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House Passes $6 Billion Tax Bill; Votes 90% Excess Profits Tax, Payroll Tax Reductions

Designed to yield $6,271,200,000, the greatest amount in the Nation's history, the new revenue measure was passed by the House on July 20. The adoption of the bill came after three days' debate in the House, limited to that period under a so-called "gag" or closed rule agreed to on July 16, under which amendments by the House Ways and Means Committee only were permitted. The bill was passed by the House by a vote of 392 to 2, the two votes in opposition being those of Representatives Oliver (Republican) of Maine and Moser (Democrat) of Pennsylvania. Prior to the final vote the House accepted on July 20 the proposal of the Ways and Means Committee to increase the excess profits tax from 87½% to 90%; however, the House rejected the further proposal of the Committee to lower the combined normal and surtax rate on corporations from 45% to 40%. The retention of the 45% rate came on a teller vote of 180 to 160, while the decision to increase the excess profits tax rate was agreed to by a voice vote. Both the 87½% excess profits tax and the 45% surtax rate were embodied in the bill as it came from the House Ways and Means Committee, which reported the bill to the House on July 14, as noted in our July 16 issue, page 169. In Associated Press accounts from Washington July 20 it was stated:

"Representative Doughton, Chairman of the committee, urged the revised corporate rates in the interest of the small corporations which were not benefiting from the war program. But Representative McLean, Republican, of New Jersey, said the changes would "help those corporations which are waxing fat by this war effort."

In the account of the House action on July 20, it was stated by the Washington Correspondent of the New York "Times"—Henry N. Dorris—that in probably the stormiest session of the year, a number of House members ex-

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FROM WASHINGTON AHEAD OF THE NEWS

By CARLISLE BARGERON

We are frequently asked if Leon Henderson is a man of ability and our invariable answer has been that he must be to have pushed himself upward through the backbiting and throat cutting of official Washington. Now, after the job he did on the Senate the other day, we are more convinced than ever.

The proposal was to require Senate confirmation of all OPA appointees receiving $4,500 a year and upwards. It is an amazing thing that Senate confirmation is required for Cabinet members, Federal judges, even high Army and Navy officers—Generals MacArthur, Marshall; Admirals King, Nimitz and so on—but over countless agencies which the New Deal has set up, the Senate has no confirmatory authority at all. In recent months, in an effort to recover some of its lost influence, to get some sort of hold over the bureaucracy, the Senate has been trying to get this authority over first one agency and then another. In many instances it has been checked by the House which has long been jealous of the so-called Upper House.

But this time the Senate was outwitted almost single-handedly by Leon. What he did was to circulate among the Republicans, point out to them that it would avail them nothing to create this OPA patronage, that it would go to New Deal Senators, and at the same time intimating that Republican Senators who played ball with him would probably not regret it.

The result was that not a single Republican voted for the proposal, every one voting, 19, voted against it, instead. It was a tie vote 30-30 which Vice-President Wallace broke in Leon's favor.

That it was a single-handed job by Leon is indicated by the fact that the White House evinced no concern in the outcome. The Administration leader, Barkley, voted for the proposal.

The Republicans voted as they did notwithstanding that it had been brought out a couple of days before, that after Director Landis of Civilian Defense, had been specifically denied money with which to pay the salary of one of his employes, he had kept the man on and got the money from another fund.

It is more than just a passing commentary on the Washington

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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.

GENERAL CONTENTS

Editor's Note—Various other reports and news items, not covered in this index, appear in Section 1 of this issue, as explained in the notice given on this page.

THE FINANCIAL SITUATION

This time there were to be no "war millionaires." No one was to profit more than very moderately at most from the misfortune that had befallen this country. The effort that was necessary on our part was of a sort and of proportions to demand, on the contrary, heavy sacrifices from each and every one of us. These, in general terms, were the ideals with which we launched ourselves upon the task of winning this, the largest and most difficult war that had ever overtaken us. Technically, we have been at war a little over seven months. How well are we succeeding in giving practical effect to these resolutions?

Exceptions

Industry in general and individuals of large wealth generally are certainly not reaping large pecuniary rewards for their war services. To be sure, the volume of production is so great that profits before taxes are very substantial, but when taxes levied even under existing law have been paid, the amounts remaining are certainly not large enough for the most concerns to warrant, in terms of ordinary business, the risks that have been assumed. Individuals earning large incomes are, in a manner of speaking, largely working for government—that is to say, the larger part of whatever they receive is taken from them in taxes. These burdens, moreover, are apparently scheduled to grow greater as time passes. There are, however, those who in one way or another are profiting from the war more largely than they ever did from anything else before, and they are doing so in much the manner that many others have employed in similar circumstances in former times and under "conservative" administrations.

How many there are of these liaison agents, and other political hangers-on and how much their gains are, we shall certainly not know fully for a long while to come, and probably never shall learn. Congressional inquiries which have doubtless given a false or distorted picture of the Washington scene in many respects, have nonetheless uncovered instances enough to make it clear that what has in the past rather regularly taken place in such circumstances as those now obtaining is again in one degree or another occurring.

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A Living Cost Problem?

We do not agree with the analysis of the majority member of the War Labor Board that its wage award will meet the living cost problems of the steel workers. This wage award of the Board is based on the President's seven-point national economic program, calling for national stabilization of cost of living. Wages cannot and must not be the sole object of the stabilization effort. The workers now look toward the President and Congress to carry through the remaining portions of the national economic program, such as an effective tax program and a real effective freezing of prices of goods, rents and other items of cost to the people.

***We shall watch this phase of the program most carefully. The workers are entitled to know whether their living costs are going to be stabilized, upon which principle the present award of the Board in the "Little Steel" case has been predicated.*—United Steel Workers of America.**

Relative to anything they have known in the past, have steel workers at this moment any real living cost problem?

If so, is there any good reason to believe that it would be solved by general wage increases throughout this and other industries?

Steel workers could with much more grace—and probably more effectiveness—demand stabilization of living costs if they themselves were not so insistent upon action which can hardly fail to raise them.

Reports 12,500,000 In War Industries

Paul V. McNutt, Chairman of the War Manpower Commission, disclosed on July 13 that 12,500,000 persons were working on July 1 in direct war employment and that under present schedules 5,000,000 will be added to to this force in the next six months.

Declaring that war plants are rapidly drying up the available labor supply, Mr. McNutt said that "general labor shortages are apparent in many war industry centers," adding that "increased employment of women and other persons not now in the labor force will be necessary to meet the demands for war workers during the next year and a half."

The new war employment estimate of 12,500,000 compares with previously announced estimates of 9,000,000 on April 1 and 6,900,000 on Jan. 1. The average war employment for the last three months of 1941, most of it "pre-Pearl Harbor," was 5,300,000. The fourth quarter figure in 1940 was 1,400,000.

Mr. McNutt said the increase in war employment in the second quarter totaled 3,500,000, or 67% over the 2,100,000 total of the first quarter.

"This shows that industry and government have struck their stride in producing for war," he said. "It also shows that a very large percentage of the industrial workers in peace-time production are shifting over to war production.

"We counted on obtaining, for the armed forces and for industry, between 7,000,000 and 8,000,000 persons from peace-time industry during this calendar year, in addition to 1,400,000 of the employable unemployed, 2,000,000 or more from housewives, young people, older workers and others not in the labor market. Obviously, the employment of 5,600,000 by war industry in six months, plus the number taken by the armed forces, has absorbed most of the workers who were immediately available. We must move more quickly now to utilize our reserves — our women, Negroes, older workers, dis-employed white-collar workers, aliens and others who are or can be qualified for war jobs."

President Divides Control Over Alien Property

President Roosevelt issued an executive order on July 7 differentiating between the powers exercised by the Alien Property Custodian and the Secretary of the Treasury over the property of enemy, neutral and occupied countries and their citizens. In reporting this Associated Press advices said:

"The Custodian will have charge of all enemy-owned or controlled businesses operating in this country. Those owned or controlled by nationals of neutral or occupied countries will likewise come under his jurisdiction when he determines it to be necessary in the national interest.

"The Custodian also will handle foreign owned patents, copyrights and trade-marks, foreign ships and all forms of property and claims of enemy nationals involved in estates, trusts and receivership proceedings.

"The Treasury will continue to handle:

"Dollar balances, bullion and securities of governments for nationals except those belonging to an enemy business; all transactions or business dealings with countries subjected to freezing orders, including the control of all trade and commercial communications with enemy and enemy-controlled nations."

Creation of the Alien Property Office was noted in these columns March 19, page 1149.

Editorial—

A Double-Pronged Invitation to Disaster

The Alice-in-Wonderland economics practiced so assiduously during the last eight years reaches its acme of development in the Little Steel decision just handed down by the War Labor Board. By the use of arguments which boil down to utter nonsense, the Board blandly and proudly announces that it has framed a ruling which will save the country from inflation—while as an actual matter of fact, its verdict may just about push the nation over the brink.

The glib document which justifies the granting of the wage increase to the steel workers is a literary gem truly worthy of Lewis Carroll. The summaries of it which have appeared sound nonsensical enough, but the ruling must be read in verbatim form to be truly appreciated. However for an in-a-word summary of its logic, this one comment may suffice: It announces that a wage increase of 44 cents a day, which adds $21,000,000 a year to the payrolls of four steel companies and which actually guarantees thousands of other workers millions and millions in wage boosts, requires severe "sacrifices" from those workers, and at the same time fulfills the Administration's promise that "existing wage scales" would be maintained to avoid inflation.

This, of course, is the ne plus ultra in the Alice-in-Wonderland economics of the decision. Some of the premises by which this queer result was reached seem straight from Carroll, while others seem to stem from a more malicious inspiration. Take the fundamental rule underlying the wage verdict—namely, that all workers are entitled to an increase of 15% in hourly earnings from January, 1941 to April, 1942, because the cost of living had risen by that proportion during that period.

Just why did the NWLB pick January, 1941, as the base for these calculations? Because although hourly wage rates began advancing as soon as the war broke out in August 1939, it was not until February or March of 1941 that the cost of living showed any appreciable rise from the low levels prevailing in the 1938 depression. In other words from early 1941 on the advance in hourly wage rates somewhat approximated the trend of living costs. Consequently if a statistician were instructed to pick a base date from which hourly wage rates lagged behind the trend of living costs, he would have to pick January or February, 1941. If he picked, January or June, 1940, or August, 1939, the case would have been hopeless, for from any of these dates wages have outstripped the rise in living costs.

This, then is the first comment about the January, 1941 base—it represents about the only date the Board could have picked that would have enabled it to grant an increase. As a second comment on the date, it need only be said that in the fifteen months just preceding January, 1941, employees in manufacturing industry generally had won a 10% gain in real wages (allowing for the minor upturn in living costs). *In other words, January, 1941, represents a period of peak prosperity for workers in general.*

One other illustration is necessary to show how the Board labored to produce the increase it gave. Even after it picked as a base period the one month that would be most favorable to workers, it was embarrassed to note that steelworkers' hourly earnings had almost kept pace with the living cost trend. From this base most favorable to labor the Board admitted that only a wage increase of some 3 cents was justified. To give the full 5.5 cents it awarded, the Board decided that employes must be given a bonus because the rule of holding wages down to the rise in living costs was announced while their wage demands were already pending before the WLB. In other words, the steel union got a bonus because the rules were changed in the middle of the game.

Certainly, this is sophistry of the highest order.

However vicious its bases, the alarming part of this ruling is the invitations to disaster it so freely tenders. Not only is the wage increase given Little Steel workers, but by setting up the rule that wages must advance 15% from January, 1941 until April, 1942, the Board guarantees a staggering addition to the vast sums of excess purchasing power already being pumped into the hands of the workmen throughout the land. Hundreds of workers, including even some union groups, had announced after the April 27 speech of President Roosevelt that they would not seek any further wage increases. Now all of these are told that their Government wants them to have such increases. Leon Henderson's estimate that the inflationary "gap" of excess purchasing power this year would exceed $17,000,000,000 and Jesse Jones' figure of $30,000,000,000 for 1943 seems not overlarge.

One other aspect of the ruling should be pointed out. If the farm bloc keeps on winning its battles for higher farm prices, it will eventually force the cost of living into a new jump. If this occurs, the War Labor Board will be forced under its formula of preserving worker purchasing power at the January, 1941 level, to give all employes who ask it a further upward adjustment. And, as might be expected under an Alice-in-Wonderland economic era, the boosts in wages will change the parity price concept used by the Administration and require a new boost in farm prices, which once again would necessitate general wage increases and so on ad infinitum.

Thus, the Board's wage ruling is hypocritical in pretending to require a sacrifice, it indulges in sophistry to justify its course of action, and the outcome of its verdict seems likely to be an aggravation of the inflation it wishes to avert.

Yet it is not entirely just to heap abuse on the Board for this verdict. Just before it was handed down, and again immediately after the rulings, the President of the United Steelworkers of America (CIO) visited the White House for a conference. There could be and never has been any doubt in the minds of the Board that the White House expected it to hand down a decision that this union president (Philip Murray) would accept. This Administration has been a labor government, it has from the outset opposed requiring labor to make any sacrifices of its gains. Under such circumstances, and until the Administration itself showed any independence of the labor bloc—how could its creation, the War Labor Board, be expected to do so?

This thought logically leads into a second phase of the Board's decision, a phase almost universally overlooked by the press. This was its ruling that the union was entitled to the maintenance of membership clause and the voluntary checkoff in the plants of all four steel companies. Despite the serious nature of the inflation threat, this part of the ruling may prove more important.

As the employer members of the board pointed out, the Little Steel case shows that the Federal agency will hand unions this form of union security whenever they ask it. In the last ten major cases, the Board has given the membership or checkoff clauses. With this a rule as fixed as its wage doctrine, most of the great unions will soon be equipped with a stranglehold upon their members, a stranglehold that will assure them a vast increase over and in addition to the vast power they already wield.

To drive home what this means with a case in point—the great power the unions are obtaining with these maintenance of membership and checkoff clauses guarantees that they will continue for years to come to exert the influence that accounted for the sophistry in the Little Steel wage ruling. And they will be enabled to wield this power without supervision or regulation until an aroused citizenry makes itself felt.

Only one comment is necessary upon the premise advanced for this part of the Little Steel ruling. The Board members declare they gave the steel union the "union security" clause, because the union had shown itself responsible, and devoted to the cause of greater war production.

The record shows that this same steel union, headed by the president of the CIO, and praised by the NWLB, has either staged, allowed, or been entirely unable to prevent *some twenty-odd strikes in vital war plants since June 9* of this year. Production in various plants of U. S. Steel, Bethlehem, Republic, Roeblings, American Car and Foundry, Lukens, and other steelmakers have suffered because of the irresponsibility of this union. Probably if the record for the entire eight months of the war were available it would be found that this one union was responsible for *a hundred outlaw, contract-breaking strikes* which occurred despite the union's no-strike pledge made after Pearl Harbor.

Thus, when the War Labor Board calls this union responsible it is guilty of a flat falsehood, completely indefensible.

In summary, therefore, the wage section of the Little Steel ruling seems likely to aggravate rather than ameliorate the inflation peril. And the union security section, by deciding that a union, however irresponsible and disinterested in its pledge to keep war production going, is entitled to the checkoff and membership maintenance, will surely perpetuate the labor bloc whose influence explains such unfair and illogical rulings as the new wage doctrine.

That is why the Little Steel decision is a double-pronged invitation to disaster.

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There seems to be no way of eliminating these abuses, and an Administration so wedded to the Jacksonian doctrine of spoils could be expected to have particularly great difficulties in combatting these evils.

The Real Failures

But the really costly failures to give effect to the lofty ideals set forth at the beginning of the war are to be found elsewhere. They are seen precisely where one would expect to find them, in dealings with those groups which from the first have been the political mainstay of the existing regime in Washington—the wage earners and the farmers. These failures are to be charged against both the legislative and executive branches of the Government. The President has been more inclined to deal firmly with the farmer than has Congress, although, of course, he, in conceding the "justice" of parity prices and in effect assuring the agriculturist the aid of the Government in obtaining such prices, can scarcely be said to have been "tough" with the tiller of the soil. Congress, on the other hand, has at times apparently been on the verge of drastic action against organized labor, and it has been the President who has again and again managed to place such plans upon the shelf.

Wage Stabilization?

To be sure, the President upon occasion has called rather directly and vigorously upon labor to bear its share of the burden of sacrifice being demanded of us all. He has even gone so far as to demand stabilization of wage rates, and to give assurance that he would through administrative agencies under his command provide for such stabilization. There have, however, usually been vague reservations in what the President has had to say on the subject, which inevitably left the skeptical filled with doubt. That these doubts were not without foundation appears to be clearly indicated by the ruling late last week of the War Labor Board in the case of so-called "little steel." The significance of this determination is to be found not so much in the grant of wage increases to the parties to this case as in the broad principles set forth as those which will guide that body in future cases—presumably the program of the Administration.

Lest the significance of this decision be overlooked, we make room here to give the pertinent paragraphs in full:

(1) For the period from Jan. 1, 1941, to May, 1942, which followed a long period of relative stability, the cost of living increased by about 15%. If any group of workers averaged less than a 15% increase in hourly wage rates during or immediately preceding or following this period, their established peacetime standards have been broken. If any group of workers averaged a 15% wage increase or more, their established peacetime standards have been preserved.

(2) Any claim for wage adjustments for the groups whose peacetime standards have been preserved can only be considered in terms of the inequalities or of the sub-standard conditions specifically referred to in the President's message of April 27, 1942.

INEQUALITIES TO BE CONSIDERED

(3) Those groups whose peacetime standards have been broken are entitled to have these standards re-established as a stabilization factor.

(4) The board, as directed by the President in his April 27 message, will continue to "give due consideration to inequalities and the elimination of substandards of living."

(5) Approximately 20 wage disputes, still pending before the board, were certified prior to the stabilization date of April 27. The question arises in these cases whether wage rates being paid on April 27, 1942, can or cannot be considered as "existing rates" within the meaning of the President's message, or whether they then had the tentative character of disputed rates. Due regard must be given to any factors of equity which would be arbitrarily swept away by "a change of rules in the middle of the game."

What, may we ask, has become of the sacrifice theory? If wage earners are to be regarded as entitled to increases in pay pari passu with any upward turn in the cost of living, they appear to be guaranteed, so far as the Government is in a position to guarantee it, full maintenance of their plane of living. Of course, it may be said that the Treasury will do what it can to persuade these wage earners to save some part of their earnings and invest them in War Savings Bonds, but if such an argument were presented it would be necessary to explain how in such an event changes in the cost of living provides a logical basis for wage advances. The fact of the matter is, in any event, that the hourly rate of wages in times such as these is no criterion, or at best only a partial criterion, of the amount of weekly earnings, and therefore of the need of more wages to support any given standard of living. Workers are today receiving larger incomes than they ever did before in their lives, and that fact is as much due to hours worked at premium rates over and above a very short work-week as to the hourly rate of pay.

What, too, becomes of the "stability" conception if such important individual component of the cost of production as wages and the price of agricultural products is to be raised from time to time as end-products reveal the effects of previous increases? The War Labor Board, and, for that matter, the Administration must be fully aware that each increase in wages such as that granted large groups of steel workers and such others as will be required by the philosophy set forth in the ruling in question enter in an important way into the cost of goods and therefore into the cost of living. A succession of such increases would, if continued long enough, inevitably give rise to a further rise in the cost of living and thus lay a basis for claims for further wage increases not only by these same groups of workers but by all others—in direct line with the reasoning employed in the ruling under discussion.

The amounts of money involved the case of each individual is small, of course, but in the aggregate the effect upon the Treasury and upon the economy is much greater than ill-gotten gains of several thousand war profiteers in the million dollar class.

The State Of Trade

Business activity registered a moderate increase during the week, with most industries reporting continued high levels compared with last year.

Although industrial activity has now advanced far beyond anything that had been anticipated at the outset of the defense program, further substantial expansion still lies ahead in some industries, observers state. The Federal Reserve Board index now at 180% of the 1935-39 average, is expected to top 200 before the year is over.

The Federal Reserve Board points out in its current bulletin that the forthcoming expansion will be made despite growing materials shortages. It is pointed out that there has already been considerable expansion in capacity of aluminum, magnesium and electric steel, and that further expansion is ahead.

It is pointed out, too, that civilian consumption of supplies will have to be drastically cut to shift available scarce supplies still further to war production.

Latest reports on carloadings showed a substantial increase over the previous week, the official figures being 855,124 cars for the week. This was an increase of 101,269 cars, or 13.4%, compared with the preceding week; a decrease of 21,018 cars, or 2.4%, compared with a year ago, and an increase of 118,341 cars, or 16.1%, compared with 1940.

Although annual traffic peaks are not reached until the fall, the railroad industry broke almost every previous record of railway operating efficiency during the month of April, which has only 30 days. The volume of freight service rendered in that month the magazine "Railway Age" points out in its latest issue, exceeded all previous monthly records.

Preliminary reports from 88 Class I railroads, representing 81.5% of total operating revenues, received and made public by the Association of American Railroads, show that those railroads in June, 1942, had estimated operating revenues amounting to $497,225,572, compared with $370,863,416 in the same month of 1941, or an increase of 34.1%.

Electric power output increased to 3,428,916,000 kilowatt hours in the week ended July 11 from the 3,424,188,000 reported in the previous week, and was 7.9% above the total of 3,178,054,000 a year ago, the Edison Electric Institute announced.

Steel production in the United States is scheduled this week at 98.7% of capacity, or 0.4% below last week's rate of 99.1%, the American Iron and Steel Institute reported.

The current schedule indicates output of 1,676,500 net tons of ingots and castings for the week, against 1,683,300 tons last week and 1,586,100 for the like 1941 period.

Engineering construction volume for the week was $174,129,000, which is 57% below the high volume of $401,603,000 reported last week and 16% below the corresponding 1941 week. Public construction is down 58% from last week and 12% below the 1941 week. Private construction is 6% lower than last week and 55% lower than the 1941 week.

Federal contracts dropped 59% below last week but show a slight gain over the corresponding 1941 week. With this week's total the volume for the 29 weeks reaches $5,698,849,000, compared with $3,421,095,000 for the same period last year, a gain of 66%.

Department store sales on a country-wide basis were up 10% for the week ended July 11, compared with the same week a year ago, it was shown in the weekly figures made public by the Federal Reserve System.

Looking forward to an improvement some time this fall in their currently unfavorable sales trend, executives of major retail organizations expect to wind up this year with sales slightly in excess of last year's high total, according to well informed quarters.

War production work is still going ahead in leaps and bounds. Because of the speed with which war production facilities have been expanded and manufacturing techniques improved it now is quite apparent that a larger number of war workers will be necessary this year than had been anticipated earlier. The great limiting factor at the moment is material. If materials were available to the extent that they can now be absorbed, the volume of new laborers required for the war effort would be still greater, observers state.

It is now estimated officially that some 14,000,000 persons will be recruited for war work by the year-end. Of these, close to 9,000,000 will have come from civilian pursuits. The over-all increase in employment, it is estimated, will exceed 3,000,000 persons. Many of these 3,000,000 are new additions to the work force, high-school-age boys and girls and older men and women. It also includes about 1,500,000 persons who were formerly unemployed.

It is pointed out that among the industries which will witness the greatest expansion will be shipbuilding. Some 750,000 persons now employed will be swelled to 2,000,000 or more by the end of next year. The nature of the problem confronting Federal officials is indicated in the estimate that some 20,000,000 persons will be needed for the armed forces and the war factories in the 1942 and 1943 years.

War Production Board officials expect little aid for small business from the Smaller War Plants Corporation, which was launched a week ago with the naming of a board of directors. A number of policy-making officials believe the whole project may be forgotten by the fall.

The opinion of the War Production Board officials seems to be seconded by Leon Henderson, who is reported to believe that shortages of materials will prevent any effective functioning of the Smaller War Plants Corporation.

Should the WPB and OPA officials' views prove correct, it is clear that a greater number of small concerns will need Government subsidy or loan aid if they are not to be eliminated from the business scene during the war.

Employment In May Reaches Record Level

More men and women were at work in May than at any previous period in the nation's history, according to the Conference Board, New York.

"On the basis of preliminary estimates the gain in May brought the figure for total employment above the estimated number of persons who compose the nation's economic labor force," the Board says. "Not since May-October, 1929, has the level of employment ever before surpassed the number of persons normally in the labor market. Mounting acceleration of inductions into the armed forces, additional farm employment which has not yet reached its seasonal peak, and the necessity for continued expansion of the number on war production payrolls will further widen this gap between total labor requirements and total habitual workers. As in other periods of extreme industrial activity, such labor requirements can no longer be met simply through tapping the pool of habitual gainful workers but must be met increasingly through the attraction of persons who customarily do not enter the labor market."

This situation stands in contrast to that of April when unemployment totaled 1,700,000. Unemployment was 2,500,000 in May, 1941, and 7,500,000 in May, 1940. The Board further reported:

"Almost 1,250,000 more persons were reported engaged in farming in May than in the previous month, while an additional 700,000 were taken on in manufacturing, construction, and both military and civilian government services. The seasonal increase in agriculture together with the continuing expansion of war industries and services raised the number at work to an all-time high of 55,300,000. Total employment was fully 700,000 above its previous peak of last September, while total non-agricultural employment was also above its earlier December high by about a like amount."

Restrict East Coast Flying

Lieut.-Gen. Hugh A. Drum, Commander of the First Army, on July 18 designated as a "vital defense area" a strip of the Atlantic Coast from the Canadian border to Cavalla, N. C. and banned from it all non-essential civil and military flying. The area extends 200 miles at sea and ranges inland between 20 and 150 miles. All civil flying is prohibited, except for scheduled commercial flights and necessary flights of the Civil Air Patrol.

The following activities, which "jeopardize the air defense of the area," General Drum's order said, shall be discontinued at the "earliest practicable date":

"Civil flying training, including civil pilot training schools.

"Civil photographic, news, commuting, pleasure, and other miscellaneous civil flights.

"Army and Navy primary, basic and advance flying training, other than operational training."

Agricultural Department General Crop Report As Of July 1

The Crop Reporting Board of the United States Department of Agriculture made public on July 10, its forecasts and estimates of the grain crop of the United States as of July 1, based on reports and data furnished by crop correspondents, field statisticians and cooperating State Boards (or Departments) of Agriculture. We give below the report in part:

Crops made uneven progress during June but growing conditions in the United States as a whole rarely have been better than they were on July 1 and a banner year for crop and livestock production appears in the making. Among the crops for which a record acreage and production are in prospect are peanuts, beans, soybeans, flaxseed, barley, rice, sugarbeets and canning vegetables. As usual, some areas and some crops have suffered from unfavorable weather. In the central Corn Belt from southern Indiana into eastern Kansas and in portions of other States wet weather has interfered seriously with planting and cultivation and also with haying and harvesting. Many farmers report losses from washing rains, lodged grain, overflowed bottoms or wet fields. In Missouri the most productive land is covered by the worst floods in 60 years and some of the upland is so continuously wet that the corn was never cultivated. A very large southwestern area extending from central Wyoming and southwest Texas westward had a dry June, and ranges and nonirrigated crops there need rain. In a large northwestern area the weather has been too cool for some crops.

On the other hand, so few areas have suffered from lack of rain or severely hot weather that the country seldom has been greener than it is today. The reported condition of cool weather crops, including small grains, flax, hay, pastures, and potatoes, averages higher than in any other year since 1927. July reports from farmers on prospects for "all crops" averaged 3% higher than the corresponding reports received in any July during the past four years for which records are available, although all of these were years of high crop yields.

Present prospects are particularly favorable in the Great Plains in contrast to the recent drought years. In the 10 Great Plains States production of small grains is expected to total about 29,000,000 tons compared with 9,000,000 tons in 1934, and a 10-year (1930-39) average of 18,000,000 tons. Over most of this area the scars which the repeated droughts left on the land and on the people are disappearing. Grass is covering the bare spots on the ranges; water levels show more normal moisture conditions; feed reserves have been replenished and numbers of livestock on the ranges are again approaching normal carrying capacity. Many of the farms have been consolidated and more extensively mechanized to reduce costs, and now, with crops abundant, ranges green and products bringing higher prices, the disastrous losses of the drought years are being forgotten. The progressive recovery of the agriculture in this area is a major cause of the favorable showing for the country as a whole.

Yields of late crops are still uncertain but records of acreages planted and of growth to date show what may be expected if only the usual difficulties are encountered during the remainder of the season. The outlook now is for outstandingly large crops of flaxseed, soybeans and peanuts, all increased because needed for their oils; for greatly increased production of sweet corn, green peas and tomatoes, the principal vegetables needed for canning; and for record production of several other important food crops including rice, beans, dry peas, sugar cane, sugar beets and commercial vegetables grown for marketing fresh. Fruit seems likely to be about equal to the record production of last year, for the moderate decreases in peaches and grapes may be more than offset by increased production of oranges and grapefruit. Wheat production is estimated at 904,000,000 bushels which would be a big crop although the acreage sown was the smallest since about 1917. Potatoes, sweet potatoes and tobacco show about average prospects as a result of very high yields on small acreages. Hay production depends in part on labor conditions but it seems likely to exceed a 100,000,000 tons for the first time. This quantity would permit very liberal feeding of the increased numbers of livestock without reducing reserves on hand. Somewhat more than the usual percentage of early cuttings was damaged by rain but hay supplies are expected to be adequate in all States. Feed grain production will include a record crop of barley, a large crop of oats, more than the usual supply of grain sorghums and probably a good crop of corn, nearly as large as that harvested last year. Estimates for these grains, added together, indicate a total of nearly 108,000,000 tons which would be about 1,000,000 tons more than production last year. Stocks of corn and oats on farms on July 1 totaled more than 24,000,000 tons but were not quite as large as they were a year ago. The indicated farm supply of feed grains is, therefore, about the same as last year, whereas the number of livestock units on the farms next winter will probably be larger by 11 or 12%. It thus seems probable that farm stocks of feed grains will be substantially reduced by July 1 next year, the extent of the reduction depending in part on the trend of hog production and on the extent to which the very large supply of wheat is utilized for feed.

If the acreages and yield per acre now indicated are finally harvested and about an average yield of cotton is secured, the results would add up to yields per acre equal to the record yields secured last year, to the largest acreage of crops since 1932 and to a total crop output that would exceed the near-record total of last year by 3% and exceed the 1923-32 or predrought average by 14%.

An important feature of the crop outlook this year is the large proportion of the farming area which reports favorable prospects. In nearly half of the States crop prospects are better than at this season in any of the past four years. Almost the only large area where crops are definitely poor is in southeastern Oklahoma and in a strip extending from there southwestward almost to the Rio Grande. The only large areas where pastures or ranges are poor were in the Southwest, in an area in central Tennessee and in limited areas along the central Atlantic Coast. Portions of these areas have been helped by rains since the first of July. With no areas seriously short of pasturage, hay or grain increases in flocks and herds are likely to be general. The lush pastures have also stimulted milk production and reports received for July 1 show production per cow about 2% heavier than at the same time last year and higher than in other years since 1929. Egg production per 100 hens also continued higher than during June in past years.

Fruits developed under relatively favorable conditions during June in most important areas, and it now appears that no exceedingly short crops are in prospect except possibly for California dried prunes. Indicated production of peaches, pears, grapes, cherries and California plums is above average. However, the output of these fruits is expected to fall short of last year's large production except for cherries and California plums. The apricot crop, and the combined production of plums and prunes in the Northwest will be larger than last season but smaller than average. The condition of commercial apples is the same as last season at this time, but above average. Though it is too early for forecasts of citrus fruits from 1942 bloom, present prospects indicate the probability of large supplies for the 1942-43 marketing season.

Wheat

At 904,228,000 bushels, the 1942 wheat production is 4.4% less than the 945,937,000-bushel crop last year, but there have been only three larger crops since the 952,000,000-bushel crop in 1919. These were in 1928, 1931, and 1938. Improvement in prospects in the winter wheat States of the southern plains, and in the principal spring wheat States has added 36,000,000 bushels to the production estimate since June 1.

The 675,482,000-bushel winter wheat production indicated on July 1 is about ½% above the 671,293,000-bushel production last year, and stands fifth in size in winter wheat records. The 228,806,000 bushels of all spring wheat production, although a little larger than indicated on June 1, is nearly 17% less than last year's 274,644,000-bushel crop. Durum production of 32,521,000 bushels is less than last year's 41,800,000-bushel crop by 22.3%. The indicated production of other spring wheat, 196,285,000 bushels, is 21% less than the 232,844,000 bushels produced last year. Compared with the 10-year (1930-39) averages, however, the July 1 prospects are up, 19% for winter and 28% for all spring. The 10-year period contained a number of years of drought, while this year the moisture situation has been unusually favorable.

The 50,639,000 acres of all wheat indicated for harvest in 1942 is 9.3% less than the 55,831,000 acres harvested last year. Winter wheat came through to spring under unusually favorable conditions for moisture supply and little winter loss. Including a considerable acreage of volunteer grain, the acreage for harvest is 36,454,000 acres, or 7.8% less than the 39,547,000 acres harvested last year. Reduced acreage allotments were largely responsible for a smaller acreage of spring wheat. Moreover, weather conditions last fall favored seeding the intended winter wheat acreage in most areas, and spring seeding was retarded by the late season and wet fields. The indicated seeded acreage of all spring wheat is 14,680,000 acres, compared with 16,741,000 acres seeded last year. The 10-year average is 21,762,000 acres. Under the favorable moisture conditions, the indicated abandonment of spring wheat acreage this year is very small, 3.5% compared with last year's unusually low abandonment of 2.7%. The acreage of all spring wheat for harvest is 14,185,000 acres, a 12.9% decrease from last year's 16,284,000 harvested acres. Durum and other spring wheat shared about proportionately in the decline in acreage compared with last year. The indicated acreage for harvest of durum is 2,164,000 acres and of other spring, 12,008,000 acres, 14.5% less durum and 12.6% less other spring.

Yields close to the highest on record are in prospect for both winter and spring wheat. The winter wheat yield of 18.6 bushels was exceeded in only one other year, the 19.0-bushel yield in 1931. The indicated spring wheat yield of 16.1 bushels stands second to last year's 16.9-bushel yield. The yield of durum is 15.0 bushels, compared with the record 16.4 bushels per acre last year, and the yield of other spring wheat is 16.3 bushels against last year's record of 16.9 bushels. The higher than average yield prospects prevail over the entire United States, except for winter wheat in Indiana, Illinois, and Missouri. There has been too much rain, continuing since fall in Illinois and Missouri, and resulting in flooded lowlands in Missouri during June. In the area of concentration of winter wheat acreage in the Southern Great Plains States there was remarkable recovery during June from the earlier threatened moisture shortage, and there has been ample rainfall for spring wheat, threatening to be too much from the standpoint of advancement of the crop and possibilities of leaf rust development. However, no black stem rust of consequence developed and red rust, although present, has not become a serious threat to yields, and the stage of possible damage is passing for all but the most northern spring wheat.

Stocks of old wheat on farms July 1, amounting to 159,544,000 bushels, were by far the largest on record for that date. A year earlier they were 87,366,000 bushels and the 10-year average is 59,691,000 bushels. Such stocks include wheat stored on farms under Government loan.

Corn

Corn production in 1942 is estimated at 2,627,823,000 bushels based on July 1 prospects. This is 45,000,000 bushels below the 1941 crop of 2,672,541,000 bushels but exceeds the 10-year (1930-39) average of 2,307,452,000 bushels by more than 300,000,000 bushels. The 10-year (1930-39) average, however, includes the two drought years, 1934 and 1936, when total production was 1,461,123,000 bushels and 1,507,089,000 bushels, respectively.

The indicated yield is 29.4 bushels compared with 31.0 bushels for 1941 and 23.5 bushels, the 10-year (1930-39) average. The acreage for harvest is 89,408,000 acres, more than 3,000,000 acres above the acreage in 1941.

Corn cultivation was delayed by cool wet June weather in much of the northern half of the country. Continued rains kept farmers from working in fields and the crop is more weedy than usual at this date. Despite delayed cultivation and a late start this season, corn was making good progress in most of the important areas of the Corn Belt, extending from the western edge of the belt in Nebraska and southeastern South Dakota through Iowa, northern Illinois and Indiana, extreme southern Minnesota, Wisconsin and Michigan, and most of Ohio. North of this area corn is late and development has been slow, while in southern Indiana and Illinois and throughout most of Missouri excessive rains have been detrimental to the crop.

Late June rains were of material benefit to corn in the South Atlantic States, South Central States east of the Mississippi, and in Texas, but in eastern Oklahoma there was too much moisture for the best development of the crop. Cool weather retarded growth of corn in the Western States but the crop was making satisfactory progress in the North Atlantic States notwithstanding some delay in planting and cultivation.

The 1942 acreage for harvest of 89,408,000 acres is nearly 4% above the 86,089,000 acres harvested in 1941 and is the largest acreage since 1938. The increase this year brought to a halt the decline in acreage which began in 1933 and except for 1935 and 1937, continued uninterrupted through 1941. Increases in acreage for harvest are general over the United States except in Southeastern, some Western and New England States.

The increase of 10% in the carn acreage allotments for the commercial corn area allowed by the Agricultural Adjustment Agency stimulated corn planting throughout the Corn Belt. Wet weather during the planting season, however, caused somewhat less than the intended acreage to be planted. A greater demand for feed grains to meet expanded livestock production needs encouraged corn acreage expansion but the increase was limited to some extent by shifting acreage to oil crops.

The acreage for harvest is larger than last year in all Corn Belt States. In the Western Corn Belt States increases range from 1% in North Dakota to 10% in Kansas, while eastern Corn Belt States increases are generally 3 to 7% higher than last year. In Iowa and Illinois acreage expansion was limited by increases in soybean acreage. Planting was delayed throughout the entire Corn Belt and considerable replanting was necassary.

The total acreage planted to corn this year is 91,098,000, 4.5% larger than in 1941. The indicated abandonment is 1.9%. The acreage planted with hybrid seed increased again this year with moderate gains in the Corn belt and substantial increases in surrounding areas. More than 90% of the corn acreage in Iowa, Illinois and Indiana was planted with hybrid seed this season.

Farm stocks of corn on July 1 were 760,052,000 bushels, only slightly larger than the 754,464,000 bushels on farms a year ago, but more than 300,000,000 bushels above the 10-year (1930-39) average of 457,831,000 bushels. Farm stocks were about 90,000,000 bushels below the record high stocks of July 1, 1939, and July 1, 1940. Disappearance of 526,668,000 bushels of corn from farms since April 1 was the largest on record. This compares with 444,675,000 bushels for the corresponding three-month period in 1941, and the 10-year (1930-39) average of 370,500,000 bushels. The July 1 estimate of farm stocks amounting to 760,052,000 bushels includes sealed corn under loan on farms but does not include stocks owned by the Commodity Credit Corporation and held in steel bins.

Oats

The 1942 oats production of 1,303,114,000 bushels, indicated by the July 1 condition, is nearly 11% larger than the 1941 crop of 1,176,107,000 bushels and 29% larger than the 10-year (1930-39) average of 1,007,141,000 bushels. This season's crop is the largest since 1928. A larger acreage for harvest, combined with higher yields, accounts for the increased production over 1941. The indicated yield of 34.2 bushels per acre on July 1 is an increase of one bushel over the average indicated on June 1, owing to favorable maturing conditions during the past month in nearly all regions. Yields above the 10-year average are indicated for all States excepting Delaware, Florida, Georgia, Oklahoma, and Texas.

The 1942 acreage of oats for harvest is 38,000,000, which is practically the same as the acreage harvested last year but 4% larger than the 10-year (1930-39) average. There is a wide variation between States in acreage changes this year. Decreases in Iowa, Minnesota, and Nebraska caused by increased competition from flaxseed, soybeans, and barley, and heavy acreage losses from greenbug damage in Texas and Oklahoma offset increases elsewhere. Where the acreage was increased it was a result of the

need for larger feed grain production, more extensive use of oats as a nurse crop where wheat acreage was reduced, and low labor requirements. In addition, liberal AAA rulings permitted some oats to be harvested for grain rather than for hay or pasture as required in previous years, and there was less need for grain hay.

Total seedings for the 1942 crop were 40,600,000 acres or practically the same as indicated in March. In 1941 seedings were 39,363,000 acres. Prospective abandonment of acreage for grain is lighter than usual in the Corn Belt and in the Western States but the heaviest of record in Texas and Oklahoma where greenbugs destroyed a large acreage. Prospective abandonment for the country as a whole is 6.2%. Abandonment in 1941 was 3.5%. The 10-year average is 7.0%.

Farm stocks of oats on July 1, 1942, are estimated at 191,688,000 bushels. This supply is nearly 13% smaller than on July 1, 1941, but 23% larger than the 10-year (1930-39) average farm stocks of 155,661,000 bushels. Disappearance of oats during the period April 1 to July 1 was 238,877,000 bushels compared with 251,097,000 bushels for the same quarter a year ago, and 217,578,000 bushels for the 10-year (1930-39) average.

Barley

The largest acreage of barley ever harvested in the United States is estimated for 1942 at 16,756,000 acres. This is 19% more than the previous record of 14,049,000 acres harvested in 1941, and 56% above the 10-year (1930-39) average of 10,707,000 acres. A general increase has taken place this season with only six States showing decreases or no change from 1941. In the North Central group of States, which have nearly 66% of the total acreage, the increase is 12.7% over last year. Acreage increase in the four most important barley producing States, Minnesota, North Dakota, South Dakota, and Nebraska, is 1,212,000 acres, 45% of the total increase in the country. Decreases in acreage were reported only for New York, Wisconsin, Iowa, and Texas.

A barley crop of 403,345,000 bushels was in prospect on July 1, nearly 45,000,000 bushels, or 12.4% larger than the previous record crop of 1941 and about 178,000,000 bushels above average. This record production is due mostly to the increase in acreage, as the average yield per acre appears to be about 24.1 bushels, which is 5% less than in 1941.

The yield prospect in Minnesota is the same as in 1941, but in the other three important barley States, North and South Dakota, and Nebraska, the prospects are about 3.0 bushels per acre smaller than last year, when yields were very high.

Rye

The 1942 rye crop of 58,213,000 bushels exceeds the 1941 production by 13,000,000 bushels and the 10-year (1930-39) average production by nearly 20,000,000 bushels. The increase in production this year is the result of better yield per acre prospects and a general increase in acreage for harvest as grain.

The yield per acre at 15.0 bushels compares with 12.9 bushels in 1941 and the 10-year average of 11.2 bushels. Yields are expected to be much above 1941 in the two important States of Minnesota and South Dakota. In nearly all States prospects improved during the month of June.

The acreage of rye for harvest as grain in 1942 of 3,868,000 acres is 11% above the 3,498,000 acres harvested in 1941. The 10-year (1930-39) average is 3,320,000 acres harvested. The increase over 1941 is general except for six States, including the important States of Minnesota and Wisconsin. The 1942 acreage is above average in nearly all States in the western half of the country and the Southern States, but is well below average in the Northern States from Minnesota and Iowa eastward.

Potatoes

The total 1942 planted acreage of potatoes is estimated at 2,844,700 acres. This is an increase of 1.8% over the 2,793,000 acres planted in 1941. Harvested acreage this season is expected to be about 2,797,700 acres compared with the 2,733,400 acres harvested in 1941 and the 10-year (1930-39) average of 3,295,600 acres. For the 30 late States a harvested acreage of 2.2% above 1941 is indicated. Idaho with an increase of 8% and Maine with 5% show the largest gain over 1941 among the more important States. Estimates for the early potato States show an increase in acreage of 2.7% over that harvested last year and the seven intermediate States also average 2.7% higher than for the 1941 season.

Potato production in the United States is forecast at 369,825,000 bushels on the basis of condition on July 1. This is 3% larger than the 1941 production of 357,783,000 bushels but is slightly lower than the 10-year (1930-39) average of 370,045,000 bushels. The indicated yield of 132.2 bushels per acre is 1.3 bushels above that for 1941 and is slightly above the 1940 record yield of 132.0 bushels. The 10-year average is only 112.6 bushels per acre.

Production is expected to be above last year in all principal areas except the central group of surplus late States (Michigan, Wisconsin, Minnesota, North Dakota, and South Dakota) where continued heavy rains in June delayed plantings and reduced both acreage and condition. In other regions the season has been quite favorable and vine growth for the late crop is reported as unusually heavy and insects and diseases under control.

The harvest of **early potatoes** is about completed in most of the Southern States with production indicated at 52,655,000 bushels for the whole group in comparison with 47,317,000 bushels last year and the 1930-39 average of 38,929,000 bushels.

Coffee Quotas Increased

The Inter - American Coffee Board meeting at Washington on July 15, approved an increase of 5,312,484 bags in American coffee quotas.

At the beginning of the next quota year—Sept. 30—quotas will be adjusted at 110% of basic quotas.

The increase approved is about 30% above quota of 17,618,494 bags previously fixed.

As result of this action the Board said "coffees which have arrived from a few countries in excess of existing quotas may be released from customs supervision and entered for immediate consumption."

The practical effect of this resolution, it added, will be to relieve certain coffee importers of small storage charges on these coffees which otherwise would be held in warehouse under customs supervision until next Oct. 1. While these charges are a relatively minor item in cost of coffee the board feels that everything possible should be done to remove any unnecessary or avoidable charges on coffee trade during these difficult times.

The Board said no increase in amount of coffee shipped to United States would result from current increase of quotas as advance shipments on next year's quota to an unlimited amount were authorized by the Board April 28.

The action is to be construed as evidence of the Board's desire to adapt itself to emergency conditions rather than as any change in its basic policy, it stated.

Says Auto Industry Now Delivering Daily To Armed Forces $12,000,000 In Equipment

Citing it as a new feat in military history, Paul Garrett, Vice-President of General Motors Corp. and Chairman of the Public Relations Committee of the Automotive Council for War Production, told the Council in Detroit on July 10 that the automobile industry "has been able to accelerate war production day by day until it is right now delivering for use by the armed forces $12,000,000 worth of military equipment a day."

The automotive industry had been conscious of its war responsibility from the beginning of the defense program and long before the Axis attack had many Army and Navy projects in mass production, Mr. Garrett asserted. "But the early December cloudburst of Nipponese over Hawaii threw people into a war panic," he continued. "Indifference turned to anger. Overnight, people wanted war production on the mass scale to which the automobile industry had accustomed their thinking. To complicate matters still more, the public collaterally began assigning us responsibility even faster than were the armed services.

"Suddenly everyone became impatient. Not in recent memory has this industry been so criticised as then for its alleged slow rate of conversion to war. Actually it was not a case of slow conversion. It was a case of changed psychology. Unfortunately the public did not understand how much time it takes to get into mass production on anything new, particularly on intricate war products with which the industry was not familiar."

But, Mr. Garrett explained, there has been an amazing reversal in public opinion toward this industry which had been "in the doghouse only last January," offering five outstanding achievements in explanation:

"First: Our industry through careful planning and an exchange of tools, procedures and ideas managed its shift to an all-out war effort with a maximum 'change-over' drop in employment only 12½% below December.

"Second: Our industry has been able to accelerate war production day by day until it is right now delivering for use by the armed forces $12,000,000 worth of military equipment a day. That is a new feat in military history. It is the nation's evidence of what it can expect through mass war production to back up our armed forces for their ultimate victory.

"Third: Our industry long experienced in subcontracting has done an outstanding job in utilizing to productive advantage the skills, facilities and production capacities of its suppliers, parts makers, and all its large group of auxiliary concerns included in the current term 'subcontractors.' Outstanding has been the contribution of automotive suppliers through their efficient procedures long established and which the industry has continued to utilize in tackling this new and highly technical job.

"Fourth: Our industry went through its critical period of change-over as a unit of private enterprise without need of Government control through voluntary cooperation of a large group of manufacturers and suppliers bent not on making an immediate showing so much as on laying the groundwork for a continuing long-range war production effort.

"Fifth: And, summing up all of these things, our industry in this short time has been able to achieve a complete sublimation of all normal industrial interests to the needs of a nation at war."

The good relations our industry now enjoys, Mr. Garrett declared, came partly from its success in doing a job on war production and partly from the better understanding people were given of how this feat was accomplished.

Regional Variations In War Industries

How the war program is affecting the national industrial pattern in ways highly significant for urban real estate is indicated in reports for new industrial construction during the past 12 months made to the National Association of Real Estate Boards in its 39th semi-annual survey of the real estate market. Of the 301 cities surveyed, 59% had some new industrial construction within the year Of defense areas surveyed, 67% had new industrial structures. Regional variations are pronounced in almost all war changes affecting real estate, the survey found. Under date of July 18 the Association also says:

"The Northwest leads the country in distribution of new industrial construction, with 75% of its cities reporting new plants or plant additions. The Great Lakes region is a close second with 74% of its cities so reporting. New industrial structures have been built in 64% of cities of the Southwest region, in 57% of cities in both the Central Atlantic and North Central regions, in 47% of New England cities, in 46% of the cities of the South Central region and in 44% of cities in the Southeast region.

"The larger the city the greater its chance for some new industrial construction, it is said. Such new building has taken place as follows:

"In 78% of all cities of over 500,000 population.

"In 74% of cities of 100,000-500,000 population.

"In 35% of cities of 25,000-100,000 population.

"In 40% of cities of under 25,000 population."

Hall Outlines Duties of Victory Fund Group

Perry E. Hall, Executive Manager of the Victory Fund Committee for the Second (New York) Federal Reserve District, on July 9 sent a letter to each Victory Fund regional chairman and committeeman summarizing general information and outlining the group's objectives. In his letter Mr. Hall says that the committee will cooperate with the War Savings Staff in the sale of Series F and G War Savings Bonds but will devote its energies principally to the sale of other Treasury issues, such as bills, notes, certificates of indebtedness, nonmarket "tap" issues, and regular market offerings of bonds. He noted that it is expected that the first call upon the committee from the Treasury will come late in July or early August, when the Treasury 2½% Registered Issue, due 1962-67, will be reopened as part of the major market financing in August. In the meantime, Mr. Hall said the committee's duties are:

"(a) To assist the War Savings Staff in the sale of Series F and G War Savings Bonds by directing your concentrated effort solely upon the banks and trust companies in your area, so that through their efforts the purchase of such War Savings Bonds by depositors and trustees will be stimulated.

"(b) To assist the Chairman of your Regional Committee in the preparation of lists of prospects to whom a large volume of the forthcoming Treasury War issues can be sold."

In making up lists of prospects to be approached to buy substantial amounts of securities, Mr. Hall pointed out that the following should be included:

"(a) Counties, particularly from the standpoint of permanent school funds, pension funds, and other sinking funds; cities, towns and villages; school districts; and other political subdivisions.

"(b) Individual investors capable of making substantial purchases (say in excess of $5,000), whether or not they have bought their quotas of War Savings Bonds, who may be prospects for additional forthcoming issues.

"(c) Savings banks, building and loan associations.

"(d) Insurance companies: life, casualty, fire.

"(e) Endowed institutions: universities, colleges, hospitals, orphanages, religious institutions.

"(f) Labor organizations, service groups, fraternal organizations.

"(g) Corporations which may have idle cash available (due perhaps to priorities) which cannot be used for the present in the normal course of business.

"(h) Small corporations having war contracts which may have produced 'new money' for investment."

Cotton Spinning Industry For June 1942

The Bureau of the Census announced on July 20, that according to preliminary figures 24,019,598 cotton spinning spindles were in place in the United tates on June 30, 1942, of which 23,090,560 were operated at some time during the month, compared with 23,120,666 for May, 23,100,202 for April, 23,096,479 for March, 23,077,722 for February, 23,077,352 for January, and 22,994,980 for June, 1941. The aggregate number of active spindle hours reported for the month was 11,264,419,347. Based on an activity of 80 hours per week, the cotton spindles in the United States were operated during June 1942 at 133.2% capacity. This percentage compares, on the same basis, with 138.4 for May, 135.3 for April, 134.3 for March, 135.9 for February, 136.9 for January, and 121.5 for June, 1941. The average number of active spindle hours per spindle in place for the month was 469.

Acute Civilian Goods Shortage Is Foreseen

The Cleveland Trust Co., in the current issue of its "Business Bulletin" released July 15, predicts that general shortages in civilian goods may develop by the end of this year.

From the review, the following is taken:

"We must plan on a period of years during which our one big business will be war, and most other businesses will be directly or indirectly subsidiaries of that big one. The Army, the Navy, the Air Forces and the munitions factories will absorb so much man power, that all the other businesses will be short of it.

"Probably shortages in civilian goods will begin to be generally felt at about the time that there is general realization that the manpower shortage is becoming serious. It might well be a safe guess that these conditions may develop by the end of this year. Of course we already have shortages of many materials, but except in the single case of rubber they have not as yet had much effect on family life. That condition is sure to change, and we shall all experience shortages of goods as well as knowing about shortages of materials. These changes are inevitable but we can not as yet foresee their nature with much certainty. They will be diverse and multiple, and no doubt many of them will be unexpected."

I Am An American

By E. B. TERHUNE,
Vice-President of Chilton Co., Inc.
(Reprinted from a recent issue of Printers Ink)

Just one of a great number of ordinary, hard-working, fairly conscientious middle-class citizens who have grinned, groaned, and growled through twenty-five years of war, near-peace, and more war—ups and downs, booms and busts.

These years have affected me directly and indirectly, perpendicularly and horizontally, positively and negatively, specifically and generally, with and without.

I have been bombarded, deluged, overwhelmed with charts, statistics, graphs, and opinions from economic card-readers, congenital star observers and neurotic crystal gazers in forty-eight different states and ninety-nine different languages.

I have been Kiplingered, Babsoned, Ayred, Galluped and Brookmired until I am well-nigh cuckoo, groggy, cockeyed and flambolluxed.

My mind has been open, receptive and flexible to every new thought, principle, philosophy and panacea for human ills and ailments.

And now, to cap the climax, I have had it projected into my feverish brain that it's a grand and glorious condition to be poor again; that there's a real thrill in discovering how much you can get along without and how little you can get along with; how much more interesting and odoriferous a B. M. T. subway is than a luxuriously upholstered Buick; or a 10-cent movie on Third Avenue than the perfumed cinema palace (94 cents) on Broadway; how proud I should be to display that 1937 tailor's label in the inside pocket of my old grey suit; how good a job Pietro Bambino can do in re-soling my old shoes for $2.25.

But, brother—and here's where I come out of the ether—I want to tell you it's all plain boloney!

Of course we are in a war—who the hell thinks otherwise—and we have got to make sacrifices, more sacrifices and still more sacrifices, until we have bombed the vicious forces of Hit, and Muss and Hiro off the face of the earth.

We have got to buy bonds, and more bonds, pay taxes and more taxes, take cuts and more cuts.

But, you and I and all the rest of us are accustomed to a high standard of living, and we will never be satisfied with anything less than just that; and our rational dissatisfaction is the very motive power that is going to drive us on to prosperity again.

Man, the human form, is constructed to move forward. Man is the one living creature that is always dissatisfied with fixed conditions.

He must move forward.

Each day the rails of our great transportation systems are being worn down by the thousands of trains that are thundering in all directions.

Each day the motors of millions of automobiles that are speeding along our highways and byways are becoming worn down and out and approaching obsolescence.

Each day, the sun and wind and rain and snow are beating upon our roofs and causing deterioration and decay.

Each day the pots and pans and kettles and things under those roofs are falling prey to the ever-active tyrant—Wear.

Each day, the coats and suits and stockings and shoes of 130,000,000 restless people are falling upon evil days.

Each day, new babies are being born to be fed and clothed and cared for and educated up to their three score and ten years of existence.

Each day, the requirements of our people are getting heavier and the vacuum of replacement greater.

Each day we are nearer the ending of the War, the beginning of Peace—and the overwhelming reconstruction period which will follow.

In my own case, in order to replenish the old darned sock, I intend to carry out the following program:

I am determined to keep my chin up and my grin intact; to pay my individual share of the war's cost with courage, confidence and conviction; to do a little better job; to make my business render a greater and broader wartime service; to shout my wares from the house tops in spite of War's raucous din. I shall endeavor to be a useful cog in the economic wheel; I shall to the best of my ability help the other fellow get on his feet again. I shall punch the schnozzle of the pessimist and the slanderer of good times. I shall once again dare to look and march forward.

And for all of this I shall expect—and get—a cleaner, finer world in which to live and a better reward for my efforts.

Then I can go places and do things.

All of which I insist upon—

BECAUSE I AM AN AMERICAN!

Separate Rubber Board Opposed By Nelson

Donald M. Nelson, Chairman of the War Production Board, told a Senate Agriculture Subcommittee on July 14 that he expected the synthetic rubber output this year to total 32,300 tons and next year about 338,000 tons, with production in 1944 about 676,000 tons.

Mr. Nelson appeared before the Senate group in opposition to a bill seeking to create an independent rubber supply agency with power to divert critical materials to the construction of facilities for the production of additional synthetic rubber from alcohol as the base material. The Senate subcommittee investigating the synthetic rubber program has voiced dissatisfaction over the WPB's refusal to revise the program so as to use more grain for alcohol production.

It is the scarcity of critical materials for plant construction, Mr. Nelson said, and not the lack of available processes for manufacture, that limits the Government's synthetic rubber production program to 800,000 tons.

Saying that the construction phase of the Government's program is moving forward with great speed, the WPB Chairman pointed out that the present 800,000 ton program was determined upon "after most searching review of rubber requirements for military and essential civilian needs and after fullest consideration of the extent to which critical materials required for that program could be taken from other essential segments of war production."

Mr. Nelson added that it would be a "rash act" at this stage of the war production program for Congress to require the diversion of the great amount of critical materials necessary to accomplish the objective of the proposed bill—to provide supplies of rubber sufficient to meet the military and civilian needs of the United States. In explanation of his stand on the bill, Mr. Nelson said that the present 800,000-ton synthetic rubber program calls for 122,000 tons of steel plate, 210,000 tons of other steel, over 7,000 tons of copper, bronze and brass, and abount 170,000 horse power of compressor capacity.

The WPB Chairman also objected to the bill because it would split up the centralized control of the flow of materials between separate agencies, thus tending to obstruct the progress of the war effort.

Of the total program of 800,000 tons, present plans, Mr. Nelson said, called for 700,000 tons of Buna S, including 200,000 tons from alcohol, 20,000 tons from benzine and the rest from petroleum.

Chairman Nelson further declared that the necessary phases of the rubber program would probably be met by 1944. Among these he listed military needs, including those of our allies; necessary civilian needs, such as driving people to work, and essential needs of the community, such as supplying tires for health, fire and police services. He added "that the use of the automobile for purely pleasure driving will have to await the end of the war."

Mr. Nelson's previous testimony in opposition to the bill for an independent rubber agency was reported in these columns of July 16, page 192.

NY Factory Employment Down 2.7% During June

Industrial Commissioner Frieda S. Miller, in a statement released July 14, reported losses from May to June of 2.7% in employment and of 3.0% in payrolls at New York State factories. The large losses reported by civilian goods plants, particularly those making apparel, were mainly responsible for the drops in the totals. Most war goods plants continued to expand, but several shipyards engaged in repair work reported substantial layoffs.

"The New York State Department of Labor's index of factory employment, based on the 1935-39 average as 100, dropped to 140.1 (preliminary). The corresponding payroll index was 212.7. Compared with June, 1941, there were 8% more workers employed this June on a payroll that was 28% higher. Preliminary tabulations of the reports from 2,718 firms throughout the State form the basis for the statements made in this analysis. These firms employed 583,208 workers in June on a payroll of $21,978,601 for the middle week of the month. The Division of Statistics and Information, under the direction of Dr. E. B. Patton, is responsible for the monthly collection, tabulation and analysis of these reports."

Jones Warns Of Grave Dangers Of Inflation

Secretary of Commerce Jesse Jones, in a recent radio address, warned that the "American people will have over $30,000,000,000 more income in 1943 than the value of things for which the money can be spent", and termed this "a potential 'inflationary gap' greater than any the world has ever known." Saying that "if we permit that much money to run wild, it will cause very great damage to our whole economy by sky-rocketing prices," Mr. Jones urged that these extra billions be used to "share the cost of war through taxation, pay our debts and put the balance in war bonds and stamps to help pay the cost of the war and to accumulate savings that we will need when the war is over. He added that the American people "will do well to follow President Roosevelt's national economic policy to control inflation, which was laid down in April."

Secretary Jones further declared:

"It is impossible for any individual or for any group of persons to benefit from inflation without suffering its penalties. This is equally true of the business man, the professional man, the farmer, the worker, and the investor. Both our individual solvency and our national solvency depend upon the stability of the purchasing power of our money—our medium of exchange at home and abroad. . . .

"If we can come out of this conflict with our private debts greatly reduced, and with a substantial investment in our country's future in the form of war bonds, we will be in a better position to undertake conversion from war to peace and to make other necessary adjustments.

"If we adopt and observe the economic policy which the President has outlined, the problem of turning our plants from war to peace will not be the hobgoblin that some people try to make us think.

"American ingenuity adapted many peace-time tools to war purposes with astonishing speed. The change-over for the nation from war to peace need not take any more time than changing from peace to war.

"When the war is over, we will have productive capacity far beyond any that either we or the world has ever known. We will be in a position to make products that the world will need for the tremendous job of reconstruction, and we will need our savings to finance them.

"This great productive capacity can, however, be a Frankenstein if the people are not prepared and equipped to buy what our factories can produce. That is why it will be wise not to spend unnecessarily now."

Market Transactions In Govts. For June

Market transactions in Government securities for Treasury investment and other accounts in June, 1942, resulted in net sales of $250,000, Secretary Morgenthau announced on July 15. This compares with net purchases of $16,525 in May.

The following tabulation shows the Treasury's transactions in Government securities for the last two years:

1940—	
July	No sales or purchases
August	No sales or purchases
September	$300,000 sold
October	4,400,000 sold
November	284,000 sold
December	1,139,000 sold
1941—	
January	$2,785,000 purchased
February	11,950,000 purchased
March	No sales or purchases
April	$743,350 sold
May	200,000 sold
June	447,000 purchased
July	No sales or purchases
August	No sales or purchases
September	$2,500 sold
October	200,000 sold
November	No sales or purchases
December	$60,004,000 purchased
1942—	
January	$520,700 sold
February	29,980,000 purchased
March	5,814,450 purchased
April	300,000 purchased
May	16,625 purchased
June	250,000 sold

Committee To Study War Damage Insurance

State Superintendent of Insurance Louis H. Pink, who is acting as Coordinator on War Damage Insurance for the National Association of Insurance Commissioners, has announced the appointment of a committee to study the possibility of bridging any gap that may exist between the government coverage and that of private companies. The study will be directed along three lines:

(1) A delineation of the coverage of the War Damage Corporation.

(2) An effort to extend private coverage, if necessary, to bridge any gap.

(3) Consideration of the possibility of providing coverage for consequential war damage not contemplated by the government plan.

In appointing the committee, which will function not only for the New York Department but for all the supervising officials, Superintendent Pink emphasized that, as might be expected, the introduction of this new form of coverage has brought with it innumerable unanswered questions. It is hoped that as a result of this study acceptable answers to many of the questions can be found which, in turn, should prove helpful not only to the Insurance Commissioners but also to the insurance companies and producing forces, the insuring public and to the War Damage Corporation itself. The objective will be solely to cooperate with the War Damage Corporation and to assist in eliminating existing uncertainties. It will also give consideration to the extent possible, to any needed coverages not now available.

The committee is composed of the following:

Edward McLoughlin, Deputy Superintendent, Chairman.

H. C. Conick, Assistant United States Manager, Royal Insurance Co., Ltd.

William D. Winter, President, Atlantic Mutual Insurance Co.

W. H. LaBoyteaux, President, Johnson & Higgins.

Harold Wayne, Secretary-Manager, Inland Marine Underwriters Association.

A. J. Smith, President, Association of Local Agents of the City of New York.

George F. Sullivan, President, General Brokers Association.

Joseph F. Collins, Chief of Rating Bureau, New York Department.

Charles E. Ryan, Chief of Fire & Marine Bureau, New York Department.

Commerce Chamber Report On Farm Mtg. Legislation

The Department Committee for Agriculture of the U. S. Chamber of Commerce has issued a report analyzing Federal farm mortgage credit legislation. The purpose of the report, it is explained, "is to describe significant features of proposed legislation which, if adopted by Congress, may largely determine by whom the future control of farm mortgage credit in the United States will be exercised." With respect to its recommendations the committee says:

"At the present time the National Chamber is on record as favoring farmer control of the Federal Land Banks in accordance with the provisions of the original Federal Farm Loan Act passed in 1916. This Act provided for active management of the banks by representatives of the stockholders subject to the supervision of a Federal agency and included farmer liability.

"In furtherance of that position and also with a view to preventing the centralization of authority with respect to the Federal Land banks, the Committee recommends such changes in existing law as will restrict the authority and functions of the Farm Credit Administration with respect to the Land Banks and Loan Associations to the following:

"First, the making of such examinations of the Federal Land Banks and Associations and the preparation of such reports by the Farm Credit Administration as will provide full and accurate information on the financial status of all Federal Land Banks and Federal Farm Loan Associations as is required of other banks and other lending agencies under Federal supervision.

"Second, the formulation and enforcement of such general regulations respecting procedure and administration as will promote uniformity of procedure and as will adequately protect the interests of the farmer-borrowers, the investing public and the government without preventing the exercise of ordinary administrative discretion on the part of officials in charge of the banks and the associations.

"Third, the marketing and redemption of the bonds of the Banks in order that the Banks may have the benefit of volume transactions and skilled services."

May Farm Cash Income Far Ahead Of Year Ago

Cash income from farm marketings in May, totaling $988,000,000, was only slightly higher than the revised estimate of $982,000,000 for April but 32% more than in May last year, the Department of Agriculture announces. Despite a rise of 2 points in prices received by farmers from mid-April to mid-May, income from farm marketings increased less than usual. Marketings of cattle declined from April to May instead of making the usual seasonal increase and marketings of poultry and dairy products increased somewhat less than usual, resulting in a decline of about 7% in the seasonally adjusted income from livestock and livestock products. Income from crops declined seasonally from April to May. Income from fruits, particularly from strawberries and from citrus fruits, was up sharply in May, but the lateness of the season retarded the seasonal increase in income from truck crops. Receipts from grains declined more than usual. The Agriculture Department further reported:

"Government payments for March and April amounted to $162,000,000 and in May totaled $37,000,000. For the first 5 months of 1942 Government payments totaled $389,000,000, compared with $303,000,000 from January to May last year. Cash farm income including Government payments from January to May this year totaled $5,098,000,000, compared with $3,542,000,000 last year.

"During the first 5 months of 1942 cash income from farm marketings totaled $4,709,000,000, compared with $3,239,000,000 in the first 5 months of 1941. Income from crops was up 39%, while income from livestock and livestock products recorded a 48% increase from January to May, 1942, over the corresponding period of 1941. Returns from nearly all cmmodities during this period have been somewhat higher than a year earlier, but the greatest increases in income have been from soybeans, potatoes, rice, hogs, cattle, and eggs, and milk sold at wholesale."

Earnings, Payrolls At New Peak In May

Hourly and weekly earnings and payrolls reached new peak levels in May, according to the regular monthly survey of 25 manufacturing industries by the Conference Board.

The Board's announcement follows:

"Manufacturers met the largest payroll as yet attained in the Board's surveys, as the 0.3% increase in May brought it to a new peak, 31.1% higher than the level of May, 1941, and 77.8 higher than the level of 1929. Workers in the industries covered received a weekly return of $38.93, a new record, by working 42.7 hours at $.905 per hour. This was an increase of 0.6% over the average of $38.68 reached in April. Hourly earnings advanced 1.0% above the April level, 13.3% over May, 1941 and 53.4% above 1929. Since May, 1941 increased hours worked coupled with increased hourly earnings have caused a rise of 17.5% in weekly earnings. Since 1929, weekly earnings have risen 36.4%.

"Real weekly earnings, or dollar earnings adjusted for changes in the cost of living, were also at the highest level ever recorded in these surveys. The 0.5% advance in May was due to a rise of 0.6% in weekly earnings while living costs rose only 0.2%. The May level was 5.6% above that of May, 1941, and 40.3 above that in 1929.

"The average length of the work week declined 0.2% between April and May. The May level of 42.7 hours, however, remained 3.4% higher than in May of the previous year, and 11.6% below the average for 1929. Man hours fell 0.6% between the two months but was 15.3% above the level for May, 1941 and 15.2 above that in 1929.

"Hourly earnings from the start of the war until the middle of 1940 advanced 0.3 to 0.4% per month. In December, 1940, hourly earnings rose 0.7% and since that time there has been an increase of 0.7% or more each month with the exception of July, 1941, and February, 1942. The average monthly increase of 0.9% for the first five months of 1942 was only slightly less than the 1.1% average monthly increase for 1941, despite unusually high increases for some months in 1941 efforts to curtail widespread wage-rate increases in 1942.

"The gradually increasing length of the work week has accounted in part for the steady increase in hourly earnings by causing increased overtime and premium payments, but the widespread wage-rate increases of the past two years have been a more important factor.

"Weekly earnings have shown a gradual upward trend since June, 1940. In the last seven months of that year the average increase was 1.3%, in 1941, 1.5% and in the first five months of 1942, 1.6%. The largest single increase was 4.2% in January, 1942."

June Life Insurance Sales Decline

The sales of ordinary life insurance in the United States in June amounted to $463,325,000, about 19% below the volume sold in the corresponding period of 1941, according to the monthly survey issued by the Life Insurance Sales Research Bureau, Hartford, Conn. The total sales volume for the first six months of 1942, however, continues ahead of last year, amounting to $3,572,247,000, or 4% above the amount sold in the same period of 1941.

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

	JUNE 1942		YEAR TO DATE	
	Sales Volume in $1,000	Ratios '42-'41 All Cos.	Sales Volume in $1,000	Ratios '42-'41 All Cos.
U. S. Total	$463,325	78%	$3,572,247	104%
New Engl'd	37,029	79%	286,804	103%
M. Atlantic	117,577	75%	973,753	103%
E. N. Cent	106,796	80%	808,736	102%
W. N. Cent.	47,660	86%	342,156	107%
S. Atlantic	44,407	71%	339,253	99%
E. S. Cent.	19,182	73%	143,865	104%
W. S. Cent.	32,247	72%	255,389	102%
Mountain	12,258	78%	88,046	100%
Pacific	46,139	88%	334,245	114%

OPA Revises Rules To Allow Adjustments

The Office of Price Administration announced on July 9 an amendment to the General Maximum Price Regulation establishing procedure under which manufacturers and wholesalers can apply directly to OPA for adjustments of their ceiling prices as established under the price ceiling. Prior to the amendment, effective July 14, the general regulation allowed application for adjustment of out-of-line prices only by retailers. Wholesalers and manufacturers suffering hardship from the price order had to petition for an amendment to the regulation. This action gives producers, manufacturers and wholesalers the benefit of the simpler, more flexible and speedier procedure set up for retailers, it was said.

The amendment also permits "any duly authorized officer" of OPA to order adjustment in ceiling prices. It was explained that this opens the way for further decentralization of the administration of the price regulation by permitting Mr. Henderson to designate regional officials to make adjustments in local cases. Already, regional offices are permitted to make adjustments for retailers in purely localized cases.

Amendment No. 10 rewrites Section 18 of the General Maximum Price Regulation, permitting OPA to issue an order for adjustment of ceiling prices under these three circumstances:

1. For retailer who shows that his maximum price is abnormally low in relation to his competitors and causes him substantial hardship. (This provision contains no substantive change from the original provision in the regulation.)

2. For any seller other than a retailer (manufacturers, wholesalers, etc.) who shows that (a) a maximum price is abnormally low in relation to his competitors and causes him substantial hardship, and (b) that the adjusted price will not cause or threaten to cause an increase in the level of retail prices.

3. For all sellers, including retailers, seeking relief on any other basis whose case is typical of other sellers suffering similar hardship and for whom the granting of relief will not jeopardize the purposes of the price regulation to eliminate the danger of inflation.

Cotton Consumption In June At High Peak

Under date of July 14, 1942, the Census Bureau issued its report showing cotton consumed in the United States, cotton on hand, active cotton spindles. In the month of June, 1942, cotton consumed amounted to 966,940 bales of lint and 127,219 bales of linters, as compared with 957,015 bales of lint and 132,390 bales of linters in May, 1942, and 875,812 bales of lint and 126,405 bales of linters in June, 1941. May consumption of cotton includes 300 bales distributed by Surplus Marketing Administration through various cotton mattress programs.

For the 11 months ending June 30, cotton consumption was 10,169,448 bales of lint and 1,368,927 bales of linters, against 8,791,921 bales of lint and 1,224,293 bales of linters in the same 11 months a year ago.

There were 2,441,130 bales of lint and 480,843 bales of linters on hand in consuming establishments on June 30, 1942, which compares with 1,920,197 bales of lint and 472,216 bales of linters on June 30, 1942.

8,458,912 bales of lint and 122,243 bales of linters were on hand in public storage and at compresses on June 30, 1942, and 10,547,730 bales of lint and 78,941 bales of linters on June 30, 1941.

There were 23,090,560 cotton spindles active during June, 1942, which compares with 22,994,980 active cotton spindles during June, 1941.

Paton Made Executive

George Gordon Paton, formerly the economist for the New York Coffee and Sugar Exchange, was appointed Executive Vice-President of the Commodity Research Bureau, Inc., New York, at a meeting of the Board of Directors held on July 13, it was announced by Harry Jiler, President.

Mr. Paton will have direct charge of all the Bureau's coffee and sugar activities, which include "Coffee Intelligence" and "Sugar Intelligence," fortnightly reports to the trades. He will also be one of the three members of the Bureau's Editorial Board which is in charge of the compilation of the 1942 Commodity encyclopedia, an analysis covering production, uses, prices, substitutes, etc., of 1,000 raw materials entering American commerce.

Kenneth H. Paton, Vice-President of the Bureau, is on indefinite leave of absence as an officer in the United States Navy.

American Industries Form Salvage Comm.

Formation of the American Industries Salvage Committee, representing groups of leading industrial concerns who are working with the Conservation Division of the War Production Board to help speed the collection of vital scrap materials, has been announced by Robert W. Wolcott, Chairman of the group and President of Lukens Steel Co. Other members of the administrative committee directing the nationwide $2,000,000 campaign are: Charles R. Hook, President of the American Rolling Mill Co., Vice Chairman; R. S. Wilson, representing Rubber Manufacturers Association; and O. E. Mount, representing Steel Founders' Society of America. An announcement in the matter says:

"The work of the committee, backing up a broad advertising program, will be two-fold: one, to reach every manufacturing and business firm in the nation to impress upon them the absolute necessity of getting their scrap on the way to the production line; and, two, to get business men cooperating with the local salvage committees of WPB already set up in 12,000 communities.

"The activities of the committee will be closely coordinated with the present intensified scrap collection drive of the WPB, according to Mr. Wolcott. In this connection, the committee is underwriting the cost of an extensive national advertising campaign approved by the War Production Board, with a number of major industries underwriting the costs.

"The advertising being carried on in newspapers, magazines, farm and trade papers and on the air, focuses the spotlight of public attention upon the need for iron and steel scrap, non-ferrous metals, rags, burlap, rubber, tin cans (in some localities), and waste cooking fats.

"Supplementing contacts with industry already established by the Industrial Salvage Division of WPB, the American Industries Salvage Committee will make a direct approach to individual industrial concerns, working through industry chairmen who are now being appointed."

Urges Property Owners To Resist Higher Tax

The nearly 45% of the nation's families who own and occupy their own homes or flats should prepare now to resist possible attempts of municipal authorities to increase property taxes in the next two years when many municipalities may seek to make real estate carry the burden of revenue losses from other sources, it is stated by Frederick P. Champ, on July 18, President of the Mortgage Bankers Association of America, in a study by the organiaztion. Mr. Champ said:

"In recent years property taxes have furnished an average of about 80% of total municipal revenues. Most current municipal budgets were set up nearly a year ago when present-day conditions could not be foreseen. Civilian defense expenditures for many are running fairly high. Some are running utility services to new war plants. The decline in gasoline taxes primarily affects the States but some cities have similar taxes and some collect a portion of the State levy.

"Thus, as often before, assessors and tax collectors turn their attention to real estate. But this time property owners must try to call a halt. Real estate cannot carry a heavier tax burden than it is now. Municipal authorities must be told convincingly that the solution this time isn't the easiest way out but lies in affecting real economies and drastic cuts in useless—and in many cases purely political—expenditures."

Canadian Industrial Activity Remains High

Industrial activity in Canada continues to rise, according to the "Monthly Commercial Letter" of the Canadian Bank of Commerce, Toronto, prepared by A. E. Arscott, general manager. The bank's index registered 175 at mid-June (1937=100), compared with 169 at mid-May. Evidence of increasing use of installed factory capacity is shown in the rise in the percentage utilized from 116 to 118. This follows a period of but slight change during which plant extensions were only beginning to be fully utilized.

The bank further reported:

"The foodstuff group was lower than in May or in June, 1941, but clothing as a whole remained the same as the month before, an increase in men's clothing and in woolen goods offsetting moderate declines in other textiles and in footwear. Nearly every category of the pulp and paper group declined slightly, but other wood products rose, especially lumber, furniture and miscellaneous articles.

"The automotive trades recorded a slight upturn but were still considerably below the level of a year ago. The heavy section of the iron and steel trades continued to rise, but the medium and light sections declined slightly."

More Savs. Loan Ass'ns Covered By Fed. Ins.

Protection for the savings of some 55,000 investors in 39 more thrift and home-financing institutions was extended by the Federal Savings and Loan Insurance Corporation during the first six months of 1942, Oscar R. Kreutz, General Manager of the Corporation, announced on July 18. The 39 associations recently accepted for insurance have assets in excess of $54,000,000, it is stated the corporation protects investors in insured institutions up to $5,000 each. "These additions" said Mr. Kreutz, "mean that the Insurance Corporation's protection now covers some 3,200,000 investors in 2,375 institutions with assets of more than $3,400,000,000." The Federal Savings and Loan Insurance Corporation, created in 1934 with a capital of $100,000,000, has built up reserves and surplus of more than $33,000,000, it is pointed out.

President Hopes France May Soon Enjoy Liberty

President Roosevelt on July 13 expressed the hope that "the people of France may soon again enjoy the blessings of liberty, equality and fraternity."

In a brief Bastille Day message, issued at the request of "Pour La Victoire," a French-language newspaper in New York City, the President said:

"On this anniversary, which has so deep a significance to every lover of democracy, I express the hope that the people of France may soon again enjoy the blessings of liberty, equality and fraternity."

Bastille Day (July 14) is the French national holiday, commemorating the anniversary of the storming of the prison during the French Revolution.

At the French Embassy in Washington a reception was given on July 14 by Gaston Henry-Haye, the French Ambassador. It was attended by diplomats of neutral countries and Latin America. The Ambassador declared that France will rise again "still imbued with an ideal" and pledged that "France will remain faithful to her traditional friendships that unfortunate misunderstandings due to the anxieties of this sad period will not succeed to impair."

House Passes $6 Billion Tax Bill

(Continued from First Page)

pressed indignation at the rule under which the bill was considered. This account added in part:

"This limited debate to ten minutes on any amendment offered by the Ways and Means Committee which, under the rule, was the only source that could submit proposed changes.

"When the committee amendment was introduced by Mr. Doughton, it contained a series of changes and demands were made that the changes be divided so as to have separate votes on them. After much wrangling, however, the demands were withdrawn except as to separate votes on the normal-surtax and excess profits rate.

"Secretary Morgenthau did not comment at his press conference on the House's action, except to say that the Treasury's original goal of $8,700,000,000 in war revenue would be continued to be sought, indicating he would ask the Senate Finance Committee to restore many of the recommendations refused by the Ways and Means Committee.

"According to Treasury estimates the bill would bring in $2,640,700,000 from corporations; $2,872,300,000 from individuals, and $758,200,000 from new or increased excise tax levies.

"Although far short of the Treasury's goal, the measure now goes to the Senate where its Finance Committee will hear Secretary Morgenthau and his tax adviser, Randolph Paul, next Thursday and Friday. They are expected to restate the views they gave to the Ways and Means Committee. Mr. Morgenthau commented today that the original aims had not been changed, nor the original figures. He said further that President Roosevelt had not altered his views."

It was pointed out in Associated Press, July 20, Washington advices that the committee before reporting the bill, took no action on the question of post-war credits for corporations based on their excess profits taxes—a provision once approved but later discarded.

It was likewise noted that the measure would take $19 of each $100 of taxable income of individuals in the lowest brackets and $45 of each $100 of the taxable income of corporations, plus 90% of their so-called excess profits.

The bill provides for the collection of individual income taxes through payroll deductions of 5% of taxable net income, beginning Jan. 1 next, with the amount credited against 1943 taxes due in 1944.

The principal provisions of the bill as passed by the House were summarized as follows in Associated Press advices from Washington, July 20.

"Individuals — Present normal income tax increased from 4 to 6% and surtaxes which now range from 6 to 77% increased to from 13 to 82%, with the top bracket of 82% affecting net incomes over $200,000. Personal exemptions reduced from $1,500 to $1,200 for married couples and from $750 to $500 for single persons. Collection of individual income taxes at the sources beginning in January at the rate of 5% of the difference between the amount of each pay check or pay envelope and personal exemptions plus deductions for the pay period. The rate would be 10% in 1944. All withholdings would apply against the next year's tax bill. Estimated yield from individuals, $2,906,300,000.

Corporations — Present graduated excess profits tax of from 35 to 60% replaced by flat 90%, with the specific exemption to which all corporations are entitled raised from $5,000 to $10,000. On that part of income not subject to excess profits taxes, a 24% normal and 21% surtax would be imposed on corporations with earnings in excess of $25,000. Present rates are 24 and 7%. Estimated yield, $2,479,400,000.

Miscellaneous—Increased excise taxes on liquor, beer, wines, cigarettes, smoking tobacco, cigars, lubricating oil, photographic apparatus, telephone and telegraph bills, train, bus, plane and other transportation fares, and new taxes on freight and express shipments and on pari-mutuel bets. Estimated yield, $758,200,000.

In a statement accompanying the Ways and Means Committee's report to the House on July 15, it was stated in special advices on that date to the New York "Times," Representative Treadway of Massachusetts, the ranking minority member, said it was inevitable that there would have to be a tax bill later. But he said it was better for all taxpayers that the burden be increased only gradually." He was likewise quoted in the same advices as follows:

"Inasmuch as further increases in taxes may be reasonably anticipated, it may be argued that we might as well go the whole limit now and have it over with. It is my own view, however, that taxpayers, individual and corporate, can stand a greater ultimate burden if it is imposed gradually, so that they have an opportunity to make the necessary adjustments as we go along.

"Ten years ago, the Federal tax burden was two billions annually. By 1938, it had been increased to 5.8 billions. In 1941, it was 7.6 billions. In the fiscal year 1942, just closed, it was 12 billions. In the current fiscal year, it will be 18 billions, including pay roll taxes under the Social Security Act. Under the pending bill, it would be increased to 24 billions, or twelve times the 1932 level.

"There, of course, is a limit to the amount of taxes which can be borne by business and the people. When excessive, taxes defeat their own purpose by drying up the source. It has been well said that we can tax and tax, but we can confiscate but once.

"The committee has tried to keep the proposed increase in taxes within reasonable bounds, and in most respects it has succeeded."

When House debate on the bill (begun on July 16) was concluded on July 18 the sales tax figured at length in the discussion, with Representative Carlson (Rep., Kan.) telling the House that "we have reached that emergency" which requires such a levy. Associated Press accounts from which we quote added:

"Mr. Carlson said a sales tax was not based on ability to pay, was unorthodox and should not be levied except in emergencies. But it is my contention that we have reached that emergency," he said.

"No one can contemplate with pleasure the imposition of heavier taxes upon those with low incomes, but that is not the choice that faces us today. We need every dollar of revenue we can raise and that means more taxes all along the line.

"I do not want to advocate a sales tax, but I am realistic enough to realize we are rapidly approaching one."

The Ways and Means Committee, of which Mr. Carlson is a member, refused to consider a sales tax before bringing the big bill to the floor.

Representative McKeough (D., Ill.) followed immediately with a statement that the sales tax would do "a gross injustice to those in the lower income groups" and said that in his opinion the committee decision to reduce the individual exemption from $750 to $500 for a single person was wrong.

According to the Associated Press, Senator George, Chairman of the Senate Finance Committee, indicated on July 18 that the Senate contemplated major changes when he forecast a vote in that chamber would not be taken before late August or early September. It was further stated:

"Just what changes Senator George and Administration leaders had in mind they would not disclose, but after a White House conference with President Roosevelt and Treasury Secretary Morgenthau, the Georgian said certain inequities in the bill should be corrected to bring the total expected yield up to the Treasury goal of $8,700,000,000.

"Speculation as to what changes the Administration desired centered around increases in corporate tax rates and a return to the controversial mandatory joint income tax return for married couples.

"The House Ways and Means Committee once approved the mandatory return principle only to reverse itself later."

From Washington

(Continued from First Page)

scene that in all of Congress' wrangling with Leon, no one made the proposal, although it was widely discussed privately, to turn the price fixing administration over to an agency which has long had the necessary machinery, which would, in fact, need scarcely any augmenting to do the job.

The Federal Trade Commission was set up by Woodrow Wilson to serve as a monitor of business. It has hordes of agents, is eternally prying into businesses' affairs, calling for reports, making investigations and what not. Yet notwithstanding all of this nuisance activity and the fact that it occupies an ornate building dedicated to it, it has largely passed into innocuous deseutude as Grover Cleveland once said. The NRA sent it into eclipse and Truman Arnold has taken over all of the trust busting activities with his greatly enlarged force. These activities, except the actual prosecutions in court, were the original province of the Commission.

Members of the Commission realized at the outset that the agency was the logical one to administer price fixing but their attitude has long since been to keep their mouths shut, keep the spotlight away from them and just hold onto their jobs. It is pointed out that Henderson could even have been made Chairman of the Commission, if it was considered one of his aggressiveness was needed on the job.

We had price fixing in World War No. 1, of course. It was administered by Herbert Hoover with nothing like the money, staff or effort which Henderson is requiring, not to mention the organization he wants to build up. In fact, Hoover depended upon voluntary cooperation to a great extent. Occasionally an example was made of a gouger.

Yet in Henderson's efforts to get a larger staff and more money, conservative editors, one after another, lectured Congress, told it this was no time for penny pinching. Apparently none of them is aware of the fact that Henderson has set up his own foreign commerce department, notwithstanding similar services in the State Department and the Department of Commerce, not to mention the ramifications of Nelson Rockefeller's good will enterprise.

The Department of Labor is another example of a virtually abandoned agency, a ghost agency, as we speak of ghost towns. Millions of dollars are appropriated for it every year. Yet Frances Perkins has very little authority over anything. There is a Children's Bureau and a Woman's Bureau in this vast citadel of masonry dedicated to labor. But really, what does a Children's Bureau and a Woman's Bureau do? Oh, they get up statistics on women and children. Miss Perkins is still nominally in charge of the administration of the Walsh-Healy and the Wages and Hours Acts. But in the very nature of things they are now being enforced by the Army, the Navy and the War Production Board, under the watchful eye of the labor leaders. The War Labor Board has taken over her labor conciliation functions, but not her conciliation staff, of course. Administration of the immigration service was a couple or so years ago given to the Justice Department.

Pray tell us, indeed, just what does the National Labor Relations Board do now, except provide good jobs for the faithful and by way of showing occasional activity, harass industry?

Railway Bureau Studies Wages, Labor Relations

The Bureau of Information of the Eastern Railways has compiled a most interesting study of trends in the field of labor with relation to the Railway Industry, entitled "Wages and Labor Relations in the Railroad Industry, 1940-1941."

The study takes up the history of labor relations in the railroad industry, brought down to date, and of the results to date for the employees, the industry itself, the owners of the railroad properties, and the public which uses railroad transportation service. A tabulation in the study shows that large and important groups of engine and train service employees in 1940 received average annual compensation ranging up to more than $4,000 a year, and that their average hours of work ranged down to less than thirty-three hours a week. A supplementary tabulation shows the further increases in annual compensation accruing to engine and train service employees as a result of the wage increases of 1941.

In view of the high levels to which wages have generally risen in the railroad industry, the study points out that a situation has been reached in which requests for further increases amount in effect to demands for an increased share in the profits to the industry, so that, "the question of whether there are such profits and, if not, why not, thus becomes of direct relevance."

The report suggests the inference from the facts presented, that increasing wage demands, coupled with rapidly rising taxation — including payroll taxes to provide annuities for retired employees and unemployment benefits—have left little to the railroad industry that may be described as profits. In line with this thought, an analysis of what has occurred as a result of the steadily mounting share of railroad revenues absorbed by wages, points to the conclusion that the great upward swings in wage levels since before the First World War have been achieved principally at the cost of wiping out all but a small fraction of the return to stockholders, accompanied, more recently, by heavy inroads upon the interest payable to bondholders as well.

The study, as a whole, constitutes a history of the various developments in railroad labor relations over the period covered.

Copper Statistics Not To Be Published

To conform with the requirements of the Office of Censorship the circulation of copper statistics will in the future be restricted to members of the industry only, and will no longer be available for distribution to the public or for publication, the Copper Institute announced on July 13.

To Cut Gifts To Britain To Save Cargo Space

Announcement was made simultaneously in Washington and London on July 15 that due to demands on shipping it will be necessary to sharply curtail the volume of gifts from America to Great Britain for the relief of suffering in order that goods of "a more warlike character" may be assigned the shipping space.

The British Government, in a statement made public by the State Department at Washington, explained this action as follows:

"In order to make the most effective and economical use of the space available, it has been decided that in future cargo space will be allocated only to direct consignments approved by the American Gifts Committee in London and sent either through the American Red Cross to the British Red Cross and Women's Voluntary Services, or through the British War Relief Society to the Personal Service League. No supplies consigned to, or earmarked for, bodies or individuals other than the three British organizations named will therefore be accepted for shipment from now on."

Prime Minister Churchill had informed President Roosevelt in a letter, dated June 14, that the step was necessary and was being taken with "very great regret." He also expressed the "profound gratitude" of the British people for the generosity of the gifts which have been flowing from the first days of the war.

The President, in replying on July 9, said he was gratified that the relief has given comfort to the British people and declared that the American people's action in providing the gifts "is indicative of the profound admiration felt in this country for the heroic stand of the British people against a barbarous foe."

The British statement emphasized that this policy "does not relate to monetary gifts since in their case shipping space is not involved."

US-Bolivia Rubber Pact

Bolivia's entire rubber production will be sold to the United States under terms of a contract signed in La Paz, Bolivia, on July 15 by Foreign Minister Eduardo Anze Matienzo and United States Ambassador Pierre de Boal.

According to the Associated Press:

"Output in 1942 is expected to reach 2,000 tons and next year, with United States aid guaranteed in the contract, it was estimated as a potential 2,500 to 3,000 tons.

"The United States would give the Bolivian Government $2,125,000 immediately in order to improve sanitary conditions in the rubber regions, construct highways, and to raise workers' pay to the scale of wages in Brazil.

"In addition, the North American Government promises machinery to producers.

"The price to be paid for the rubber was fixed on a sliding scale ranging up to 45c a pound for the best grades."

Hardesty Heads Dept.

Paul L. Hardesty has been appointed Manager of the Insurance Department of the U. S. Chamber of Commerce, it was announced on July 16. Mr. Hardesty, formerly Assistant Manager, brings a broad and intensive business experience to the administration of the Chamber's Insurance Department, it is pointed out.

The Insurance Department is one of the nine major departments of the National Chamber. It is the only national instrumentality of its kind serving the insurance industry in its entirety, as well as following the interests of buyers of insurance, in which category come most of the Chamber's underlying membership of more than a million business men.

Increased Individual Income Tax Under House Tax Bill

The following table showing the amount of increase in the tax on individuals under the Revenue Bill passed by the House on July 20 was contained in special Washington advices to the New York "Times":

AMOUNT OF INCREASE

Net Income Before Exemption	Single Person — No Dependent	Single Person — One Dependent	Married Person — No Dependent	Married Person — Two Dependents
$500	------	------	------	------
600	$15.40	------	------	------
700	33.80	------	------	------
750	43.00	------	------	------
800	49.20	------	------	------
900	59.20	------	------	------
1,000	68.00	$13.00	------	------
1,100	76.80	31.40	------	------
1,200	85.60	46.80	------	------
1,300	94.40	58.40	$13.00	------
1,400	103.20	67.20	29.60	------
1,500	112.00	76.00	48.00	------
1,600	120.80	84.80	60.40	------
1,700	129.60	93.60	71.60	------
1,800	138.40	102.40	80.40	------
1,900	147.20	111.20	89.20	------
2,000	156.00	120.00	98.00	------
2,100	164.80	128.80	106.80	$13.00
2,200	173.60	137.60	115.60	26.00
2,300	182.40	146.40	124.40	43.20
2,400	191.20	155.20	133.20	55.60
2,500	200.00	164.00	142.00	68.00
3,000	251.50	211.00	186.00	114.00
4,000	339.50	303.50	283.00	202.00
5,000	437.50	395.50	371.00	299.00
6,000	525.50	489.50	471.00	387.00
7,000	623.50	581.50	559.00	487.00
8,000	711.50	675.50	659.00	575.00
9,000	809.50	767.50	747.00	675.00
10,000	897.50	861.50	847.00	763.00
15,000	1,327.00	1,327.50	1,313.00	1,241.00
20,000	1,887.00	1,847.00	1,838.00	1,749.00
25,000	2,402.00	2,362.00	2,356.00	2,276.00
30,000	2,909.50	2,869.50	2,865.00	2,785.00
50,000	4,929.50	4,889.50	4,889.00	4,809.00
60,000	6,029.50	5,985.50	5,983.00	5,895.00
80,000	8,529.50	8,477.50	8,471.00	8,367.00
100,000	11,427.00	11,367.00	11,356.00	11,236.00
150,000	19,424.50	19,360.50	19,347.00	19,219.00
250,000	36,424.50	36,356.50	36,341.00	36,205.00
500,000	68,962.00	68,914.00	68,916.00	68,820.00
750,000	96,469.50	96,425.50	96,431.00	96,343.00
1,000,000	121,477.00	121,437.00	121,446.00	121,366.00
2,000,000	211,484.50	211,448.50	211,461.00	211,389.00
5,000,000	451,492.00	451,460.00	451,476.00	451,412.00

NEW SURTAX RATES

From the "Times" we also take the following table giving the new surtax rates and also the cumulative amounts to be paid by taxpayers under the bill:

Surtax Net Income Classes	Surtax Rate — Present Law Pct.	Surtax Rate — Proposed Law Pct.	Cumulative Surtax on Higher Amount Shown — Present Law	Cumulative Surtax on Higher Amount Shown — Proposed Law
$0 to $2,000	6	13	$120	$260
$2,000 to $4,000	9	16	300	580
$4,000 to $6,000	13	20	560	980
$6,000 to $8,000	17	24	900	1,460
$8,000 to $10,000	21	28	1,320	2,020
$10,000 to $12,000	25	32	1,820	2,660
$12,000 to $14,000	29	36	2,400	3,380
$14,000 to $16,000	32	40	3,040	4,180
$16,000 to $18,000	35	43	3,740	5,040
$18,000 to $20,000	38	46	4,500	5,960
$20,000 to $22,000	41	49	5,320	6,940
$22,000 to $26,000	44	52	7,080	9,020
$26,000 to $32,000	47	55	9,900	12,320
$32,000 to $38,000	50	58	12,900	15,800
$38,000 to $44,000	53	61	16,080	19,460
$44,000 to $50,000	55	63	19,380	23,240
$50,000 to $60,000	57	66	25,080	29,840
$60,000 to $70,000	59	69	30,980	36,740
$70,000 to $80,000	61	72	37,080	42,940
$80,000 to $90,000	63	75	43,380	51,440
$90,000 to $100,000	64	77	49,780	59,140
$100,000 to $150,000	65	79	82,280	98,640
$150,000 to $200,000	66	81	115,280	139,140
$200,000 to $250,000	67	82	148,780	180,140
$250,000 to $300,000	69	82	183,280	221,140
$300,000 to $400,000	71	82	254,280	303,140
$400,000 to $500,000	72	82	326,280	385,140
$500,000 to $750,000	73	82	508,780	590,140
$750,000 to $1,000,000	74	82	693,780	795,140
$1,000,000 to $2,000,000	75	82	1,443,780	1,615,140
$2,000,000 to $5,000,000	76	82	3,723,780	4,075,140
Over $5,000,000	77	82	------	------

Electric Output For Week Ended July 18, 1942 Shows 11.4% 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 July 18, 1942, was 3,565,367,000 kwh., which compares with 3,199,105,000 kwh., in the corresponding period in 1941, a gain of 11.4%. The output for the week ended July 11, 1942, was estimated to be 3,428,916,000 kwh., an increase of 7.9% over the corresponding week in 1941.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended July 18, '42	July 11, '42	July 4, '42	June 27, '42
New England	4.3	3.3	17.3	3.2
Middle Atlantic	6.6	3.6	12.7	4.8
Central Industrial	9.0	4.1	15.1	4.3
West Central	9.7	2.9	13.3	4.3
Southern States	18.5	14.6	25.5	19.9
Rocky Mountain	6.1	4.8	10.4	4.8
Pacific Coast	19.4	18.5	25.7	20.7
Total United States	11.4	7.9	17.9	9.5

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1942	1941	% Change 1942 over 1941	1940	1932	1929
May 2	3,304,602	2,944,906	+12.2	2,503,899	1,429,032	1,688,434
May 9	3,365,208	3,003,921	+12.0	2,515,515	1,436,928	1,698,492
May 16	3,356,921	3,011,345	+11.5	2,550,071	1,435,731	1,704,426
May 23	3,379,985	3,040,029	+11.2	2,588,821	1,425,151	1,705,460
May 30	3,322,651	2,954,647	+12.5	2,477,689	1,381,452	1,615,085
Jun 6	3,372,374	3,076,323	+ 9.6	2,598,812	1,435,471	1,689,925
Jun 13	3,463,528	3,101,291	+11.7	2,664,853	1,441,532	1,699,227
Jun 20	3,433,711	3,091,672	+11.1	2,653,788	1,440,541	1,702,501
Jun 27	3,457,024	3,156,825	+ 9.5	2,659,825	1,456,961	1,723,428
July 4	3,424,188	2,903,727	+17.9	2,425,229	1,341,730	1,592,075
July 11	3,428,918	3,178,054	+ 7.9	2,651,626	1,415,704	1,711,625
July 18	3,565,367	3,199,105	+11.4	2,681,071	1,433,993	1,727,225
July 25	------	3,220,526	----	2,760,935	1,440,386	1,723,031
Aug 1	------	3,263,082	----	2,762,240	1,426,986	1,724,728

Subscription And Allotment Figures On Treasury 2% Bond Offering

Final subscription and allotment figures with respect to the recent offering of $2,000,000,000 of 2% Treasury Bonds of 1949-51 were announced on July 15 by Secretary of the Treasury Morgenthau, indicating that total subscriptions received were $3,849,495,500 and allotments $2,097,279,400.

Subscriptions in amounts up to and including $25,000—totaling about $196,000,000—were allotted in full. Subscriptions in amounts over $25,000 were allotted 52% on the straight percentage basis, but not less than $25,000 on any one subscription, with adjustments where necessary to the $100 denomination. The offering was discussed in these columns of July 9, page 104.

Subscriptions and allotments were divided among the several Federal Reserve Districts and the Treasury as follows:

Federal Reserve District—	Total Subscriptions Received	Total Subscriptions Allotted
Boston	$218,046,000	$117,699,300
New York	1,587,258,700	834,234,500
Philadelphia	198,854,900	108,454,800
Cleveland	231,751,200	128,015,400
Richmond	199,092,100	109,087,300
Atlanta	227,408,000	135,643,400
Chicago	511,216,200	280,593,000
St. Louis	102,418,500	62,378,200
Minneapolis	64,403,300	39,320,700
Kansas City	97,357,200	58,817,500
Dallas	115,066,800	65,587,800
San Francisco	287,277,600	152,566,500
Treasury	9,345,000	4,881,000
Total	$3,849,495,500	$2,097,279,400

Steel Production Slightly Lower—Heavy War Needs Being Met—Expansion Continues

"This week the necessity for extensive bottom and roof repairs and the cutting off of entire furnaces for complete re-builds has cut the country's operating rate fractionally to 98.7% of capacity," according to "The Iron Age" in its issue of today (July 23). "Even at this rate the average output continues to expand upward at a 1,600-ton weekly pace," states this publication, which further adds in part:

"The drawing on continuous mills and the impact of new plate mills are now giving increasing relief to the plate deficiency, the result being an incipient tightness in other types of steel, which in turn is resulting in a scramble for double A priorities for those types. What with probably a permanent war-time shift away from sheets and strip, a number of mills now have idle rolling capacity, and at least one producer has been prompted to negotiate with an aluminum company to lease part of such equipment.

"Construction of the largest single steel expansion scheme—the U. S. Steel Corp. blast furnaces, open hearths and plate mill in Utah—is now proceeding with exemplary speed, and the Kaiser plate mill at Los Angeles should come in not too far behind schedule shortly after the turn of the year. It now seems certain that the Hauck 10,000,000-ton expansion scheme will be virtually completed by June of next year, and particularly helpful is the fact that almost 6,000,000 tons of new pig iron capacity will have come in by the end of 1942. Also contributing to an accelerated flow of pig iron are the 18 air conditioning units now on blast furnaces, lifting their output possibly 10%. Furthermore, ore sintering equipment is being viewed increasingly favorably, and additional installations will soon be under way to contribute perhaps an additional 10% in output for the stacks so served.

"Encouraging as these factors are, the ferrous industry is increasingly cursed by two gnawing aches, scrap and alloys.

"With the critical position of certain alloying elements becoming so obvious, the industry is on the threshold of a series of metallurgical innovations that will tax the ingenuity of all concerned. A group of National Emergency steels, of low alloy content is now replacing conventional and more highly alloyed steels.

"An expanding air freight program, of course, is well under way, and every indication points toward limitation of planned bomber production in favor of transport production.

"In shipbuilding it is being found that as plate inventories are built up in the yards production speed approximates a ship per month per way."

The CIO last week won a 44-cent daily wage increase, maintenance of union membership, and checkoff.

The American Iron and Steel Institute on July 20 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 98.7% of capacity for the week beginning July 20, compared with 99.1% one week ago, 98.0% one month ago and 96.0% one year ago. This represents a decrease of 0.4 points or 0.4% from the preceding week. The operating rate for the week beginning July 20 is equivalent to 1,676,500 tons of steel ingots and castings, compared to 1,683,300 tons one week ago, 1,664,600 tons one month ago, and 1,586,100 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on July 20 stated in part: "All efforts of the steel industry are centered on supplying requirements for war production, which are on the increase.

"Output is holding as near capacity as conditions will permit and deliveries are being strictly supervised by the War Production Board. Changes in ratings are frequent in the effort to meet insistent needs first resulting in frequent changes in rolling schedules. Close control of inventories has prevented accumulations by some consumers while others had insufficient supply. In general, not more than 45 days stock is being allowed and in most cases much less. Increased demand is pushing ratings progressively higher and allocations cover the greater portion of orders.

"Pig iron distribution is well stabilized and varies from month to month only as war contracts are more widely distributed. Large reserves existing early in the year have been liquidated and distribution is closely geared to consumption.

"The War Production Board reports a new peak in production of structural shapes in June, shipments being 481,182 tons, the previous high during the war era being 451,000 tons in November. A large part of this total was for shipbuilding.

"Better plate distribution is being achieved and top-heavy shipyard inventories have been reduced, the effort now being to maintain a level of 45 to 60 days supply. Some mills are falling behind schedule, part of June tonnage being delivered in first half of July. Shipbuilding demand is causing plates to be shipped from remote producing centers, some being supplied to New England shipyards from mills at Birmingham, Ala.

Steel bar deliveries continue to lengthen and producers are loaded heavily with directives in the effort to keep up supply for most essential needs. This requires frequent revision of ratings.

"Sheet demand is light, many industries normally consuming them being restricted in manufacture of their usual products. As a result sheet mills are operating at much less than capacity and competition exists for sheet contracts. Mills desire tonnage with high ratings in order to obtain semi-finished allocations to keep their equipment busy. Deliveries of six to eight weeks are obtainable."

June Construction At Peak

All previous construction records were broken in June, according to a statement released on July 17 by F. W. Dodge Corporation. Building and engineering contracts awarded last month in the 37 eastern states amounted to $1,190,264,000. This was nearly 57% more than the dollar volume of August, 1941, $760,233,000, the previous all-time high. Comparisons of these two record months indicate roughly the impact of the war on the construction program: industrial building contracts last month were double the dollar volume of last August; heavy engineering construction nearly doubled; non-residential building, other than commercial and industrial work, increased three-fold. On the other hand, commercial building contracts last month were a third less in dollar volume than in August of last year, and residential building was down 20%. Last month's total was a little more than double that of June 1941.

The June 1942 contract volume brought the total for the first half of the year up to $3,723,725,000, again a record-breaking figure, no previous year having produced so large a contract total in the first six months. The increase over the first half of 1941 was 46%.

More detailed comparisons of the first half of 1942 with the first half of 1941 are as follows: industrial buildings, up 83%; commercial buildings, down 13%; all other non-residential buildings (including many for a wide variety of military purposes), up 102%; residential building (including principally barracks and housing for war workers in industry), up 4%; heavy engineering construction (public works and utilities), up 73%.

Australian Finances In 1941-1942 Fiscal Year

The Australian Commonwealth Revenue Fund for the fiscal year ended June 30, 1942, shows total collections of £210,000,000, according to a statement issued by J. B. Chifley, the Commonwealth Treasurer. This amount is £14,000,000 in excess of the anticipated collections for the year, chiefly due to the fact that customs and excise receipts were £7,000,000 and income and war company tax collections were £2,400,000 above the estimated collections for the year. It is pointed out that as in the previous fiscal year, the revenue account exactly balances, as all revenue available after meeting charges for ordinary services has been applied for war purposes. Non-war expenditure was £102,000,000 (£2,000,000 less than anticipated) and war expenditure £108,000,000.

Gross war expenditures for the year amounted to £353,000,000, of which £34,000,000 was recovered from other administrations in respect of munitions, supplies and services on their account.

Selected Income And Balance Sheet Items Class I Railways For April

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

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

	All Class I Railways			
	For the Month of April		For the Four Months of	
Income Items—	1942	1941	1942	1941
Net ry. operat. income	$102,034,442	$52,074,736	$324,749,827	$252,401,447
Other income	11,602,227	10,666,070	46,587,385	44,797,828
Total income	113,636,669	62,740,806	371,337,212	297,199,275
Miscellaneous deductions from income	2,658,936	2,219,693	10,121,039	9,518,131
Income available for fixed charges	110,977,733	60,521,113	361,216,173	287,681,144
Fixed charges:				
Rent for leased roads and equipment	13,722,032	13,045,373	54,605,782	50,489,004
*Interest deductions	37,030,693	38,508,986	148,143,296	153,818,375
Other deductions	113,850	118,075	469,927	474,145
Total fixed charges	50,866,575	51,672,434	203,219,005	204,781,524
Inc. after fixed charges	60,111,158	8,848,679	157,997,168	82,899,620
Contingent charges	2,221,456	1,550,256	8,577,236	6,155,789
¶Net income	57,889,702	7,298,423	149,419,932	76,743,831
Depreciation (way and structures equipment)	20,744,317	17,898,712	77,029,654	71,127,469
Amortization of defense projects	6,278,596		19,648,825	
Federal income taxes	52,612,470	7,104,766	139,007,807	33,236,438
Dividend appropriations:				
On common stock	270,000	2,306,668	19,522,803	26,281,636
On preferred stock	778,185	764,781	5,933,278	5,209,076
¶Ratio of income to fixed charges	2.18	1.17	1.78	1.40

	All Class I Railways Balance at End of April		Class I Railways Not in Receivership or Trusteeship Balance at End of April	
Selected Asset Items—	1942	1941	1942	1941
Investments in stocks, bonds, etc., other than those of affiliated companies	$464,745,682	$560,946,071	$447,826,976	$510,599,615
Cash	$799,887,773	$673,819,405	$581,450,996	$524,978,159
Temporary cash investments	135,598,227	71,455,665	126,500,164	64,245,581
Special deposits	155,461,239	123,326,657	109,362,414	98,994,578
Loans and bills receivable	1,149,446	1,771,422	991,919	1,498,867
Traffic and car-service balances (Dr.)	37,979,741	26,910,949	32,400,569	23,914,644
Net balance receivable from agents and conductors	96,467,258	54,827,539	80,881,227	44,265,524
Miscellaneous accounts receivable	267,246,387	145,447,934	212,780,347	113,662,812
Materials and supplies	528,839,754	368,807,309	428,099,990	292,112,037
Interest and dividends receivable	20,122,448	17,875,491	18,327,596	15,270,692
Rents receivable	1,121,418	1,215,552	869,826	926,851
Other current assets	26,527,860	6,931,675	24,986,307	5,723,557
Total current assets	2,070,401,551	1,492,389,598	1,616,651,355	1,185,593,302
Selected Liability Items—				
‡Funded debt maturing within six months	$95,188,929	$95,583,395	$79,379,649	$72,140,259
§Loans and bills payable	$33,079,832	$77,455,048	$3,491,236	$21,503,496
Traffic and car-service balances (Cr.)	74,461,468	45,804,220	55,387,826	32,498,871
Audited accounts and wages payable	310,319,848	236,739,373	250,751,423	191,720,566
Miscellaneous accounts payable	57,862,134	49,053,123	40,452,592	37,145,132
Interest matured unpaid	49,440,755	35,424,149	44,257,391	30,824,400
Dividends matured unpaid	2,167,777	1,709,819	1,815,515	1,357,510
Unmatured interest accrued	78,709,046	80,043,614	66,309,236	65,522,192
Unmatured dividends declared	5,445,248	1,297,510	5,445,248	1,297,510
Unmatured rents accrued	26,231,700	26,580,718	24,027,839	24,522,345
Accrued tax liability	466,845,600	248,913,350	422,637,979	211,027,028
Other current liabilities	56,030,647	36,437,663	43,274,454	26,364,251
Total current liabilities	1,160,594,055	839,458,587	957,850,739	643,783,301
Analysis of accrued tax liability:				
U. S. Government taxes	353,436,628	139,785,580	334,048,601	127,860,453
Other than U. S. Government taxes	113,408,972	109,127,770	88,589,378	83,166,575

*Represents accruals, including the amount in default. †For railways not in receivership or trusteeship the net income was as follows: April, 1942, $47,746,213; April, 1941, $9,522,879; for the three months ended April, 1942, $126,996,767; three months ended April, 1941, $84,755,016. ‡Includes payments of principal of long-term debt (other than long-term debt in default) which will become due within six months after close of month of report. §Includes obligations which mature not more than two years after date of issue. ¶For railways in receivership and trusteeship the ratio was as follows: April, 1942, 1.87; April, 1941, 0.88; four months, 1942, 1.51; four months, 1941, 0.90.

Construction Volume Drops In July 16 Week—Engineering Cons. $174,129,000 For Week

Engineering construction volume for the week totals $174,129,000 which is 57% below the high volume of $401,603,000 reported last week and 16% below the corresponding 1941 week, says the "Engineering News-Record" under date of July 16. Public construction shows a drop of 58% from last week and 12% below the 1941 week. Private construction is 6% lower than last week and 55% lower than the 1941 week.

Federal contracts dropped 59% below last week but a slight gain over the corresponding 1941 week. The Association's release went on to say:

With this week's total the volume for the 29 weeks reaches $5,698,849,000 compared with $3,421,095,000 for the same period last year, a gain of 66%.

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

	July 17, '41	July 9, '42	July 16, '42
Total Construction	$206,765,000	$401,603,000	$174,129,000
Private Construction	17,123,000	8,237,000	7,705,000
Public Construction	189,642,000	393,366,000	166,424,000
State and Municipal	34,302,000	8,271,000	10,073,000
Federal	155,340,000	385,095,000	156,351,000

Public buildings, which last week recorded the second highest total this year, show a drop of 67% while unclassified construction dropped 41%. Subtotals for the week in each class of construction are: waterworks, $2,267,000; sewerage, $2,072,000; bridges, $2,516,000; industrial buildings, $5,134,000; commercial buildings, $2,325,000; public buildings, $98,318,000; streets and roads, $16,536,000; earthwork and drainage, $3,281,000; and unclassified construction, $41,680,000.

New capital for construction purposes for the week totals $511,000 for State and municipal bonds. This brings the total for the year to date to $7,801,129,000, a gain of 59% compared with $4,922,670,000 for the same period of 1941.

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)

1942— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus
July 21	118.23	106.74	116.41	113.12	108.16	91.77	95.77	111.44	114.27
20	118.22	106.74	116.41	113.12	108.16	91.62	95.77	111.44	114.27
18	118.22	106.74	116.41	113.12	107.98	91.62	95.77	111.44	114.27
17	118.22	106.74	116.41	113.12	107.98	91.62	95.77	111.44	114.27
16	118.27	106.74	116.41	113.12	107.98	91.77	95.77	111.44	114.27
15	118.22	106.74	116.41	113.12	107.98	91.62	95.77	111.44	114.27
14	118.19	106.74	116.41	113.31	107.98	91.62	95.77	111.44	114.27
13	118.28	106.74	116.41	113.31	107.98	91.62	95.77	111.44	114.27
11	118.26	106.74	116.41	113.50	107.98	91.62	95.77	111.25	114.27
10	118.26	106.74	116.41	113.31	107.80	91.62	95.77	111.25	114.08
9	118.31	106.74	116.41	113.12	107.98	91.62	95.77	111.44	114.08
8	118.25	106.56	116.41	113.31	107.80	91.48	95.77	111.25	114.08
7	118.22	106.56	116.41	113.12	107.80	91.77	95.77	111.25	114.08
6	118.05	106.56	116.22	113.12	107.98	91.48	95.77	111.25	113.89
4			Exchange Closed						
3	118.09	106.56	116.22	113.12	107.98	91.34	95.77	111.25	113.89
2	118.12	106.56	116.41	113.12	107.98	91.19	95.62	111.07	114.08
1	118.18	106.39	116.41	112.93	107.80	91.19	95.62	111.07	113.89
June 26	118.14	106.39	116.22	112.93	107.80	91.05	95.47	110.88	113.89
19	118.33	106.39	116.22	112.93	107.62	91.19	95.47	110.88	113.89
12	118.33	106.21	116.02	112.75	107.44	91.19	95.62	110.88	113.50
5	118.38	106.21	115.82	112.93	107.27	91.34	95.77	110.70	113.31
May 29	118.35	106.39	116.02	112.93	107.44	91.77	96.07	110.70	113.70
22	118.33	106.56	116.02	112.93	107.44	91.91	96.07	110.70	113.50
15	117.89	106.74	116.02	113.31	107.62	92.06	96.54	110.88	113.70
8	117.79	106.74	116.22	113.12	107.62	92.20	96.69	110.70	113.70
1	117.90	106.56	116.22	113.12	107.44	92.06	96.69	110.70	113.70
Apr. 24	117.80	106.74	116.22	113.12	107.62	92.06	96.69	110.70	113.70
17	118.08	106.92	116.41	113.70	107.62	92.20	96.85	110.88	113.89
10	118.06	106.92	116.41	113.89	107.62	92.35	97.16	110.70	114.08
2	118.10	106.92	116.22	113.70	107.62	92.20	97.00	110.52	114.08
Mar. 27	118.20	106.74	116.22	113.50	107.62	91.91	97.00	110.34	113.50
Feb. 27	116.34	106.39	115.63	113.31	107.62	91.62	96.85	110.15	113.31
Jan. 30	117.08	106.92	116.22	113.70	107.80	92.06	97.31	110.52	113.70
High 1942	118.41	106.92	116.61	114.08	108.16	92.50	97.47	114.44	114.27
Low 1942	115.90	106.04	115.43	112.75	107.09	90.63	95.32	109.60	112.75
High 1941	120.05	108.52	118.60	116.02	109.60	92.50	97.78	112.56	118.41
Low 1941	115.89	105.52	116.22	112.00	106.04	89.23	95.62	109.42	111.62
1 Year ago									
July 21, 1941	119.47	107.80	118.20	115.04	108.34	92.06	97.31	112.00	115.04
2 Years ago									
July 20, 1940	115.56	103.30	115.63	112.93	103.13	85.20	91.77	108.88	110.34

MOODY'S BOND YIELD AVERAGES†
(Based on Individual Closing Prices)

1942— Daily Average	Avge. Corporate	Corporate by Ratings Aaa	Aa	A	Baa	Corporate by Groups R. R.	P. U.	Indus
July 21	3.35	2.83	3.00	3.27	4.29	4.02	3.09	2.94
20	3.35	2.83	3.00	3.27	4.30	4.02	3.09	2.94
18	3.35	2.83	3.00	3.28	4.30	4.02	3.09	2.94
17	3.35	2.83	3.00	3.28	4.30	4.02	3.09	2.94
16	3.35	2.83	3.00	3.28	4.29	4.02	3.09	2.94
15	3.35	2.83	3.00	3.28	4.30	4.02	3.09	2.94
14	3.35	2.83	2.99	3.28	4.30	4.02	3.09	2.94
13	3.35	2.83	2.99	3.28	4.30	4.02	3.09	2.94
11	3.35	2.83	2.98	3.28	4.30	4.02	3.10	2.94
10	3.35	2.83	2.99	3.29	4.30	4.02	3.10	2.95
9	3.35	2.83	3.00	3.28	4.30	4.03	3.09	2.95
8	3.36	2.83	2.99	3.29	4.31	4.02	3.10	2.95
7	3.36	2.83	3.00	3.29	4.31	4.02	3.10	2.95
6	3.36	2.84	3.00	3.28	4.31	4.02	3.10	2.96
4			Exchange Closed					
3	3.36	2.84	3.00	3.28	4.32	4.02	3.10	2.96
2	3.36	2.83	3.00	3.28	4.33	4.03	3.11	2.95
1	3.37	2.83	3.01	3.29	4.33	4.03	3.11	2.96
June 26	3.37	2.84	3.01	3.29	4.34	4.04	3.12	2.96
19	3.37	2.84	3.01	3.30	4.33	4.04	3.12	2.96
12	3.38	2.85	3.02	3.31	4.33	4.03	3.12	2.98
5	3.38	2.86	3.01	3.32	4.32	4.02	3.13	2.99
May 29	3.37	2.85	3.01	3.31	4.29	4.00	3.13	2.97
22	3.36	2.85	3.01	3.31	4.28	4.00	3.13	2.98
15	3.35	2.85	2.99	3.30	4.27	3.97	3.12	2.97
8	3.35	2.84	3.00	3.30	4.26	3.96	3.13	2.97
1	3.36	2.84	3.00	3.31	4.27	3.96	3.13	2.97
Apr. 24	3.35	2.84	3.00	3.30	4.27	3.96	3.13	2.97
17	3.34	2.83	2.97	3.30	4.26	3.95	3.12	2.96
10	3.34	2.83	2.96	3.30	4.25	3.93	3.13	2.95
2	3.34	2.84	2.97	3.30	4.26	3.94	3.14	2.95
Mar. 27	3.35	2.84	2.98	3.30	4.28	3.94	3.15	2.98
Feb. 27	3.37	2.87	2.99	3.30	4.30	3.95	3.16	2.99
Jan. 30	3.34	2.84	2.97	3.29	4.27	3.92	3.14	2.97
High 1942	3.39	2.88	3.02	3.33	4.37	4.05	3.19	3.02
Low 1942	3.34	2.82	2.95	3.27	4.24	3.91	3.09	2.94
High 1941	3.42	2.86	3.06	3.39	4.47	4.03	3.20	3.08
Low 1941	3.25	2.72	2.85	3.19	4.24	3.89	3.03	2.83
1 Year ago								
July 21, 1941	3.29	2.74	2.90	3.26	4.27	3.92	3.06	2.90
2 Years ago								
July 20, 1940	3.55	2.87	3.01	3.56	4.77	4.29	3.23	3.15

*These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages the latter being the true picture of the bond market.

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

Army To Draft 1-B Men

The War Department announced on July 3 that it will begin inducting into the Army on Aug. 1 men who have been in Class 1-B under the Selective Service system, due to minor physical defects. They will be subject to limited military service and assigned to duty with the corps area service commands and the War Department overhead organization, thus making it possible to release an almost equal number of fully qualified soldiers for duty with task forces. The Department said that regular quotas of 1-B men will be inducted each month and that inductions for the present will be limited to those "able to bring to the Army a useful vocation which was followed in civil life."

FDR Hails China Fight

President Roosevelt on July 6, the fifth anniversary of the Chinese-Japanese war, cabled Generalissimo Chang Kai-shek and people of China a message of greeting praising their valiant fight and expressing confidence that the United Nations "will fight on together to victory."

Secretary of State Hull sent a similar message of greeting, conveying "an expression of the whole-hearted good wishes of the American people who, as comrades-in-arms with the Chinese people, are now facing common aggressors and share a common peril." The President's message follows:

"In the name of the people of the United States, your fighting Allies in this war for freedom, I greet you on the anniversary of the most despicable attack on you in all your long and noble history.

"The people of the United States hail you as brothers-in-arms in the great and difficult tasks remaining before the free and freedom-loving peoples of all the earth.

"We are united as nations and peoples have never before been united. We are united to the end that the common aims of civilized men and women shall become actual and universal.

"Five years ago, at the Marco Polo Bridge, you started your fight against the forces of darkness which were hurled against your country and your civilization.

"You know, and all of the world knows, how well you have carried on that fight, which is the fight of all mankind.

"Increasingly, your arms and our arms will thrust back the enemy.

"You, the people of China, and we, the people of the United States and the United Nations, will fight on together to victory, to the establishment of peace and justice and freedom throughout the world."

The following cable message from the Chinese leader replying to the President was made public in Washington on July 9:

"The Chinese Army and people are deeply moved by the inspiring message which you were good enough to send us on this fifth anniversary of our war of resistance.

"Love of peace, justice and freedom is the traditional trait of our two peoples. We, in concert with twenty-six allied nations, have dedicated ourselves to the heroic fight in defense of civilization and humanity as you have truly said in your telegram.

"Our two armies and peoples are united in spirit as nations and peoples have never before been so united. At the same time no greater responsibilities have developed upon our two great democracies since the beginning of their history.

"Upon receipt of this message of greetings from one hundred and thirty million friends across the Pacific our army and people fully realize the prime necessity of annihilating the forces of evil in the Pacific so as to hasten the day of victory in this global war against aggression. Will you please accept my personal warm thanks and those of the entire Chinese Army and people?"

Moody's Daily Commodity Index

Tuesday, July 14	232.4
Wednesday, July 15	232.9
Thursday, July 16	231.9
Friday, July 17	231.6
Saturday, July 18	231.0
Monday, July 20	230.2
Tuesday, July 21	231.6
Two weeks ago, July 7	231.8
Month ago, June 20	229.6
Year ago, July 21	209.2
1941 High—Sept. 19	219.9
Low—Feb. 17	171.6
1942 High—April 9	234.0
Low—Jan. 2	220.0

Changes In Holdings Of Reacquired Stock Of N. Y. Stock & Curb Listed Firms

The monthly compilation of companies listed on the New York Stock Exchange reporting changes in their holdings of reacquired stock was made available on July 16. Following is the tabulation issued by the Stock Exchange:

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report
Allied Mills, Inc., common	304,329	304,382
Allied Stores Corp., 5% preferred	417	517
American-Hawaiian Steamship Co., common	74,200	74,300
American Hide and Leather Co., common	1,750	40,250 (1)
6% preferred	7,500	200 (1)
American Home Products Corp., capital	3,157	3,209
American Viscose Corp., 5% cumulative preferred	1,746	946 (2)
Armour & Co., 7% preferred	2,480	3,776
Associates Investment Co., common	22,331	22,686
5% cumulative preferred	19,022	895 (3)
Atlantic Gulf and West Indies Steamship Lines, preferred	1,700	2,400
Atlas Corp., common	39,738	49,244
6% preferred	11,473	---- (4)
Barker Bros., 5½% cumulative preferred	1,898	1,953
Barnsdall Oil Co., common	34,500	35,100
Borden Co. (The), capital	40,454	40,654
Bucyrus-Erie Co., 7% preferred	11,161	11,179
Carriers & General Corp., common	300	---- (5)
Case (J. I.) Co., common	1,800	1,725 (6)
7% preferred	3,895	5,605
Century Ribbon Mills, Inc., 7% preferred	190	200
Chicago Pneumatic Tool Co., $2.50 cum. prior pfd.	6,271	6,571
Chicago Yellow Cab Co., capital	12,154	29,464
Consolidated Oil Corp., common	----	3,000
Continental Baking Co., 8% preferred	400	277 (7)
Copperweld Steel Co., cum. conv. pfd. 5% series	3,435	3,735
Cuban-American Sugar Co. (The), 5½% conv. pfd.	14,988	16,888
7% cumulative preferred	8,233	10,213
Detroit Edison Co. (The), common	7,623	6,858
Distillers Corp.-Seagrams Ltd., cum. pfd. 5% series	----	---- (8)
Du Pont de Nemours & Co. (E. I.), common	35,651	13,815 (9)
Firestone Tire & Rubber Co. (The), common	318,879	319,109
Gaylord Container Corp., 5½% cumul. conv. preferred	----	---- (10)
General American Investors Co., Inc., $6 cum. pfd.	----	---- (11)
General Realty & Utilities Corp., $6 preferred	100	2,131
General Shoe Corp., common	3,258	2,961
Gillette Safety Razor Co., $5 conv. pref.	5,449	7,249
Howe Sound Co., common	27,400	29,191
Insuranshares Certificates, Inc., common	----	---- (12)
Jones & Laughlin Steel Corp., common	66,583	---- (13)
5% preferred A	27,083	70 (13)
5% preferred B	27,333	270 (13)
Lehman Corp. (The), common	99,407	102,907
McGraw-Hill Publishing Co., Inc., common	2,000	5,000
Mead Corp. (The), $6 cumulative preferred "A"	495	515
Mohawk Carpet Mills, Inc., capital	19,100	19,000
National Cylinder Gas Co., common	2,505	3,705
National Department Stores Corp., 6% preferred	79,453	79,883
Norfolk & Western Railway Co., adj. 4% non-cum. pfd.	3,868	4,566
Petroleum Corp. of America, capital	----	2,400
Plymouth Oil Co., common	11,900	12,900
Real Silk Hosiery Mills, Inc., 7% cumulative preferred	5,568	5,601
Reliable Stores Corp., common	44,659	45,259
Safeway Stores, Inc., 5% cumulative preferred	4,363	1,115 (14)
Schenley Distillers Corp., 5½% cumulative preferred	4,001	4,801
Shattuck (Frank G.) Co., common	141,200	142,200
Sheaffer (W. A.) Pen Co., common	4,505	4,518
Sterling Products, Inc., capital	15,032	32
Superheater Co., The, common	97,750	97,850
Swift & Co., capital	77,959	77,953
Transamerica Corp., capital	1,088,649	1,093,700
Union Bag & Paper Corp., common	----	2,000
United Aircraft Corp., 5% cum. pfd.	2,500	---- (15)
United Fruit Co., common	5,700	5,900
Universal Pictures Co., Inc., 8% preferred	6,074	4,594 (16)
White (The S. S.) Dental Mfg. Co., capital	1,388	1,393
Willys-Overland Motors, Inc., 6% cum. conv. pfd.	7,700	13,200

NOTES

(1) 400 shares of preferred stock acquired. 7,700 shares of preferred stock have been converted into common stock which is held in the treasury.
(2) 600 shares acquired; 1,400 shares retired.
(3) 1,355 shares acquired; 19,482 shares retired.
(4) 8,402 shares acquired; 19,875 shares retired.
(5) Retired.
(6) Options exercised as to 75 shares held in treasury.
(7) 1,777 shares acquired; 1,900 shares cancelled.
(8) 200 shares acquired and retired.
(9) Transactions since Dec. 31, 1941.
(10) 325 shares acquired and retired.
(11) 1,985 shares acquired and retired.
(12) 2,300 shares acquired and retired.
(13) 3,925 shares series "A" preferred and 3,675 shares series "B" preferred acquired. All but remaining balances of common and preferred stocks transferred as part consideration for assets of Otis Steel Co.
(14) 1,203 shares acquired; 4,452 shares retired.
(15) 700 shares acquired; 3,200 shares retired.
(16) 20 shares acquired; 1,500 shares retired.

The New York Curb Exchange issued on July 15, the following list of issuers of fully listed securities which have reported changes in their holdings of reacquired stock:

Name—	Shares Previously Reported	Shares Per Latest Report
American General Corp., $2 div. ser. pfd.	9,456	9,831
Common	356,664	356,966
American Writing Paper Corp, common	12,800	13,900
Art Metal Works, Inc., common	6,344	6,444
Carman & Co., Inc. class A	1,879	1,929
Cooper-Bessemer Corp., $3.00 prior pref.	1,103	1,313
Crown Central Petroleum Corp., common	575	576
Dejay Stores, Inc., common	9,386	9,636
Ken-Rad Tube & Lamp Corp., A common	6,550	7,150
Klein (D. Emil) Co., Inc., common	15,289	16,414
Merchants & Manufacturers Securities Co., partic. pfd.	15,222	21,156
Class A common	76,220	103,705
Merritt-Chapman & Scott Corp, 6½% A preferred	3,639	6,077
New York Merchandise Co., Inc., common	90,359	90,395
Niagara Share Corp. of Maryland, A preferred	4,446	4,666
B common	139,381	139,781
Sterchi Bros. Stores, Inc., 5% 2nd preferred	100	170
Trans-Lux Corp., common	68,857	71,457
United Cigar-Whelan Stores Corp., common	12,129	12,130
Utility Equities Corp., $5.50 div. prior stock	8,900	9,100
Wilson-Jones Co., common	7,500	7,800

June Department Store Sales In New York Federal Reserve District 3% Below Year Ago

The Federal Reserve Bank of New York announced on July 18 that June sales of department stores in the Second (New York) Federal Reserve District decreased 3% below a year ago. The combined sales for January through June, however, are 11% higher than in the same period last year. Stocks of merchandise on hand in department stores at the end of June were 80% above June, 1941.

The apparel stores in the New York Reserve District reported a loss of 1% in net sales in June, while their stocks on hand were 58% above a year ago.

The following is the bank's tabulation:

DEPARTMENT STORE TRADE BY MAJOR LOCALITIES—JUNE, 1942
Second Federal Reserve District

	Percentage Changes from a Year Ago —Net Sales—		
Department Stores—	June	January through June	Stock on Hand End of Month
New York City	—4	+10	+85
*Northern New Jersey	—7	+9	+87
*Newark	—5	+10	+87
Westchester and Fairfield Counties	+3	+18	+49
Bridgeport	+5	+20	+63
Lower Hudson River Valley	—1	+7	+34
Poughkeepsie	+3	+10	----
Upper Hudson River Valley	—12	+4	+42
Albany	—19	—2	----
Central New York State	+2	+15	+84
Mohawk River Valley	+14	+28	+103
Syracuse	—2	+11	+78
Northern New York State	—7	—4	----
*Southern New York State	+2	+14	+53
*Binghamton	—1	+11	----
Elmira	+10	+19	----
Western New York State	+2	+16	+64
Buffalo	+4	+19	+62
Niagara Falls	+24	+37	+36
Rochester	—2	+12	+74
*All department stores	—3	+11	+80
‡Apparel stores	—1	+13	+58

*Subject to possible revision.
‡Some additional apparel stores added with this report.
26 shopping days, 1942.
25 shopping days, 1941.

INDEXES OF DEPARTMENT STORE SALES AND STOCKS
Second Federal Reserve District
[1923-25 average = 100]

	1941	1942		
	June	April	May	June
Sales (average daily), unadjusted	†97	106	99	92
Sales (average daily), seasonally adjusted	†101	110	103	96
Stocks, unadjusted	85	152	160	158
Stocks, seasonally adjusted	90	149	156	167

†Revised.

Non-Ferrous Metals—Antimony Restrictions Eased Moderately—Copper Statistics Censored

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 July 16, stated: "Producers of non-ferrous metals were encouraged last week in the action taken by the War Production Board in modifying the order regulating the distribution of antimony. With supplies of antimony larger, the order has been amended to encourage substitution of antimony for tin. Lead producers met with officials in Washington on July 14. After the meeting there was some hope in the trade that the conservation order for lead may be eased before long. Censorship stopped publication of monthly copper statistics last week. Daily sales reports also are out for the duration." The publication further went on to say in part:

Copper

A moderate tonnage of copper allocated for July has not yet been taken care of, but producers feel certain that Metals Reserve will release more metal if needed. Beginning July 10, the industry's daily report on sales in the domestic market will not be available to the press. With producers fully occupied turning out copper, and most fabricators operating at capacity, the statistics in a price-controlled war market carry little weight.

Domestic consumers are obtaining metal on the basis of 12c., Valley. Foreign copper is moving into the country on the basis of 11.75c., f.a.s. United States ports.

Domestic copper statistics for June will not be issued, owing to censorship regulations. On July 13, Copper Institute released the following statement:

"To conform with the requirements of the Office of Censorship the circulation of copper statistics will in the future be restricted to members of the industry only, and will no longer be available for distribution to the public or for publication."

Lead

At the meeting of the lead group that took place in Washington on July 14 the question was raised of easing the conservation order. Supplies on hand and in sight are large, it was pointed out, and use of lead in many directions could easily be expanded under prevailing conditions.

Quotations continued on the basis of 6.50c., New York, and at 6.35c., St. Louis. Chemical lead sold in the St. Louis market at 6.40c.

Zinc

The weekly sales report of the Prime Western division is no longer available for publication. The market situation was without change last week, Prime Western continuing at 8.25c., St. Louis.

The monthly weighted average sales report issued by the American Zinc Institute will henceforth be distributed to members of the zinc industry only, owing to censorship, it was announced last week.

Tin

In connection with the scrap metals campaign now in progress, the War Production Board released information to the effect that the minimum tin requirements of this country in 1942 are 65,000 tons. To supply this tonnage, about 41,000 tons will be released out of stockpile, 15,000 tons will be obtained from Bolivian concentrate, and 9,000 tons from the Belgian Congo.

Straits quality tin for future delivery was nominally as follows:

	July	August	Sept.
July 9	52,000	52,000	52,000
July 10	52,000	52,000	52,000
July 11	52,000	52,000	52,000
July 13	52,000	52,000	52,000
July 14	52,000	52,000	52,000
July 15	52,000	52,000	52,000

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

Quicksilver

Direct and indirect war business is absorbing a fairly large proportion of this country's current output of quicksilver. Surplus metal is finding a ready buyer in the Metals Reserve Co. on the basis of $192 per flask, New York. Open-market quotations in New York continued at $194.43 @ $198.08.

Antimony

Supplies of antimony have become relatively more plentiful and General Preference Order M-112 has been amended easing restrictions on use of the metal in bearings metals and other alloys. Antimony compounds may be used to a greater extent in ceramics. To encourage output, domestic producers may deliver free of restrictions up to 50 tons of ore or concentrate a month.

Silver

The supply situation in silver was reviewed by producers and officials in Washington on July 14. WPB has not yet acted on the plan to regulate consumption of the metal.

During the past week the Silver Market in London has been steady with the price unchanged at 23½d. The New York Official and the U. S. Treasury prices are also unchanged at 35⅛c. and 35c., respectively.

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

July	Electrolytic Copper Domest., Refin.	Electrolytic Copper Exp., Refin.	Straits Tin, New York	Lead New York	Lead St. Louis	Zinc St. Louis
9	11.775	11.700	52.000	6.50	6.35	8.25
10	11.775	11.700	52.000	6.50	6.35	8.25
11	11.775	11.700	52.000	6.50	6.35	8.25
13	11.775	11.700	52.000	6.50	6.35	8.25
14	11.775	11.700	52.000	6.50	6.35	8.25
15	11.775	11.700	52.000	6.50	6.35	8.25
Average	11.775	11.700	52.000	6.50	6.35	8.25

Average prices for calendar week ended July 11 are: Domestic copper f.o.b. refinery, 11.775c.; export copper, f.o.b. refinery, 11.700c.; Straits tin, 52.000c.; New York lead, 6.500c.; St. Louis lead, 6.350c.; St. Louis zinc, 8.250c.; and silver, 35.125c.

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

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

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

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

Senate Confirms Meaney

The nomination of Thomas F. Meany to the Federal District Court of New Jersey was confirmed by the Senate on July 1 by a vote of 39 to 20. President Roosevelt's naming of Mr. Meaney on May 4 brought considerable debate in the Senate, the opponents declaring that the issue was Frank Hague, Mayor of Jersey City, who favored the appointment. Among the critics of the appointment were Governor Charles Edison of New Jersey and Senator Barbour, Republican of New Jersey. Senator Smathers, Democrat of New Jersey, led the fight for confirmation.

Buy China Commemorative

President Roosevelt and T. V. Soong, China's Foreign Minister, purchased on July 8 the first of the new United States 5-cent stamps commemorating the fifth anniversary of Chinese resistance to Japanese aggression. Postmaster-General Walker sold the stamps to them at a brief White House ceremony.

The stamp contains pictures of President Lincoln and Sun Yat-Sen, first President of the Republic of China, and is the first in history on which a foreign language appears. The stamp also contains a map of China and a sun, the official symbol of the Chinese revolution.

SEC Utility Report

The Securities and Exchange Commission has made public a report prepared by the Public Utilities Division entitled "Depreciation and Dividend Statistics of Electric and Gas Utility Subsidiaries of Registered Holding Companies, 1930-1940."

The report shows how the income of each of 168 companies would have been affected for the ten-year period 1930-1939 if the same amount of depreciation as was allowed for income tax purposes had been charged on its books. The analysis indicates that, in the case of 149 of the companies studied, depreciation deducted for income tax purposes exceeded book depreciation by $627,052,000 for the ten-year period. In the case of the remaining 19 companies book depreciation was the same as, or exceeded, income tax depreciation by an aggregate amount of $8,108,000. The net excess of income tax depreciation over book depreciation for the 168 companies was $618,944,000, which was 53.64% of the aggregate amount of $1,153,960,000 which these companies charged as depreciation or retirement expense on their books. The study shows, however, that the majority of the companies have substantially narrowed the difference between the two sets of depreciation figures since 1937.

In addition to the ten-year study, the report includes a tabulation showing the common stock dividends paid by 218 operating utility companies for the year 1940 in relation to net income available for such dividends after adjustment for the excess of income tax depreciation over book depreciation. The report also summarizes the depreciation rules and regulations of the Bureau of Internal Revenue and shows for each company included in the ten-year study the amount of depreciable fixed capital recognized by the Bureau for determining depreciation for income tax purposes.

A very limited supply of copies of the study are available and may be obtained from the Publications Unit of the Commission in Philadelphia.

Geo. Sutherland Dies

George Sutherland, retired Justice of the United States Supreme Court, died on July 18 at his summer home in Stockbridge, Mass. He was 80 years old. Justice Sutherland retired from the Supreme Court in January, 1938, after more than 15 years in the Court's service. He was generally regarded as a member of the conservative group on the Court, having voted almost consistently against New Deal legislation that came before the Supreme Court. Justice Sutherland's decision to retire in 1938, giving as his reasons his age and length of service came about a year after President Roosevelt's unsuccessful attempt to enlarge the Court. In his letter of resignation, he said he wished to avail himself of the Sumners Act of 1937 which permits Supreme Court Justices to retire at the age of 70. Justice Sutherland was 75 at the time of his retirement.

A native of Buckinghamshire, England, Justice Sutherland was brought to this country when he was 15 months old and his family settled in Utah. After studying law at the University of Michigan, he practiced law in Salt Lake City. He was a member of the House of Representatives from Utah about the turn of the century and later served two terms in the U. S. Senate. Justice Sutherland was appointed to the Supreme Court in 1922 by President Harding.

His retirement in 1938 was noted in these columns Jan. 8, 1938, page 199.

National Fertilizer Association Commodity Price Average Unchanged

The weekly wholesale commodity price index compiled by The National Fertilizer Association and released on July 20, was unchanged last week. This index, in the week ended July 18, 1942, stood at 128.9% of the 1935-1939 average, the same as in the preceding week. It registered 127.1 a month ago, and 112.4 a year ago. The Association's report continued as follows:

Substantial advances in most meat prices were sufficient to counterbalance declines in other items, with the result that the all-commodity index remained at the same level as in the preceding week. In the farm product group 7 items advanced and 6 declined. Generally higher livestock, poultry, and oats prices more than counterbalanced declines in cotton and other grains. In the food group rising prices for butter, cheese, and dried beans were sufficient to counterbalance the effect on the group index of declines in corn meal, potatoes, and veal. Lower cattle feed prices were responsible for a slight drop in the index of miscellaneous commodities. The only other group average to change during the week was the textiles index, which was fractionally lower.

During the week changes in the index were quite evenly balanced, with 11 price series declining and 10 advancing; in the preceding week there were 12 advances and 11 declines; in the second preceding week there were 15 advances and 7 declines.

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

% Each Group Bears to the Total Index	Group	Latest Week July 18 1942	Preceding Week July 11 1942	Month Ago June 13 1942	Year Ago July 19 1941
25.3	Foods	125.9	125.9	125.6	107.2
	Fats and Oils	137.6	137.3	136.6	115.7
	Cottonseed Oil	159.6	159.6	158.4	128.2
23.0	Farm Products	137.9	137.4	134.1	112.7
	Cotton	185.9	189.9	176.6	145.9
	Grains	111.5	113.2	112.8	96.6
	Livestock	135.6	133.5	131.0	110.5
17.3	Fuels	125.2	125.2	119.7	110.4
10.8	Miscellaneous commodities	127.6	128.0	127.5	121.9
8.2	Textiles	148.5	149.1	147.2	135.8
7.1	Metals	104.4	104.4	104.4	103.9
6.1	Building materials	151.6	151.6	151.6	116.2
1.3	Chemicals and drugs	120.7	120.7	120.7	105.2
.3	Fertilizer materials	117.8	117.8	117.6	111.9
.3	Fertilizers	115.3	115.3	115.3	106.4
.3	Farm machinery	104.1	104.1	104.1	99.3
100.0	All groups combined	128.9	128.9	127.1	112.4

*Indexes on 1926-1928 base were: July 18, 1942, 100.4; July 11, 100.4; July 19, 1941, 87.6.

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

The earnings of the United States railroads for the month of May reflect to no small degree the extent to which the Nation's war-time efforts are expanding. Last month we found that the gross and net earnings for April were the largest for any April in any previous year and that they exceeded those for the month of March. The figures for the month of May which we present below are not only larger than those of the two preceding months and larger than that reached in the month of May in any previous year, but are larger than those of any month in any year, with the single exception of the gross earnings in October, 1920. Gross earnings of all Class I railroads of the United States reached the huge total of $633,852,568 but the net in the same month of 1920 was only a little more than half of the May, 1942 net, or $117,998,825.

In spite of the tremendous burden placed on the railroads the managements have been able to hold their operating expenses down but it is questionable how long this can continue as additional repairs and upkeep items are bound to follow the hard use the railroads are obliged to give to their equipment.

Gross earnings of the railroads in May amounted to $601,064,733 against $441,529,183 in May last year, an increase of $159,535,550, or 36.13%. Net earnings for May totaled $225,576,889 against $145,481,304, an increase of $80,095,585, or 55.06%. It must also be remembered that this net figure is before fixed charges, depreciation and other items and that after these deductions are made many roads will find that little or nothing is left for stockholders. Below we give the results in tabular form:

Month of May—	1942	1941	Incr. (+) or Decr. (—)	%
Mileage of 132 roads	230,768	232,297	— 1,529	—00.66
Gross earnings	$601,064,733	$441,529,183	+$159,535,550	+36.13
Operating expenses	375,487,844	296,047,879	+ 79,439,965	+26.83
Ratio of expenses to earnings	(62.47%)	(67.05%)		
Net earnings	$225,576,889	$145,481,304	+ $80,095,585	+55.06

Now, let us turn to those general business conditions which are the chief contributing factors in the development of railroad affairs.

In the subjoined tabulation we present figures representative of the trade activity in the more essential industries, together with those relating to flour, grain and livestock receipts and revenue freight car loadings for the month of May, 1942, in comparison with the corresponding month for the years 1941, 1940, 1932 and 1929:

May	1942	1941	1940	1932	1929
Building ($000):					
†Constr. contracts awarded	673,517	548,700	328,914	77,172	587,766
Coal (net tons):					
‡Bituminous	48,250,000	42,892,000	34,896,000	18,384,000	40,706,000
§Pennsylvania anthracite	4,843,000	3,858,000	3,957,000	3,278,000	6,308,000
Freight Traffic:					
¶Carloadings, all (cars)	z4,170,713	z4,160,060	z3,351,840	x2,088,088	x4,130,467
††Livestock receipts:					
Chicago (cars)	5,387	5,851	5,817	11,864	16,935
Kansas City (cars)	3,639	2,424	2,037	4,343	6,908
Omaha (cars)	1,904	1,728	1,528	3,574	6,050
‡‡Western flour and grain receipts:					
Flour (000 barrels)	z2,239	z2,086	z1,978	z1,820	z2,299
Wheat (000 bushels)	z19,762	z34,418	z32,030	z18,113	z20,643
Corn (000 bushels)	z28,381	z28,291	z14,616	z10,831	z13,138
Oats (000 bushels)	z6,665	z4,428	z4,237	z7,468	z11,355
Barley (000) bushels)	z7,559	z11,329	z7,367	z1,919	z3,052
Rye (000 bushels)	z1,714	z3,609	z1,775	z1,401	z1,524
Iron and Steel (net tons):					
§§Steel ingot production	7,386,890	7,044,565	4,967,782	1,277,302	6,008,754
Lumber (000 feet):					
¶¶Production	z1,246,800	z1,282,013	z1,163,803	z595,157	z1,851,947
¶¶Shipments	z1,444,233	z1,365,622	z1,203,741	z665,787	z1,910,977
¶¶Orders received	z1,502,827	z1,461,332	z1,144,777	z631,820	z1,772,573

Note—Figures in above table issued by:

†F. W. Dodge Corp. (figures for 37 States east of Rocky Mountains). ‡National Bituminous Coal Commission. §United States Bureau of Mines. ¶Association of American Railroads. ††Reported by major stock yard companies in each city. ‡‡New York Produce Exchange. §§American Iron and Steel Institute. ¶¶National Lumber Manufacturers' Association (number of reporting mills varies in different years). x Four weeks. z Five weeks.

The activity of every item with the exception of several of the grains indicates a marked increase over May of the previous year. Construction contracts awarded gained $124,817,000, or 22.75%, while Pennsylvania anthracite coal output increased 25.53% to an aggregate of 4,843,000 net tons mined. Bituminous coal output, steel ingot production, and livestock receipts also showed upward trends. The grain movement showed a decrease of 17,994,000 bushels in comparison with May, 1941. A combination of all these activities results in an increase in freight car loadings of 10,653 cars for the five weeks of the month, or converted into a percentage, an increase of 2.56%.

Let us turn now from the underlying factors responsible for the improvement in railroad operations to the records compiled by the individual roads. In sorting out the railroads with major changes in comparison with 1941 from those that showed only minor fluctuations, we find that 82 roads showed increases in gross and 65 recorded increases in net, while only four roads in gross and five in the net category indicated decreases. The Pennsylvania once again led both gross and net listings with respective increases of $18,591,727 and $9,952,130. The second and third largest gains of $11,702,255 and $11,288,808 in the gross compilation were recorded by the Southern Pacific and the New York Central in the order named. Second place in the net listing was taken by the Atchison, Topeka & Santa Fe with a gain of $6,241,596, while the New York Central again placed third with an increase of $4,831,969. An unusual showing was made by the Colorado & Southern (exclusive of the Fort Worth & Denver City). This road showed an increase of only $74,459 in the gross listing, but compiled an increase of $135,076 in net, or a $60,617 larger gain in net than in gross.

We now show in the following table all changes for the separate roads and systems in both gross and net exceeding $100,000:

PRINCIPAL CHANGES IN GROSS EARNINGS FOR THE MONTH OF MAY

	Increase		Increase
Pennsylvania	$18,591,727	Alton	$713,921
Southern Pacific (2 roads)	11,702,255	Long Island	654,777
New York Central	*11,288,808	Nash. Chattanooga & St. L.	643,585
Atchison Topeka & Santa Fe	9,649,167	Western Maryland	642,365
Union Pacific	8,275,535	Cinc. New Orl. & Tex. Pac.	636,580
Baltimore & Ohio	5,885,189	New Orleans Northeastern	601,169
Southern	5,748,426	Florida East Coast	584,593
Illinois Central	5,725,899	International Great Northern	573,647
Missouri Pacific	5,191,766	Elgin Joliet & Eastern	484,903
Louisville & Nashville	4,545,919	Central of Georgia	472,812
Atlantic Coast Line	4,084,339	Spokane Portland & Seattle	453,683
Seaboard Air Line	3,980,187	Louisiana & Arkansas	356,862
New York, New Haven & H.	3,853,489	Minn. St. P. & S. S. Marie	332,242
Chesapeake & Ohio	3,146,777	Pittsburgh & Lake Erie	323,797
Chi. Milw. St. Paul & Pac.	2,744,515	Georgia	276,336
Chi. Burlington & Quincy	2,722,224	Norfolk Southern	229,350
New York Chi. & St. Louis	2,668,376	Colo. & Southern (2 roads)	209,220
Erie	2,650,323	Chicago & Eastern Illinois	207,364
Northern Pacific	2,313,950	Maine Central	198,593
Great Northern	2,213,011	Bessemer & Lake Erie	192,094
St. Louis Southwestern	1,877,904	Western Ry. of Alabama	172,015
Reading	1,875,271	Pa.-Reading Seashore Lines	166,145
Chicago & North Western	1,789,044	Chi. St. P. Minn. & Omaha	164,683
Chi. Rock Island & Pacific	1,747,523	Pere Marquette	161,507
St. Louis-San Fran. (2 roads)	1,717,429	Illinois Terminal	155,381
Denver & Rio Grande West.	1,659,108	Lehigh & Hudson River	152,204
Kansas City Southern	1,643,499	Wheeling & Lake Erie	140,214
Norfolk & Western	1,627,715	Clinchfield	133,953
Wabash	1,604,839	Chicago Great Western	129,876
Missouri-Kansas-Texas	1,431,915	Atlanta & West Point	125,566
Central of New Jersey	1,431,435	Atlanta Birmingham & Coast	124,742
Boston & Maine	1,395,613	Tennessee Central	123,537
Lehigh Valley	1,260,300	Can. Pac. Lines in Maine	107,162
Texas & Pacific	1,205,751	New York Ontario & Western	104,124
Richmond Fred. & Potomac	1,187,112		
Delaware & Hudson	1,112,918	Total (82 roads)	$159,028,115
Delaware Lack. & Western	1,076,350		Decrease
Western Pacific	1,052,996	Grand Trunk Western	$293,835
New Orl. Tex. & Mex. (3 rds.)	1,017,209	Virginian	290,535
Gulf Mobile & Ohio	957,243	Detroit Toledo & Ironton	179,121
Yazoo & Mississippi Valley	928,285	New York Connecting	134,116
Duluth Missabe & Iron Rge.	900,582		
Alabama Great Southern	797,179	Total (4 roads)	$897,607

*These figures cover the operations of the New York Central and the leased lines—Cleveland Cincinnati Chicago & St. Louis, Michigan Central, Cincinnati Northern, and Evansville Indianapolis & Terre Haute. Including Pittsburgh & Lake Erie, the result is an increase of $11,612,605.

PRINCIPAL CHANGES IN NET EARNINGS FOR THE MONTH OF MAY

	Increase		Increase
Pennsylvania	$9,952,130	Norfolk & Western	$565,409
Atchison Topeka & Santa Fe	6,241,596	Missouri-Kansas-Texas	531,160
New York Central	*4,831,969	Texas & Pacific	531,010
Southern Pacific (2 roads)	4,491,789	Boston & Maine	511,921
Southern	3,460,201	Delaware Lack. & Western	492,861
Illinois Central	3,423,768	Yazoo & Mississippi Valley	474,499
Missouri Pacific	3,272,398	Florida East Coast	422,777
Union Pacific	3,105,953	Spokane Portland & Seattle	403,005
Seaboard Air Line	2,652,123	New Orleans & Northeastern	402,541
Louisville & Nashville	2,553,302	Delaware & Hudson	366,771
Atlantic Coast Line	2,503,669	Alton	351,583
New York New Haven & H.	2,475,955	International Great Northern	336,889
Baltimore & Ohio	2,071,173	Cinc. New Orl. & Tex. Pac.	306,045
Chi. Burlington & Quincy	1,753,208	Nash. Chattanooga & St. L.	294,923
New York Chicago & St. L.	1,595,738	Central of Georgia	248,804
Chesapeake & Ohio	1,587,218	Western Maryland	204,084
Chi. Milw. St. P. & Pac.	1,309,899	Georgia	177,767
St. Louis Southwestern	1,132,841	Colorado & Southern (2 rds.)	166,338
Denver & Rio Grande West.	1,093,027	Louisiana & Arkansas	154,682
Erie	999,380	Norfolk Southern	136,079
Kansas City Southern	996,276	Pittsburgh & Lake Erie	122,986
Chicago & North Western	945,476	Illinois Terminal	118,017
Wabash	932,023	Western Ry. of Alabama	116,536
Richmond Fred. & Potomac	912,833	Elgin Joliet & Eastern	105,053
St. Louis-San Fran. (2 roads)	840,158	Pa.-Reading Seashore Lines	100,325
Great Northern	818,575		
Chi. Rock Island & Pacific	735,076	Total (65 roads)	$79,622,466
Reading	716,035		Decrease
Western Pacific	710,382	Virginian	$308,898
New Orl. Tex. & Mex. (3 rds.)	682,505	Detroit Toledo & Ironton	225,607
Northern Pacific	681,843	Grand Trunk Western	289,743
Gulf Mobile & Ohio	646,267	New York Connecting	187,021
Central of New Jersey	644,237	Pere Marquette	116,254
Duluth Missabe & Iron Rge.	619,594		
Alabama Great Southern	591,784	Total (5 roads)	$1,127,523

*These figures cover the operations of the New York Central and the leased lines—Cleveland Cincinnati Chicago & St. Louis, Michigan Central, Cincinnati Northern, and Evansville Indianapolis & Terre Haute. Including Pittsburgh & Lake Erie, the result is an increase of $4,954,955.

As for the grouping of the railroads into districts and regions, we find that all the geographical subdivisions contributed heavily to the respective 36.13% and 55.06% increases in gross and net. The Southern District recorded the greatest percentage gain in gross with an increase of 43.67%, while the Western District ran a close second with a gain of 40.08% over May, 1941. In the net classification, however, this procedure was reversed with the Western District indicating the greatest gain, one of 68.19%, while the Southern District was second with a 65.75% gain followed by the Eastern District which showed an improvement of 39.66%. The Southwestern region of the Western District grouping and the Southern region of the Southern District area recorded the largest percentage gains of all the regions with respective improvements of 111.37% and 101.34%. Both of these were in the net listing.

For a more detailed picture we make reference to our summary by groups which follows below. Our grouping of the roads is in conformity with the listing of the Interstate Commerce Commission. The boundaries of the various districts and regions are indicated in the footnotes subjoined to the table:

SUMMARY BY GROUPS—MONTH OF MAY

District and Region	Gross Earnings 1942 $	1941 $	Incr. (+) or Dec. (—) $	%
Eastern District—				
New England region (10 roads)	23,284,128	17,855,161	+ 5,428,967	+30.41
Great Lakes region (23 roads)	102,849,685	80,498,438	+ 22,351,247	+27.77
Central Eastern region (18 roads)	128,760,652	98,214,455	+ 30,546,197	+31.10
Total (51 roads)	254,894,465	196,568,054	+ 58,326,411	+29.67
Southern District—				
Southern region (26 roads)	87,440,012	56,371,161	+ 31,068,851	+55.11
Pocahontas region (4 roads)	33,423,734	27,752,665	+ 5,671,069	+20.43
Total (30 roads)	120,863,746	84,123,826	+ 36,739,920	+43.67
Western District—				
Northwestern region (15 roads)	63,438,806	52,202,578	+ 11,236,228	+21.52
Central Western region (16 roads)	112,909,983	77,659,088	+ 35,250,895	+45.39
Southwestern region (20 roads)	48,957,733	30,975,637	+ 17,982,096	+58.05
Total (51 roads)	225,306,522	160,837,303	+ 64,469,219	+40.08
Total all districts (132 roads)	601,064,733	441,529,183	+159,535,550	+36.13

District and Region	Mileage 1942	1941	Net Earnings 1942 $	1941 $	Incr. (+) or Dec. (—) $	%
Eastern District—						
New England region	6,649	6,699	8,868,673	6,224,029	+ 2,644,644	+42.49
Great Lakes region	26,023	26,064	35,233,227	26,232,648	+ 9,000,579	+34.31
Central East. region	24,219	24,549	45,536,355	31,726,421	+ 13,809,934	+43.53
Total	56,891	57,312	89,638,255	64,183,098	+ 25,455,157	+39.66
Southern District—						
Southern region	37,161	38,104	37,202,416	18,477,544	+ 18,724,872	+101.34
Pocahontas region	6,059	6,086	16,950,474	14,193,912	+ 2,756,562	+19.42
Total	43,220	44,190	54,152,890	32,671,456	+ 21,481,434	+65.75
Western District—						
Northwestern region	45,609	45,534	23,174,988	18,388,407	+ 4,786,581	+26.03
Central West. region	56,055	56,203	38,929,738	20,927,414	+18,002,324	+86.02
Southwestern region	28,993	29,058	19,681,018	9,310,929	+10,370,089	+111.37
Total	130,657	130,795	81,785,744	48,626,750	+33,158,994	+68.19
Total all districts	230,768	232,297	225,576,889	145,481,304	+80,095,585	+55.06

Note—Our grouping of the roads conforms to the classification of the Interstate Commerce Commission, and the following indicates the confines of the different groups and regions:

EASTERN DISTRICT

New England Region—Comprises the New England States.

Great Lakes Region—Comprises the section on the Canadian boundary between New England and the westerly shore of Lake Michigan to Chicago, and north of a line from Chicago via Pittsburgh to New York.

Central Eastern Region—Comprises the section south of the Great Lakes Region east of a line from Chicago through Peoria to St. Louis and the Mississippi River to the mouth of the Ohio River, and north of the Ohio River to Parkersburg, W. Va., and a line thence to the southwestern corner of Maryland and by the Potomac River to its mouth.

SOUTHERN DISTRICT

Southern Region—Comprises the section east of the Mississippi River and south of the Ohio River to a point near Kenova, W. Va., and a line thence following the eastern boundary of Kentucky and the southern boundary of Virginia to the Atlantic.

Pocahontas Region—Comprises the section north of the southern boundary of Virginia, east of Kentucky and the Ohio River north to Parkersburg, W. Va., and south of a line from Parkersburg to the southwestern corner of Maryland and thence by the Potomac River to its mouth.

WESTERN DISTRICT

Northwestern Region—Comprises the section adjoining Canada lying west of the Great Lakes Region, north of a line from Chicago to Omaha and thence to Portland, and by the Columbia River to the Pacific.

Central Western Region—Comprises the section south of the Northwestern Region west of a line from Chicago to Peoria and thence to St. Louis, and north of a line from St. Louis to Kansas City and thence to El Paso and by the Mexican boundary to the Pacific.

Southwestern Region—Comprises the section lying between the Mississippi River south of St. Louis and a line from St. Louis to Kansas City and thence to El Paso, and by the Rio Grande to the Gulf of Mexico.

The Western grain movement fell off 17,994,000 bushels, to 64,081,000 bushels for the five-week May period of the current year in comparison with the similar period of 1941. Wheat recorded the most drastic decrease with a drop of 14,656,000 bushels from the previous year's mark of 34,418,000 bushels, while barley recorded a decrease of 3,770,000 bushels from 1941's aggregate of 11,329,000 bushels. Minor increases were shown in corn and oats receipts. Flour receipts fluctuated slightly with a gain of 153,000 barrels which brought the five-week total for the current May period to 2,239,000 barrels.

The month of May figures and the cumulative totals for the year to May 30 are detailed in the following table which is presented in our usual form:

WESTERN FLOUR AND GRAIN RECEIPTS
Five Weeks Ended May 30

(000) Omitted	Year	Flour (bbls.)	Wheat (bush.)	Corn (bush.)	Oats (bush.)	Rye (bush.)	Barley (bush.)
Chicago	1942	1,000	905	8,890	2,145	416	1,472
	1941	906	1,605	9,576	1,597	1,751	1,268
Minneapolis	1942	---	7,833	2,514	1,674	841	2,363
	1941	82	9,601	2,981	1,265	1,483	5,671
Duluth	1942	---	4,010	2,792	2	35	146
	1941	---	4,022	4,818	155	49	875
Milwaukee	1942	85	34	1,146	105	51	2,699
	1941	83	462	1,059	29	49	2,898
Toledo	1942	283	391	402	277	165	38
	1941	---	1,018	114	286	2	4
Indianapolis & Omaha	1942	---	811	3,545	1,130	23	2
	1941	---	2,264	3,264	470	172	3
St. Louis	1942	577	633	1,941	272	77	283
	1941	633	1,834	1,566	90	9	153
Peoria	1942	201	356	4,273	192	72	393
	1941	217	147	3,839	184	77	333
Kansas City	1942	93	3,298	2,259	530	---	---
	1941	165	11,150	512	174	---	---
St. Joseph	1942	---	182	320	287	---	---
	1941	---	224	193	151	---	---
Wichita	1942	---	807	19	2	---	---
	1941	---	1,927	---	---	---	2
Sioux City	1942	---	502	280	49	19	163
	1941	---	164	369	27	17	122
Detroit	1942	---	---	---	---	15	---
	1941	---	---	---	---	---	---
Total all	1942	2,239	19,762	28,381	6,665	1,714	7,559
	1941	2,086	34,418	28,291	4,428	3,609	11,329

WESTERN FLOUR AND GRAIN RECEIPTS
Five Months Ended May 30

(000) Omitted	Year	Flour (bbls.)	Wheat (bush.)	Corn (bush.)	Oats (bush.)	Rye (bush.)	Barley (bush.)
Chicago	1942	4,761	3,369	42,018	7,779	1,460	6,100
	1941	4,205	5,130	39,573	5,916	2,109	5,568
Minneapolis	1942	---	36,112	10,348	11,116	4,530	14,603
	1941	82	24,747	5,722	6,359	3,502	16,524
Duluth	1942	---	13,514	5,518	71	779	1,301
	1941	---	8,060	5,632	386	147	1,772
Milwaukee	1942	337	167	4,706	327	415	10,657
	1941	388	567	3,789	166	207	9,206
Toledo	1942	283	2,795	3,698	1,376	438	101
	1941	---	3,710	1,428	2,559	22	35
Indianapolis & Omaha	1942	---	4,743	23,424	4,985	171	34
	1941	---	5,001	14,581	2,380	240	30
St. Louis	1942	2,900	4,000	10,793	1,464	643	1,091
	1941	3,047	5,405	4,761	1,162	148	727
Peoria	1942	836	1,006	19,920	726	416	1,598
	1941	1,009	980	12,830	863	433	1,565
Kansas City	1942	343	16,283	15,500	1,530	---	---
	1941	566	20,464	3,322	702	---	---
St. Joseph	1942	---	1,136	2,364	1,388	---	---
	1941	---	671	879	822	---	---
Wichita	1942	---	4,565	19	2	---	---
	1941	---	6,863	---	---	---	10
Sioux City	1942	---	859	1,935	329	72	679
	1941	---	626	848	172	30	541
Detroit	1942	---	---	---	---	15	---
	1941	---	---	---	---	---	---
Total all	1942	9,460	88,549	140,243	31,093	8,939	36,164
	1941	9,297	82,244	93,365	21,487	6,838	35,978

In the subjoined table we now present a summary of the May comparisons of the gross and net earnings of the railroads of the country as furnished for each year back to and including 1909:

Month of May	Gross Earnings Year Given	Year Preceding	Inc. (+) or Dec. (—)	%	Mileage Year Given	Year Preced'g
1909	$196,826,686	$170,600,041	+$26,226,645	+15.37	220,314	217,933
1910	230,033,384	198,049,990	+ 31,983,394	+16.15	229,345	225,274
1911	226,442,818	231,066,896	— 4,624,078	— 2.00	236,230	232,503
1912	232,229,364	226,184,666	+ 6,044,698	+ 2.67	235,410	231,597
1913	263,496,033	232,879,970	+ 30,616,063	+13.15	239,445	236,619
1914	239,427,102	265,435,022	— 26,007,920	— 9.80	246,060	243,954
1915	244,692,738	243,367,953	+ 1,324,785	+ 0.54	247,747	245,207
1916	308,029,096	244,580,685	+ 63,448,411	+25.94	248,006	247,189
1917	353,825,032	308,132,969	+ 45,692,063	+14.83	248,312	247,842
1918	374,237,097	342,463,442	+ 31,773,655	+ 9.28	230,355	228,892
1919	413,190,468	378,058,163	+ 35,132,305	+ 9.29	233,931	234,339
1920	387,330,487	348,701,414	+ 38,629,073	+11.08	213,206	211,040
1921	444,028,885	457,243,216	— 13,214,331	— 2.89	235,333	234,916
1922	447,299,150	443,229,399	+ 4,069,751	+ 0.92	234,931	234,051
1923	545,503,898	447,993,844	+ 97,510,054	+21.77	235,186	235,472
1924	476,458,749	546,934,883	— 70,476,133	—12.89	235,894	234,452
1925	487,664,385	476,549,801	+ 11,114,584	+ 2.33	236,663	236,098
1926	516,467,480	487,952,182	+ 28,515,298	+ 5.84	236,833	236,858
1927	517,543,015	516,454,998	+ 1,088,017	+ 0.21	238,025	237,275
1928	509,746,395	518,569,718	— 8,823,323	— 1.70	240,120	239,079
1929	536,723,030	510,543,213	+ 26,179,817	+ 5.13	241,280	240,798
1930	462,444,002	537,575,914	— 75,131,912	—13.97	242,156	241,758
1931	368,485,871	462,577,503	— 94,091,632	—20.34	242,716	242,542
1932	254,382,711	368,417,190	—114,034,479	—30.95	241,995	242,163
1933	257,963,036	254,378,672	+ 3,584,364	+ 1.41	241,484	242,143
1934	281,627,332	254,857,827	+ 26,769,505	+10.50	238,983	240,906
1935	279,153,707	281,642,980	— 2,489,273	— 0.88	237,951	238,980
1936	320,487,420	279,133,293	+ 41,354,127	+14.82	237,012	238,159
1937	352,044,249	320,414,211	+ 31,630,038	+ 9.87	235,873	236,357
1938	272,073,108	351,973,150	— 79,900,042	—22.70	234,759	235,547
1939	301,992,820	272,017,483	+ 29,975,337	+11.02	233,545	234,694
1940	342,532,854	301,993,228	+ 40,539,626	+13.42	232,819	233,530
1941	441,529,184	342,665,256	+ 98,863,928	+28.85	232,242	232,863
1942	601,064,733	441,529,183	+159,535,550	+36.31	230,768	232,297

Month of May	Net Earnings Year Given	Year Preceding	Increase (+) or Decrease (—)	%
1909	$64,690,920	$49,789,800	+$14,901,120	+29.93
1910	70,084,170	64,857,343	+ 5,226,827	+ 8.06
1911	69,173,574	70,868,645	— 1,695,071	— 2.39
1912	66,035,597	68,488,263	— 2,452,666	— 3.58
1913	73,672,313	66,499,916	+ 7,172,397	+10.79
1914	57,628,765	73,385,635	— 15,756,870	—21.47
1915	71,958,563	57,339,166	+ 14,619,397	+25.50
1916	105,598,255	71,791,320	+ 33,806,935	+47.09
1917	109,307,435	105,782,717	+ 3,524,718	+ 3.33
1918	91,995,194	106,454,218	— 14,459,024	—13.58
1919	58,293,249	92,252,037	— 33,958,788	—36.81
1920	28,684,058	51,056,449	— 22,372,391	—43.82
1921	64,882,813	20,043,003	+ 44,839,810	+223.72
1922	92,931,565	64,866,637	+ 28,064,928	+43.27
1923	126,173,540	93,599,825	+ 32,573,715	+34.80
1924	96,048,087	126,496,150	— 30,448,063	—24.07
1925	112,859,524	96,054,494	+ 16,805,030	+17.50
1926	128,581,566	112,904,074	+ 15,677,492	+13.89
1927	126,757,878	127,821,385	— 1,063,507	— 0.83
1928	128,780,393	127,940,076	+ 840,317	+ 0.66
1929	146,798,792	129,044,791	+ 17,754,001	+13.76
1930	111,387,758	147,099,034	— 35,711,276	—24.28
1931	81,038,584	111,359,322	— 30,320,738	—27.23
1932	47,429,240	81,052,518	— 33,623,278	—41.48
1933	74,844,410	47,416,270	+ 27,428,140	+57.85
1934	72,084,732	73,703,351	— 1,618,619	— 2.20
1935	70,416,370	72,083,220	— 1,666,850	— 2.31
1936	80,729,491	70,331,577	+ 10,397,914	+14.78
1937	85,335,430	80,737,173	+ 4,598,257	+ 5.70
1938	55,483,001	85,335,563	— 29,852,562	—34.98
1939	65,168,331	55,486,333	+ 9,681,998	+17.45
1940	90,494,636	65,198,328	+ 25,296,308	+38.80
1941	145,348,136	90,573,937	+ 54,774,199	+60.48
1942	225,576,889	145,481,304	+ 80,095,585	+55.06

New Capital Issues In Great Britain

The following statistics have been compiled by the Midland Bank Limited. These compilations of issues of new capital, which are subject to revision, exclude all borrowings by the British Government; shares issued to vendors; allotments arising from the capitalization of reserve funds and undivided profits; sales of already issued securities which add nothing to the capital resources of the company whose securities have been offered; issues for conversion or redemption of securities previously held in the United Kingdom; short-dated bills sold in anticipation of long-term borrowings; and loans of municipal and county authorities which are not specifically limited. In all cases the figures are based upon the prices of issue.

NEW CAPITAL ISSUES IN THE UNITED KINGDOM
(Compiled by the Midland Bank Limited)
£000 omitted

	Total	Geographical distribution United Kingdom	British overseas countries	Foreign countries
1937, 1st half	97,416	80,661	15,633	1,122
2nd half	73,490	58,107	9,305	6,078
1938, 1st half	74,051	56,139	14,916	2,996
2nd half	44,046	36,607	6,368	1,071
1939, 1st half	57,145	39,906	17,018	221
2nd half	9,149	3,429	1,295	4,425
1940, 1st half	3,068	2,716	157	195
2nd half	1,028	828	200	---
1941, 1st half	1,280	1,031	249	---
2nd half	1,046	896	150	---
1942, 1st half	660	660	---	---

Morgenthau Honored

Secretary of the Treasury Morgenthau visited the Federal Reserve Bank of New York on July 1 for the first time since he became head of the Treasury in January, 1934. Allan Sproul, President of the Reserve Bank, tendered a luncheon to Mr. Morgenthau, which was attended by the heads of leading banks of the city. The Secretary is understood to have discussed informally with the bankers the Treasury's financing problems.

Those attending the luncheon included: Winthrop W. Aldrich, Chairman of Chase National Bank; John E. Bierwirth, President of New York Trust Co.; James C. Blaine, President of Marine Midland Trust Co.; W. Randolph Burgess, Vice-Chairman of National City Bank; Leon Fraser, President of First National Bank; E. Chester Gersten, President of Public National Bank & Trust Co.; F. Abbot Goodhue, President of Bank of the Manhattan Co.; William S. Gray, Jr., President of Central Hanover Bank & Trust Co.; Frank K. Houston, President of Chemical Bank & Trust Co.; Herbert P. Howell, Chairman of Commercial National Bank & Trust Co.; Edwin G. Merrill, Chairman of Bank of New York; William C. Potter, Chairman of Executive Committee, Guaranty Trust Co.; Gordon S. Rentschler, Chairman of National City Bank; Dunham B. Sherer, Chairman of Corn Exchange Bank Trust Co.; Ernest G. Stauffen, Jr., Chairman of the Trust Committee, Manufacturers Trust Co.; B. A. Tompkins, Vice-President of Bankers Trust Co.; Harry E. Ward, Chairman of Irving Trust Co.; George Whitney, President of J. P. Morgan & Co., Inc., and Perry E. Hall, Executive Manager of the Victory Fund Committee of the Second Federal Reserve District.

Exporters' Reference Guide

A summary of the current Maximum Export Price Regulation, as a ready reference for exporters, has been prepared by the Foreign Trade Bureau of the Commerce and Industry Association of New York, Inc., it was announced July 15 by Thomas Jefferson Miley, the Association's Secretary. The summary which is being distributed to the Association's members explains and brings up to date Section 1375 of the Regulation with six amendments.

After stating basic procedure for determining maximum export prices, it lists information concerning maximum export prices of such commodities as textiles, iron and steel products, and solid fuels. Copies of the summary are available at the Association's offices in the Woolworth Building.

Named To Production Bd.

Donald M. Nelson, Chairman of the War Production Board and American member of the Anglo-American Combined Production and Resources Board, has named James S. Knowlson, Director of the WPB's Division of Industry Operations, as his deputy on the joint board.

The British member of the Board, Oliver Lyttelton, Production Minister, has appointed Sir Robert J. Sinclair, Director General of Army Requirements in the British War Office, as his deputy.

The Board was set up in Washington on June 9 by President Roosevelt and Prime Minister Churchill in order to integrate the combined resources of the two countries for the prosecution of the war (referred to in these columns of June 11, page 2202.).

Mr. Nelson also has named W. Averell Harriman, Lend-Lease Coordinator, and Philip D. Reed, chief of the WPB's Bureau of Industry Branches, as his representatives in London.

Daily Average Crude Oil Production For Week Ended July 11, 1942, Increased 360,250 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended July 11, 1942 was 3,657,400 barrels, an increase of 360,250 barrels over the preceding week. It was, however, 213,350 barrels per day less than the output during the week ended July 12, last year, and 185,400 barrels below the daily average for the month of July, 1942, as recommended by the Office of Petroleum Coordinator. Further details as reported by the Institute follow:

Reports received from refining companies owning 86.9% of the 4,684,000 barrel estimated daily potential refining capacity of the United States, indicate that the industry as a whole ran to stills, on a Bureau of Mines' basis, 3,582,000 barrels of crude oil daily during the week ended July 11, 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, 85,658,000 barrels of finished and unfinished gasoline. The total amount of gasoline produced by all companies is estimated to have been 10,675,000 barrels during the week ended July 11, 1942.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*O.P.C. Recommendations July	*State Allowables Beginning July 1	—Actual Production— Week Ended July 11 1942	Change From Previous Week	4 Weeks Ended July 11 1942	Week Ended July 12 1941
Oklahoma	433,000	433,000	†372,000	— 4,050	373,750	412,950
Kansas	283,200	283,200	†271,150	+ 11,050	270,800	233,800
Nebraska	4,100	------	†3,600	— 150	3,700	5,050
Panhandle Texas			80,400	+ 900	88,850	84,050
North Texas			142,800	+ 250	144,700	133,500
West Texas			207,200	+ 68,650	196,250	265,200
East Central Texas			85,300	+ 11,000	86,900	84,300
East Texas			290,100	+ 72,500	291,350	372,950
Southwest Texas			146,850	+ 48,400	138,150	212,000
Coastal Texas			251,300	+ 79,450	236,750	285,000
Total Texas	1,214,400	‡1,284,711	1,203,950	+281,150	1,182,950	1,437,000
North Louisiana			93,350	+ 2,000	90,950	74,200
Coastal Louisiana			221,950	+ 3,700	219,900	239,900
Total Louisiana	319,600	337,600	315,300	+ 5,700	310,850	314,100
Arkansas	78,500	70,823	70,950	— 3,150	73,150	72,350
Mississippi	49,900		†83,850	— 100	82,800	42,200
Illinois	304,100		283,950	+ 5,650	279,200	341,650
Indiana	22,000		†19,000	+ 250	19,200	22,450
Eastern (not incl. Ill. and Ind)	112,600		95,500	— 4,200	97,900	89,900
Michigan	64,800		67,900	+ 800	66,450	39,650
Wyoming	96,800		91,900	— 350	91,800	85,500
Montana	23,100		21,400	— 500	21,850	19,400
Colorado	7,700		6,400	+ 50	6,600	3,800
New Mexico	89,500	89,500	65,150	------	65,100	111,350
Total East of Calif.	3,103,300		2,972,000	+292,150	2,946,100	3,231,150
California	739,500	§739,500	685,400	+ 68,100	652,600	639,600
Total United States	3,842,800		3,657,400	+360,250	3,598,700	3,870,750

*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 proration. 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 April, 1942, as follows: Oklahoma, 27,500; Kansas, 4,800; Texas, 90,700; Louisiana, 15,300; Arkansas, 2,600; New Mexico, 5,300; California, 40,100; other States, 22,200.

†Okla., Kans., Neb., Miss., Ind. figures are for week ended 7 a.m. July 8.

‡This is the net basic 31-day allowable as of July 1. In the area outside East Texas shutdowns were ordered for July 4, 5, 11, 12, 18, 19, 25, 26, 29, 30 and 31; in East Texas for July 6, 13, and 20, in addition to the aforementioned days.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE AND GAS AND FUEL OIL, WEEK ENDED JULY 11, 1942

(Figures in Thousands of Barrels of 42 Gallons Each)

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

District—	Daily Refining Capacity Potential Rate	% Reporting	Crude Runs to Stills Daily Average	% Operated	Gasoline Production at Refineries Includ. Natural Blended	Stocks Finished and Unfinished Gasoline	‡Stocks of Gas Oil and Distillate Fuels	‡Stocks of Residual Fuel Oil
*Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,383	89.7	1,563	65.6	4,579	40,642	16,052	17,073
Appalachian	174	84.5	160	92.0	449	2,741	567	528
Ind., Ill., Ky.	784	84.9	762	97.2	2,519	16,131	4,041	3,447
Okla., Kansas, Mo.	418	81.1	385	92.1	1,253	7,645	1,375	1,470
Rocky Mountain	138	50.7	100	72.5	303	2,307	365	555
California	787	90.9	612	77.8	1,572	16,192	12,018	54,818
Tot. U. S. B. of M. basis July 11, 1942	4,684	86.9	3,582	76.5	10,675	†85,658	34,418	77,891
Tot. U. S. B. of M. basis July 4, 1942	4,684	86.9	3,551	75.8	10,959	87,014	33,520	76,903
U. S. Bur. of Mines basis July 12, 1941			4,103		13,808	87,922	39,849	90,914

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

†Finished 78,037,000 bbls.; unfinished 7,621,000 bbls. ‡At refineries, at bulk terminals, in transit, and in pipe lines.

Wholesale Commodity Prices Continue Steady In July 11 Week, Labor Bureau Reports

Continuing the steadiness which has characterized commodity markets since the imposition of the General Maximum Price Regulation, the Bureau of Labor Statistics' index of prices of nearly 900 price series in primary markets remained unchanged at 98.5% of the 1926 average during the week ended July 11. Prices for important agricultural commodities, including grains, hogs, cotton, fresh milk at New York and for peanuts and sweet potatoes advanced during the week while prices for certain industrial commodities, particularly rosin, turpentine, Douglas fir timbers, and boxboard, declined. In the past month the general level has risen only 0.1%. It is now approximately 12% higher than a year ago at this time.

Average market prices for farm products advanced 0.6% during the week while foods dropped 0.6%. Textile products declined 0.5%; building materials, 0.3%, and miscellaneous commodities, 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 three weeks, for June 13, 1942, and July 12, 1941, and the percentage changes from a week ago, a month ago, and a year ago:

(1926=100)

Commodity Groups—	7-11 1942	7-4 1942	6-27 1942	6-13 1942	7-12 1941	Percentage changes to July 11, 1942 from— 7-4 1942	6-13 1942	7-12 1941
All Commodities	*98.5	*98.5	*98.4	*98.4	88.1	0	+0.1	+11.8
Farm products	105.5	104.9	104.6	104.3	85.0	+0.6	+1.2	+24.1
Foods	98.7	99.3	99.3	99.5	84.1	—0.6	—0.8	+17.4
Hides and leather products	118.9	118.9	118.9	118.9	109.3	0	0	+ 8.8
Textile products	96.8	97.3	97.3	97.2	84.3	—0.5	—0.4	+14.8
Fuel and lighting materials	79.5	79.5	79.2	78.9	79.1	0	+0.8	+ 0.5
Metals and metal products	*104.0	*104.0	*104.0	*104.0	98.6	0	0	+ 5.5
Building materials	110.3	110.6	110.0	109.9	102.4	—0.3	+0.4	+ 7.7
Chemicals and allied products	97.2	97.2	97.2	97.2	85.1	0	0	+14.2
Housefurnishing goods	104.5	104.5	104.5	104.5	95.3	0	0	+ 9.7
Miscellaneous commodities	90.0	90.1	90.0	89.9	81.3	—0.1	+0.1	+10.7
Raw materials	99.8	99.9	99.6	99.6	85.1	—0.1	+0.2	+17.3
Semimanufactured articles	92.8	92.8	92.8	92.8	87.3	0	0	+ 6.3
Manufactured products	*98.9	*98.9	*98.8	*98.8	89.9	0	+0.1	+10.0
All commodities other than farm products	*97.0	*97.2	*97.1	*97.1	88.8	—0.2	—0.1	+ 9.2
All commodities other than farm products and foods	*96.0	*96.1	*96.0	*95.9	89.5	—0.1	+0.1	+ 7.3

*Preliminary.

Weekly Coal and Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest report states that the total production of soft coal in the week ended July 11 is estimated at 10,760,000 net tons. This is an increase over the preceding week when output was curtailed by the Miners' holiday and the observance of Independence Day. The current figure, however, falls short of the pre-holiday level, but was an increase of 1,092,000 tons over the corresponding week of last year.

Production of Pennsylvania anthracite, according to the U. S. Bureau of Mines, for the week ended July 11, 1942, was estimated at 1,193,000 tons, an increase of 252,000 tons, or 26.8% over the preceding week. When compared with the output in the corresponding week of 1941, there was an increase of 29,000 tons (2.5%). The calendar year to date shows a gain of 10.9% 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 July 11 showed an increase of 20,900 tons when compared with the output for the week ended July 4. The quantity of coke from beehive ovens increased 28,500 tons during the same period.

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

	Week Ended— July 11, 1942	July 4, 1942	July 12, 1941	January 1 to Date— †July 11, 1942	July 12, 1941	July 10, 1937
Bituminous and lignite coal—						
Total, incl. mine fuel	10,760	8,135	9,668	300,658	243,111	234,200
Daily average	1,793	2,034	1,934	1,873	1,521	1,460
*Crude petroleum—						
Coal equivalent of weekly output	5,859	5,281	6,200	165,898	162,951	148,976

*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 current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE

(In Net Tons)

Penn anthracite—	Week Ended— §July 11, 1942	July 4, 1942	July 12, 1941	Calendar Year to Date— §July 11, 1942	July 12, 1941	July 13, 1929
*Total, incl. colliery fuel	1,193,000	941,000	1,164,000	31,190,000	28,129,000	37,313,000
†Commercial production	1,133,000	894,000	1,106,000	29,630,000	26,723,000	34,626,000
Beehive coke—						
United States total	154,800	126,300	136,000	4,165,300	3,182,700	3,129,700
By-product coke—						
United States total	1,168,600	1,189,500	‡	32,218,400	‡	‡

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

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES

[In Thousands of Net Tons]

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

State—	Week Ended— July 4, 1942	June 27, 1942	July 5, 1941	July 6, 1940	July 3, 1937	July avge. ¶1923
Alaska	5	4	4	2	4	**
Alabama	288	393	223	270	255	389
Arkansas and Oklahoma	66	78	13	22	20	74
Colorado	96	138	69	56	77	165
Georgia and North Carolina	1	1	††	††	††	**
Illinois	1,048	1,212	726	676	692	1,268
Indiana	283	402	263	246	238	451
Iowa	42	47	33	42	20	87
Kansas and Missouri	124	142	86	72	85	134
Kentucky—Eastern	508	973	587	682	685	735
Kentucky—Western	190	241	151	112	128	202
Maryland	32	42	24	18	26	42
Michigan	5	5	1	††	††	17
Montana (bituminous and lignite)	56	61	41	42	40	41
New Mexico	27	29	17	21	32	52
North and South Dakota (lignite)	23	27	19	18	14	**14
Ohio	574	754	356	388	393	854
Pennsylvania (bituminous)	2,160	2,850	1,833	1,879	2,003	3,680
Tennessee	115	154	99	89	103	113
Texas (bituminous and lignite)	6	5	7	10	19	23
Utah	85	113	38	29	45	87
Virginia	267	408	271	269	257	239
Washington	42	44	25	21	35	37
*West Virginia—Southern	1,286	2,302	1,379	1,696	1,653	1,519
†West Virginia—Northern	696	889	473	538	480	866
Wyoming	110	108	84	79	71	115
‡Other Western States	††	††	††	††	††	**4
Total bituminous and lignite	8,135	11,425	6,822	7,277	7,375	11,208
§Pennsylvania anthracite	941	1,238	64	696	989	1,950
Total, all coal	9,076	12,663	6,886	7,973	8,364	13,158

*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.

Lumber Movement—Week Ended July 11, 1942

Lumber production during the week ended July 11, 1942, was 10% greater than the previous week (including July 4 holiday), shipments were 6% greater, new business 17% greater, according to reports to the National Lumber Manufacturers Association from regional associations covering the operations of representative hardwood and softwood mills. Shipments were 14% above production; new orders 28% above production. Compared with the corresponding week of 1941, production was 9% less, shipments, 5% greater, and new business 1% greater. The industry stood at 126% of the average of production in the corresponding week of 1935-39 and 156% of average 1935-39 shipments in the same week.

Year-to-Date Comparisons

Reported production for the first 27 weeks of 1942 was 2% below corresponding weeks of 1941; shipments were 7% above the shipments, and new orders 8% above the orders of the 1941 period. For the 27 weeks of 1942, new business was 25% above production, and shipments were 15% above production.

Supply and Demand Comparisons

The ratio of unfilled orders to gross stocks was 70% on July 11, 1942, compared with 46% a year ago. Unfilled orders were 15% greater than a year ago; gross stocks were 25% less.

Softwoods and Hardwoods

Record for the current week ended July 11, 1942, for the corresponding week a year ago, and for the previous week, follows in thousand board feet:

SOFTWOODS AND HARDWOODS

	1942 Week	1941 Week	1942 Previous Wk. (rev.)
Mills	448	448	456
Production	245,247	268,820	222,009
Shipments	280,603	266,123	264,786
Orders	314,802	313,134	268,788

	Softwoods 1942 Week		Hardwoods 1942 Week	
Mills	366		96	
Production	234,280	—100%	10,967	—100%
Shipments	266,173	114	14,430	132
Orders	302,327	129	12,475	114

FHLB Dividends Higher

Dividend payments by 11 of the regional Federal Home Loan Banks for the first half of 1942 amounted to $1,003,201, as compared with $866,000 for the similar period in 1941, James Twohy, Governor of the Federal Home Loan Bank System, announced on July 18. The twelfth bank declares its dividends on Dec. 31 for the full year. Of the 1942 earnings, it is indicated, $706,311 went to the Reconstruction Finance Corporation—now owner of the Government's stock in the 12 banks—and $296,890 to the member savings and loan associations, cooperative banks, mutual savings banks and insurance companies, in proportion to their ownership of the banks' capital stock. The System's announcement further said:

"Since they were founded nearly ten years ago, the regional banks of the System have paid their members $4,225,198 and the Government $14,187,493 in dividends, to a total of $18,412,691. The Federal Home Loan Bank System provides a credit reservoir for some 3,815 thrift and home-financing institutions.

"Outstanding advances of the 12 regional banks to their members on June 30 stood at $192,645,000, as compared with $169,897,000 June 30, 1941. Cumulative advances total $977,884,000. Of this amount, $785,239,000 has been repaid.

"Assets of the banks now amount to $309,976,000, a gain of 6.3% in the past year. Reserves and undivided profits of $14,106,000 compare with $12,034,000 reported on June 30, 1941."

Revenue Freight Car Loadings During Week Ended July 11, 1942, Totaled 855,124 Cars

Loading of revenue freight for the week ended July 11 totaled 855,124 cars, the Association of American Railroads announced on July 16. This was a decrease below the corresponding week in 1941 of 21,018 cars or 2.4%, but an increase above the same week of 1940 of 118,341 cars or 16.1%.

Loading of revenue freight for the week of July 11 increased 101,269 cars or 13.4% above the preceding week, which included a holiday.

Miscellaneous freight loading totaled 384,237 cars, an increase of 27,571 cars above the preceding week, and an increase of 21,571 cars above the corresponding week in 1941.

Loading of merchandise less than carload lot freight totaled 88,795 cars, an increase of 6,759 cars above the preceding week, but a decrease of 65,338 cars below the corresponding week in 1941.

Coal loading amounted to 158,821 cars, an increase of 38,471 cars above the preceding week, and an increase of 11,357 cars above the corresponding week in 1941.

Grain and grain products loading totaled 53,509 cars, an increase of 11,169 cars above the preceding week, but a decrease of 9,186 cars below the corresponding week in 1941. In the Western Districts alone, grain and grain products loading for the week of July 11 totaled 39,027 cars, an increase of 8,781 cars above the preceding week, but a decrease of 5,151 cars below the corresponding week in 1941.

Live stock loading amounted to 10,348 cars, an increase of 840 cars above the preceding week, and an increase of 171 cars above the corresponding week in 1941. In the Western Districts alone, loading of live stock for the week of July 11 totaled 7,223 cars, an increase of 426 cars above the preceding week, and an increase of 157 cars above the corresponding week in 1941.

Forest products loading totaled 51,033 cars, an increase of 6,602 cars above the preceding week, and an increase of 6,778 cars above the corresponding week in 1941.

Ore loading amounted to 94,037 cars, an increase of 8,091 cars above the preceding week, and an increase of 12,862 cars above the corresponding week in 1941.

Coke loading amounted to 14,344 cars, an increase of 1,766 cars above the preceding week, and an increase of 767 cars above the corresponding week in 1941.

All districts reported decreases, compared with the corresponding week in 1941, except the Southern, Northwestern and Southwestern 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
Four weeks of June	3,385,769	3,510,057	2,896,953
Week of July 4	753,855	740,359	637,166
Week of July 11	855,124	876,142	736,783
Total	22,668,984	21,467,233	18,288,487

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended June 11, 1942. During this period only 47 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED JULY 11

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1942	1941	1940	1942	1941
Eastern District—					
Ann Arbor	378	601	542	1,145	1,332
Bangor & Aroostook	1,072	985	1,233	200	240
Boston & Maine	5,696	8,611	7,106	12,993	11,696
Chicago, Indianapolis & Louisville	1,359	1,467	1,288	1,788	2,056
Central Indiana	21	49	15	55	66
Central Vermont	911	1,489	1,250	2,413	2,427
Delaware & Hudson	6,259	7,053	5,712	10,152	9,433
Delaware, Lackawanna & Western	7,492	9,830	9,128	9,155	7,819
Detroit & Mackinac	227	419	454	134	73
Detroit, Toledo & Ironton	1,641	2,745	1,746	1,101	1,227
Detroit & Toledo Shore Line	259	379	250	2,437	2,659
Erie	12,844	14,974	13,244	14,977	12,935
Grand Trunk Western	3,286	6,063	3,678	7,763	7,408
Lehigh & Hudson River	168	194	171	2,937	1,869
Lehigh & New England	2,164	2,403	2,086	1,895	1,700
Lehigh Valley	9,081	9,589	9,594	11,585	8,317
Maine Central	2,135	3,253	2,769	2,277	2,379
Monongahela	6,253	5,719	5,036	364	413
Montour	2,396	2,340	2,073	28	51
New York Central Lines	46,361	51,555	41,675	50,350	39,803
N. Y., N. H. & Hartford	9,997	11,664	9,108	17,963	14,502
New York, Ontario & Western	969	1,068	1,198	2,577	1,891
New York, Chicago & St. Louis	7,243	6,974	5,564	15,758	11,530
N. Y., Susquehanna & Western	421	425	391	1,293	1,129
Pittsburgh & Lake Erie	7,684	8,394	6,948	8,458	7,694
Pere Marquette	5,175	6,849	4,827	5,582	5,485
Pittsburgh & Shawmut	662	651	991	34	51
Pittsburgh, Shawmut & North	365	434	352	221	384
Pittsburgh & West Virginia	1,128	1,131	786	3,221	2,597
Rutland	372	564	743	1,086	1,024
Wabash	5,704	6,886	6,506	11,736	10,219
Wheeling & Lake Erie	5,644	5,790	4,617	4,731	3,561
Total	155,367	180,548	151,081	206,409	173,970
Allegheny District—					
Akron, Canton & Youngstown	616	792	449	1,013	811
Baltimore & Ohio	43,216	40,776	33,123	26,015	18,709
Bessemer & Lake Erie	6,261	7,422	5,907	2,256	2,130
Buffalo Creek & Gauley	311	226	317	2	1
Cambria & Indiana	2,006	1,994	1,206	5	24
Central R. R. of New Jersey	7,168	8,108	7,331	17,977	13,099
Cornwall	627	712	589	50	47
Cumberland & Pennsylvania	278	277	238	13	37
Ligonier Valley	139	140	74	44	36
Long Island	819	688	650	3,274	2,254
Penn-Reading Seashore Lines	1,508	1,559	1,117	2,367	1,570
Pennsylvania System	81,850	86,308	69,101	58,427	47,348
Reading Co.	14,088	16,173	14,563	26,445	18,889
Union (Pittsburgh)	21,362	20,193	18,720	7,139	6,569
Western Maryland	4,099	3,805	3,347	10,902	7,022
Total	184,348	189,175	156,732	155,929	118,546
Pocahontas District—					
Chesapeake & Ohio	27,168	27,573	25,256	10,928	10,082
Norfolk & Western	22,448	23,053	21,342	6,196	6,015
Virginian	4,603	4,868	4,163	1,826	1,761
Total	54,219	55,494	50,761	18,950	17,858
Southern District—					
Alabama, Tennessee & Northern	380	366	171	359	206
Atl. & W. P.—W. R. R. of Ala.	692	803	616	3,033	1,500
Atlanta, Birmingham & Coast	949	1,049	925	972	950
Atlantic Coast Line	9,842	9,197	7,588	8,132	6,156
Central of Georgia	4,421	4,567	4,038	3,726	3,524
Charleston & Western Carolina	454	701	641	1,327	1,361
Clinchfield	1,548	1,662	1,328	2,378	2,192
Columbus & Greenville	340	327	138	252	271
Durham & Southern	126	181	157	809	313
Florida East Coast	924	421	340	923	739
Gainesville Midland	34	36	21	199	65
Georgia	1,490	1,149	840	2,565	1,836
Georgia & Florida	409	414	351	389	483
Gulf, Mobile & Ohio	4,246	3,748	2,700	4,198	2,646
Illinois Central System	26,212	24,919	18,646	16,010	12,366
Louisville & Nashville	23,347	23,400	21,719	9,550	6,794
Macon, Dublin & Savannah	174	207	103	736	646
Mississippi Central	170	190	105	613	360
Nashville, Chattanooga & St. L.	3,344	3,382	2,574	4,132	2,815
Norfolk Southern	1,521	1,620	1,681	1,994	913
Piedmont Northern	299	423	347	1,134	1,392
Richmond, Fred. & Potomac	644	424	386	8,499	5,810
Seaboard Air Line	9,739	9,452	8,031	8,731	4,991
Southern System	23,203	24,253	19,993	21,737	16,814
Tennessee Central	516	561	420	879	662
Winston-Salem Southbound	79	114	121	865	741
Total	115,103	113,566	93,980	104,142	76,546
Northwestern District—					
Chicago & North Western	22,995	22,238	20,291	12,970	11,660
Chicago Great Western	2,020	2,761	2,417	2,968	2,771
Chicago, Milw., St. P. & Pac.	19,344	23,611	18,837	9,195	8,920
Chicago, St. Paul, Minn. & Omaha	3,109	4,132	3,599	3,287	4,256
Duluth, Missabe & Iron Range	30,798	25,893	19,209	405	269
Duluth, South Shore & Atlantic	1,337	1,207	1,314	635	466
Elgin, Joliet & Eastern	10,035	10,899	9,055	9,182	7,110
Ft. Dodge, Des Moines & South	575	535	526	111	139
Great Northern	29,411	26,867	22,687	5,712	3,908
Green Bay & Western	450	631	504	721	648
Lake Superior & Ishpeming	2,859	3,087	4,229	48	83
Minneapolis & St. Louis	2,042	2,242	1,752	2,402	1,961
Minn., St. Paul & S. S. M.	8,156	8,275	7,377	3,547	2,920
Northern Pacific	11,207	11,278	8,254	5,568	4,280
Spokane International	220	358	292	597	411
Spokane, Portland & Seattle	2,618	2,787	1,522	3,133	1,972
Total	147,176	146,801	121,865	60,482	51,774
Central Western District—					
Atch., Top. & Santa Fe System	28,072	28,885	24,743	10,476	7,000
Alton	3,096	3,856	3,614	3,931	2,518
Bingham & Garfield	673	750	481	125	69
Chicago, Burlington & Quincy	17,517	18,844	16,856	11,767	8,558
Chicago & Illinois Midland	2,426	2,193	2,007	767	744
Chicago, Rock Island & Pacific	14,773	15,020	14,212	12,442	9,628
Chicago & Eastern Illinois	2,277	2,855	2,422	3,704	2,566
Colorado & Southern	713	752	609	1,650	1,382
Denver & Rio Grande Western	3,306	2,680	2,183	5,000	3,224
Denver & Salt Lake	641	585	256	25	36
Fort Worth & Denver City	1,247	1,430	1,369	1,322	1,003
Illinois Terminal	1,601	2,073	1,689	1,954	1,719
Missouri-Illinois	1,330	1,144	992	522	520
Nevada Northern	1,973	2,038	1,377	120	123
North Western Pacific	1,039	876	794	577	478
Peoria & Pekin Union	15	50	31	0	0
Southern Pacific (Pacific)	30,502	31,157	23,325	9,276	6,440
Toledo, Peoria & Western	300	345	333	1,295	1,325
Union Pacific System	14,754	16,773	14,022	12,040	9,001
Utah	557	241	210	1	4
Western Pacific	2,378	1,626	1,628	3,686	2,266
Total	129,190	134,173	113,153	80,680	58,607
Southwestern District—					
Burlington-Rock Island	168	197	123	224	214
Gulf Coast Lines	3,659	2,653	2,203	1,915	1,740
International-Great Northern	2,526	1,939	1,687	2,572	2,037
Kansas, Oklahoma & Gulf	323	196	212	1,100	799
Kansas City Southern	5,202	2,492	1,924	2,556	2,405
Louisiana & Arkansas	4,330	1,937	1,729	2,398	1,641
Litchfield & Madison	288	352	248	1,156	937
Midland Valley	621	506	564	179	274
Missouri & Arkansas	183	179	166	351	338
Missouri-Kansas-Texas Lines	5,254	5,009	4,939	4,407	3,364
Missouri Pacific	18,633	18,436	16,096	19,257	9,971
Quanah Acme & Pacific	63	163	101	191	146
St. Louis-San Francisco	9,053	8,712	7,218	7,673	4,937
St. Louis Southwestern	2,676	2,412	2,186	7,099	3,091
Texas & New Orleans	11,431	7,150	5,808	4,661	3,579
Texas & Pacific	5,162	3,860	3,849	8,367	4,195
Wichita Falls & Southern	120	177	143	30	56
Weatherford M. W. & N. W.	*29	15	15	*21	59
Total	69,721	56,385	49,211	64,157	39,783

*Previous week's figure.
Note—Previous year's figures revised.

Weekly Statistics Of Paperboard Industry

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

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity Current	Percent of Activity Cumulative
1942—Week Ended—					
Apr. 4	161,888	169,249	436,029	100	101
Apr. 11	145,000	153,269	428,322	93	101
Apr. 18	129,834	153,442	404,199	94	101
Apr. 25	139,026	156,201	388,320	93	100
May 2	135,273	152,569	371,365	90	99
May 9	130,510	143,427	360,221	86	99
May 16	119,142	141,745	336,530	82	98
May 23	120,224	140,650	316,443	81	97
May 30	113,059	132,901	288,516	77	96
June 6	110,226	120,374	283,390	69	95
June 13	115,300	125,016	274,512	72	94
June 20	98,766	117,924	248,594	69	93
June 27	104,178	120,359	231,368	72	92
July 4	94,257	100,337	223,809	59	91
July 11	92,481	77,996	236,536	52	90

Note—Unfilled orders of the prior week plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled stock, and other items made necessary adjustments of unfilled orders.

Birth Certificates No Longer Required To Prove Citizenship For War Jobs

Birth certificates to prove American citizenship for persons who want jobs in plants where work on secret or confidential Government contracts is being done will no longer be required, Paul V. McNutt, War Manpower Chairman, announced on July 6. The announcement points out that Mr. McNutt indicates that a new procedure developed jointly by the Army and Navy, the War Manpower Commission, and the U. S. Employment Service, calls for merely a simple declaration that the applicant for a job is a citizen. This declaration, however, must be signed by the worker in the presence of an Army or Navy District Procurement Factory or Plant Protection representative. War and Navy contractors and sub-contractors have been notified of the new procedure, and the U. S. employment offices have been instructed to assist employers and workers in carrying it out. Mr. McNutt further says:

"Information from the United States employment offices throughout the country indicated that many valuable man-hours of production were being lost because of difficulties and delays in obtaining birth certificates. State Bureaus of Vital Statistics have been unable to keep up with the mounting number of requests, with the result, he added, that work on many urgent war contracts has been delayed.

"In many States and localities birth registration was not required until recent years. In others the records have been destroyed or lost. The result has been that many men and women whose families have been in this country for generations have been unable to obtain evidence of their birth. To relieve the situation, United States Census Bureau records have been accepted in lieu of birth certificates. However, the Bureau of the Census which, prior to January, 1940, used to get 2,000 to 3,000 requests a week, has been swamped in recent months by 16,000 and 17,000 requests a week.

"In order to break this log jam, the War and Navy Departments have recommended that contractors and sub-contractors require any worker who is to be employed on any secret, confidential, or restricted contract to sign a statement to the effect that he is a citizen of the United States and that he has read and understands the penalties for misrepresenting his status. Such a declaration, signed in the presence of an Army or Navy representative, will meet the immediate requirements of the War and Navy Departments, pending further investigation."

Mr. McNutt made it clear that this new procedure does not relieve the employer from the duty of making further investigation when there is any reason to doubt the truth of the applicant's declaration that he is a citizen. On the other hand, workers signing such a declaration will be informed that the penalty for misrepresentation may be as much as $10,000 fine, or five years in prison, or both.

Chicago Home Loan Bank Advances Up In June

June advances by the Federal Home Loan Bank of Chicago were double those of May to the Illinois and Wisconsin savings, building and loan associations, A. R. Gardner, President, reported on July 13. It was the largest disbursement for any month so far in 1942, he indicated, but stated that it was little more than half of the amount advanced in June, 1941. Meanwhile, June repayments ($1,814,911) to the bank were larger than in May or in last June, in line with the war economy aim of discouraging unnecessary expansion of credit.

Items About Banks, Trust Companies

One of the nation's largest savings banks was organized on July 16, under the name of The Manhattan Savings Bank, by the combination of The Manhattan Savings Institution and the Citizens Savings Bank, two of New York's oldest savings institutions.

The newly formed bank has five offices in Manhattan, serving 139,000 depositors, and total resources in excess of $103,000,000. Willard K. Denton, formerly President of the Manhattan, was named President of the combined bank.

"The combination of resources and facilities and the consolidation of trustees, officers and personnel will result in a more direct and efficient service to the government and the public," Mr. Denton said in announcing the merger.

Pointing to the important contribution to the war effort already made by the savings banks system, Mr. Denton stated that The Manhattan Savings Bank and the other mutual savings banks of the State have already made available to the United States Treasury over $2,250,000,000 through the purchase of government securities for their own accounts and the sale of War Bonds to the public.

"Furthermore," Mr. Denton added, "the consolidation of these two banks will result in a more flexible organization with increased operating efficiency permitting the reassignment of the duties and responsibilities of those employees and officers who enter the military service."

The main office of the Manhattan Savings Bank is located at 754 Broadway at Eighth Street. The four branches are at Broadway and Bleecker Street, Lexington Avenue and 51st Street, Bowery and Canal Street and at 154-156 East 86th Street.

Last May, the Manhattan Savings Institution was merged with the Metropolitan Savings Bank; referred to in these columns of May 21, page 1960.

George E. Spargo has been elected a Director of the Federation Bank and Trust Co., New York, the bank announced on July 16. Mr. Spargo is assistant to the Commissioner of the New York City Park Department.

What the art of printing is doing to further our war effort is indicated in an exhibit shown in the Rockefeller Center Concourse window of the Colonial Trust Company. The display, created by Davis, Delaney & Harris, Inc., clients of the bank, consists of color printing produced by that company for the United States Government in connection with publicity efforts of various Washington departments and agencies.

Siro Fusi, former President of the Banca Commerciale Italiana Trust Co. of New York, died of heart disease on July 12 at his home in Babylon, L. I. He was 56 years old. Mr. Fusi had been associated with the banking firm of Glore, Forgan & Co., New York, since his resignation from the Banca Commerciale Italiana in 1933. A native of Milan, Italy, Mr. Fusi began his banking career with the bank's branch in Milan and during the first World War was manager of the London branch. Coming to the United States in 1918 to take an executive position in the New York agency of the firm, Mr. Fusi became President of the Banca Commerciale Italiana Trust Co. in 1925, later opened 146 branches in Boston and Philadelphia.

At the regular meeting of the Board of Trustees of The New York Trust Company, on July 21, Morris Sayre, Executive Vice President of the Corn Products Refining Co., was elected a Trustee of the trust company. Mr. Sayre has been associated with the Corn Products Refining Co. since 1908. After managing the Company's plants at Granite City and Argo, Ill., he became General Manager in 1928, with headquarters in New York. Elected a Director in 1929, he became a Vice President of the company in 1933. He is also a director of the New England Grain Products Co., the Commercial Molasses Corp., the Faries Manufacturing Co. of Decatur, Ill., and the New England Starch Co. Mr. Sayre was graduated from the University of Richmond with a B. A. degree and from Lehigh University with an M. E. degree. He is a Past President of the Alumni Society of the University of Richmond.

The Poughkeepsie Trust Co., Poughkeepsie, N. Y., has been admitted to membership in the Federal Reserve System, the New York Reserve Bank announced on July 10. This is the eighth new member bank in the Second District so far this year. All of the commercial banks in Dutchess County are now members of the System. The new member had total resources of $6,247,000 on June 30.

Thomas Henry Bodge, for 28 years Assistant Treasurer of the State Trust Co., Augusta, Me., died on July 11 at his home in Augusta. He was 75 years old.

The First National Bank of Boston reported as of June 30, total deposits of $874,286,941 and total assets of $984,553,668, compared respectively, with $845,372,703 and $955,049,543 on March 31. At the latest date cash on hand and due from banks amounted to $311,008,162, against $398,491,420; holdings of United States Government securities were shown as $257,298,145, against $162,532,887; and loans and discounts are reported as $344,266,629, against $325,912,797. Capital and surplus are unchanged at $27,812,500 and $39,187,500, respectively, and undivided profits June 30 were $16,725,801, against $16,417,897 at the end of March.

M. J. Fleming, President of the Federal Reserve Bank of Cleveland, announced on July 17 that the Pickerington Bank of Pickerington, Ohio, and the Citizens' Bank of Follansbee, Follansbee, W. Va., have been admitted to membership in the Federal Reserve System. These are the ninth and tenth State banks to be admitted to the System so far this year. The Pickerington Bank, organized in 1909, has a paid-in capital of $25,000 and its deposits at the present time are slightly less than $600,000. The Citizens' Bank of Follansbee, incorporated in 1906 with an initial capital of $25,000. W. E. Mahan, the President and a director of the bank, stated on July 17 that the matter of membership in the System had been given consideration for some time and that the capital of the bank was increased on Dec. 31 of last year to $50,000 through a 100% stock dividend to enable the bank to qualify for membership. The bank, it is stated, has deposit liabilities at the present time in excess of $900,000.

The Directors of the Industrial National Bank of Chicago have elected Edmund Z. Richards and Fred O. Sack Assistant Cashiers and Frank J. Houska, Assistant Auditor, according to an announcement made by John D. Ames, President of the bank.

Mr. Richards, who started with the bank 16 years ago as an office boy, has been in charge of the Automobile Loan and Finance Division. Mr. Sack, who also started as an office boy twelve years ago, has been Chief Clerk in the Checking Department. Mr. Houska is made assistant to Robert N. Vieracker, the bank's Auditor.

The Industrial National Bank, formerly the Personal Loan & Savings Bank, is celebrating its 25th anniversary this month. The bank was founded on July 27, 1917.

Operating earnings of American Trust Co., San Francisco, for the six months ended June 30, 1942 amounted to $1,024,397 after expenses, depreciation and taxes, but before additions to reserves, according to an announcement issued by Blyth & Co., Inc. Such earnings were equivalent to $6.83 per share of preferred stock and $2.32 per share of common stock. Comparable operating earnings for the six months ended June 30, 1941 were $886,017, equivalent to $5.91 per share of preferred stock and $1.96 per share of common stock. $200,000 of total earnings for the six months ended June 30, 1942 were carried to undivided profits account; dividends of $450,000 were paid during the period; and the balance of earnings were added to various reserves.

American Trust Co. again reports deposits at an all time high. Deposits as shown in the bank's mid-year statement amounted to $368,610,766, compared with $365,717,758 on Dec. 31, 1941, and $341,125,135 on June 30, 1941. Loans currently total $164,560,889, compared with $172,107,577 on Dec. 31, 1941, and $160,213,563 on June 30, 1941. Cash shows a small decline, totaling $97,991,345, as compared with $99,250,055 at the year end, and $99,692,094 on June 30, 1941. A substantial increase in holdings of United States Government bonds and notes accounted for the substantial increase in holdings of securities which totaled $124,535,033 on June 30, 1942, as compared with $112,885,910 on Dec. 31, 1941 and $97,971,144 on June 30, 1941.

Steel Plate Output Up

The steel industry has done an increasingly effective job of producing steel plates for war production, A. I. Henderson, Director of Materials, declared on July 9 in releasing June shipment figures of 1,050,962 net tons. This is the second successive month plate output has topped a million tons and continues the month by month increase started last fall. May shipments were 1,012,194 tons. Greatest factor in the increase, Mr. Henderson pointed out, has been the extremely difficult problem of converting continuous strip mills to plate production.

Mr. Henderson's statement further added in part:

"Strip mills were designed to produce large quantities of steel sheet, mostly for the automotive industry. The problems involved in rolling and handling plates one inch thick as compared to sheets one twenty-fifth of an inch are obvious. Heavier equipment is needed all along the line. Less obvious but actually more complex has been the problem of additional space to house this heavier equipment and to handle heavy plate. Partitions have been ripped out, walls moved and every sort of expedient used to make way for the plates that make ships, guns and tanks.

"How successful this effort has been is evidenced by June output of 489,704 tons of plates from strip mills that were producing none a few months ago. May production was 425,211 tons.

"This is the first time since the program opened that plate production from strip mills has exceeded that from sheared mills. These latter, regular source of plates, turned out 438,000 tons in June.

"Approximately 75% of the record June output went to fill Army, Navy and Maritime Commission requirements."

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

President Roosevelt and King George II of Greece held a conference at the White House on July 9, following which a joint communique was issued, announcing that "a full discussion of the mutual problems and interests of these two United Nations has taken place." The joint statement added:

"We are in complete agreement on the simple objective of prosecuting the war to a successful conclusion, at the earliest possible moment, with all the resources at the command of the two nations.

"We are firm in our determination to win the peace no less than the war, and we reassert our conviction that a just and lasting peace, based on an honest application of the Declaration of the United Nations of Jan. 1, 1942, is the basis on which the peace shall be won."

The Greek Prime Minister, Emmanuel J. Tsouderos also participated in the discussions.

Secretary of State Hull and Mr. Tsouderos, as a result of the talks, signed on July 10, on behalf of their Governments, a master lend-lease agreement. In announcing the intention to sign the pact the White House on July 9 described it as "an agreement on the principles applying to mutual aid in the prosecution of the war, by which the American and Greek governments pledge not only their mutual resources to a common victory, but their collaboration in economic policies to make possible a lasting peace."

King George and Mr. Tsouderos, it was explained by the White House, have been forced for reasons of state, to curtail their visit to America and to return as early as possible to London, where their government-in-exile is established. Previous reference to their visit in this country was made in our issue of July 2, page 23.

Pledge China Aid

Secretary of War Stimson and Secretary of the Navy Knox issued a joint Order of the Day on July 7, the fifth anniversary of the Chinese - Japanese war, paying tribute to the Chinese armed forces and promising that the United States will fight with them "to expel the aggressor from every foot of Chinese soil." The action is said to be unprecedented.

The Order of the Day, read to all members of the armed forces of the United States, follows:

"To the Armed Forces:

"Five years ago today the Imperial Japanese Government launched a brutal and unprovoked attack on the people of China.

"Lacking adequate arms and other equipment, the leaders of China have nevertheless continued their gallant resistance for five years. Today they are fighting with a tenacity and courage which are an inspiration for all defenders of democracy on every front.

"Today the members of the Army and Navy of the United States salute their comrades-in-arms in China and join with them in the firm determination to expel the aggressor from every foot of Chinese soil.

HENRY L. STIMSON,
Secretary of War.
FRANK KNOX,
Secretary of the Navy."

'Conn. Industry—A Leader'

Putnam & Co., 6 Central Row, Hartford, Conn., members of the New York Stock Exchange, have issued a folder entitled "Connecticut Industry—Always a Leader in War as in Peace." The brochure describes 33 Connecticut companies with attractive dividend records, and may be had from Putnam & Co. upon request.

Officials Named For Smaller War Plants Corp.

Appointment of the five directors of the new Smaller War Plants Corporation was announced on July 11 by Donald M. Nelson, Chairman of the War Production Board, together with the designation of Lou E. Holland, of Kansas City, Mo., one of the appointees, as deputy chairman.

The other four members are James T. Howington, of Louisville, since 1941 district manager of the WPB field office in Louisville; William S. Shipley, of York, Pa., Chairman of the York Ice Machinery Corp.; Albert M. Carter, of Murphysboro, Ill., Director of the First National Bank of Murphysboro, and Samuel Abbott Smith of Boston, President of the Thomas Strathan Co., of Chelsea, Mass.

The new corporation was capitalized at $150,000,000 by Congress to assist smaller business firms to get war contracts. Mr. Nelson pointed out that "what we have in the Smaller War Plants Corporation is a mechanism to help us increase the total quantity of essential goods needed in this war rather than a relief agency."

In a statement, Mr. Nelson said:

"I believe that the greatest usefulness of this corporation will be found in its operations along these lines:

"1. By effective and persistent work to confine the manufacture of relatively simple war items to the smaller factories, using the facilities of large plants exclusively to make those complicated and difficult items which cannot be made in the small plants.

"2. By a very great extension of subcontracting, both through the use of pools and through much greater emphasis on the farming-out of manufacture of bits and pieces by large corporations which hold prime contracts.

"3. By the conversion of small plants to essential civilian production. In our war program we cannot make a sharp distinction between military and civilian production; the distinction rather is between goods which must be produced in a total war economy, and goods which such an economy can get along without. I am convinced that a substantial number of small plants whose present production is not essential to our war economy can be extremely useful in the production of other kinds of goods.

"Some work has already been done along all of these lines, of course. Now, however, for the first time it will be possible to prosecute a broad, effective, well integrated campaign in this direction."

Payment On Norway 6s

The Kingdom of Norway is notifying holders of its 20-year 6% sinking fund external loan gold bonds, due Aug. 15, 1943, that $840,000 principal amount of the bonds of this issue have been drawn by lot for redemption on Aug. 15, 1942 at 100% of their principal amount. The drawn bonds should be surrendered for redemption on that date at the head office of the National City Bank of New York. In connection with the call, it is noted that on July 6, 1942, $819,000 aggregate principal amount of bonds of this issue, called for redemption previous to the present call, had not been presented for payment and interest thereon had ceased.

US., Iceland Sign Pact

A Lend-Lease agreement has been concluded between the United States and Iceland, it was announced on July 12 in Reykjavik, Iceland.

E. Hjalmar Bjornson, special representative of the U. S. Agricultural Marketing Administrator, Kenneth Lewis, his assistant, and Charles Gage Anderson of the Lend-Lease Administration, negotiated the agreement for 1942-43, according to the Associated Press.