountable units; Memphis, Tenn., \$1,059,000 for 369 units; Ogden, Utah, \$3,827,000 for 1,400 demountable units; Compton, Calif., \$2,000,000 for 600 units; San Diego, Calif., \$3,974,000 for 1,525 demountable units; San Francisco, Calif., \$1,200,000 for 231 units; Portland, Ore., \$5,286,000 for 1,855 demountable units; Bremerton, Wash., \$6,409,000 for 2,310 demountable units; Seattle, Wash., \$115,000 for 50 units; and Vancouver, Wash., \$2,450,000 for 700 units."

Upholds Decision In Va. Port Rate Case

Through a decision handed down on June 23 by the Interstate Commerce Commission, the Port of New York has just won an important victory in its fight to prevent Norfolk, Va., from securing drastic reductions in rail and water freight rates to middle western territory, it was announced on June 23 by Parker McCollester, traffic counsel of the Chamber of Commerce of the State of New York. According to the Chamber's announcement, the action, which has been pending since 1939, was instituted by the State Corporation Commission of Virginia and interests in the Port of Hampton Roads to secure more favorable rail and water freight rates between Hampton Roads ports and interior points. The Port of New York Authority and the New York and Brooklyn Chambers of Commerce intervened in the proceeding. "In the decision just handed down," Mr. McCollester said, "the Commission upheld the contention of the New York group that the general reduction in rates sought by the Virginia interests would break down the port rate structure here and would give Norfolk an undue advantage over this port."

Certain other specific reductions in rates sought by the petitioners, which counsel for the New York interests did not oppose, were granted by the Commission, however, it is stated.

Bullitt Knox Aide

William C. Bullitt, former Ambassador to Russia and France and more recently a personal representative of President Roosevelt, was sworn in on June 23 as a special assistant to Secretary of the Navy Knox.

The duties of Mr. Bullitt's office, the Navy announcement said, are for such special assignments as Secretary Knox may make. Mr. Bullitt on June 23 resigned as personal representative of the President with the rank of Ambassador.

Callander Retires

The retirement of William F. Callander as Chairman of the Crop Reporting Board and as Chief of the Division of Agricultural Statistics in the Bureau of Agricultural Economics was announced on June 20 by Secretary of Agriculture Claude R. Wickard. Mr. Callander retires to become agricultural statistician in charge of the Orlando, Fla., office of the BAE. He will continue as consultant to the Office of the Secretary of Agriculture and Crop Reporting Board at Washington.

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 Date, U.S. Govt. Bonds, Corporate by Ratings (Aaa, Aa, A, Baa), and Corporate by Groups (R.R., P.U., Indus).

MOODY'S BOND YIELD AVERAGES (Based on Individual Closing Prices) Table with columns for Date, Average Corporate, Corporate by Ratings (Aaa, Aa, A, Baa), and Corporate by Groups (R.R., P.U., Indus).

*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.

Engineering Construction \$158,839,000 For Week Up 11%

Engineering construction volume for the week totals \$158,839,000 an increase of 11% over the corresponding week last year, and 2% above the total for the preceding week as reported by "Engineering News-Record" on June 25.

year, but public construction, \$4,563,886,000, is 117% higher as a result of the 196% gain in Federal work.

Construction volumes for the 1941 week, last week, and the current week are: Table with columns for Date and Total Construction, Private Construction, Public Construction, State and Municipal, Federal.

In the classified construction groups, gains over the 1941 week are in public buildings, earthwork and drainage, and unclassified construction. Increases over last week are in sewerage, bridges, commercial building and large-scale private housing, earthwork and drainage, and unclassified construction.

New capital for construction purposes for the week totals \$13,949,000. This is 36% below the volume for the corresponding week last year. The week's new financing is made up of \$13,000,000 in corporate security issues, and \$949,000 in State and municipal bond sales.

New construction financing for the year to date, \$6,886,294,000, is 106% higher than the \$3,350,549,000 reported for the 26-week period a year ago.

National Fertilizer Association Commodity Index Advances Fractionally

The general level of commodity prices was slightly higher last week, according to the wholesale price index compiled by The National Fertilizer Association and made public on June 29. In the week ended June 27, 1942, this index advanced fractionally to 127.3 from 127.1 in the preceding week.

The upward movement of the all-commodity group index last week was the result of higher prices for livestock, cotton, and foodstuffs. The index of industrial commodities remained unchanged for the eighth consecutive week. The farm product index moved to higher levels as advances in hogs, cotton, corn, and oats more than offset declines in wheat and wool.

During the week prices of 14 commodities advanced and 8 declined; in the preceding week there were 13 declines and 10 advances; in the second preceding week there were 12 declines and 7 advances.

WEEKLY WHOLESALE COMMODITY PRICE INDEX Compiled by The National Fertilizer Association. Table with columns for Group, Latest Week, Preceding Week, Month Ago, Year Ago.

Electric Output For Week Ended June 27, 1942 Shows 9.5% 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 June 27, 1942, was 3,457,024,000 kwh., which compares with 3,156,825,000 kwh., in the corresponding period in 1941, a gain of 9.5%.

PERCENTAGE INCREASE OVER PREVIOUS YEAR Table with columns for Major Geographical Divisions (New England, Middle Atlantic, Central Industrial, West Central, Southern States, Rocky Mountain, Pacific Coast) and Total United States.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours) Table with columns for Week Ended, 1942, 1941, over 1941, 1940, 1932, 1929.

Proposed And Present Inc. Taxes Compared

Comparisons between typical individual income taxes at present and those to be paid under the bill approved by the House Ways and Means Committee with respective percentage rates of taxation are presented in the following tables, reported in Associated Press accounts from Washington June 25.

(The income column refers to net income before personal exemption).

Single Person Table with columns for Income, Present Tax, New Tax, Present Rate, New Rate.

Married Person—No dependents Table with columns for Income, Present Tax, New Tax, Present Rate, New Rate.

Married Person—Two Dependents Table with columns for Income, Present Tax, New Tax, Present Rate, New Rate.

Revises Cotton Quotas

Individual quotas for countries exporting long-staple cotton to the United States were eliminated by an Executive Order signed by President Roosevelt on June 29.

In reporting this action, Washington advices to the New York "Times" said:

The order, however, retains the present total quota of 45,656,420 pounds per year for staple 1 1/8 inches or more.

The action was taken because some countries in the war zone are unable to fill their quotas, whereas others, such as Peru, can ship more than they would be allowed to send under the old quota system.

Moody's Daily Commodity Index

Moody's Daily Commodity Index Table with columns for Date and Index Value.

Daily Average Crude Oil Production For Week Ended June 20, 1942 Increased 20,450 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended June 20, 1942, was 3,720,800 barrels, an increase of 20,450 barrels over the preceding week and 84,500 barrels in excess of the daily average for the month of June, 1942, as recommended by the Office of Petroleum Coordinator. The current figure, however, was 136,800 barrels below the daily average for the week ended June 21, 1941. Further details as reported by the Institute follow:

Reports received from refining companies owning 86.9% of the 4,684,000 barrels 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, 3,434,000 barrels of crude oil daily the week ended June 20, 1942, and that all companies had in storage at refineries, bulk terminals, in transit and in pipe lines as of the end of that week, 89,847,000 barrels of finished and unfinished gasoline. The total amount of gasoline produced by all companies is estimated to have been 9,927,000 barrels during the week ended June 20, 1942.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

State	*O.P.C. Recommendations June	*State Allowables Beginning June 1	Actual Production		4 Weeks Ended June 20, 1942	Week Ended June 21, 1941
			Week Ended June 20, 1942	Change From Previous Week		
Oklahoma	436,600	436,600	1,377,600	+ 1,950	379,200	414,050
Kansas	281,900	281,900	1,279,850	+ 100	258,600	231,450
Nebraska	4,100		13,700	+ 50	3,800	4,600
Panhandle Texas			88,400	+ 1,100	90,200	81,150
North Texas			144,000	+ 5,400	149,700	132,350
West Texas			204,850	+ 50	206,700	262,950
East Central Texas			93,950	+ 6,350	90,050	80,600
East Texas			362,750	+ 150	397,250	373,200
Southwest Texas			143,650	+ 12,800	145,850	211,050
Coastal Texas			243,100	+ 850	263,400	280,900
Total Texas	1,068,600	1,288,322	1,280,700	+ 14,200	1,343,150	1,422,200
North Louisiana			88,350	+ 250	87,650	77,650
Coastal Louisiana			219,500	+ 550	215,850	254,250
Total Louisiana	311,300	334,300	307,850	+ 800	303,500	331,900
Arkansas	75,300	75,300	73,800	+ 100	73,400	72,850
Mississippi	49,200		179,850	+ 5,300	82,800	28,000
Illinois	320,800		279,600	+ 2,250	284,750	344,350
Indiana	18,900		120,350	+ 350	20,950	20,350
Eastern (not incl. Ill. & Ind.)	106,800		97,900	+ 550	98,350	91,850
Michigan	63,100		85,200	+ 4,600	66,250	40,200
Wyoming	96,200		90,900	+ 700	92,050	82,050
Montana	23,400		21,850	+ 100	21,800	19,200
Colorado	7,600		6,350	+ 50	6,500	3,950
New Mexico	80,600		64,900	+ 10,350	57,100	111,000
Total East of Calif.	2,944,400		3,050,400	+ 18,850	3,092,200	3,218,000
California	691,900	691,900	670,400	+ 1,600	632,800	639,600
Total United States	3,636,300		3,720,800	+ 20,450	3,725,000	3,857,600

*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 March, 1942, as follows: Oklahoma, 29,200; Kansas, 5,500; Texas, 105,600; Louisiana, 18,500; Arkansas, 2,700; New Mexico, 5,600; California, 39,000; other states, 20,400.

†This is the net basic 15-day allowable for the period June 16 to 30, inclusive. For the first 15 days the allowable was 1,351,667 barrels. In the area outside East Texas shutdown was ordered for June 20, 21, 28, 29 and 30; in East Texas for June 23 and 27 in addition to the aforementioned days.

‡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 JUNE 20, 1942

District	Daily Refining Capacity	Crude Runs to Still	Production of Gasoline	Stocks of Finished Gasoline	Stocks of Gas and Fuel Oil	Stocks of Residual Fuel Oil
*Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,383	89.7	1,493	62.7	4,304	42,018
Appalachian	174	84.5	160	92.0	453	2,915
Ind., Ill., Ky.	784	84.9	704	89.8	2,248	17,159
Okl., Kansas, Mo.	418	81.1	350	83.7	1,098	8,306
Rocky Mountain	138	50.7	95	68.8	275	2,476
California	787	90.9	632	80.3	1,549	16,973
Tot. U. S. B. of M. basis June 20, 1942	4,684	86.9	3,434	73.3	9,927	189,847
Tot. U. S. B. of M. basis June 13, 1942	4,684	86.9	3,478	74.3	10,389	91,994
U. S. Bur. of Mines basis June 21, 1941		3,870		12,796	90,874	37,758

*At the request of the Office of the Petroleum Coordinator.
†Finished 82,261,000 bbls.; unfinished 7,586,000 bbls. ‡At refineries (at bulk terminals, in transit, and in pipe lines).

Weekly Coal and Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest report states that the production of soft coal continues to show little change from week to week. The total output for the country in the week ended June 20 is estimated at 11,125,000 net tons, a decrease of 200,000 tons, or 1.8%, from the preceding week. Production in the corresponding week last year amounted to 10,336,000 tons.

The U. S. Bureau of Mines reported that the production of Pennsylvania anthracite for the week ended June 20 was estimated at 1,212,000 tons, an increase of 33,000 tons, or 2.8%, over the preceding week. When compared with the output in the corresponding week in 1941, there was an increase of 2,000 tons (about 0.2%). The calendar year to date shows a gain of 12.7% when compared with the same period last year.

The U. S. Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended June 20 showed a decrease of 1,200 tons when compared with the

output for the week ended June 13. The quantity of coke from beehive ovens increased 1,300 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF SOFT COAL, IN NET TONS, WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM (000 OMITTED)

	Week Ended			January 1 to Date		
	June 20, 1942	June 13, 1942	June 21, 1941	June 20, 1942	June 21, 1941	June 19, 1937
Bituminous and lignite coal—	11,125	11,325	10,336	270,909	215,336	213,017
Total, incl. mine fuel—	1,854	1,888	1,723	1,875	1,481	1,485
*Crude petroleum—						
Coal equivalent to weekly output—	5,960	5,927	6,179	148,800	144,728	132,035

*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. ‡Revised.

ESTIMATED PRODUCTIONS OF PENNSYLVANIA ANTHRACITE AND COKE (In Net Tons)

	Week Ended			Calendar year to date		
	June 20, 1942	June 13, 1942	June 21, 1941	June 20, 1942	June 21, 1941	June 22, 1929
Penn. anthracite—	1,212,000	1,179,000	1,210,000	27,818,000	24,673,000	34,160,000
†Commercial production	1,151,000	1,120,000	1,150,000	26,427,000	23,439,000	31,700,000
‡Beehive coke—						
United States total—	171,900	170,600	136,300	3,733,700	2,777,000	3,200,600
By-product coke—						
United States total—	1,182,300	1,183,500	1,286,300	28,675,400	27,456,000	37,360,600

*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 loadings 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					June ave. 1923
	June 13, 1942	June 6, 1942	June 14, 1941	June 15, 1940	June 12, 1937	
Alaska	5	5	3	4	3	**
Alabama	393	384	338	309	219	387
Arkansas and Oklahoma	79	77	15	19	14	70
Colorado	125	124	86	60	87	175
Georgia and North Carolina	1	1	1	1	1	**
Illinois	1,148	1,190	828	685	561	1,243
Indiana	300	307	360	272	250	416
Iowa	38	46	35	48	16	88
Kansas and Missouri	132	163	87	79	75	128
Kentucky—Eastern	1,016	982	938	792	669	661
Kentucky—Western	245	242	148	116	115	183
Maryland	42	42	35	24	24	47
Michigan	6	6	—	2	3	12
Montana (bituminous and lignite)	50	58	44	37	39	38
New Mexico	30	29	27	20	27	51
North and South Dakota (lignite)	22	24	22	13	13	**14
Ohio	777	756	599	460	453	888
Pennsylvania (bituminous)	2,835	2,735	2,774	2,014	1,939	3,613
Tennessee	150	145	142	104	97	113
Texas (bituminous and lignite)	5	6	8	15	17	21
Utah	107	105	50	37	34	89
Virginia	421	415	396	261	218	240
Washington	40	33	30	27	34	44
*West Virginia—Southern	2,331	2,275	2,300	1,865	1,558	1,380
*West Virginia—Northern	888	894	791	549	540	856
Wyoming	139	136	92	76	85	104
†Other Western States	††	††	1	††	††	**5
Total bituminous and lignite	11,325	11,180	10,150	7,888	7,090	10,866
‡Pennsylvania anthracite	1,179	1,042	1,278	1,220	1,136	1,956
Total, all coal	12,504	12,222	11,428	9,108	8,226	12,822

*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.

Dept. of Labor Reports Wholesale Prices Show Further Decline in June 20 Week

The Bureau of Labor Statistics' weekly composite index of primary market prices of 889 series for the week ended June 20 registered the 3rd consecutive decline. Seasonally lower prices for fruits and certain vegetables together with declining quotations for live-stock and meats brought the index down 0.3%, to the lowest level since mid-April. In the past 3 weeks the index has dropped 0.7%. It is, however, 12.5% higher than it was at this time last year.

Except for a decline of 1.1% in average prices for foods, commodity markets were relatively steady. Farm products advanced 0.2%, largely as a result of higher prices for grains, and textile products, fuel and lighting materials and miscellaneous commodities rose 0.1%.

The Bureau makes the following notation:

During the period of rapid changes caused by price controls, materials allocation, and rationing the Bureau of Labor Statistics will attempt promptly to report changing prices. The indexes, however, must be considered as preliminary and subject to such adjustment and revision as required by late and more complete reports.

The following table shows index numbers for the principal groups of commodities for the past 3 weeks, for May 23, 1942, and June 21, 1941, and the percentage changes from a week ago, a month ago and a year ago:

Commodity Groups—	(1926=100)			Percentage changes to June 20, 1942 from—		
	6-20 1942	6-13 1942	6-6 1942	6-21 1941	6-13 1941	5-23 1941
All Commodities	98.1	98.4	98.7	87.2	-0.3	-0.6 +12.5
Farm products	104.5	104.3	105.6	104.8	+0.2	-0.3 +25.9
Foods	98.4	99.5	99.7	99.1	83.7	-1.1 -0.7 +17.6
Hides and leather products	118.9	118.9	118.8	119.2	108.2	0.0 -0.3 +9.9
Textile products	97.3	97.2	97.2	97.2	84.5	+0.1 +0.1 +15.1
Fuel and lighting materials	79.0	78.9	78.9	78.9	79.0	+0.1 +0.1 0.0
Metals and metal products	104.0	104.0	104.0	104.0	98.3	0.0 0.0 +5.8
Building materials	109.9	109.9	109.9	110.0	101.1	0.0 -0.1 +8.7
Chemicals and allied products	97.2	97.2	97.2	97.3	83.8	0.0 -0.1 +16.0
Housefurnishing goods	104.5	104.5	104.5	104.6	93.7	0.0 -0.1 +11.5
Miscellaneous commodities	90.0	89.9	90.0	90.2	80.3	+0.1 -0.2 +12.1
Raw materials	98.7	99.6	100.4	99.8	84.1	-0.9 -1.1 +17.4
Semimanufactured articles	92.6	92.8	92.7	92.8	87.6	-0.2 -0.2 +5.7
Manufactured products	98.8	98.8	98.9	99.0	89.0	0.0 -0.4 +11.0
All commodities other than farm products	96.7	97.1	97.2	97.4	88.2	-0.4 -0.7 +9.6
All commodities other than farm products and foods	95.9	95.9	95.9	95.9	89.0	0.0 0.0 +7.8

*Preliminary.

Cooperation Necessary To Win Peace—Welles

Sumner Welles, Under-Secretary of State, declared on June 17 that "cooperation is no less essential in maintaining peace than in winning a war."

Speaking before a United Nations' rally in Baltimore, Mr. Welles said that "the memory of man is sometimes short. We can none of us again afford to forget the lessons we have learned—that cooperation to win the victory is not enough; that there must be even greater cooperation to win the peace, if the peace is to be that kind of a peace which alone can prevent the recurrence of war—a peace which is more than a mere interlude between battles."

He added:

Without such cooperation we shall have again economic distress, unemployment, poverty and suffering for millions of people; suffering which, while less acute, is longer drawn out and is but little less hard to bear than the miseries of war; suffering which, as surely as night follows day, is the breeder of wars.

Asserting that the United Nations' cooperation in conducting the war "must obtain a momentum that will carry over into the post-war period," Mr. Welles proposed that "the final terms of the peace should wait until the immediate tasks of the transition period after the defeat of the Axis powers has been completed by the United Nations, and until the final judgments can be coolly and rationally rendered."

He further contended that "the organization through which the United Nations are to carry on their cooperation should surely be formed so far as practicable before the fires of war which are welding them together have cooled."

Recalling the signing by the United States of master lend-lease agreements with Great Britain, China, the Soviet Union and Belgium, Mr. Welles said:

Thus, in effect, five of the world's great nations have become partners, with full equality of status, in a new world understanding—an economic undertaking, open to the participation of all other nations of like mind—an economic understanding which may well become the nucleus of a United Nations organization for the relief and economic reconstruction of the post-war

Trading On New York Exchanges

The Securities and Exchange Commission made public on June 26 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 June 13, 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 June 13 (in round-lot transactions) totaled 552,565 shares, which amount was 15.82% of total transactions on the Exchange of 1,745,770 shares. This compares with member trading during the previous week ended June 6 of 893,645 shares, or 17.36% of total trading of 2,285,810 shares. On the New York Curb Exchange, member trading during the week ended June 13 amounted to 82,890 shares, or 14.85% of the total volume of that Exchange of 279,070 shares; during the preceding week trading for the account of Curb members of 90,885 shares was 15.24% of total trading of 298,135 shares.

The Commission made available the following data for the week ended June 13:

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.....	983	693
1. Reports showing transactions as specialists.....	168	85
2. Reports showing other transactions initiated on the floor.....	127	16
3. Reports showing other transactions initiated off the floor.....	158	44
4. Reports showing no transactions.....	604	550

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 June 13, 1942		
A. Total Round-Lot Sales:	Total for Week	†Per Cent
Short sales.....	60,780	
‡Other sales.....	1,684,990	
Total sales.....	1,745,770	
B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases.....	134,710	
Short sales.....	30,330	
‡Other sales.....	117,270	
Total sales.....	147,600	8.08
2. Other transactions initiated on the floor—		
Total purchases.....	86,210	
Short sales.....	8,500	
‡Other sales.....	77,310	
Total sales.....	85,810	4.93
3. Other transactions initiated off the floor—		
Total purchases.....	53,930	
Short sales.....	4,760	
‡Other sales.....	39,545	
Total sales.....	44,305	2.81
4. Total—		
Total purchases.....	274,850	
Short sales.....	43,590	
‡Other sales.....	234,125	
Total sales.....	277,715	15.82

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

Week Ended June 13, 1942		
A. Total Round-Lot Sales:	Total for Week	†Per Cent
Short sales.....	2,830	
‡Other sales.....	276,240	
Total sales.....	279,070	
B. Round-Lot Transactions for the Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases.....	24,160	
Short sales.....	2,830	
‡Other sales.....	27,645	
Total sales.....	30,475	9.79
2. Other transactions initiated on the floor—		
Total purchases.....	2,760	
Short sales.....	0	
‡Other sales.....	3,035	
Total sales.....	3,035	1.04
3. Other transactions initiated off the floor—		
Total purchases.....	8,775	
Short sales.....	0	
‡Other sales.....	13,685	
Total sales.....	13,685	4.02
4. Total—		
Total purchases.....	35,695	
Short sales.....	2,830	
‡Other sales.....	44,365	
Total sales.....	47,195	14.85
C. Odd-Lot Transactions for the Account of Specialists—		
Customers' short sales.....	100	
‡Customers' other sales.....	18,958	
Total purchases.....	19,058	
Total sales.....	19,058	

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

†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.

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

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

Non-Ferrous Metals—Copper Branch Speeds July Allocations—Electrolytic Tin At 52c

Editor's Note.—Upon request of the Office of Censorship certain production and shipment figures and other data have been omitted for the duration of the war.

"E. & M. J. Metal and Mineral Markets," in its issue of June 25, stated: "Copper fabricators received word from the Copper Branch of WPB on June 23 that July allocation certificates are ready, with the result that the metal will move into consumption ahead of time. OPA last week granted permission to the American Smelting & Refining Co. to sell electrolytic tin on the basis of "Grade A" tin, or at 52c. a pound. Use of cad-

mium has been restricted to essential military and civilian products. Confusion among consumers on the status of lead in the Production Requirements Plan continues." The publication further went on to say in part:

Copper

July allocations of copper came through in record time, and producers, in some instances, started next month's metal moving on June 23. The tonnage to be released during July will be about as large as that allocated for June.

Quotations on domestic business held at 12c., Valley, with foreign copper coming into the country on the basis of 11.75c., f.a.s. United States ports.

The strike at Phelps Dodge's Moctezuma property, in Mexico, ended June 19. Miners were granted a general pay raise of 42 centavos, plus a bonus of 25 centavos for each one cent advance in the price of copper above 12.5c. a pound. The strike was called less than a month ago.

Lead

Consumers are wondering whether the War Production Board will ease the restrictions to be imposed on lead under the Production Requirements Plan that becomes effective July 1.

Sales of common lead showed the usual end-of-the-month drop. Consumption of lead for non-military use is still falling, owing to conservation measures. Battery plates have been easier.

Quotations for common lead continued at 6.50c., New York, and at 6.35c., St. Louis.

The National Paint, Varnish and Lacquer Association believes that the lead situation has improved. In a statement to the press, it was pointed out that much lead has been imported during the last few months and the Government has been able to accumulate a stockpile without affecting military demand and with only slight effect on civilian needs. There is no shortage in any of the lead pigments.

Tin

With controls on use of tin likely to become more rigid, Erwin Vogelsang, head of the tin division of WPB, last week informed importers and members of the trade that there is no place for them in the Government's plan for distributing the metal to domestic consumers.

Electrolytic tin is being produced on a moderate scale in this country, and OPA has amended the price schedule to permit the sale of this metal on the basis of

Cuba Gives U S Air Bases

The State Department at Washington announced on June 19 that an agreement had been reached with Cuba whereby that government "offers facilities to the United States War Department for training aviation personnel and for operations against enemy undersea craft."

The agreement was signed at Havana on June 19 by Jose Manuel Cortina, Cuban Minister of State, and Spruille Braden, the American Ambassador.

The Department's announcement said:

After termination of the emergency it is understood that the facilities will become a training center of the Cuban Air Force.

In offering these facilities the Cuban Government, an ally and co-belligerent which was among the first of the American republics to declare war on the Axis, has taken a most important step in collaborating in the joint war effort.

The training center will be located in the vicinity of Havana. By special arrangement between the Cuban and United States Governments, and the British Royal Air Force and the United States War Department, contingents of Royal Air Force personnel will be stationed at this post, following their basic training courses, to complete their combat training.

Work on the installations will begin at once.

52c. a pound.

Straits quality tin for future delivery was nominally as follows:

	June	July	Aug.
June 18.....	52.000	52.000	52.000
June 19.....	52.000	52.000	52.000
June 20.....	52.000	52.000	52.000
June 22.....	52.000	52.000	52.000
June 23.....	52.000	52.000	52.000
June 25.....	52.000	52.000	52.000

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

Quicksilver

Consumption of quicksilver has expanded in recent weeks and larger supplies have been absorbed without difficulty. In fact, the tone was described as steady. Quotations here continued at \$194.43 to \$198.08. Mexico produced 3,266 flasks of quicksilver during January.

Silver

During the past week the silver market in London has been unchanged at 23½d. The New York Official and the U. S. Treasury prices are also unchanged at 35½c. and 35c., respectively.

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

Date	Electrolytic Copper		Straits Tin		Lead		Zinc
	Domest.	Refin.	New York	St. Louis	New York	St. Louis	St. Louis
June 18	11.775	11.700	52.000	6.50	6.35	8.25	8.25
19	11.775	11.700	52.000	6.50	6.35	8.25	8.25
20	11.775	11.700	52.000	6.50	6.35	8.25	8.25
22	11.775	11.700	52.000	6.50	6.35	8.25	8.25
23	11.775	11.700	52.000	6.50	6.35	8.25	8.25
24	11.775	11.700	52.000	6.50	6.35	8.25	8.25
Average	11.775	11.700	52.000	6.50	6.35	8.25	8.25

Average prices for calendar week ended June 20 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 "E. & M. J.'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, to arrive at the f.o.b. refinery quotation).

Democracy Must Work To Win Lasting Peace

At a Flag Day rally in Pittsburgh on June 14, M. S. Szymczak, member of the Board of Governors of the Federal Reserve System, devoted his remarks to "Our War Efforts," declaring that "loss of this war would be unspeakably catastrophic." "We can win and we must win," he said, and added, "whether we win and how soon depends on what you and I do as individuals." In part, he also said:

Democratic action is based on free cooperation of individuals. If we do not work harder, conserve our scarce possessions, buy more war bonds voluntarily, we force our Government to make us do so in the public interest. . . .

Billions of dollars are needed for the success of our war effort. It is estimated—and this is only an estimate based on tentative assumptions—that the total Government expenditures in the fiscal year 1943 will be \$73,000,000,000. This \$73,000,000,000 includes \$67,000,000,000 for war expenditures alone. It is further estimated, based on pending legislation, that tax receipts will be about \$24,000,000,000. This leaves a balance of about \$49,000,000,000 to be borrowed by the Government in one fashion or another. It is hoped that the sales of war saving bonds and stamps will increase with each day, each week and each month. Buy war bonds and stamps and make this hope a reality.

Through the purchase of war savings bonds you are not only lending your money to the Government to wage a successful war; you are helping yourself by investing your money in the soundest security on earth. The money will be returned to you in full—with interest—almost 3% if held to maturity. I speak now of series "E" bonds. By investing your money in these war bonds, you help in our fight against inflation, for money that you would otherwise spend to purchase scarce consumer goods, you loan to your Government to build tanks, airplanes, ships, guns. Finally by purchasing war bonds, you offset the possibility of deflation after the war because you will have purchasing power after the war and by your purchases you will make possible increased production; in other words, you will help peace-time production of goods and materials for which there will be need, and thus you will give work to many thousands at a time when war production will cease.

Yes, billions of dollars are needed to win this war, but what are billions compared to the freedom we're fighting for—our freedom and the freedom of those millions throughout the world who are hungry and beg for food, who are thirsty and reach out feebly for a glass of water, who are wounded and seek balm, who are depressed and plead for a word of encouragement, who scarcely breathe under the barbaric heel of the oppressor. Their enemy is our enemy.

The United Nations idea must be more than just an idea. It must be a coherent fighting force. That is the only way we can win this war and win lasting peace. No country can do it alone—no individual or group of individuals can do it alone.

We must plan now not only to win the war and to win it soon, but to win a lasting peace. We must try to insure economic, social, and political stability for our country and for other countries of the world.

The rally was held under the auspices of the Central Council of Polish-American Organizations of Pittsburgh.

Revenue Freight Car Loadings During Week Ended June 20, 1942, Totaled 844,913 Cars

Loading of revenue freight for the week ended June 20 totaled 844,913 cars, the Association of American Railroads announced on June 25. This was a decrease below the corresponding week in 1941 of 40,626 cars or 4.6%, but an increase above the same week of 1940 of 116,420 cars or 16.0%.

Loading of revenue freight for the week of June 20 increased 12,187 cars or 1.5% above the preceding week.

Miscellaneous freight loading totaled 379,818 cars, an increase of 2,611 cars above the preceding week, and an increase of 3,593 cars above the corresponding week in 1941.

Loading of merchandise less than carload lot freight totaled 94,075 cars, a decrease of 481 cars below the preceding week, and a decrease of 65,690 cars below the corresponding week in 1941.

Coal loading amounted to 164,500 cars, a decrease of 1,841 cars below the preceding week, but an increase of 3,378 cars above the corresponding week in 1941.

Grain and grain products loading totaled 38,946 cars, an increase of 4,260 cars above the preceding week, but a decrease of 7,628 cars below the corresponding week in 1941. In the Western Districts alone, grain and grain products loading for the week of June 20 totaled 26,174 cars, an increase of 3,333 cars above the preceding week, but a decrease of 6,534 cars below the corresponding week in 1941.

Livestock loading amounted to 11,031 cars, a decrease of 128 cars below the preceding week, but an increase of 1,942 cars above the corresponding week in 1941. In the Western Districts alone, loading of livestock for the week of June 20 totaled 8,033 cars, an increase of 77 cars above the preceding week, and an increase of 1,710 cars above the corresponding week in 1941.

Forest products loading totaled 49,970 cars, an increase of 1,709 cars above the preceding week, and an increase of 6,415 cars above the corresponding week in 1941.

Ore loading amounted to 92,264 cars, an increase of 5,979 cars above the preceding week, and an increase of 16,613 cars above the corresponding week in 1941.

Coke loading amounted to 14,309 cars, an increase of 78 cars above the preceding week, and an increase of 751 cars above the corresponding week in 1941.

The Southern, and Southwestern districts reported increases, but the Eastern, Allegheny, Pocahontas, Northwestern and Central Western districts reported decreases compared with the corresponding week in 1941, 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
Five weeks of May	4,170,713	4,160,060	3,351,840
Week of June 6	854,689	852,940	702,892
Week of June 13	832,726	862,974	712,921
Week of June 20	844,913	885,539	728,493
Total	20,206,564	18,942,128	16,161,888

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended June 20, 1942. During this period 51 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED JUNE 20

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1942	1941	1940	1942	1941
Eastern District—					
Ann Arbor	359	641	547	1,310	1,652
Bangor & Aroostook	924	1,380	1,216	251	266
Boston & Maine	5,766	9,013	7,085	14,634	13,975
Chicago, Indianapolis & Louisville	1,530	1,422	1,403	2,053	2,553
Central Indiana	29	22	11	50	54
Central Vermont	953	1,468	1,311	2,637	2,741
Delaware & Hudson	6,362	7,023	5,908	11,464	10,240
Delaware, Lackawanna & Western	7,983	10,591	8,912	10,508	9,225
Detroit & Mackinac	313	365	323	132	143
Detroit, Toledo & Ironton	1,638	3,081	2,035	1,171	1,516
Detroit & Toledo Shore Line	240	436	314	2,557	3,579
Erie	13,192	16,387	12,612	17,052	15,778
Grand Trunk Western	3,702	6,693	4,727	7,638	9,096
Lehigh & Hudson River	182	210	219	3,456	2,516
Lehigh & New England	2,072	2,447	2,061	2,086	1,958
Lehigh Valley	8,939	10,361	9,074	13,006	10,140
Maine Central	2,026	3,333	2,810	2,570	2,553
Monongahela	6,412	6,375	4,800	359	477
Montour	2,428	2,407	2,033	29	50
New York Central Lines	46,946	53,956	44,122	54,818	52,381
N. Y., N. H. & Hartford	9,722	12,314	9,340	19,577	17,228
New York, Ontario & Western	1,195	1,378	1,239	2,527	2,650
New York, Chicago & St. Louis	7,117	6,971	5,634	16,393	14,054
N. Y., Susquehanna & Western	525	435	400	1,579	1,979
Pittsburgh & Lake Erie	8,238	8,896	7,652	9,429	9,935
Pere Marquette	5,390	7,451	5,720	6,198	6,574
Pittsburgh & Shawmut	785	658	890	22	52
Pittsburgh, Shawmut & North	390	476	333	261	449
Pittsburgh & West Virginia	1,145	1,210	892	3,666	2,735
Rutland	326	577	677	928	1,208
Wabash	5,263	6,427	4,816	12,519	11,906
Wheeling & Lake Erie	6,227	5,487	5,596	4,958	4,764
Total	158,319	189,891	154,712	225,838	214,467

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1942	1941	1940	1942	1941
Allegheny District—					
Akron, Canton & Youngstown	632	746	475	1,057	1,199
Baltimore & Ohio	41,329	41,768	33,000	26,945	22,989
Bessemer & Lake Erie	7,488	7,340	5,837	2,646	2,662
Buffalo Creek & Gauley	284	249	348	3	5
Cambria & Indiana	2,052	2,017	1,490	8	19
Central R. R. of New Jersey	7,143	8,702	7,373	19,016	16,700
Conrail	690	691	543	58	20
Cumberland & Pennsylvania	253	330	221	10	42
Ligonier Valley	151	97	79	57	48
Long Island	776	830	574	3,293	3,381
Penn-Reading Seashore Lines	1,729	1,762	1,303	2,362	1,939
Pennsylvania System	84,043	89,129	67,228	64,411	62,184
Reading Co.	13,864	17,992	15,017	27,614	23,100
Union (Pittsburgh)	21,344	20,156	18,450	8,109	6,667
Western Maryland	4,321	4,278	3,372	12,266	9,175
Total	186,099	196,087	155,310	167,855	150,130
Pocahontas District—					
Chesapeake & Ohio	28,697	29,072	24,813	13,413	13,995
Norfolk & Western	23,367	24,619	19,622	7,240	6,890
Virginian	4,747	4,811	3,952	2,133	2,012
Total	56,811	58,502	48,387	22,786	22,897

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1942	1941	1940	1942	1941
Southern District—					
Alabama, Tennessee & Northern	358	381	247	292	131
Atl. & W. P.—W. R. R. of Ala.	654	807	663	2,415	1,805
Atlanta, Birmingham & Coast	772	793	654	1,042	1,105
Atlantic Coast Line	13,072	11,309	9,182	8,728	6,238
Central of Georgia	4,406	4,497	3,902	4,237	4,267
Charleston & Western Carolina	392	460	458	1,547	1,810
Clinchfield	1,723	1,694	1,290	2,756	2,846
Columbus & Greenville	286	351	199	200	281
Durham & Southern	136	196	113	1,009	614
Florida East Coast	759	455	378	687	740
Gainesville Midland	34	39	22	188	79
Georgia	1,453	1,148	1,112	2,905	1,819
Georgia & Florida	383	442	258	464	552
Gulf, Mobile & Ohio	4,017	3,805	2,945	3,993	3,177
Illinois Central System	25,651	23,707	18,959	16,126	14,166
Louisville & Nashville	26,395	26,671	22,045	10,170	7,281
Macon, Dublin & Savannah	160	170	122	764	859
Mississippi Central	174	171	148	553	387
Nashville, Chattanooga & St. L.	3,845	3,807	2,758	3,948	3,500
Norfolk Southern	2,799	1,718	2,308	1,799	1,146
Piedmont Northern	348	474	444	1,075	1,695
Richmond, Fred. & Potomac	517	408	326	10,734	6,705
Seaboard Air Line	11,446	10,255	8,343	8,059	6,208
Southern System	22,944	25,421	20,207	21,815	20,085
Tennessee Central	609	567	443	1,116	955
Winston-Salem Southbound	80	141	129	883	894
Total	123,453	119,887	97,665	107,505	89,345
Northwestern District—					
Chicago & North Western	31,603	22,263	20,242	12,399	12,785
Chicago Great Western	1,977	2,882	2,369	3,002	3,356
Chicago, Milw., St. P. & Pac.	18,223	22,427	19,385	9,884	9,880
Chicago, St. Paul, Minn. & Omaha	3,329	3,904	3,591	3,551	3,988
Joliet, Missabe & Iron Range	28,422	24,048	20,054	318	339
Joliet, South Shore & Atlantic	1,809	1,200	1,549	524	537
Elgin, Joliet & Eastern	9,802	10,535	9,188	10,321	10,250
Ft. Dodge, Des Moines & South	523	623	464	119	115
Great Northern	25,476	24,165	21,098	5,529	4,199
Green Bay & Western	496	591	499	707	782
Lake Superior & Ishpeming	2,541	2,563	3,108	56	97
Minneapolis & St. Louis	2,048	1,969	1,956	2,547	2,115
Minn., St. Paul & S. S. M.	7,748	7,904	6,423	3,286	3,219
Northern Pacific	11,014	10,792	9,671	4,973	4,816
Spokane International	152	332	292	427	367
Spokane, Portland & Seattle	2,607	2,720	1,755	2,966	2,059
Total	137,810	138,918	121,644	60,609	58,504
Central Western District—					
Atch., Top. & Santa Fe System	24,460	25,463	20,439	10,474	7,587
Alton	3,040	3,749	2,963	4,393	2,834
Bingham & Garfield	724	665	521	121	65
Chicago, Burlington & Quincy	15,545	17,421	14,327	10,627	9,566
Chicago & Illinois Midland	2,405	2,670	1,815	855	788
Chicago, Rock Island & Pacific	11,888	14,266	13,299	11,368	10,846
Chicago & Eastern Illinois	1,820	2,762	2,560	2,762	3,145
Colorado & Southern	701	671	678	1,858	1,652
Denver & Rio Grande Western	3,243	2,222	2,098	5,073	3,595
Denver & Salt Lake	566	373	252	15	30
Fort Worth & Denver City	1,398	1,428	1,147	1,194	1,058
Illinois Terminal	1,863	2,073	1,708	2,361	1,906
Missouri-Illinois	1,255	1,143	839	368	477
Nevada Northern	2,027	2,091	1,848	119	117
North Western Pacific	1,118	843	757	487	484
Peoria & Pekin Union	11	12	17	0	0
Southern Pacific (Pacific)	30,313	31,543	26,375	9,998	6,754
Toledo, Peoria & Western	257	299	330	1,514	1,535
Union Pacific System	12,546	14,915	12,595	12,273	10,461
Utah	597	296	167	6	4
Western Pacific	2,105	1,732	1,624	3,380	2,466
Total	117,882	126,637	106,359	79,246	65,380
Southwestern District—					
Burlington-Rock Island	177	222	191	165	191
Gulf Coast Lines	4,441	2,494	2,291	2,262	1,750
International-Great Northern	2,809	2,303	1,941	2,600	2,000
Kansas, Oklahoma & Gulf	345	286	258	1,090	1,014
Kansas City Southern	4,916	2,446	1,902	2,757	2,263
Louisiana & Arkansas	3,640	2,152	1,694	2,083	1,920
Litchfield & Madison	321	371	212	1,307	1,078
Midland Valley	662	474	417	220	313
Missouri & Arkansas	145	187	160	292	397
Missouri-Kansas-Texas Lines	5,266	4,436	3,865	4,078	3,787
Missouri Pacific	15,363	16,982	11,675	17,170	11,227
Quannah Acme & Pacific	109	77	104	154	40
St. Louis-San Francisco	8,673	9,035	7,63		

Items About Banks, Trust Companies

Fred C. Eggerstedt, John J. Lendrum, John D. Revene and Carl W. Weis were promoted on June 24 to be Second Vice-Presidents of the Chase National Bank, of New York. Cloyd H. Huffard was appointed an Assistant Cashier.

At a regular meeting of the Board of Directors of the National City Bank of New York held June 23, John L. Curtis was appointed an Assistant Vice-President.

Guaranty Trust Company of New York announces the appointment of Milton A. Schwarz as Assistant Comptroller.

Manufacturers Trust Co., New York City, has been authorized by the State Banking Department to open a branch office at 380 Sixth Avenue, after Aug. 1 upon the discontinuance of the branch office at 337-339 Sixth Avenue.

Henry Parish, Vice-President and a Trustee of the Bank of New York, died on June 26 at his Summer home in Llewellyn Park, West Orange, N. J. He was 82 years old. Mr. Parish had been associated with the bank since 1877. He began his banking career as a messenger for his father's bank, then known as the New York Life Insurance and Trust Co. and became Vice-President in 1900. The Bank of New York and the New York Life Insurance and Trust Co. was merged in 1922 to form the Bank of New York and Trust Co. The institution reverted to its original name, Bank of New York, in July, 1938.

Mr. Parish was treasurer of the American Geographic Society, a member of the executive committee of the New York Historical Society, Treasurer of the Havana Relief Fund Society, a director of the Atlantic & Charlotte Air Line Railway Co. and Vice-President and a director of the Parish Safe Deposit Co.

At the regular meeting of the Board of Directors of the National City Bank of New York on June 30, James R. Hobbins, President and Director of the Anaconda Copper Mining Company, was elected a director of the bank. Mr. Hobbins is also President and Director of Andes Copper Mining Co., Butte Water Co., Chile Copper Co., Chile Exploration Co., Diamond Coal & Coke Co., Montana Hardware Co.; Vice-President and Director of Butte, Anaconda & Pacific Ry. Co. and Director of American Brass Co., Chile Steamship Co., International Smelting & Refining Co., Mines Investment Corp. and Montana Power Co.

Peter Van Brunt, Assistant Vice-President of Central Hanover Bank and Trust Company of New York, has resigned to accept a special assignment in the Navy Department. It is announced that he will be located in Washington, D. C., after July 1.

At the regular meeting of the Board of Directors of the National City Bank of New York held on June 30, Carl W. Hayden, formerly supervisor of the branches in India, was appointed an Assistant Vice-President.

Following the meeting of the Board of Trustees of the New York Trust Company on June 30, John E. Bierwirth, President, announced the appointments of Frank M. Aukamp and Harvey A. Basham, Jr. as Assistant Secretaries. Both are associated with the company's Corporate Trust Division. Mr. Aukamp has been with the New York Trust Company for 26 years. Mr. Basham has been employed by the bank for 14 years.

The Bronx Saving Bank, Bronx, N. Y., has received permission from the State Banking Department to open a life insurance department.

Petition to pay a final dividend of 12%, amounting to \$261,868, to depositors in the savings department of the Merchants Trust Co., Lawrence, Mass., has been approved by the Supreme Judicial Court. According to accounts reported in the Boston "News Bureau" of June 19, which said:

Previously savings department depositors had received 80.25% of their claims and the final dividend presently to be paid will give them a total of 92.25% of their claims. Approximately 5,000 depositors of the savings department will benefit, receiving back all told \$2,013,100. Distribution of the final dividend is expected to be made about July 21.

There will be no further dividend payments to depositors in the commercial department. They have received dividends totaling \$1,027,361, or 60% of their claims.

M. J. Fleming, President of Federal Reserve Bank of Cleveland, announced on June 16 the admission of the Twin Valley Bank, West Alexandria, the First State Bank of West Manchester, the Peoples Banking Co. of Lewisburg and the Bank of Mount Eaton Co., Mount Eaton, all of Ohio, to membership in the Federal Reserve System. With the admission of these institutions the total number of State-chartered member banks in the Fourth District is 181, of which 144 are in the State of Ohio. The new members operate in sections which are primarily agricultural. "The fact that these are all small banks," said Mr. Fleming, "evidences a growing appreciation that smaller banking units find membership in the System not only desirable, but helpful to the communities which they serve."

Stanley W. Ropa, Executive Vice-President of the Peoples Federal Savings and Loan Association of Chicago, announces the payment on July 1 of a dividend of 3% per annum to thousands of savers and investors of the Peoples Federal Savings and Loan Association of Chicago. It is claimed that the Peoples Federal Savings and Loan Association of Chicago has the record of making more loans for construction and remodeling in its immediate section than any other such organization. Al C. Ropa, Assistant Secretary and Manager of the Peoples Federal Savings indicates that investing is not limited to individuals, but that societies, clubs, professionals, insurance companies and fraternal organizations are permitted by State law to invest in the Peoples Federal Savings.

FIC Banks Place Debs.

The Federal Intermediate Credit Banks on June 22 made a successful placement of \$30,515,000 debentures through Charles R. Dunn, New York, fiscal agent for the banks. Of the total amount \$26,915,000 were sold publicly at par, of which \$10,810,000, dated July 1, 1942, and due Dec. 1, 1942, carries a coupon rate of 0.65% and \$16,105,000, dated July 1, 1942, and due May 1, 1943, bears a coupon rate of 0.85%. The other issue of \$3,600,000 carrying a coupon of 0.50% and maturing Oct. 1, 1942, was sold privately at par. Of the proceeds of the sale \$28,455,000 will be used to pay off a like amount of debentures due July 1 next and \$2,060,000 is for new money. At the close of business July 1 next the banks will have outstanding \$301,530,000 debentures, an all-time high.

New War Bond Manual Sent Out to Banks

As a further aid to banks in their already intensive activity in the selling of War Savings Bonds, the Treasury Department is mailing to the commercial and savings banks of the nation a new 32-page manual entitled "Helping Your Bank Sell U. S. War Savings Bonds," which, as Secretary Morgenthau describes it, "outlines the form and develops various suggestions which can be considered vital to a coordinated plan for the promotion of United States War Savings Bonds." The announcement issued June 26 by the American Bankers Association regarding the booklet says:

The booklet is a joint undertaking of the Treasury Department and the American Bankers Association which cooperated in its preparation. It contains a plan for training bank personnel for the selling of war bonds and suggestions for window and lobby displays, reproducing in picture form displays used successfully by banks. It also furnishes specimen newspaper advertisements, some from the advertising service of the American Bankers Association and others from the Treasury War Savings Bond staff service, together with reproductions of advertisements already used with good effect by banks.

In addition, it contains suggestions for activity in the fields of newspaper publicity, direct mail, and radio, outlining plans found to be effective. Sources of speech material are also given.

The manual stresses the importance of training bank employees for the job and suggests methods that can be used.

Secretary of the Treasury Morgenthau has written as a foreword to the manual "A War Message to the Banks of America." In this he says:

The success of one of the most vital of our country's war efforts is in your hands. To date, your unstinted contributions to the United States War Savings Bond program have been magnificent. What you did even before the outbreak of war has become one of the finest testimonials to our democratic way. That over 14,000 commercial and savings banks—without a cent of compensation—voluntarily launched a great and successful drive to sell War Savings Bonds is a glowing tribute to the quality of the patriotism of America's financial institutions. Now that we are engaged in a struggle for our very existence as a nation, your position as financial counselor to the people in your community has assumed an even greater significance and automatically an even greater responsibility for continued and mounting contributions.

In stating the aims of the War Bond program, the Secretary has the following to say:

To help pay for the stupendous production of war equipment required for victory.

To siphon into productive channels that portion of America's current income which would otherwise flood the nation's financial arteries with disastrous inflationary cash.

To create individual backlogs of financial security for use during the period of industrial readjustment after the war.

To create a nationwide saving habit which will serve the country's banks long after the war.

Joins War Savings Staff

Secretary of the Treasury Morgenthau on June 25 announced the appointment of Harriett Wiesman Elliott, Dean of Women and Professor of History and Political

Science at the Women's College of the University of North Carolina, as Associate Field Director in charge of Women's Activities for the War Savings Staff. It is pointed out that this is the second time that Dr. Elliott has come into her country's service in wartime, inasmuch as she was a member of the Women's Council of Defense during the first World War.

Recently, Miss Elliott served as chief of the Consumer Division of the Office of Price Administration.

Banking School Graduates; R. W. Hill Honored

One hundred and seventy bank officers, three bank examiners and one state banking commissioner representing institutions in 37 states were graduated by the Graduate School of Banking at New Brunswick, N. J., on June 26 at commencement exercises marking completion of the eighth year of the school. The Graduate School of Banking is a school for advanced study for bank officers conducted at Rutgers University by the American Bankers Association. The 174 student bank officials who graduated have completed a course requiring two years of extension work at home and three sessions of two weeks in residence at Rutgers during the month of June. During the two weeks' session just closed 543 bank officers were in residence.

The commencement address at the exercises was delivered by Dr. Clark G. Kuebler, Assistant Professor of Classics at Northwestern University, Evanston, Ill. Diplomats were presented by Dr. Lewis E. Pierson, Chairman of the Board of Regents of The Graduate School of Banking, former Chairman of the Board of the Irving Trust Co., New York and now New York Down State Chairman of the War Savings Staff of the U. S. Treasury Department.

An honorary degree of Master of Arts was conferred on Richard W. Hill, Registrar of The Graduate School of Banking at the commencement exercises on June 26 by Robert C. Clothier, President of Rutgers University. In conferring the degree upon Mr. Hill, Dr. Clothier read the following citation:

Over the years you have rendered distinguished service as author, editor and practitioner in the field of law. You have conscientiously discharged the duties inherent in your position as a public official of the City of New York. Throughout your long and fruitful career you have displayed unusual talent in business and educational administration. In recognition of these achievements and as a personal tribute to you I am authorized by the Trustees of Rutgers University to confer upon you, honoris causa, the degree of Master of Arts.

Mr. Hill has been registrar of The Graduate School of Banking since its inception in 1935. He was national secretary of the American Institute of Banking for 22 years, and has been secretary of the American Bankers Association since Nov. 1, 1937.

To Sell War Bonds On RFD

Millions of persons in the rural areas will be provided with a new and convenient method of purchasing War Bonds as a result of an order issued by the Post Office Department authorizing rural carriers to accept applications for War Bonds, the Treasury Department's Defense Savings Staff announced on June 24. The announcement says:

Purchasers must pay for the bonds at the time of making application, and payment must be in cash or War Savings Stamps or by check. The carrier will give receipt for the purchase price and will in most cases deliver the Bond in per-

son after it has been issued by his postmaster.

This is the first time postal carriers have been authorized to accept applications for Bonds, although they have been selling War Savings Stamps in both rural and urban areas for several months.

Reserve Bank Rules On Sat. Cash Collection

Allan Sproul, President of the Federal Reserve Bank of New York, issued the following notice to members on June 19 regarding the collection of cash items drawn on banks not open for business on Saturdays:

We are informed that with a few exceptions the banks located in the portion of the State of New Jersey that is included in the Second Federal Reserve District will not be open for business on Saturdays from June 20, 1942 to Sept. 12, 1942, both inclusive, which have been made public holidays for the purposes described in section 36:1-1 of the Revised Statutes of New Jersey. In the circumstances, therefore, our head office will defer, until the next business day, credit for cash items drawn on or payable at members of the Northern New Jersey Clearing House Association for which credit would be given on such Saturdays if they were not public holidays; and our head office and Buffalo branch will defer for an additional day, i.e., for three business days after receipt, credit for cash items drawn on or payable at other New Jersey banks located in the Second Federal Reserve District which are received on Fridays to and including Sept. 11, 1942.

While we are further informed that certain banks located in the State of New York will not be open for business on Saturdays from July 4, 1942 to Sept. 5, 1942, both inclusive, we contemplate no changes in the current practices of our head office and Buffalo branch with respect to giving credit for cash items drawn on or payable at New York banks which will not be open for business on Saturdays during such period.

It should be remembered that there will be a delay of one business day in returning cash items that may be dishonored by drawee banks which are not open for business on Saturdays during the periods mentioned above and in advising you of the fate of such items.

Treasury Considers 5% Withholding Tax

Secretary of the Treasury Morgenthau disclosed on June 25 that the plan for collecting individual income tax at the source, tentatively fixed by the House Ways and Means Committee at 10%, is now being considered for possible revision to a withholding rate of 5%. Under the plan adopted by the House group, at the Treasury's suggestion, a withholding rate of 10% would begin on Jan. 1, 1943, with taxpayers permitted to apply one-half to taxes on 1942 income and half to 1943 tax liabilities. However, a House Committee member suggested to the Treasury and the Joint Committee on Internal Revenue Taxation that a withholding tax rate of 5% be approved with all of this being applied to 1943 income taxes and that a 10% rate be imposed in 1944. The Treasury and the Joint Committee staffs are understood to have this under consideration.

Secretary Morgenthau also disclosed at his June 25 press conference that he had proposed to the House Committee that taxpayers be given the option of paying their 1942 income tax monthly instead of in quarterly instalments.