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Senate Revising Tax Bill; To Tax Future Municipal, State Bonds; Lower Exemptions

The Senate Finance Committee began in executive session on Aug. 24 the drafting of its revisions of the House-approved tax bill, designed to yield \$6,271,000,000 in additional revenue.

as written in the House-approved version, to \$300. Committee Chairman George (Dem., Ga.) estimated the change would bring in \$220,000,000 additional revenue.

Also, said the account from which we quote, the Committee

FROM WASHINGTON AHEAD OF THE NEWS

By CARLISLE BARGERON

If you don't think we are living in a crazy world, just contemplate this. On every hand we hear people expressing the fear that we are about to lose at home the very things we are defending abroad.

Everything, without regard to the consequences, must be done to insure victory, chorus the editors, at the same time insisting that we must beware that we maintain the freedom that our boys are being sent all over the world to defend.

some of the more substantial labor leaders. They see in it the regimentation of labor that more thoughtful observers saw was the trend over the whole people long before the war.

Statistics Omitted From "Chronicle" At Direction Of War Censorship Board

The Office of Censorship, Washington, D. C., has requested the "Chronicle" to cease publishing in its columns various trade index statistics and related information which regularly appeared in each issue prior to our entry into the war.

The "Chronicle," of course, recognizes its duty and responsibility in fully observing the board's regulations and will not knowingly publish any information which violates in any degree the board's "Code Of Wartime Practices for the American Press."

Meanwhile, we must ask the indulgence of our readers for any inconvenience caused by the necessary omissions. We will, of course, resume publication of all of this information to the same extent and manner as was our regular custom as soon as circumstances permit.

Some of the principal reports which we can no longer publish, or only give in curtailed form, in compliance with the board's regulations and ruling, are as follows:

- American Zinc Institute Summary
Copper Institute Summary
Pig Iron Production
Shipments of finished steel products by subsidiary companies of the United States Steel Corporation.

Daily and weekly sales reports of copper, lead and zinc have had to be eliminated from the "Non-Ferrous Metals" article which we still continue to publish.

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THE FINANCIAL SITUATION

It was perhaps inevitable that the vast extension and improvements that have been effected in communications, and the popularization of "education" which has accompanied these developments should give rise to a host of misconceptions in the minds of the rank and file.

Familiar But Inappropriate Technique

All this, however, is an old and familiar story. What is more to the point at the moment, and apparently much less widely realized or understood, is the fact that precisely the same technique is being carried over into the task of mobilizing the people of this nation in the vast war effort in which we now find ourselves engaged.

"Income" and "Savings"

It appears to us that the use now being made by (Continued on page 723)

No Democracy In Taxation

The trouble with this bill is that it fails to tax two-thirds of the people's income.

Out of a total of \$95,000,000,000 of net income received by 130,000,000 individuals, \$36,000,000,000, or 37%, escapes taxation altogether. It isn't even shown on any income tax return.

Fifty-two and one-half billion dollars more is exempt under the personal exemptions, earned income credit, and credit for dependents. Only \$26,500,000,000 of income out of \$95,000,000,000, or 28%, pays income taxes. The total paid by 130,000,000 people is \$2,500,000,000 less than what we are collecting from business corporations.

About half of what we do get from individual incomes comes from those with incomes of more than \$10,000 a year. We get more money from liquor and tobacco taxes than we do from the income of 90% of the people whose net income is \$3,000 a year or less.—Senator Taft.

There are a good many who believe in democracy in almost everything except taxation.

Senator Taft is clearly not one of them. We wish he had more company.

## Inflation; Democracy and Collectivism

Lewis Haney, Professor of Economics, New York University, recently had the following to say on the subject of inflation in the columns of the New York "Journal-American":

"There is nothing much more futile and misleading than all this talk about a 'crucial battle against inflation.'

"Those well-meaning persons who go on about what inflation would do to us if we catch it are doing great harm.

"The fact is that we have inflation now; and to 'fight' it as if it were not already here would be fighting Germany in Europe while allowing her spies and saboteurs to work freely in our midst. The viewers-from-afar-with-alarm who deplore the post-war burden of economic and social dislocation which they say inflation will bring would do better to attack existing dislocations. These exist in public debt, wages, prices and bureaucracy—and how!

"For months, some observers have been howling about the absence of any effective measures against inflation. They admit that nothing has been done that amounts to much. Well, isn't that the answer? How long do they think that inflation can go on without our becoming inflated? Inflation has grown while they howled.

"If these blind critics meant by a war on inflation an attack on existing inflation, designed to remove its causes and reduce its amount, I would be with them 100%. But their notion is to sit on the safety valve or fight the symptoms of the disease.

\* \* \*

"Inflation is a disease of money and credit. It comes about by spending for unproductive purposes which brings debts that can not or will not be paid. Such spending means an over-extension of credit. It makes little difference in principle whether the spending be in terms of paper notes used as currency or of bank credit.

"What, then, can you expect when a Nation's money comes to mean nothing? When dollars are poured out like water, so that our citizens look upon another billion as nothing, it is a sure sign that we are credit-drunk—which is just another way of saying inflation. We are still measuring the war effort, not in terms of sweat and blood, but in terms of billions of dollars. We are still measuring our social well-being in terms of dollars of 'national income' instead of sacrifice and reduced standard of living.

"The prices of silver and farm products are inflated. Wages are inflated. The bond market is inflated. And what do you think about the other army—the army of bureaucratic Government employees? All these inflations have been going on for years. What do you suppose bank deposits mean?

"As long as we go ahead 'creating' billions of dollars without regard for the economic laws of production and the economic value of money, we are going to have a greater and greater inflation potential. And I believe that the only way to conceal it or prevent such a potential from becoming effective is the German way of coercion and forced labor, which is worse than inflation."

The views expressed by Benjamin DeCasseres on democracy and collectivism in the columns of the same paper also merits reprinting and appear below:

"Again and again I must point out one major reason why we fight, why we sacrifice, why we die:

"When the whole controversy between democratic institutions and collectivism—whether it is called Communism, Socialism or Fascism—is cut down to its basic principles that which emerges is the right to 'competitive enterprise.'

"This system of competitive enterprise is essentially American because for the first time in the history of the world a constitution was adopted that guaranteed in every line, either actually or by inference, the right of every individual to be unmolested in his private life and business ventures.

"The opposite of this is Socialism, Communism and Fascism. They aim, in their several ways, at State monopolies, regimentation of business and private lives and necessarily, the complete destruction of the competitive system.

"How certainly competition is inherent in the very nature of things is seen in the case of Communistic Russia, which, while she has destroyed nearly all competition at home, has labored day and night in a competitive trade strife with the rest of the world.

\* \* \*

"The competitive principle in its healthy, normal activities between man and man, between enterprise and enterprise, is the father of all that we call 'civilization' and 'progress.'

"The collectivist system would ultimately destroy the system of competitive enterprise by paralyzing the central motive for emulation, for rivalry, for competition—that is, PROFIT.

"COMPETITION and the PROFIT SYSTEM are the soul

## The State Of Trade

Business activity showed gains in almost all quarters during the week ended Aug. 15.

Production of electricity reached an all-time high of 3,654,795,000 kilowatt hours. This compares with 3,649,146,000 kilowatt hours in the week ended Aug. 1 and with 3,637,070,000 in the week ended Aug. 8. The latest total was 12.9% above the year ago output of 3,238,160,000.

Carloadings of revenue freight for the week ended Aug. 15, totaled 868,845 cars, the highest since Nov. 15, 1941, according to reports filed by the railroads with the Association of American Railroads. This was an increase of 19,093 cars over the preceding week this year, 21,492 cars below the corresponding week in 1941, and 125,795 cars above the same period two years ago. This total was 128.04% of average loadings for the corresponding week of the ten preceding years.

The steel industry will operate at 57.3% of capacity this week, thereby turning out 1,664,500 net tons of steel ingots, according to the estimates of the American Iron & Steel Institute. Last week steel mills operated at 97.2% to turn out 1,662,800 tons of steel.

A month ago the operating rate stood at 96.3%, while the rate of operations was reported at 96.5% one year ago.

Engineering construction awards this week were nearly three times the amount reported in the comparable 1941 week and 15% higher than in the previous week this year, according to "Engineering News-Record."

Department store sales on a country-wide basis remained at the same level for the same week ended Aug. 15, last, as for the like week a year ago, according to the weekly figures released by the Federal Reserve System.

Department store sales in New York City in the week ended Aug. 15, were 8% smaller than in the same 1941 week, and in the four weeks ended Aug. 15, were 10% under those of the like period last year, the New York Federal Reserve Bank reported.

Some form of retail inventory control may be attempted as the result of the reported discovery by Government field workers of relatively large inventories in the hands of large concerns and meager inventories in smaller retail units. A report on inventories is now before Joseph L. Weiner, Deputy Director of the Office of Civilian Supply, and action is expected this week.

Since the supply of consumer's goods is now steadily decreasing, most retail stores can be said to be living off their fat. A possible seizure and reallocation of inventories would therefore have a direct bearing on sales volume later in the year, because some of the reallocated goods could not be replaced, or at least could not be replaced in sufficient quantity.

Not all retail stores are of course affected by likely inventory control. There are ample supplies of foods, farm supplies, liquor and goods for general stores, observers state. Consequently, this type of store is not likely to suffer any diminution of trade regardless of inventory control action.

The mounting wave of shutdowns due to materials shortages may cause a severe jolt to labor morale, Government administrators fear.

Closing plants amidst a national emergency is a spectacle which during continued peak war production not only increases labor restiveness but also tends to hamper operations as well. Employees who fear that shutdowns are imminent are not likely to hasten such a shutdown by all-out exertion. Slowdowns are expected as a result.

The War Production Board's awareness of this problem is indicated by the calling of joint

of industrial America. When they go CIVIL LIBERTIES will go with them."

## Excess Earnings Flow Into Savings Accounts

With war bond sales by New York State savings banks in July up 72.8% over the preceding month and a record number of new savings accounts opened, the Savings Banks Association of New York State reports a definite change in the public attitude toward saving a part of their current incomes.

The Association explained as follows:

"Total war bond sales by the New York State savings banks in July amounted to \$32,224,000, an increase of 72.8% over June and, with the exception of January, the largest sales in any one month since the War Bond Campaign started. Sales of Series E Bonds were \$24,538,000 and were 33% of the total of "E" bonds sold by all agencies in New York State during July.

"The number of new accounts opened also was highly favorable, amounting to 86,985, as compared with 60,022 in June and 77,274 in July, 1941. This resulted in a net gain of total savings bank accounts of 5,393 for the month. The number of new accounts opened exceeded the total for the month of July in all but two of the last 10 years.

"One contributing factor to the increased number of war bonds sold is the savings banks' payroll savings service. Through this service more than 125,000 wage and salary earners are saving in excess of \$900,000 a month for the purchase of war bonds. 1,650 employers are participating in these savings bank payroll plans."

In announcing these figures, Henry Bruere, President of the Association and of the Bowery Savings Bank, said:

"There has been grave concern on the part of many that new savings are not absorbing an adequate proportion of increased earnings. However, both Bureau of Labor statistics and Department of Commerce reports for the first six months show that the increase in consumer purchases has lagged behind the rapid rise in income. At the same time, until now there has not been any evidence that the surplus income was actually going to work through investment in War Bonds, purchases of life insurance or deposits in savings accounts. These figures for July coupled with those already announced by the War Savings Staff indicate that the flow of excess earnings into savings has now started and we hope that it will continue to increase sharply over the coming months."

## Nation-Wide Rationing Of Gasoline Favored

Senator Byrd (Dem., Va.), on Aug. 15 called for nation-wide rationing of gasoline, asserting that it was "grossly unfair and destructive of public morale" to permit citizens in 31 States to obtain all the gasoline and fuel oil they needed and to ration those in 17 States."

In a statement Mr. Byrd declared that "each day it becomes more evident that we must have nation-wide rationing of gasoline. We are short of rubber and short of transportation for oil and gasoline. The only obvious and just thing to do is to ration these necessities on a nation-wide basis."

The Senator added that "there is growing discontent among the 17 rationed States as to this injustice, and properly so."

Mr. Byrd said he knew that high officials of the Government had recommended to President Roosevelt that gasoline and fuel oil be rationed on a nation-wide basis, adding:

"Why the Administration delays, I do not know."

WPB-labor meetings. By acquainting labor leaders with the nature of the materials shortage problem and seeking their aid in its solution, it is hoped labor restiveness can be reduced.

Labor shortage is slowly creeping up to the point where now it ranks next to raw material shortages as a drawback to expanding war production, an official survey shows.

Three-fifths of the companies consulted by officials have experienced materials shortages that have caused a slowdown in war production and one quarter of the concerns reported labor shortages.

Spurred by recent criticism that critical materials have been expended with an unnecessarily lavish hand in the war production effort, Federal agencies have embarked upon a comprehensive materials conservation program that is expected to play an important part in breaking the present materials bottleneck, according to Washington advices.

Unaccompanied by the fanfare that usually signals such ventures, the program nevertheless bears evidence of having been inspired by the highest sources in the capital.

In view of General Hershey's warning that the number of able-bodied men in industry will be drastically reduced in the near future, personnel executives are taking steps to cope with the prospective depletion of their working forces. The task is likely to be all the more difficult since selective service spokesmen warn that occupational deferments will be tightened.

Selective service officials have advised employers to make a systematic survey of employees' draft status as the first preparatory step. Replacements should be made from married men with dependents, from men over forty-five and from women.

The latter course is the one that will assume the greatest importance as the war continues. Training programs for women are reported to be lagging. The accelerated demand for men in the armed services, however, should speed such training programs.

## Brazil Closes Axis Banks; Seizes Ships

Three of the largest Axis-owned banks in Brazil, with assets of nearly \$35,000,000, were closed on Aug. 24 by a war-time Presidential decree which also ordered the outright confiscation of 17 Axis vessels, according to Associated Press advices from Rio de Janeiro, which added:

"The German Trans-Atlantic Bank, the German Bank of South America and the French-Italian Bank of South America were closed, and liquidators were named.

"Under the order 13 Italian and four German ships totaling about 90,000 tons became outright property of Brazil. Some of the vessels already have been used as Brazilian ships with new names."

Following the action taken by Uruguay on Aug. 23, granting Brazil non-belligerent status, Argentina, Chile, Peru, Bolivia and Paraguay on Aug. 24 extended the same rights of non-belligerency.

## THE FINANCIAL SITUATION

(Continued From First Page)

Washington authorities, and some others too, of the terms "national income" and "savings" fall very decidedly into this category. Trained economists do not agree among themselves concerning the meaning of these terms, or at least concerning the appropriate procedure by which they may be given statistical expression. There will be many, we feel certain, who will call into question the figures on "national income" given to the public early this week by the Department of Commerce. The harm such discussions, widely publicized, are likely to do, is, however, of a different order. To the man in the street, the word "income" has a fairly definite connotation which can scarcely be carried over helpfully to the current concept of "national income" applied in circumstances such as those now prevailing in this country. The farmer would scarcely think of a white elephant which by chance was forced upon him, or the cost of a fence he was obliged to erect to protect his sheep from straying dogs as a part of his income.

Yet when we stop to think of it, we find items not greatly dissimilar forming a very substantial part of the "income" of the nation as currently compiled. In the broader economic sense an appreciable part of our "national income" during the pre-war years of New Dealism consisted of white elephants. A much larger portion of our national income today, of course, consists of devices and services designed to protect ourselves and our property from wolf packs on the hunt. Of course, when wolves are on the prowl we must have and do whatever is necessary to protect ourselves and our property. If we provide ourselves with such protection we shall be far better off than we should have been had we neglected to do so, or done so ineffectually, but we shall be not better but worse off than we were before the wolves began to prowl. We shall be courting trouble if we count this sort of gain "income" without a clear understanding of its nature. Precisely that danger is present when the public is repeatedly told how greatly the war effort has increased and is increasing "national income." We should school ourselves to think of funds expended on war as outgo not income, no matter who receives the funds thus disbursed. It might serve to save us many serious blunders after the war is over.

### "Investing" In Bullets and Bombs

Related misunderstandings are clearly arising as to the nature and meaning of savings. Such misunderstandings are clearly encouraged if not created when the individual is urged to "save" and "invest" in bullets and bombs. An individual could quite conceivably reduce his living costs below his income, buy Government bonds to finance war operations, and reasonably term the process saving and investment. Let each and every one of us follow the same procedure and the results are not what they appear upon the surface to be. We may be saving in the sense that we are not devoting all of our income to current consumption of the ordinary sort. We may be investing in the sense that we are buying promises to pay. We are, however, but buying our own collective promises to pay, and our savings consists of doing without automobiles and other things to which we are accustomed in order to buy (or produce) other articles or services which add nothing to our wealth, but on the contrary consume our resources, our energies and even our lives.

We hardly need add, we hope, that we do not intend to convey the impression that this type of "saving," if such it be termed, is not desirable or even essential if we are to carry through to a successful conclusion a war which we can not afford to lose. What we are saying again is merely that we must not permit ourselves to be deceived by such words as "saving" or by analogies implied in its current use. What we are suggesting is that Government and leaders of opinion everywhere take the utmost pains, which they are not taking now, to avoid creating or encouraging misconceptions which could at a later date cost us all dearly. We as a people can not in a larger and truer sense save anything for a rainy day by processes such as these here under discussion. All that we can hope to save really is as much as possible of what we already have. No matter how carefully we husband our individual resources and no matter how conscientiously we practice frugality in our daily lives, we shall emerge from this war far poorer than we were when we entered it. The fact that a relative handful may and doubtless will emerge for one reason or another better off economically than when the war began proves nothing. They will be the exceptions which prove the rule. Their gain will be some one else's loss.

It would, of course, be difficult to determine precisely how greatly the rank and file are being misled by the stuff and nonsense that blares through the radio incessantly from the mouths of Government officials and their hirelings about all such things. Every reasonable man who pauses to do some quiet thinking for himself must long ago have come to the conclusion that much of this propaganda (it is, of

## NWLB Gives Wage Rise To Textile Workers

The National War Labor Board announced on Aug. 15 that it had approved a 7½ cents hourly increase in the wages of the 61,000 workers employed in 40 New England and 11 Southern mills. In a statement formally announcing its decision, the NWLB said that "the wage rates of the companies involved in this case have lagged behind the wages of many other companies in the industry, which have recently granted voluntary wage increases, particularly in the South."

The Textile Workers Union of America, CIO, representing the workers in 28 of the New England mills; and all of the 11 Southern mills had asked for a 10 cents an hour increase in the North and a 20 cents increase in the South, in order to wipe out the North-South differential. The United Textile Workers of America, AFL, representing 11 mills in the New Bedford, Mass., area, and one in Waterville, Me., had asked for a 10 cents hourly increase. The Northern mills joined the unions in the request that the regional differential be eliminated but the NWLB did not grant this.

According to a survey, made by the Bureau of Labor Statistics at the joint request of the mediation panels, there are 485,000 textile workers in the country. Of the 100,000 in the North, nearly half were involved in the wage case, while, of the 385,000 workers in Southern mills, only 13,000, or 2%, were affected. The survey further revealed that the average hourly earnings for the entire country for the cotton goods industry in April, 1942, were 51.5 cents, compared with 81.9 cents for all manufacturing, a difference of 30.4 cents. The average hourly earnings of textile workers of Northern mills in February, 1942, were 58.8 cents and for Southern mills, 48.7 cents, while the average weekly earnings in the same month were \$24.46 in the North and \$19.82 in the South.

A reference to an order of Chairman Davis, of the Labor Board, issued in July for the stabilization of wages in nine New England textile plants, appeared in our July 30 issue, page 375.

## Bank Loans For War Production Increase

Loans made by 423 of the nation's larger commercial banks to finance the production of orders for war goods increased more than \$1,000,000,000 during the second quarter of 1942, according to the quarterly report of war lending activity of the American Bankers Association, released for publication on Aug. 22. The Association's advices state:

"The study, begun a year and a half ago, consists of a quarterly survey of the war lending activity of 500 of the larger commercial banks. Of the 500 institutions queried, 423 banks in 162 cities reported that they had a total of \$4,179,052,261 outstanding in loans and loan commitments on June 30, 1942. This is an increase of \$1,058,566,001 over the volume outstanding on March 31. The March 31 total was \$3,120,486,260.

"The 423 replying banks reported loans and commitments to finance the manufacture of supplies and equipment totaling \$2,455,369,175, for plant facilities and construction \$1,022,668,410, and working capital loans arising out of operations contributing indirectly to war production totaling \$701,014,676.

course, nothing else) is not only rather nauseous but likely to be toxic. We all must hope that the propagandists are chiefly deceiving themselves, yet it would be strange indeed if this continuous stream of fallacious pleas, by their very repetition if for no other reason, did not build up a dreadful load of misconception for our post-war shoulders to carry.

## Holds Meat Allocation Shortage Preventive

The Food Requirements Committee of the War Production Board, at a special meeting on Aug. 18 on the problem of meat supplies, recommended that the Government develop a program for allocation of limited meat supplies in order to assure equitable distribution and that the Office of Price Administration proceed with studies of a meat rationing program.

The following resume of the group's meeting on the meat supply problem was issued by Secretary of Agriculture Wickard, who is Chairman of the WPB's Food Requirements Committee:

"Arrangements were made for the determination of the total requirements to be filled with United States meat during the coming months, including those of the United States military forces, the United Nations and the American civilian population. Estimates of these needs will be provided by the responsible agencies of the United States Government and by the Combined Food Board of the United States and the United Kingdom.

"After reviewing the current supply situation, and the preliminary reports on the future requirements and supplies the Committee recommended that the military agencies, the Lend-Lease Administration, and the WPB collaborate in developing a program for allocation of Government procurements as equitably as possible among Federally-inspected packing establishments in the United States.

"The OPA representatives reported that work has been in process for some weeks to remove inequities as between regions in meat price ceilings. To provide assurance that inequalities in distribution to civilians will be remedied, the Committee recommended that the WPB develop a program for allocation of meat supplies in the different regions of the country.

"OPA representatives reported that for some time that agency had been developing procedures for rationing meats and other commodities among civilians if the supply situation required such action. The Committee asked OPA to proceed as rapidly as possible with the formulation of such procedures for consumer rationing of meat, to be applied in the future only in case the allocation of Government purchases among packers, and the adjustment of price ceilings, combined with regional allocation of meat, should not solve the problems of equitable distribution throughout the country."

## Tool Engineers To Confer

The production problems that have arisen in America's first nine months of the war and plans to solve the threatened bottlenecks in war industry due to shortages of critical materials, etc., will be discussed at the War Production Conference called by Otto W. Winter, President of the American Society of Tool Engineers, at Springfield, Mass., on Oct. 16 and 17. Headquarters of the conference will be at the Kimball Hotel and representatives from industry covered by all the 54 chapters of the national technical society are expected to participate in the meeting.

Five important sessions, each stressing a vital question that faces war industry today, have been scheduled for the two-day session which will be concluded with a banquet.

## Tool Engineers Group Intensifies Training

In answer to the appeal of War Manpower Commission Director Paul V. McNutt for more and more skilled men in war production plants and the warning of selective service head Gen. Lewis B. Hershey that the draft will drain war plants of skilled help unless replacements are immediately trained, the American Society of Tool Engineers has embarked on a campaign for establishment of more adequate tool engineering training facilities in the 54 war production centers represented by the Society's chapters. "Training of skilled workers for war production now is probably the most important activity confronting the country's technical societies," said Otto W. Winter, President of the ASTE and head of the organization's training program. He added:

"The ASTE first recognized this early in 1941 with a national survey which warned of the impending manpower shortage in the technical fields and immediately set up a program of active assistance to help industry and educational bodies in overcoming this shortage. Now the ASTE is again expanding its set-up and streamlining it to coordinate the various training activities—in industry and out—on a national and area basis."

## Would Limit Practice Before Tax Appeal Bd.

On Aug. 18 the Senate Committee was asked to strike from the pending tax bill the provision opening to all comers the privilege of practicing before the Tax Appeals Board. The request for the elimination of the provision come from Atty. Gen. Francis Biddle and Chmn. J. E. Murdock of the Board of Tax Appeals, who warned the Committee that the provision exposes millions of new taxpayers to racketeers posing as tax experts. United Press accounts from Washington reporting this, added:

"The Board was established 10 years ago to consider claims by the Treasury that individuals owed more income taxes than they paid. Practice before it now is limited to lawyers and certified accountants. The House bill changed the designation of the Board to 'court' and let down the restrictions on eligibility for practice.

"The Board is aware of the fact," Murdock wrote Senate Finance Chmn. Walter F. George, D., Ga., "that many unqualified persons have set themselves up as tax consultants, experts and specialists.

"Now that the tax base has been broadened, thousands of new taxpayers in the lower brackets will be fair game to such people. Their cheap prices will attract clients, and the latter will pay heavily in the end because of inadequate representation."

"Mr. Biddle told Senator George he advised the Treasury and the House Ways and Means Committee of his opposition to the entire plan to change the designation of the Tax Appeals Board at the time the proposal was under consideration in the House."

## To Address Controllers

Dr. Gustav Stolper, economic advisor to leading European banks and a former member of the German Reichstag, will speak on "Capitalism After the War" at the annual meeting of the Controllers Institute of America, to be held Sept. 21 to 23 at the Palmer House, Chicago.

## Survey By Twentieth Century Fund Forecasts Ultimate Industry-wide Collective Bargaining

According to central findings of a survey, "How Collective Bargaining Works," published on Aug. 10 by the Twentieth Century Fund, of New York City, with more than one-quarter of this country's workers covered by collective bargaining contracts and trade union memberships now at an all-time high of around 11,000,000, recent developments show a tendency toward regional and national coverage in collective bargaining contracts, greater organization of employers, and ultimate evolution of industry-wide collective bargaining. The survey describes collective bargaining methods in 16 major American industries, ranging from long-unionized industries, such as railroads, through more turbulent, newly-organized ones, such as automobiles, rubber and steel.

William H. Davis, Chairman of the National War Labor Board, is Chairman of a special Labor Committee of the Fund which helped to outline the scope of the survey and supervised the work of the research staff but which bears no responsibility for the findings themselves.

"Industry-wide collective bargaining seems a logical next development," said Chairman Davis in a special statement issued in connection with publication of the survey. "It makes for greater stability throughout an industry, more responsible unions, and puts management on a more fair and equitable competitive basis so far as wage costs are concerned." Mr. Davis added:

"It seems to me that what we principally need now is more organization among employer and management groups. Such organization would do much to promote an equality of bargaining power between management and labor. As this Twentieth Century Fund survey abundantly shows, collective bargaining in America is coming of age. We can gain much by examining methods and practices, industry by industry, to see what practices have failed here, what methods have succeeded there, and using this experience to build a sound and mature structure of collective bargaining in this country."

Some measure of the growth of trade union membership since 1933 is given in an opening chapter which discusses the increase in unionization of workers under the New Deal. It says:

"Between 1933 and 1938 total trade-union membership rose from an annual average of slightly less than 3,000,000 to about 8,000,000. With business revival in 1939, following the recession of 1937-1938, it continued to expand. By early 1940, between 8,500,000 and 9,000,000 workers in the United States and Canada were attached to the AFL, the CIO, or unaffiliated 'outside' unions. The following year total membership approached 11,000,000."

These figures are given by Dr. Philip Taft, of the Economics Department of Brown University, who wrote this chapter. Research work for the survey, as a whole was directed by Dr. Harry A. Millis, who selected the staff and edited the findings until he resigned in November, 1940, to go to Washington to become Chairman of the National Labor Relations Board. The release issued in the matter also says:

"A very few of the older unions have actually lost membership since 1933. Among these have been the Wood Carvers, the Metal Engravers, the Sleeping Car Conductors, the Rural Letter Carriers, and the Plasterers, and the Stonecutters.

"For the most part the membership curve has run upward. Membership in such old and strongly entrenched organizations as the Brotherhood of Railway Carmen, the Photo Engravers and Pressmen's unions increased rather slowly—from 10 to 30% from 1933 to 1941. The same was true of the International Typographical Union, the Sheet Metal Workers' Union and the National Federa-

tion of Post Office Clerks.

"But unions in coal mining, clothing, baking and other industries grew by leaps and bounds. Between 1933 and 1941 the United Mine Workers' membership rose from 300,000 to 600,000, the Amalgamated Clothing Workers from 125,000 to 275,000, and the Brotherhood of Electrical Workers from 94,000 to 201,000. The Machinists more than tripled—from 65,000 to 222,000. The Bakery Workers, with some 84,000 members in 1941, showed about a fivefold increase, and the Teamsters, with over 400,000, almost a sixfold increase."

The report stresses spectacular gains in "hitherto unorganized, or practically unorganized, trades and industries" and says:

"The Steel Workers Organizing Committee (now the United Steelworkers of America) claimed in 1941 roughly 600,000 members; the United Automobile, Aircraft and Agricultural Implement Workers, 600,000; and the United Electrical, Radio and Machine Workers, around 300,000. Additional thousands of union members were in the rubber, aluminum and flat glass industries. Other fields of economic activity, such as office and professional work, agriculture and canning, and editorial and commercial work on newspapers, have also been reached by the organized labor movement."

Summing up, the report says, "Collective labor agreements, therefore, cover . . . more than a quarter of the nearly 40,000,000 wage and salary workers actually employed in 1941."

On the other side of the picture, the report says:

"Yet in spite of this rapid progress since 1933, nearly three-quarters of American wage and salary workers are not members of trade unions or covered by collective agreements. Collective bargaining has made little headway among the 6,500,000 wholesale and retail trade employees, the more than 4,000,000 in the financial and service trades, the 4,000,000 government employees or the 3,000,000 agricultural workers. In addition, hundreds of thousands in textiles, in chemicals and in other important industries are without union agreements."

Surveying the entire field of collective bargaining, as revealed in a detailed study of practices in 16 industries, the report says, "The rise of industrial unionism . . . was partly, if not largely, responsible for the extension of collective bargaining. Today industrial or semi-industrial unions provide the dominant organizational and bargaining patterns."

In a foreword to the survey, Evans Clark, Executive Director of The Twentieth Century Fund, says:

"Since this report was written the United States has been catapulted into the most gigantic war of all history. Collective bargaining is likely to change its form and procedure under the pressure of war, but the experience of the last war, at least, indicates that the basic problems of industrial relations remain after the end of hostilities. It also showed that during the conflict sound labor policies are essential elements of victory. . . . All this makes a clear understanding of collective bargaining even more urgent now than in times of peace."

In addition to Chairman William H. Davis, the members of the Fund's Labor Committee, which supervised the progress of this survey, are:

William L. Chenery, Editor, "Collier's Weekly"; Howard Coon-

ley, Chairman of the Board, Walworth Co., Inc.; Chairman, Finance Committee, formerly President, National Association of Manufacturers; Clinton S. Golden, Assistant to the President, United Steelworkers of America, affiliated with the Congress of Industrial Organizations; William M. Leiserson, member, National Labor Relations Board, formerly Chairman, National Mediation Board; Frazier MacIver, Vice-President, Phoenix Hosiery Co.; Sumner H. Slichter, Lamont University Professor, Harvard University; Robert J. Watt, International Representative, American Federation of Labor; and Edwin E. Witte, Professor and Chairman, Department of Economics, University of Wisconsin, former member, Wisconsin Labor Relations Board.

## New High In Fed. War Building Employment

Employment on war construction projects of the Federal Government reached 1,000,000 persons, or nearly one-half of the employment in the construction industry, in June, 1942, Secretary of Labor Perkins reported on Aug. 16. "Employment on non-war construction projects declined during the first half of 1942, reflecting the effects of recent Federal limitations on such projects to conserve materials for the war effort," said Mrs. Perkins, who added:

"Only 1,070,000 persons were employed on non-war projects in June of this year, as compared with 1,767,000 persons employed in June of last year. As a result of this decline in non-war construction, total construction employment in June, 1942, dropped to 2,070,000, or nearly 200,000 below the number employed in the same month of last year."

"The peak in non-war construction employment since 1929 was reached in September, 1940, just as the war construction program was getting under way. Privately financed residential building and industrial and utilities expansion in the defense areas maintained non-war construction employment at a high level throughout 1941. In the first half of 1942, employment on these types of work declined sharply."

"Further curtailment on non-war construction will cause a rapid decline in employment in the third and fourth quarters 1942, and will reduce the annual average employment on non-war projects to one-half of the annual level for the preceding two years."

"Employment on war construction projects has increased nearly 45% within the past three months."

"An additional increase of 200,000 persons is anticipated before peak employment in the war construction program is reached in the third quarter of this year. Employment on such projects in June, 1942, was more than double that in June of last year."

## OPA Interpretative Digest

Digests of interpretations given in the first 10 issues of "Recent Price Interpretations" have been edited and put under one cover in a new "Digests of Interpretations" issued on Aug. 17 by the Office of Price Administration. In its release the OPA says:

"The manual contains interpretative material pertaining to OPA regulations other than the General Maximum Price Regulation, and in addition, gives some new explanatory data. It is, in effect, a 'base book,' which will be supplemented from time to time by additional issues of 'Recent Price Interpretations.' No. 11 of the series already is available."

"Copies of the new manual are being distributed to the press, trade associations, and information services."

## Labor Department Reports On Factory Workers' Hours And Earnings During June

Wage earners in manufacturing industries earned an average of 84.0 cents an hour in June, a gain of 1.1% over the preceding month, Secretary of Labor Frances Perkins reported on Aug. 17. "The June average was 13.7% higher than a year ago," she said, "and reflected wage-rate increases and overtime premiums, together with expansion in employment in industries where high rates are paid and decreased employment in a number of industries with relatively low wage scales."

Secretary Perkins further stated:

"In the durable goods group of manufacturing industries, where war production predominates, the average hourly earnings increased 1.1% over the month and 13.6% over the year to reach a level of 93.3 cents in June. The level for non-durable goods workers (72.7 cents) was 0.7% higher than in May and 11.9% above June of last year."

"Wage-rate increases averaging 8.3% were reported by about 1,200 manufacturing plants out of a reporting sample of approximately 34,000. Of the 8,500,000 workers covered by the survey, 316,000 or nearly 4% were benefited by these increases. Among the industries in which wage increases affecting a substantial number of workers were reported in June were woolen and worsted goods (63,280), hosiery (19,764), paper and pulp (21,072), sawmills (11,433), electrical machinery, apparatus, and supplies (8,897), and pumps (7,580)."

"The average hours worked per week were 42.6 for all manufacturing industries combined, 45.1 for the durable-goods group, and 39.6 for the non-durable-goods group. The percentage changes over the month were negligible but comparisons over the year interval showed gains of 3.7% for all manufacturing, 5.0% for durable goods, and 1.3% for non-durable goods. Only four of the 43 durable-goods industries (brick, glass, pottery, and marble-granite-slate) averaged less than 40 hours per week, these industries being particularly affected by restrictions on private building. On the other hand, in 23 of the durable-goods industries the workers averaged more than 44 hours with workers in machine tool plants averaging 53.8 hours actually worked. Four other durable-goods industries contributing heavily to the war effort, reported work of more than 50 hours. These were metal working machinery not elsewhere classified (56.5), machine-tool accessories (54.8), pumps (52.0), and sewing machines (50.4)."

"The weekly pay envelope of workers in all manufacturing industries averaged \$37.99. This represented a gain of 1.3% since May and 19.4% since June of last year, reflecting the gains reported in average weekly hours and hourly earnings. Workers in the durable-goods industries averaged about \$6 more per week (\$44.06) than in all manufacturing, the increase over the month amounting to 1.2% and over the year to 20.4%. Wage earners in the non-durable-goods group of industries averaged about \$16 less per week than workers in the durable industries, their earnings having increased, however, by 0.6% over the month and 13.8% over the year."

"All of the non-manufacturing industries surveyed showed higher average hourly earnings in June than a year ago and only two, telephone and telegraph, and laundries, reported slightly lower hourly earnings than in the preceding month. Private building construction workers and bituminous-coal miners continued to average the highest hourly earnings (113.6 and 107.5 cents), with crude-oil production workers and anthracite miners receiving the next highest earnings, 99.6 and 99.4 cents per hour, respectively. Metal miners were earning 11.3% more per hour than a year ago, workers in quarries and non-

metallic mines, 11.9%, and workers in dyeing and cleaning establishments, 12.8%.

"On the whole, average weekly hours in the non-manufacturing industries showed but little variation between May and June. The only industries reporting changes which amounted to more than 1% were quarrying and non-metallic mining (2.4%), dyeing and cleaning (2.2%), private building construction (1.5%) and bituminous-coal mining (1.3%). The largest gains over the year were in private building construction (6.0%), bituminous-coal mining (6.0%), quarrying and non-metallic mining (3.4%). In general average weekly earnings followed the pattern set by the average weekly hours and hourly earnings except for anthracite and bituminous-coal mining where many employees had their regular weekly pay augmented by vacation pay given them in June in lieu of vacations."

It is pointed out that it should be noted that manufacturing plants converted to war production are continued under their former peace-time industry classification.

## Chicago Home Loan Members Show Gain

The strides made last year by the member savings, building and loan associations of the Federal Home Loan Bank of Chicago in shaping their financial position to meet wartime emergencies were cited on Aug. 18 by A. R. Gardner, President of the bank, who drew attention to the newly compiled consolidated balance sheet of 453 Illinois and Wisconsin associations as of Dec. 31, last. Increases in cash and reserves and the cutting of the real estate hangover from the depression down to a merely nominal proportion of assets were features of their 1941 showing, it is stated. Net additions of \$42,000,000 to mortgage loans outstanding showed meanwhile how they had stayed on the job in defense housing last year, Mr. Gardner said. From the bank's release we also quote:

"A 9.1% expansion of the aggregate resources of the member associations brought them to \$474,146,000 at the close of the year. The performance in this district thus surpassed the growth of 8.7% in the resources of all 3,818 institutions in the nation-wide system."

"The Illinois-Wisconsin institutions had \$363,493,000 in home mortgage loans outstanding, which was 76.66% of assets, compared with 73.98% so invested at the close of 1940. Their cash position was built up to 5.94% from the 5.14% they showed at the beginning of 1941. Reserves of 7.41% of capital and liabilities were achieved by the year's end, as compared with 7.32% at the beginning, in spite of the associations' having to keep up with a 9% growth in order even to hold their own in reserve percentages. The reserves for institutions in this district stood about half a point higher than the percentage for the nation-wide membership."

Real estate owned was cut down in the course of last year from 9.64% to a mere 5.28% of total resources, Mr. Gardner said. This meant, he said, the transfer to private hands of some \$16,000,000 worth of home properties in the two States.

## Living Costs In Large Cities Advanced 0.4% Between June 15-July 15, Labor Bureau Reports

Living costs in large cities rose 0.4% between June 15 and July 15, the second month of general price control, Secretary of Labor Perkins reported on Aug. 19. "Prices of unregulated goods and services advanced 1.6%, while controlled items increased 0.1%," she said. "The most important advances occurred in unregulated foods. These increases were largely seasonal in character. Among the controlled items the most important increases were in prices of gasoline and fuel oil in Eastern cities, allowed because of higher transportation costs. Rents in a number of cities were reduced as they were brought under Federal control. These, together with a few food prices, were the only important decreases," said Miss Perkins, who added:

"The recent advance brings the Bureau of Labor Statistics' cost of living index to 116.9% of the 1935-39 average. Costs on July 15, 1942, were 11% higher than on July 15, 1941. By mid-July, families of wage earners and lower-salaried workers had to spend \$1.19 to buy the same things for which they spent \$1 before the outbreak of the war in August, 1939."

The Labor Department's announcement further said:

"Retail Costs Of Food advanced 1.1% between mid-June and mid-July. This was due, for the most part, to seasonal advances in retail prices of eggs, butter, lamb, and poultry and higher prices for fresh milk, meats, and certain fresh vegetables. The increase in food costs for the average worker's family was slightly less than for the previous month—mid-May to mid-June — when the rise was 1.3%."

"Prices of foods not under the General Maximum Price Regulation continued to advance, rising 2.5%. Eggs and butter as well as certain fresh fruits and vegetables such as oranges, lettuce, spinach, and sweet potatoes showed their usual seasonal rise. Advances were also reported for grapefruit, dried prunes and corn meal. Prices were higher for green beans, carrots and potatoes, which usually decrease at this time. Cabbage and onions were seasonally lower. Prices of apples, which had a sharp seasonal rise from mid-May to mid-June, declined 9% as the new crop began to be marketed. Prices for wheat flour were also reduced."

"Controlled food prices rose slightly — 0.3% — as a result of higher prices for fresh milk in Chicago and New York and for beverages, and certain meats. Other controlled foods for which increases were reported included canned fruits, shortening in cartons, corn syrup, rolled oats, vanilla cookies, and soda crackers. The increase for corn syrup is partly due to a change from tin to glass containers. Prices for macaroni, whole wheat bread, bananas, shortening not in cartons, sugar and canned vegetables were lower."

"Rental Costs to moderate-income families declined, on the average, 0.7%, with the initiation of Federal control in eight additional cities. Of the 21 cities in which rents were surveyed this month, 13 are now under Federal rent control. The sharpest decline, 6.9%, occurred in Baltimore, where the regulation provides that rents be returned to the level of April 1, 1941. In the other cities, the ceiling order was based on a more recent date, March 1, 1942. Small decreases were noted in other cities which have been designated as 'defense rental areas,' but where Federal control has not yet been formally instituted. A slight increase was reported in Washington, where rents have been controlled under a special law since the beginning of this year, and in Los Angeles, where rents are not yet under Federal control."

"Clothing Costs remained stable, reflecting the effect of the General Maximum Price Regulation. In a few instances, increases were

reported in prices of men's wool suits and in work shoes, but the Bureau's agents reported that these increases were largely due to a return to regular prices after sales in June. Dry cleaning charges were lowered in several cities, as a result of the imposition of the ceiling by the Office of Price Administration on July 1.

"Although All Housefurnishings are under price ceilings, increases in prices were reported in several cities, resulting in a slight increase of 0.1%. There were several reasons for the rise: Among them, prices returned to ceiling levels and discounts discontinued. Electrical equipment is no longer available to civilians in most cities."

"Prices Of Fuel Oil increased in cities in the Eastern States, as retailers were allowed an adjustment to cover increased transportation charges. Advances were reported in coal and coke prices in some cities. Rates for gas and electricity remained stable in all cities surveyed except Boston, where there was a rise in the cost of gas due to an adjustment for fuel costs."

"Average Costs For Other Goods and Services advanced 1.1%. The rise was due in most part to increases in gasoline prices allowed retailers in the East on June 27 because of higher transportation costs. (This increase was rescinded early in August.) In a few cities, laundry prices were reduced following ceilings imposed on July 1, but increases in laundry prices were reported from several other cities."

## Revise Regulations For Minute Man Award

The Treasury Department's Minute Man emblem, symbolic of 90% participation by a firm's employees in the voluntary payroll deduction method of War Savings, will come to mean even more than that in the future, it was announced Aug. 15 by Nevil Ford, State Administrator of the New York War Savings Staff. After that date, the Minute Man flag will not be awarded a firm unless its employees are subscribing an aggregate 10% of the firm's gross payroll in War Savings, as well as being 90% or better enrolled. The announcement added:

"A new form of Certificate of Award, embodying both the 10% and the 90% provisions of the revised qualifications, will be issued to eligible firms beginning Aug. 17. Only concerns which meet the requirements of the new Certificate of Award will be authorized to purchase the Minute Man flag beginning then, according to Mr. Ford."

"A revised form of certificate will be issued to firms whose employees reach 90% of group participation without meeting the 10% of payroll requirement. Such concerns will not be authorized to buy the Minute Man flag."

"Firms who qualified for a Minute Man flag on the former basis and who are now flying them will be permitted to retain them, but they will possess the old form of certificate and will not be entitled to the new until their employees have met the 10% of payroll requirement."

"As of Aug. 5, there were 4,373 firms in New York State having 234,265 employees, which meet the 90-10 percentage requirements for the new Certificate of Award, Mr. Ford declared."

## Sees Many Prospects For Home Ownership

There are five to six million heads of families, those who will run the civilian economy for the duration and hence expect to stay put, for whom buying a home will be a real wartime economy, according to the conclusion of the Home Building and Home Owning Committee of the United States Savings and Loan League. The Committee puts its stress on the purchase of existing homes, and says that such a policy is good inflation-hedging and that it will be lots easier for most people to start paying for their homes now than to wait until the war is over. The advices from the League went on to say:

"The Committee arrived at their figure by following recent estimates that out of a 56,000,000 unit national labor force, probably 20,000,000 will not be used in the armed forces or in war industry. They deducted from these 20,000,000 as home ownership prospects probably 11,000,000 or so who own their homes already; another million who have incomes too meagre for home ownership; another million and a half who will probably remain unemployed. Partially counteracting these deductions was the fact that relatively few childless or even unmarried men will be in the group keeping the home fires burning. All in all the Committee feels it is a conservative conclusion that five to six million should be prospects for home ownership during the war period."

"The Committee estimated that in spite of unprecedented volume of investments in government bonds this year on the part of savings and loan institutions, they will have \$1,000,000,000 to \$1,500,000,000 available from now to the end of the year to meet legitimate demands for home purchase loans."

## Factory Employment Up 1.6% In N. Y. State

Factory employment in New York State increased by 1.6% between the middle of June and the middle of July, according to a statement released Aug. 15 by Industrial Commissioner Frieda S. Miller. Total factory payrolls were 3.1% higher. Thousands of additional workers employed by food canners in the State accounted for a large part of the net increase for the month. The apparel industries also employed more people after laying off large numbers in June, said the advices from the Bureau, which added:

"Gains occurred during the month in the metals and machinery group, principally at large plants producing war materials. Most other manufacturing industries in the State were employing fewer workers in July than in June."

"The New York State Department of Labor's index of factory employment, based on the 1935-39 average as 100, stood at 141.6 (preliminary) in July. The corresponding payroll index was 218.5. Compared with July a year ago, the total number of factory wage earners had increased by 8%, and total factory payrolls by 28%. The average per capita earnings of factory wage earners were \$38.30 a week in July compared with \$32.20 a year ago, a gain of approximately \$6, or nearly 19%. Tabulations of the reports from 2,518 representative factories throughout the State form the basis of this analysis. These tabulations covered a total of 535,308 employees on a payroll of \$20,500,147 for the middle week of July. Reports are collected and analysis prepared by the Division of Statistics and Information under the direction of Dr. E. B. Patton."

## Wickard Favors Repeal of 110% Farm Parity Limitation And Livestock Ceiling Prices

Secretary of Agriculture Wickard on Aug. 19 expressed it as his belief that under the present circumstances it would be wise to repeal the 110% farm parity provision in the Price Control Act, and he likewise said he would favor ceilings on livestock prices if a practical plan for marketing could be evolved. Mr. Wickard went on to say that "such a plan must not permit abnormal profits to any one in the industry at the expense of the producers or consumers." Continuing, in a talk broadcast over the Blue Network, Mr. Wickard stated:

"With the necessary measures, such as allocation of supplies, the plan must facilitate a more equitable distribution of meats. Also the plan must be one that not only will protect packers from high prices, but also will protect farmers from low prices."

"I want to say this to consumers: There has been an impression abroad that lack of ceilings on livestock prices was the cause of the meat shortage in some areas. As I have explained, this is not true. It follows that putting ceilings on livestock prices will not increase the supply of meat to consumers. The reasons for putting the ceilings on livestock prices are to keep the packing industry in full operation, and to safeguard the price-control structure."

"So much for the first reason why farmers are being accused of profiteering."

"Another reason is the continued discussion of the provision in the Price Control Act that prohibits ceilings on processed farm products if the ceiling price reflects a farm price of less than 110% of parity."

"Now let me say right here that I have changed my own thinking on this question. I have changed because conditions have changed. A year ago, when I testified before a House Committee in support of the price control bill I approved the 110% limitation. At that time many prices were far below parity. It seemed to me that they could never average parity unless there was an opportunity for some of them to be slightly above parity at least part of the time. Now the situation is different. Farm prices have reached parity on an average. We are in war. Every day makes it clearer that we must put everything we've got into winning the war. Also every day makes it clear that we must take drastic steps to check inflation."

"Today the 110% provision is being pointed to by other groups to prove that farmers are asking for more than their fair share. It is being used as an argument to slow down economic controls in other fields."

"Under present circumstances I believe it would be wise to repeal this provision."

"It is my earnest hope that the prices of each farm commodity can be held at the level which will make completely effective the price-control part of the President's wartime economic program."

"I am not forgetting that production is all-important, and that we may need to increase returns to farmers on some products in order to get production of vital war commodities. In instances where changes within the framework of price control cannot accomplish this, I think it is in the national interest to give farmers increased returns through subsidies rather than through increased prices which may endanger the price-control structure."

Asking farmers to take the lead in the battle of inflation, Secretary Wickard said:

"Farmers want action now to win the battle against inflation. They favor controls clear across the board. But action is being held up behind a log-jam of unwillingness of each of the great economic groups to accept controls unless at the same time controls are placed on the others."

Farmers are ready to lead in breaking the log-jam.

"We cannot have continued rises in farm prices, or in any other prices, without losing the battle of inflation, and I am tonight asking the farmers of America to take the lead in this battle as they have taken the lead in the battle of production. The time has come to settle down to the business of winning this war, and we are not going to win it by talk. It is time for action. I am sure that the farmers of America stand ready to accept their full responsibility."

## Mtg. Bankers Plan To Insure Farm Loans

In an effort to supply the answer to President Roosevelt's expressed wish that the Federal Land Bank system be simplified to relieve the Federal Treasury of unnecessary subsidies, the Mortgage Bankers Association of America expects to propose shortly a system of mutual mortgage insurance for farm loans similar in many respects to that now in effect for city residence loans through FHA, according to an announcement made Aug. 24 by Frederick P. Champ, Association President. It is pointed out that a somewhat similar plan was suggested originally nearly two years ago but was not actively sponsored because since that time the principal legislation considered in the farm credit field has been the Fulmer Bill (H. R. 7091) which recently failed and will not be considered again at this session of Congress, according to its sponsors. The advices from the Association further state:

"Failure of this measure was followed by another temporary reduction in interest rate of Federal Land Bank and Land Bank Commissioner loans to 3½%, which was done through the Pierce Bill (H. R. 6315). When the President signed this measure on June 29 (noted in our July 9 issue, page 109), he declared 'it would cost the Federal Treasury somewhat over \$67,000,000 in subsidies during the two years it will be effective' and that there 'is no evident justification for imposing indefinitely upon the Treasury an expense which results solely from failure to adapt the basis upon which the Land Banks can operate to the realities of the function they have to perform.' He declared also 'that steps should be taken promptly to simplify the pattern of the system so as to eliminate its present inherent inefficiencies and thereby relieve the Treasury of the recurrent burden of these unnecessary costs.'"

Mr. Champ said in his announcement that the Association fully agrees with the President that the Land Bank system should be reorganized, that it is unfair to make the Treasury subsidize it further in the way it has been doing and that in its opinion, based upon nearly three years' intensive study by its committees, a modernized system can be envisioned now which will require no Federal money and would have the immediate effect of materially aiding the war program.

He said the Association's Farm Loan Committee is working along these lines and expects to have its proposal ready for legislative consideration in the near future.

## Steel Output Again Increased—PRP Being Revised—Gains Along Distribution Front

"Even though there are still such major problems as scrap shortages, inflation of high priority ratings and still a general failure on the part of some Government heads to see clearly the distribution requirements of the war effort, there have been definite mileposts of overall progress in the past few weeks," says "The Iron Age" in its issue today (Aug. 27), which further adds in part:

"For one thing, reports from important steel centers where operators are preparing to go to Washington this week to set up September quotas on various product output, are optimistic that this directive plan is working so well that it should be retained for the duration. At the same time it is understood that some similar action on the distribution of steel products will be forthcoming thus dovetailing the two. If this latter step is taken in the same cooperative spirit, the WPB and the steel industry may have then reached the point where 'all that can be expected' is being done with the steel made and shipped.

"Whatever happens, industry can well look forward to changes which mean more bookkeeping and new rules but it is thought that these changes will come less often and more effort will be made to find out whether some changes are actually needed instead of plunging into a new set of signals which in the past has hampered war output. For one thing, PRP is now being revised to bridge the gap between the old priority system and outright allocation.

"Gains are being made along the production and distribution front. An analysis of July steel output figures shows that the rate was at 94.5% of the new capacity figures. Had the scrap or other metallics been available, at least 500,000 tons more of steel could have been produced. For months and months the steel industry has operated at below its full rated capacity. Given the right amount of raw materials the country's mills should have, at least for several months, attained 102.5% of rated capacity or higher.

"From reliable sources 'The Iron Age' is told that a strong movement is underfoot to bring scrap from Great Britain where supplies are said to be comfortable for practically all mills there. The vast amount of lend-lease activity has sent abroad hundreds of thousands of tons of 'home' scrap which has made a dent in the United States supplies. Now it appears that there is a good chance that soon the scrap movement will be reversed and Britain, which for years imported scrap, will be helping out the United Nation's effort by sending scrap back to this country as ballast."

The American Iron and Steel Institute on Aug. 24, 1942, 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 97.3% of capacity for the week beginning Aug. 24, compared with 97.2% one week ago, 96.3% one month ago and 96.5% one year ago. This represents an increase of 0.1 point or 0.1% from the preceding week. The operating rate for the week beginning Aug. 24 is equivalent to 1,664,500 tons of steel ingots and castings, compared to 1,662,800 tons one week ago, 1,647,700 tons one month ago, and 1,594,400 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on Aug. 24 stated in part:

"The difficult problem of trimming potential steel demand to fit the available supply with the least harmful effect on the war production program will be given an opportunity for partial solution through disposition by WPB of Production Requirements Plan applications for fourth quarter material.

"With use of PRP mandatory for a large part of industry, a more accurate determination of future steel requirements is possi-

ble. By measuring these needs against indicated supplies the extent of the deficiency in the latter becomes apparent. However, even though authorizations for steel purchases by less essential consumers are scaled down further it is questionable whether all of the existing and prospective capacity for production of war goods can be fully satisfied.

"In any event, there is some hope that concentration on this distribution problem will result in a more orderly situation before the end of the year in the purchasing and scheduling of steel products.

"As an instrument in determining the urgency of manufacture of various finished products, WPB has been making use of a standard method of identification of use of material, termed the Allocation Classification System. Simplification of this system is in process and is expected to be announced shortly to be called the Production Code. It will follow the same basic principles as its predecessor but incorporates several important revisions.

"The scrap situation continues critical insofar as the future is concerned. Supplies are sufficient to maintain near-capacity operations at present, but the necessity of accumulating a reserve to tide mills over the winter when collections normally shrink makes it mandatory that shipments be stepped up further. This task is made more difficult by the fact that readily accessible tonnages already have been gathered. Auto graveyards, for example, are believed to have passed the peak as a source of scrap.

"Despite heavy production of structural shapes the past two months and the decline in private building work, supplies continue tight. Needs of shipyards and miscellaneous fabrication for war equipment have taken up much of the slack caused by the ban on certain types of construction.

"Certain producers of beehive coke for blast furnace use have been allowed a 50-cent advance in their price ceiling. The increase apply only to high-cost producers in Pennsylvania, those operating hand-drawn ovens and using trucked coal."

## Senate Group Resumes Study Of New Tax Bill

(Continued from First Page) took these other tentative actions: "Rejected a proposal that an additional credit be allowed in cases where wives work. It had been proposed that the credit amount to 10% of the wife's earnings, not to exceed \$50.

Rejected a motion to classify as dependents children between the ages of 18 and 21 who are attending school.

"Approved, with an amendment limiting its application to 'enlisted personnel,' a provision in the House bill giving men serving in the armed forces the exemptions in existing law—\$750 for single men and \$1,500 for married men. Senator George said the Committee's limitation would make the provision applicable to all non-commissioned personnel.

"Approved an amendment allowing non-resident aliens in contiguous countries—Canada and Mexico—a married person's exemption on income earned in the United States, if that person is in fact married and if the country of his residence allows a similar privilege for Americans earning income in that country. Under present law, a Canadian working

in the United States and commuting back and forth, is allowed only the single exemption of \$750 regardless of whether or not he is married."

At the Aug. 25 session the general question of withholding taxes at the source and the Ruml pay-as-you-go tax plan were slated for consideration and Senator George on Aug. 24 was reported as saying that it was possible the matter of a sales tax might be considered concurrently or immediately afterward. With respect to the tentative action taken by the Committee on Aug. 24, the Washington advices that day to the "Wall Street Journal" said:

"These actions coincided with developments which pointed to a spirited controversy within the Committee over the Ruml pay-as-you-go tax plan.

"Senator Clark (Dem., Mo.), Chairman of the special finance subcommittee studying withholding taxes, said that his three-man group has agreed unanimously to recommend approval of the plan as presented originally by Beardsley Ruml, Chairman of the Federal Reserve Bank of New York, and Treasurer of R. H. Macy & Co. He said the subcommittee was opposed to some modifications suggested last week by the Treasury and has not reached a decision on whether a withholding tax should be coupled with the Ruml proposal.

"On the other hand, the Treasury went on record as opposed to the Ruml plan unless it is revised in two important respects. A statement by Randolph Paul, Treasury tax spokesman, said the changes should be:

"First, provision for source collection, with withholding, at the rate of 19% of all income payments in excess of exemptions geared to the regular individual exemption and credit for dependents.

"Second, forgiveness of tax in order to get payments on a current basis should be only partial and not complete. It should be limited, Mr. Paul said, to the present normal tax of 4% and the first bracket surtax of 6%."

References to Mr. Ruml's proposals appeared in our issues of July 30, page 384, and Aug. 6, page 472.

As a result of its three weeks' hearings, the Committee is expected to make major alterations in the measure to bring it more in line with the Treasury's goal of \$8,700,000,000 in new revenue.

Senator George, following the recent hearings, said that he expected his group's draft of the bill to be reported out early in September but expressed doubt as to whether Congressional action on a new tax bill could be completed in time to start collection of higher excise taxes on Oct. 1.

Senator George asserted that he had been convinced by testimony before the Committee "that if the high rates as fixed by the House remain in the bill, it will be imperative that some relief be given both corporations and individuals by the establishment of some form of debt deduction and postwar credit."

Regarding the Senate group's closing hearing, the Associated Press on Aug. 14 said:

"The Committee heard a suggestion from Prof. Irving Fisher of Yale University that it adopt a new form of taxation which would place levies on spending, rather than upon saving.

"The Yale economist proposed a 5% levy on all money spent by an individual during a year above \$500 for an individual and \$1,000 for married couples. Rates would be graduated upward to 50% on all over \$45,000 spent by an individual and \$90,000 by a married couple.

Professor Fisher suggested that business firms should be allowed to deduct reasonable expenses, reinvestment, taxes and other items before the levy was assessed against their receipts.

"Taxing undivided profits, corporation reserves and individual savings, he said, meant killing the goose that must lay the golden revenue eggs in the years to come. He insisted that the time for long-range tax planning was here.

"John L. Connolly of St. Paul, counsel for the Minnesota Mining and Manufacturing Co., urged repeal of a law which permits the Government to renegotiate war contracts to scale down profits. George said if any such action were taken, Congress ought to write an over-all profit limitation on such contracts."

On Aug. 15 Sen. Tom Connally, Democrat of Texas, advocated a 50% or 60% excess-profits tax on individuals as part of the 1942 tax bill. The United Press, indicating this, said:

"Senator Connally has been seeking a way of recapturing increased earnings attributable to the war.

"He urged a special tax on that part of individual income which is in excess of average earnings for the last five years after deduction of taxes provided in the House bill. These would begin at 19% on the first dollar of taxable income."

The Senator's proposal was announced following the close of the Committee's hearing. On Aug. 13, Senator McCarran (Democrat) of Nevada, declaring that metals, not taxes, will win the war, told the Senate Committee that the present tax structure was retarding mining development and recommended special concessions to spur production of essential minerals. His recommendations, according to Associated Press advices from Washington, were:

"1. Allow mining operations the same depreciation allowances as are granted oil wells—27½% of annual gross earnings to be deducted for tax purposes rather than 15%, the prevailing rate for most ore mines.

"2. Base period income of a mine for tax purposes to be computed on the average of three out of four base-period years.

"3. Give mines an 'adequate' non-taxable allowance for reserve funds to develop new ore bodies.

"4. Accord special treatment to mining operations of strategic minerals which were exempted from excess profits tax by the 1940 Revenue Act, 'as well as other mines of short or uncertain life which have been brought into production to meet war needs; and that there be no Federal income tax or excess profits tax upon the proceeds of such operations until the capital investment is recovered."

"5. Defeat the House-approved excise tax on freight."

On Aug. 12 the American Federation of Labor notified Congress that it was opposed to a limitation of net incomes to \$25,000 annually, as proposed by President Roosevelt and supported by a spokesman for the Congress of Industrial Organizations. From the Associated Press we quote:

"Raymond G. Cranch of the Washington research staff of the A. F. of L. told the Senate Finance Committee that his organization realized that many independent business men would find it necessary to restrict their activities, reduce their war work and decrease their employment of labor under such a limitation. He commented:

"The nation would indeed be shortsighted to limit productivity of its business men by such an arbitrary and inflexible rule."

"Mr. Cranch said the A. F. of L. approved the levying of high taxes to win the war 'but can see no justice in arbitrary wage freezing, either for the worker or for the employer."

"The A. F. of L. representative opposed suggestions for an 'excess-profits' tax on increased individual incomes and urged post-war rebates for corporations pay-

ing over 75% of their total net income in taxes.

"Opposing other pay roll tax deductions, Mr. Cranch said the A. F. of L. believed social security levies could be increased. He urged that individuals be permitted to take deductions from income taxes for medical care and the payment of life insurance premiums. He expressed opposition to a general sales tax."

References to the Senate Committee's hearings appeared in our Aug. 13 issue, pages 521, 539, 541 and 542, and in our Aug. 20 issue, page 631.

## Signs Bill To Aid Service Men's Dependents

President Roosevelt signed on Aug. 21 the bill permitting immediate payment of allowances to dependents of men in the armed services. Congressional action had been completed on Aug. 17 when the Senate approved the measure. The bill, which had passed the House on Aug. 13, removes the limitation in the Servicemen's Dependents Allowance Act of 1942 forbidding payment of these allowances until after Nov. 1. The amending legislation does not make it mandatory for the War and Navy Departments to make these payments now, but it permits such allowances as they become due. The payments are retroactive to June 1.

The War Department had voiced its disapproval of the bill but the Navy recommended enactment.

In opposing the legislation for the War Department, Robert P. Patterson, Acting Secretary of War, stated on Aug. 5:

"The War Department is in favor of commencing payment of family allowances at the earliest practicable date, but the Department is firmly of the opinion that Nov. 1, 1942, is the earliest practicable date upon which payments can reasonably commence."

At the time the original bill was enacted in June both service branches asked Congress for a period of delay in payment to enable them to set up and perfect the organization and procedures of operations for the administration of the law.

Passage of the original measure was referred to in these columns July 2, page 24.

## Unit To Aid Steel Mills

Secretary of Commerce Jesse Jones announced on Aug. 16 that a new corporation—War Materials, Inc.—is being established as operating agent for the Metals Reserve Corporation, a subsidiary of the Reconstruction Finance Corporation, to assist consuming steel mills in meeting their heavy requirements. The new corporation, Mr. Jones said, will buy and sell to the mills a minimum of 5,000,000 tons of iron and steel scrap. The scrap is to be obtained from obsolete plants and unused machinery, which could not be marketed within the scrap price ceiling without government subsidy for dismantlement, freight and other costs.

## California Business Up

Under the momentum of expanding war production, business in California during July registered a gain over the previous month, to reach a new peak, according to the "Business Outlook," released by the Wells Fargo Bank & Union Trust Co. of San Francisco. The Wells Fargo index rose to a preliminary July level of 201.2% of the 1935-39 average from 196.9% in June, and was 40.4 points above the July level last year. Comparing July, 1942, with the preceding month, all four of the index factors—industrial production, freight carloadings, bank debits, and department store sales—were higher.

## President Warns Axis On Barbaric Crimes

President Roosevelt issued on Aug. 21 a warning to the Axis Powers that their "barbaric crimes" against civilian populations of occupied countries will have to be answered for after the United Nations win the war.

In a formal statement the President said that "the time will come when they (the perpetrators) shall have to stand in courts of law in the very countries which they are now oppressing and answer for their acts." Mr. Roosevelt issued his warning after receiving from Secretary of State Hull a communication signed by the Ambassador of the Netherlands and the Ministers of Yugoslavia and Luxembourg on behalf of the governments of Belgium, Greece, Luxembourg, Norway, the Netherlands, Poland, Czechoslovakia, Yugoslavia and the French National Committee in London. The President in his current statement also reiterated his remarks of last October incident to the execution of innocent hostages in occupied France (given in these columns Nov. 6, 1941, page 944).

The President's statement of Aug. 21 follows:

"The Secretary of State recently forwarded to me a communication signed by the Ambassador of the Netherlands and the Ministers of Yugoslavia and Luxembourg on behalf of the governments of Belgium, Greece, Luxembourg, Norway, Netherlands, Poland, Czechoslovakia, Yugoslavia and the French National Committee in London, calling attention to the barbaric crimes against civilian populations which are being committed in occupied countries, particularly on the continent of Europe.

"In this communication attention was invited to the declaration signed in London on Jan. 13, 1942, by the representatives of nine governments whose countries are under German occupation. This declaration affirmed that acts of violence thus perpetrated against the civilian populations are at variance with accepted ideas concerning acts of war and political offenses as these are understood by civilized nations; stated that the punishment, through the channel of organized justice, of those guilty and responsible for these crimes is one of the principal war aims of the contracting governments; and recorded the determination of the contracting governments, in a spirit of international solidarity, to see to it that those guilty and responsible, whatever their nationality, are handed over to justice and tried and that the sentences pronounced are carried out.

"The communication which I have just received from the chiefs of mission of the Netherlands, Yugoslavia and Luxembourg states that these acts of oppression and terror have taken proportions and forms giving rise to the fear that as the defeat of the enemy countries approaches the barbaric and unrelenting character of the occupational regime will become more marked, and may even lead to the extermination of certain populations.

"As I stated on Oct. 25, 1941:

"The practice of executing scores of innocent hostages in reprisal for isolated attacks on Germans in countries temporarily under the Nazi heel revolts a world already inured to suffering and brutality. Civilized peoples long ago adopted the basic principle that no man should be punished for the deed of another. Unable to apprehend the persons involved in these attacks, the Nazis characteristically slaughter fifty or a hundred innocent persons. Those who would 'collaborate' with Hitler or try to appease him cannot ignore this ghastly warning.

"The Nazis might have learned from the last war the impossibility of breaking men's spirit by terrorism. Instead they develop their 'Lebensraum' and 'New Order' by depths of frightfulness which even they have never approached before. These are the acts of desperate men who know in their hearts that they cannot win. Frightfulness can never bring peace to Europe. It only sows the seeds of hatred which will one day bring fearful retribution."

"The Government of the United States has been aware for some time of these crimes. Our Government is constantly receiving additional information from dependable sources and it welcomes reports from any trustworthy source which would assist in keeping our growing fund of information and evidence up to date and reliable.

"The United Nations are going to win this war. When victory has been achieved, it is the purpose of the Government of the United States, as I know it is the purpose of each of the United Nations, to make appropriate use of the information and evidence in respect to these barbaric crimes of the invaders, in Europe and in Asia. It seems only fair that they should have this warning that the time will come when they shall have to stand in courts of law in the very countries which they are now oppressing and answer for their acts."

"I have been informed that the United States of Brazil has today recognized that a state of war exists between Brazil, on one hand, and Germany and Italy on the other hand.

## Brazil Declares War On Germany & Italy

Brazil formally recognized on Aug. 22 that a state of war exists between that country and Germany and Italy as a result of ship sinkings in Brazilian waters by Axis submarines.

In a note to Germany and Italy, Brazil said:

"A peaceful international policy was maintained by Brazil, until now out of the war in which almost all nations are involved including some in this hemisphere.

"Despite the declaration of American solidarity from the eighth International Conference at Lima, the first, second and third reunions of foreign ministers of the American Republics at Panama in 1939, at Havana in 1940 and at Rio de Janeiro in 1942, the Brazilian government was unvaried in its attitude, although American territory had been attacked by the forces of Japan and a state of war existed between that sister republic and the aggressor empire and Germany and Italy.

"Meanwhile, the fourteenth declaration of the second of those reunions established: 'That an attempt by a non-American state against the integrity and inviolability of territory and against the sovereignty and political independence of the American state will be considered an act of aggression against the states signing this declaration.'

"Consequently, an attempt against the integrity of territory and sovereignty of the United States would be considered an act of aggression against Brazil, determining our participation in the conflict and not a simple declaration of solidarity with the attacked, followed some time later by breaking diplomatic relations with aggressor states.

"Without consideration for this peaceful attitude of Brazil and under the pretext of a need to make total war against a grand American nation, Germany attacked and sank without previous warning various Brazilian merchant units which were engaged in commercial navigation within the limits of the continental seas, fixed in the Fifteenth Declaration at Panama.

"To these acts of hostility we limited ourselves to diplomatic protests designed to obtain satisfaction and just indemnification, reaffirming in these documents

our intentions to maintain a state of peace.

"Greater proof is not possible of Brazilian tolerance and of her peaceful intentions. Now occurs the fact of flagrant infraction of the rules of international law.

"Despite the simplest principles of humanity, five vessels, the Baependy, Annibal, Benevolo, Arara, Araraquara and Itagiba, were attacked on the Brazilian coast while traveling in coastal commerce. They were carrying military and civil passengers and merchandise for northern Brazilian ports.

"There is no way to deny that Germany and Italy practiced war acts against Brazil, creating a belligerent situation which we are forced to recognize in defense of our dignity and sovereignty, our safety and that of America, and to repel it as our forces are able."

After receiving official notification that Brazil had declared war on Germany and Italy, President Roosevelt, in a message to President Vargas, on Aug. 22, said that the action "adds power and strength, moral and material, to the armies of liberty" and "has hastened the coming of the inevitable victory of freedom over oppression." The President's message follows:

"On behalf of the Government and people of the United States I express to Your Excellency the profound emotion with which this courageous action has been received in this country. This solemn decision more firmly aligns the people of Brazil with the free peoples of the world in a relentless struggle against the lawless and predatory Axis powers. It adds power and strength, moral and material, to the armies of liberty. As brothers in arms, our soldiers and sailors will write a new page in the history of friendship, confidence, and cooperation which has marked since the earliest days of independence relations between your country and mine.

"The action taken today by your Government has hastened the coming of the inevitable victory of freedom over oppression, of Christian religion over the forces of evil and darkness.

"I send you my warmest personal regards and expressions of the fullest confidence in the success of our common cause."

Under date of Aug. 21, Associated Press accounts from Rio de Janeiro said:

"The loss of 169 Army officers and men in the recent Axis torpedoing of the Brazilian coastal vessels Baependy, Itagiba and Araraquara was announced officially today as United States and Brazilian planes searched off the 5,000-mile coastline for Axis submarines, including one which ascended a small coasting vessel with demands for fuel and food.

"The three ships were among five whose sinking in a space of three days was announced by the Government last Monday. Eighty-eight soldiers were saved. There were no accurate figures on civilian losses, but it appeared certain that civilian and military victims numbered more than 600."

## New Cotton Exch. Members

At a meeting of the Board of Managers of the New York Cotton Exchange held on Aug. 20, Clyde L. Patton of Patton Brothers, Memphis, Tenn., and James Madison Fowler of J. M. Fowler Co. of Marietta, Ga., were elected to membership in the Exchange. Mr. Patton is also a member of the Memphis Cotton Exchange.

## Investments In Fed. Savs.-Loan Ass'ns Up

The Federal Savings and Loan Insurance Corporation revealed on Aug. 15 that investments in insured thrift and home-financing institutions increased more than \$100,000,000 in the first six months of 1942. "Since January, the trend of new investments has been upward and in June the rate of increase was 1.8% over the previous month, equal to the rate of gain a year ago," said Oscar R. Kreutz, General Manager of the Insurance Corporation. "For the first six months of 1942 as a whole, the gain in investments was approximately half that of the first six months of 1941." He further said:

"This lower rate of increase was to be expected. The nationwide campaign to sell War Bonds and Stamps, in which insured associations are taking an important part, has diverted a great volume of savings from ordinary channels into war securities. The larger the flow of money into War Bonds the better—for investment in those bonds is a primary duty of all Americans.

"At the same time, the volume of other types of saving is encouraging, too. The hope is that citizens not only will invest at least 10% of their income in War Bonds but keep up their regular savings programs and build up a huge reserve of spending power for after the war. Then spending for new homes and other cherished objectives will be as important to the Nation's economy as savings is now."

The savings of more than 3,000,000 investors in 2,374 savings and loan associations on June 30 totaled nearly \$2,736,258,000, as compared with \$2,589,466,000 at the end of 1941, it is stated, and it is added that about \$41,000,000 of this increase was accounted for by investments in 39 associations accepted for insurance during the period and was not included by Mr. Kreutz in his estimate of increased savings in the January to June period.

## Govt. Acts To Avert Farm Labor Shortage

New measures to help avert shortages of farm labor in critical producing areas were announced on Aug. 7 by the War Manpower Commission through Chairman Paul V. McNutt, and Secretary of Agriculture Claude R. Wickard, agricultural member of the Commission. They outlined Governmental actions to help transport domestic labor into such areas, and also set forth the relationship between the program for expediting movement of domestic labor and the arrangement by the Governments of Mexico and the United States for making available Mexican farm workers if workers cannot be obtained from within the United States. The announcement issued by the Department of Agriculture added:

"Chairman McNutt and Secretary Wickard pointed out that a major operating principle of the programs for Government help in recruiting and transporting farm labor is that adequate working standards and protection must be given the workers. Minimum working conditions for farm labor thus are established whenever Government aid is invoked to recruit or transport such workers. Not until it is clear that such minimum working standards and protection have been established, and that no domestic workers are available for jobs at such standards will workers be brought in from Mexico. The workers from Mexico will be afforded standards and protection equivalent to those afforded domestic workers."

Under the arrangement announced by the two Governments the following, in general, are the

terms under which Mexican workers may be brought into the United States:

"1. Mexican workers will not be used to displace domestic workers and will serve only to meet additional needs for which sufficient domestic labor is not available.

"2. Payment of transportation expense from the point of origin of worker to employment centers in the United States and return shall be provided.

"3. Employment shall be provided for at least three-fourths of the working days in the contract period.

"4. Payment shall be on the basis of prevailing wages in the area for comparable work, with a minimum wage of 30 cents an hour, or an equivalent piece work rate, and subject to provisions of existing applicable laws.

"5. Adequate and sanitary housing conditions will be available for such labor."

From the Department's announcement we also quote:

"To implement the arrangement, the services of a number of agencies of the United States Government will be required. Responsibilities will be shared among the Immigration Service of the Department of Justice, the U. S. Public Health Service, and the United States Employment Service of the Federal Security Agency, and the Farm Security Administration of the Department of Agriculture. The necessary arrangements are now being made by the various agencies involved. United States farmers in the areas in which Mexican labor is to be employed to make up for shortages of domestic labor will place their orders with the U. S. Employment Service. Final arrangements on transportation will be made with the Farm Security Administration."

## Allotment Figures On "Tap" Bond Sale

Secretary of the Treasury Morgenthau announced on Aug. 24 that total subscriptions for the 2½% Treasury Bonds of 1962-67—the "tap" issue—were \$1,236,107,300. All subscriptions were allotted in full. The books for this issue, designed especially for investment by other than commercial banks, were open from Aug. 3 to Aug. 15. When these "tap" bonds were first offered in May, total sales amounted to \$382,078,700. These bonds are an addition to and form a part of the series sold in May.

An analysis of the sales showed that there were 9,357 separate subscribers, with the largest classification represented by individuals, with 5,332. A breakdown of the subscriptions by types of investor disclosed that insurance companies purchased \$762,005,000; savings banks, \$124,377,500; individuals, \$35,608,600, and all others, including the Treasury, \$314,116,200.

Preliminary results of the offering were given in these columns Aug. 20, page 632.

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

|                                  | Total Subscriptions Received and Allotted |
|----------------------------------|---|
| Federal Reserve District—        |   |
| Boston                           | \$84,280,400                              |
| New York                         | 752,031,300                               |
| Philadelphia                     | 77,514,200                                |
| Cleveland                        | 32,928,100                                |
| Richmond                         | 21,116,500                                |
| Atlanta                          | 5,997,300                                 |
| Chicago                          | 50,683,400                                |
| St. Louis                        | 5,802,300                                 |
| Minneapolis                      | 22,583,000                                |
| Kansas City                      | 10,826,000                                |
| Dallas                           | 14,588,300                                |
| San Francisco                    | 22,476,200                                |
| Treasury (for Govt. inv. accts.) | 135,290,300                               |
| Total                            | \$1,236,107,300                           |

## Fair Employment Group Transfer Explained

President Roosevelt's recent transfer of his Committee on Fair Employment Practice to the War Manpower Commission was intended to strengthen the group, the White House explained in a statement issued Aug. 17. The Committee had been originally independent.

The White House statement follows:

"The President has read and considered the various communications regarding the transfer of his Committee on Fair Employment Practice to the War Manpower Commission.

"He regrets that this transfer and the reasons therefor have been so widely misunderstood.

"It is the intention to strengthen, not to submerge, the committee and to reinvigorate, not to repeal, Executive Order 8802.

"The committee will gain strength by operating directly within the War Manpower Commission to which, essential and extraordinary powers for the mobilization and use of all available men and women in the war effort have been given.

"The committee will make full use of the various branches and agencies of the Manpower Commission to increase the effectiveness and the range of its activities. It will have the co-operation, service and assistance of the personnel of these branches and agencies. It will have the friendly supervision of the chairman of the commission, Mr. Paul V. McNutt, whose grasp of the whole problem of manpower utilization will be of great assistance to the Committee on Fair Employment Practice.

"At the same time, as the President said in his letter of transfer, issued July 30, 'the committee shall be preserved as an organizational entity.' It will carry on its receipt, investigation and redress of complaints of discrimination in employment in war industries, in training agencies, and in the departments of the Federal Government in order to accelerate and reinforce the all-out effective use of our manpower potential without regard to race, creed, color and national origin of any man or woman.

"Moreover, the committee will continue to refer to the President all matters which, in its judgment, require his decision."

## Authorize "Waves"

President Roosevelt signed on July 30 the bill establishing the Women's Reserve in the Navy. Although there is no Congressional limit on the size of the reserve, the Navy has fixed the first enrollment at 11,000 members.

The Women's Reserve, to be an integral part of the Navy, will take the place of regular Navy personnel in non-combatant shore posts within continental United States. The members of the unit will receive the same pay as the corresponding rank provides for the men in the Navy. Women between the ages of 20 and 50 are eligible for service.

Congressional action on the legislation was reported in these columns of July 23, page 276.

The head of the newly created Women's Reserves in the Navy, which latter is known as the Navy Waves, is Miss Mildred H. McAfee, President of Wellesley College. As Lieut-Commander of the Women's Reserves, U. S. N. R., took the oath of office in Washington on Aug. 3. Washington advices on that date to the New York "Herald Tribune" said:

"The swearing in ceremony took place in the office of Frank Knox, Secretary of the Navy. Mr. Knox administered the oath in the presence of Admiral Ernest J. King, Commander-in-Chief of the United States Fleet, and Rear Admiral Randall Jacobs, Chief of

the Bureau of Navy Personnel, and news camera men."

In the same account Miss McAfee was quoted as saying:

"I have been offered a high honor and a great responsibility. As an individual I should not venture to accept either. I do, however, accept the honor on behalf of the colleges of America. They have shown themselves to be agencies of importance in the American scene, if academic administrative experience is considered of value to the Navy. I accept the responsibility as a representative of the women of America who welcome each new opportunity to render service to the Nation.

"The Waves are only one group of women who are trying to serve the Nation through helping the Navy. They join the Navy nurses, the Navy wives, the civilian employees as volunteers asking to be called upon for hard work and the privilege of service."

Miss McAfee is on leave from Wellesley for the duration of the war. It was stated in United Press advices from Washington July 23 that when the bill just signed by the President became a law the Navy expected to train 10,000 to 12,000 women for various tasks performed by men.

## President Urges Public To Turn In Steel Scrap

President Roosevelt urged on Aug. 7 that every possible ton of scrap steel be turned in in furtherance of the War Production Board's campaign for 17,000,000 tons of steel scrap needed to insure production in 1943. The President, at the request of WPB Chairman Donald M. Nelson, read to his press conference a statement appealing for the scrap. Mr. Roosevelt said that many statues and cannons now decorating parks throughout the country ought to be converted into new war weapons, adding that they could be replaced after the war with something more artistic.

Mr. Nelson's memorandum, which the President read, follows:

"We are engaged in an intensive drive to collect all the scrap steel possible to increase present production.

"We are keeping ahead of the blast furnaces now, but need all the steel we can get to keep ahead of production. We want to accumulate 17,000,000 tons of scrap steel to insure production through 1943.

"We want to have all abandoned steel structures, abandoned railways, buildings and farm machinery and any miscellaneous steel copper, brass and rubber that is lying around the homes of the country."

## New Dwellings Decrease

Construction was started on 302,000 new dwelling units in non-farm areas during the first half of 1942, principally to provide homes for war workers, Secretary of Labor Perkins reported on Aug. 8. "The number of new dwelling units provided during the first half of 1942 represents a decrease of 18% as compared with the corresponding period of 1941," she said. Miss Perkins advices further stated:

"This drop, the result of a 38% decrease in new construction by private builders, is largely due to the War Production Board's order of April 9, halting all but the most essential construction. The Bureau of Labor Statistics of the United States Department of Labor estimates the permit valuations of the new dwelling units put under construction during the first half of this year to aggregate approximately \$967,000,000. The non-farm area of the United States is defined by the Bureau of the Census as including all urban places, and all rural places except farms.

"Publicly financed projects for which construction contracts were

awarded during the first six months of 1942 will provide accommodations for 107,952 families. It amounts to more than one-third of the total residential construction. Of this number, 105,987 units are under the jurisdiction of the Federal Public Housing Authority of the National Housing Agency, and are designated for war workers or families of military personnel. During the first six months of 1941, 54,555 units, of which 48,859 were reserved for war workers, were put under construction contract in publicly financed projects. By the end of June, 1942, the Federally financed war housing program had completed or under construction contract a total of 226,788 dwelling units in continental United States, not including dormitories, trailers, or portable units.

"One-family dwellings comprised approximately 85% of the total construction in the first half of 1942; 2-family dwellings accounted for 4% and apartment houses for 11%. This is about the same as the distribution in the first half of 1941. In the first quarter of 1942 an unusually large proportion of multifamily dwelling units were started, but this was offset in the second quarter by a large number of 1-family demountable units put under construction contract for public projects."

## Non-Farm Mtg. Records In First 6 Months High

More than \$2,000,000,000 of non-farm mortgages of \$20,000 or less were recorded in the United States in the first half of 1942, according to an estimate announced Aug. 8 by the Division of Research and Statistics of the Federal Home Loan Bank Administration. This estimate was 10% less than the post-depression high level reached during the comparable period last year but was still 6% above the volume estimated for the first half of 1940, said the announcement, which quoted the report as saying:

"Banks and trust companies experienced the greatest decrease in recording activity from the first six months of 1941, 17%, followed by savings and loan associations with a 15% reduction. For these two classes—the leaders in volume—the declines so far in 1942 roughly compensated for rises experienced last year, leaving their lending volume approximately on a parity with the same 1940 period. Each of the other principal classes of lender reported a gain of at least 10% over the two years."

Savings and loan associations continued to lead the home mortgage field during the period, accounting for nearly 32% of the 687,638 mortgages recorded; and 30% of the dollar amount, the summary showed. Banks and trust companies were second with 20 and 23% in number and amount respectively. The report added:

"During last June the total volume of mortgage recordings was \$342,250,000, 2% lower than in May and a reduction of 20% from June, 1941. The greatest May-June reduction, 6%, was experienced by life insurance companies, followed by a 4% decrease for commercial banks. Mutual savings banks and miscellaneous lenders alone reported rises—1% during the month."

## U. S. Mission To Bolivia

The State Department announced on Aug. 11 the signing of an agreement with Bolivia for the sending of a United States Military Commission to advise that country's armed forces. The pact, signed by Secretary Hull and Luis Fernando Guachala, the Bolivian Ambassador, will run for four years and is similar to agreements with other American republics.

## Cotton Consumption In July At High Peak

Under date of Aug. 15, 1942, the Census Bureau issued its report showing cotton consumed in the United States, cotton on hand, active cotton spindles, in the month of July. In the month of July, 1942, cotton consumed amounted to 995,041 bales of lint and 128,123 bales of linters, as compared with 966,940 bales of lint and 127,219 bales of linters in June, 1942, and 929,782 bales of lint and 134,657 bales of linters in July, 1941.

For the 12 months ending July 31, cotton consumption was 11,172,328 bales of lint and 1,494,073 bales of linters, against 9,721,703 bales of lint and 1,358,950 bales of linters in the same 12 months a year ago.

There were 2,252,690 bales of lint and 468,992 bales of linters on hand in consuming establishments on July 31, 1942, which compares with 1,876,776 bales of lint and 468,992 bales of linters on July 31, 1942.

7,632,193 bales of lint and 59,204 bales of linters were on hand in public storage and at compresses on July 31, 1942, and 9,703,976 bales of lint and 59,204 bales of linters on July 31, 1941.

There were 23,111,848 cotton spindles active during July, 1942, which compares with 23,028,082 active cotton spindles during July, 1941.

## Canada Crop Conditions Continue Favorable

Weather that has been generally favorable for crop development has prevailed in the Canadian Prairie Provinces for the week ended Aug. 13, according to the crop report of the Bank of Montreal. It is stated that except in a few scattered areas, moisture is ample and warm dry weather is a major requirement to lessen danger from rust and early frosts. It is further indicated:

"Although cutting of wheat has commenced in Manitoba and in a few southern districts, it will not be general for about two weeks. Good yields are indicated from the harvesting of rye and barley, while oats continue to show steady progress. Further lodging and slight hail damage is reported.

"Continued good weather and favorable yield prospects are reported for fruit, grain and vegetable crops in Quebec and Ontario. Although lack of sufficient moisture for good growth is reported in some sections of the Maritime Provinces, conditions generally continue to be favorable there and in British Columbia.

## Payment On Cordoba 7s

The City of Cordoba (Argentine Republic) has provided for payment in full in U. S. currency dollars of all claims represented by its outstanding 7% external sinking fund gold bonds of 1937 which the city has not previously purchased, according to an announcement made by White, Weld & Co., fiscal agents for the loan. From the notice we also quote:

"Holders of the bonds are being notified by the fiscal agents that payment will be made, including interest to Aug. 15, 1942, whether or not bonds have been stamped under the settlement, dated July 1, 1939, of the suit on the bonds previously instituted by White, Weld & Co. in Argentina. The amount distributable by White, Weld & Co. per \$1,000 bond will be \$1,152.67 or \$1,472.29, depending upon whether the bonds were or were not stamped pursuant to the 1934 Readjustment Plan, in either case less deduction for expenses. Funds distributable on bonds deposited with the Committee of which Fred J. Young is Chairman have been paid to that Committee."

## July Living Costs Up In Industrial Cities

Living costs for wage earners and lower-salaried clerical workers rose from June to July in 34 of the 67 cities surveyed each month by the Conference Board, which on Aug. 17 reported that in three cities—Los Angeles, Sacramento and Baltimore—the cost of living advanced 1.0% or more. No change occurred in nine cities, while in 24 costs fell from 0.1 to 0.6%. In the United States as a whole, the level of living costs rose 0.2%, due chiefly to a 0.8% increase in food prices. The Board likewise states:

"The cost of living was higher this July than in July, 1941, in all the cities for which comparable figures are available. It rose above the level of a year ago from 7.4% in Louisville, the smallest increase shown, to 15.6% in Oakland, the largest. For the United States as a whole, the cost of living increased 9.7% during the 12-month period.

## Traitor Must Hang

Federal Judge Arthur J. Tuttle decreed in a Detroit court on Aug. 6 that Max Stephan must die for treason against the United States. The German-born Detroit restaurant owner, who had been convicted by a jury on July 2, was ordered to be hanged at the Federal Correctional Institution at Milan, Mich., on Nov. 13.

He was charged with having assisted a Nazi prisoner of war who had escaped from a Canadian camp but was later recaptured in Texas. United Press accounts from Detroit Aug. 6 said:

"It was the first Federal treason conviction since the Whisky Rebellion of 1781. In each case arising from the Pennsylvania whisky rebellion a pardon was granted the convicted person."

## Assume Coffee Exch. Posts

William B. Craig, Vice-President of the New York Coffee & Sugar Exchange, was elected its President at a special election of officers held on Aug. 20. At the same time John C. Gardner was elected Treasurer. Both positions had been rendered vacant earlier in the month upon the resignation of W. W. Pinney and Richard L. Lamborn, the previous incumbents, in order to take up active duty as Naval Lieutenants, as noted in these columns Aug. 13, page 527. Mr. Craig has been associated with the sugar industry since 1910, serving as general purchasing agent for the Spreckels Sugar Co. and Western Sugar Refinery of San Francisco until 1920 when, as representative of the Spreckels interests, he went to the Philippines as Resident Manager of the Pampanga Sugar Mills in Manila. The advices from the Exchange further stated:

"Upon his return to this country he became associated with Hawaiian sugar interests as New York manager of Theo. H. Davies & Co., Ltd., and Vice-President of the Honolulu Iron Works Co. In 1937, Mr. Craig was elected President of Ledward, Bibby & Co., Inc., of New York, who have been the largest importers of Philippine sugar in the United States. Mr. Craig is a director of the New York Sugar Trade Laboratory and has been a member of the Exchange since April, 1930. He has served on the Board of Managers of the Exchange since 1939 and was elected its Vice-President in 1942.

"Mr. Gardner has been actively engaged in the sugar business here with Lowry & Co., Inc., and its predecessor firm, E. Atkins & Co., since 1922, and has been Vice-President of the firm since 1932. He was elected to membership in the Exchange in 1932 and has served on the Board of Managers since January of this year."

## More Negroes Placed In Industrial Work

Industrial placements of skilled and semi-skilled Negroes have increased in New York and New England during the last month and a shortage of qualified Negro workers is developing. Paul V. McNutt, Chairman, War Manpower Commission, was recently informed, according to advices made public by the Commission on Aug. 8, which went on to say: "At the same time, however, Negro enrollment in war training classes in the Metropolitan area and New York City area has increased from 4% to 10% of the total number of trainees."

"These developments were reported to Chairman McNutt by Dr. Robert C. Weaver, Director of the Negro Manpower Service, War Manpower Commission. The rise in Negro placements were credited to the coordinated efforts of the Committee on Fair Employment Practice, the Governor's Committee on Discrimination, the regional office of the War Manpower Commission, and the cooperation of trade unions in the area."

"The increase in Negro training included the enrollment of additional colored girls in aircraft classes following the placement of Negro female trainees at the Eastern Aircraft plant of the General Motors Corporation at Tarrytown, N. Y. At the same time welding training was opened for Negroes at the Rheem Shipbuilding Company in Providence, R. I., thereby permitting colored workers to be trained for every skilled operation in the yard."

"During the month, several thousand skilled, semi-skilled and unskilled Negro workers were cleared through the United States Employment Service for construction work on up-State jobs, with a large number receiving employment in an ordnance plant at Niagara and at the Naval Training Station at Sampson, N. Y."

"The United Electrical Radio and Machine Workers of America, CIO, continued its campaign for the placement of Negro workers in the New York area, with two locals, 1225 and 1227, placing more than 50 colored men and women last week in shops under contract to those locals."

"Other developments included an agreement with a large defense firm in Providence, R. I., for the employment of additional Negro women, and a similar agreement with the Sperry Gyroscope Co. for the admission of Negro women to its training courses for employment in that company's new Lake Success plant."

### August 1 Cotton Report

A United States cotton crop of 13,085,000 bales is forecast by the Crop Reporting Board of the United States Department of Agriculture, based upon information gathered as of Aug. 1. Such a production would be 2,341,000 bales, or 22% more than the 1941 crop, and only about two-tenths of 1% less than the 10-year (1931-40) average. This would be the largest crop since 1937.

The average yield for the United States is forecast at 266.7 pounds per acre, which is 34.8 pounds more than the 1941 yield, and 51.7 pounds more than the 10-year average of 215.0 pounds per acre.

Above-normal temperatures during July, coupled with optimum rainfall in most areas, held weevils in check and, has been generally beneficial for the development of the crop. Yields per acre are indicated to be above average for all States except Arizona and above 1941 except in Arkansas, Missouri, Virginia, and Tennessee where unusually high yields were produced last year.

The 23,544,000 acres published in this report is the estimated acreage in cultivation on July 1

less the 10-year average abandonment from natural causes. This acreage is 5.9% more than that harvested in 1941. The Board also secured such information as was available concerning the number of acres which are being removed from cultivation since July 1 to comply with the provisions of the Agricultural Conservation Program, and made allowance for such reduction in acreage in estimating probable production.

Reports from correspondents indicate that the crop is from one to three days later than usual in Louisiana, Oklahoma, New Mexico and Arizona, one week late in Texas and two weeks late in California. In all other States the crop is farther advanced than usual, being reported as one week to ten days earlier than usual in Virginia, North Carolina, South Carolina, Georgia, and Tennessee.

Present indications are that loss from boll weevils this year will be generally much lighter than in 1941. The heaviest infestations are reported in the Coastal Plains sections of the Carolinas, Georgia and Alabama. Elsewhere in the Belt weevils are reported to be less abundant than usual. The probable percent loss from weevils in the various States, as indicated by reports on Aug. 1, are: Virginia, 6%; North Carolina, 8%; South Carolina, 12%; Georgia, 12%; Florida, 8%; Tennessee, 1%; Alabama, 8%; Mississippi, 6%; Arkansas, 6%; Louisiana, 7%; Oklahoma, 8%, and Texas, 7%. The average loss expected for the United States is 7.3% this season, compared with 15.4% last year, and the 10-year average (1931-40) of 8.3%.

Cotton ginnings for the United States were reported by the Bureau of the Census at 48,615 running bales (counting round as half bales) ginned from the crop of 1942 prior to Aug. 1, compared with 1,969 for 1941 and 32,187 for 1940.

### Disposal Of Bank Records To Aid In War Effort

New problems arising out of the war including conservation of space and salvage of waste paper, has brought renewed attention by banks to the matter of disposal of their old records. As a consequence, the Chicago Bank Auditors Conference reports a heightened interest in its publication, "Minimum Retainment Periods for Bank Records," necessitating a second printing, copies of which are now available. This comprehensive guide for banks was prepared by a special committee of the Chicago group and has had the endorsement of many authorities throughout the Nation. It lists the minimum retainment periods recommended for 177 types of bank records, which are classified according to administrative divisions supplemented by an alphabetical index. It covers a large part of the records and documents usually stored in bank archives and is intended as a standard procedure for banks to follow, especially where there is a scarcity of space and when there is doubt as to whether or not certain records should be retained.

One of the most striking facts shown by the study is that many records, which bankers have previously thought should be kept permanently, can be disposed of in one to five years. The findings reveal that those records which must be retained permanently are far in the minority.

The committee is making its study available to banks all over the country as a contribution to better banking operations and standardized practices. Copies may be obtained from R. Ostengard, Comptroller-Auditor of the Live Stock National Bank of Chicago, Ill., who is also serving this year as President of the Chicago Bank Auditors Conference. Fifty cents per copy is charged to cover cost of production and printing.

## New Rule On Deposit Of Public Moneys

Allan Sproul, President of the Federal Reserve Bank of New York, issued on Aug. 12 the following circular to designated special depositories of public moneys and all other incorporated banks and trust companies in the New York Federal Reserve District:

"It appears that under present conditions the maximum qualifications of certain special depositories of public moneys, designated pursuant to Treasury Department Circular No. 92, as amended and supplemented, may at times be insufficient to meet their requirements. Accordingly, the Treasury Department has authorized this bank to consider, upon application by such a depository, an increase in its maximum qualification, provided that all deposits in a 'War Loan Deposit Account' in excess of 100% of the capital and surplus of the depository shall be secured by pledge of United States Government securities of equal value."

"This bank, therefore, will receive from designated depositories of public moneys in the Second (New York) Federal Reserve District applications for increase of their maximum qualifications where present circumstances require such increase. This bank will also accept applications for designation as special depositories of public moneys from incorporated banks and trust companies not presently qualified as such."

### Urges Ordering Parts For Oil Burner Conversion

Home owners and plant operators should make immediate arrangements to obtain the grates and stokers needed to convert fuel oil burners, and at the same time, arrange to purchase the necessary amounts of coal, the War Production Board's Plumbing and Heating Branch said on Aug. 17. The Branch pointed out that the action of WPB in setting aside 11,000 tons of material needed for conversion will have served its purpose only if manufacturers receive the orders on which to base their application for allocations of materials. The announcement further said:

"Attention was called to the joint statement of OPA Administrator Leon Henderson and Petroleum Coordinator Harold L. Ickes advising every user of oil heat in the eastern area to take immediate steps to prepare for a fuel oil shortage this winter."

"Home owners may be able to find the type of grates they need by going to a heating contractor or distributor. All existing stocks of grates and the accessory materials needed for conversion purposes may now be sold without restrictions."

"If grates are not available in stock, a home owner should order a set from a contractor or dealer, and the equipment will be made from the metals provided for this purpose by WPB. The home owner need not file any papers."

"Delay in ordering grates or stokers and the necessary coal threatens the success of the conversion program, Branch officials said. Applications for materials, final manufacture, the assurance that homes and plants will be warm this winter—all depend on prompt action by the consumer."

"Industrial plants desiring to obtain stokers for conversion purposes should file an application for a preference rating with the Plumbing and Heating Branch."

President Roosevelt recently urged that users of fuel and heating oils in the Atlantic States convert their furnaces to coal-consuming units in view of the possible shortage next winter.

The President's appeal was in the form of a note to Petroleum Coordinator Ickes, who has repeatedly issued warnings regarding the fuel oil shortage. In a re-

cent warning Mr. Ickes informed all dealers in the East that oils in storage were far below a year ago and that it had been impossible to build up inventories. He further said that "it is quite possible that fuel and heating oil may be so short next winter that deliveries may have to be refused to any consumer who is able to convert, but who has not done so."

The President wrote to Mr. Ickes as follows:

"I earnestly hope that every citizen will realize the serious uncertainties which cloud our prospects for petroleum supplies on the Atlantic seaboard next winter. Whatever action he may decide to take, every user of fuel and heating oil should face realistically the fact that there can be no guarantee that he will get enough oil to meet even his minimum needs."

### Formal Review of WAAC

The first formal review of the Women's Army Auxiliary Corps, known as the WAAC, was held at Fort Des Moines, Iowa, on Aug. 9, with their director, Mrs. Oveta Culp Hobby, reviewing the group of 800. The bill creating the Corps was signed by President Roosevelt on May 15, as was indicated in our issue of May 21, page 1960, at which time the swearing in of Mrs. Hobby was noted. In Associated Press advices from Washington Aug. 8 from Fort Des Moines, it was stated:

"The first WAAC officers will be graduated from this training school Sept. 1 and plans call for placing at least one of them immediately in each of fifty-two major recruiting offices throughout the nation. They will recruit auxiliaries for the Corps. Others of the 444 members of the first class will remain here to train incoming groups."

It was announced on Aug. 4 that one of the first young women from a New York City bank to be accepted for duty at the WAAC Officers Training School at Fort Des Moines is Miss Beatrice Ringgold of the New York Trust Company. The announcement from the trust company said:

"Miss Ringgold is one of 41 selected from the 3,500 applicants in the Second Corps Area. She has been with the Trust Company since 1930 and left a position in the Foreign Property Control Department to join the United States Army."

### NAREB Asks Amendment To Bill To Abolish War Contract Fees

The House-approved bill designed to prohibit the payment of contingent fees for obtaining Government contracts is so broad in its wording, claims the National Association of Real Estate Boards, that it would rule out many legitimate fees charged in the normal course of business. In a letter to the Senate-Naval Affairs Committee, before which the bill now is, the Association says that apparently it would, unintentionally, prohibit the payment of commissions to real estate brokers by property owners for negotiating the sale or lease of a property to a government agency. In requesting a hearing before the Committee, the Association asks that the bill be amended to exclude from its provisions "recognized and established agencies which are the procuring cause of the sale or lease of real property."

The Association's announcement says:

"Chaos in the whole real estate field would be threatened by the over-broad language of the proposed measure, since real estate is listed with the real estate broker for the purpose of his finding a lessee or a purchaser without regard to the character of the purchaser or the lessee, whether it be Government, financial institution, estate, or individual. It is not thought that the proponents of

the bill desire to create a chaotic condition, upsetting established real estate business practices, the Association points out in a letter signed by Herbert U. Nelson, Executive Vice-President. Such action would hinder rather than promote the war effort. The Government has a very real interest in real estate in these times. It can best draw upon our real estate resources for the war effort quickly and accurately through the services of skilled real estate men licensed by the various States who know the market and know local resources in detail. If the present bill were to make such employment impossible, the Government would have to employ its own personnel to fill its real estate needs, which include industrial plants, warehouses, office space and land for cantonments and the like.

House passage of the bill was briefly noted in these columns of July 23, page 277.

## Seeks Government War Contracts For N. Y. C.

In an effort to relieve the unemployment situation in New York City, Percy C. Magnus, President of the New York Board of Trade, appealed on Aug. 17 to the Smaller War Plants Corporation, a division of the War Production Board, for "earnest consideration" of the plan proposed by the City of New York Department of Commerce. The plan recommended calls for the Smaller War Plants Corporation organizing a New York City coordinating corporation which "could contract with the Federal Government for the manufacture of war supplies and, in turn, would sub-contract to many of our presently idle plants." Mr. Magnus points out that a unique feature of the plan provides for the utilization of the services of engineering firms to be paid by the Smaller War Plants Corporation to carry out the details of sub-contracting and supervision.

Mr. Magnus points out that over 400,000 unemployed workers are available, "many of them highly skilled."

## War Bond Payroll Plans Urged For Small Firms

Small business concerns, employing from 3 or 4 persons up to 150 or even more, can swell War Bond sales by tens of millions of dollars a month through payroll deduction plans, James Twohy, Governor of the Federal Home Loan Bank System, declared, on Aug. 22. "The owners and officials of such concerns are, of course, buying War Bonds as heavily as any one else, and many of their employees have contributed individually," said Mr. Twohy. "But they haven't been placed on a regular schedule and that kind of a schedule, has proven the most productive of real results."

Mr. Twohy called on the 3,800 member institutions for which the Bank System provides a credit reserve—chiefly savings and loan associations and similar thrift and home-financing institutions—to expand their efforts to include all small business concerns, asserting that such institutions are more closely in touch with small firms than most other organizations.

Mr. Twohy said that the 12 Regional Banks of the Federal Home Loan Bank System have been conducting intensive campaigns for the past several months. Field men have been sent out as the special representatives of each of the bank presidents to supplement the work of state, county and community War Bond Committees and to "find the means by which thrift institutions can be of the most service in this campaign."



**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.  
**Peachontas 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 preceding information has referred to the railroads as a collective group. In the following we shall deal with the roads and systems individually.

Almost two-thirds, or 87 of the roads, recorded gains of \$500,000 or more in their gross earnings for the first six months of 1942 in comparison with the corresponding period of 1941. Of these, 67 were able to convert their gross gains into net increases of major proportions, \$500,000. The Pennsylvania more than doubled its last year's increase with a gain of \$101,484,246, followed by the Southern Pacific, which recorded an increase of \$71,603,895. The New York Central was third with an improvement of \$58,320,064. In the net classification, the Pennsylvania once again led, this time with a gain of \$37,155,041. But the Atchison, Topeka & Santa Fe was second with an increase of \$33,763,890, followed by the Southern Pacific with a gain of \$33,560,423. The Grand Trunk Western headed both gross and net decrease listings with negative gains of \$1,321,264 and \$2,081,334, respectively. One other road in gross and four others in net constituted the remainder of the major decreases.

The subjoined table indicates all major fluctuations, whether increases or decreases, and in both gross and net earnings for the separate roads and systems, in excess of \$500,000:

**PRINCIPAL CHANGES IN GROSS EARNINGS FOR THE SIX MONTHS ENDED JUNE 30, 1942**

| Increase                                    | Increase                               |
|---|--|
| Pennsylvania \$101,484,246                  | Nash. Chatt. & St. Louis \$3,075,405   |
| Southern Pacific (2 roads) 71,603,895       | Cinn. New Or. & Tex. Pac. 3,027,233    |
| New York Central 58,320,064                 | Long Island 2,919,511                  |
| Atchison Topeka & Santa Fe 53,945,045       | Spokane Portland & Seattle 2,789,871   |
| Union Pacific 45,113,940                    | Pittsburgh & Lake Erie 2,721,179       |
| Baltimore & Ohio 35,614,309                 | Duluth Missabe & Iron Range 2,709,765  |
| Southern 25,811,096                         | New Orleans & Northeastern 2,613,615   |
| Illinois Central 24,390,611                 | International Great Northern 2,535,449 |
| Missouri Pacific 23,582,258                 | Central of Georgia 2,532,961           |
| Louisville & Nashville 20,644,294           | Elgin Joliet & Eastern 2,307,961       |
| New York New Haven & Hart. 19,910,063       | Florida East Coast 2,263,417           |
| Chesapeake & Ohio 17,816,619                | Colorado & Southern (2 rds.) 2,162,545 |
| Chic. Milw. St. Paul & Pacific 17,453,859   | Chic. St. P. Minn. & Omaha 1,741,073   |
| Atlantic Coast Line 17,188,431              | Louisiana & Arkansas 1,702,143         |
| Chicago Burl. & Quincy 17,058,844           | Chicago Great Western 1,665,780        |
| Seaboard Air Line 16,918,873                | Georgia 1,593,106                      |
| Great Northern 15,184,111                   | Wheeling & Lake Erie 1,463,058         |
| Northern Pacific 14,261,802                 | Minneapolis & St. Louis 1,365,941      |
| Erie 13,854,005                             | Maine Central 1,326,455                |
| New York Chicago & St. L. 12,398,262        | Chicago & Eastern Illinois 1,318,167   |
| Chicago Rock Isl. & Pacific 12,326,081      | Norfolk Southern 1,022,808             |
| Chicago & North Western 12,313,651          | Monongahela 999,656                    |
| Reading 11,220,638                          | Pere Marquette 920,271                 |
| Norfolk & Western 10,296,628                | Illinois Terminal 805,933              |
| St. L.-San Fran. (2 roads) 9,173,037        | Western Ry. of Alabama 766,628         |
| Boston & Maine 8,866,506                    | Pa.-Reading Seashore Lines 761,956     |
| Denver & Rio Grande Western 8,314,949       | Lehigh & Hudson River 718,967          |
| Missouri-Kansas-Texas 8,079,223             | Virginian 713,756                      |
| St. Louis Southwestern 7,918,640            | Bessemer & Lake Erie 690,317           |
| Lehigh Valley 7,603,989                     | Chicago & Illinois Midland 677,384     |
| Wabash 7,116,208                            | New York Ontario & Western 658,051     |
| Central of New Jersey 6,857,871             | Clinchfield 656,844                    |
| Delaware & Hudson 6,702,941                 | Atlanta & West Point 583,088           |
| Yazoo & Mississippi Valley 6,400,639        | Northwestern Pacific 564,822           |
| Kansas City Southern 6,134,801              | Chic. Indianap. & Louisville 548,443   |
| Texas & Pacific 6,127,984                   | Bangor & Aroostook 546,017             |
| Western Pacific 5,891,970                   | Tennessee Central 513,537              |
| Del. Lack. & Western 5,712,538              |  |
| Rich. Fredericksburg & Pot. 5,438,874       | Total (87 roads) \$855,289,074         |
| New Or. Tex. & Mex. (3 rds.) 5,304,002      |  |
| Alton 3,971,151                             |  |
| Alabama Great Southern 3,623,620            | Decrease                               |
| Western Maryland 3,527,571                  | Grand Trunk Western \$1,321,264        |
| Gulf Mobile & Ohio 3,397,741                | New York Connecting 732,450            |
| Minneapolis, St. P. Sault Ste. M. 3,383,081 | Total (2 roads) \$2,053,714            |

\*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 \$61,041,243.

**PRINCIPAL CHANGES IN NET EARNINGS FOR THE SIX MONTHS ENDED JUNE 30, 1942**

| Increase                               | Increase                               |
|--|--|
| Pennsylvania \$37,155,041              | Delaware & Hudson \$2,739,655          |
| Atchison Topeka & Santa Fe 33,763,890  | Texas & Pacific 2,557,570              |
| Southern Pacific (2 roads) 33,560,423  | Del. Lack. & Western 2,381,474         |
| Union Pacific 19,506,629               | Alabama Great Southern 2,292,798       |
| New York Central 18,852,208            | Spokane Portland & Seattle 1,915,177   |
| Missouri Pacific 13,310,824            | New Orleans & Northeastern 1,658,576   |
| Baltimore & Ohio 12,244,437            | Alton 1,585,452                        |
| Southern 12,175,451                    | Lehigh Valley 1,583,490                |
| New York New Haven & Hart. 10,863,222  | Gulf Mobile & Ohio 1,497,117           |
| Illinois Central 10,832,807            | Florida East Coast 1,363,126           |
| Louisville & Nashville 10,478,977      | Colorado & Southern (2 rds.) 1,256,900 |
| Chicago Burl. & Quincy 9,581,180       | Western Maryland 1,201,178             |
| Seaboard Air Line 9,472,590            | Duluth Missabe & Iron Range 1,145,445  |
| Atlantic Coast Line 9,368,434          | Cinn. New Or. & Tex. Pac. 1,128,785    |
| Chesapeake & Ohio 8,782,159            | International Great Northern 1,089,229 |
| Chic. Milw. St. P. & Pac. 7,049,154    | Pittsburgh & Lake Erie 1,041,845       |
| Great Northern 6,919,712               | Georgia 1,012,676                      |
| New York Chicago & St. Louis 6,428,656 | Central of Georgia 1,010,647           |
| Erie 5,299,467                         | Minn. St. P. & Sault Ste. M. 936,315   |
| Denver & Rio Grande Western 5,195,868  | Minneapolis & St. Louis 723,112        |
| Chicago Rock Isl. & Pacific 5,174,677  | Nash. Chatt. & St. Louis 676,720       |
| St. Louis Southwestern 4,722,743       | Louisiana & Arkansas 676,698           |
| Reading 4,573,093                      | Norfolk Southern 574,873               |
| Northern Pacific 4,427,806             | Wheeling & Lake Erie 563,150           |
| Chicago & North Western 4,404,647      | Monongahela 541,006                    |
| Yazoo & Mississippi Valley 4,237,494   | Chicago Great Western 509,046          |
| Norfolk & Western 4,225,876            |  |
| Wabash 3,979,842                       | Total (67 roads) \$377,417,098         |
| Rich. Fredericksburg & Pot. 3,963,616  | Decrease                               |
| St. L.-San Fran. (2 rds.) 3,954,540    | Grand Trunk Western \$2,081,334        |
| New Or. Tex. & Mex. (3 rds.) 3,463,474 | Bessemer & Lake Erie 1,145,351         |
| Boston & Maine 3,410,988               | Pere Marquette 1,016,884               |
| Kansas City Southern 3,216,195         | New York Connecting 795,722            |
| Missouri-Kansas-Texas 3,172,493        | Detroit Toledo & Ironton 762,873       |
| Western Pacific 3,123,863              |  |
| Central of New Jersey 2,863,179        | Total (5 roads) \$5,802,164            |

\*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 \$19,894,053.

Our tabulation of the Western flour and grain receipts is next in order. As stated above the Western grain movement, generally speaking, was slightly heavier than in the first six months of 1941.

The aggregate grain receipts of the first half of 1942 amounted to 326,187,000 bushels in comparison with 314,885,000 bushels in 1941, an increase of 11,302,000 bushels. The grains that contributed chiefly in calculating the increase were corn and oats which showed a combined gain of 59,902,000 bushels. The wheat movement fell off considerably, showing a decrease of 18,447,000 bushels as compared with receipts of 125,742,000 bushels in 1941. Flour fluctuated slightly, gaining 231,000 barrels.

In the table following, we present the details of the Western grain movement for the six months ended June 27, 1942, as compared with the corresponding period ended June 28, 1941:

**WESTERN FLOUR AND GRAIN RECEIPTS**  
Six Months Ended June 27

| (000 omitted)        | Year | Flour (bbls.) | Wheat (bush.) | Corn (bush.) | Oats (bush.) | Rye (bush.) | Barley (bush.) |
|----------------------|------|---------------|---------------|--------------|--------------|-------------|----------------|
| Chicago              | 1942 | 5,628         | 3,852         | 49,284       | 8,651        | 1,582       | 7,051          |
|                      | 1941 | 4,988         | 6,062         | 45,631       | 7,032        | 2,899       | 6,294          |
| Minneapolis          | 1942 | ---           | 43,422        | 11,641       | 12,184       | 4,980       | 17,617         |
|                      | 1941 | 86            | 35,970        | 6,888        | 7,326        | 4,826       | 20,093         |
| Duluth               | 1942 | ---           | 16,272        | 7,160        | 71           | 816         | 1,401          |
|                      | 1941 | ---           | 13,362        | 9,196        | 644          | 330         | 2,388          |
| Milwaukee            | 1942 | 391           | 178           | 5,246        | 376          | 630         | 12,840         |
|                      | 1941 | 468           | 3,057         | 4,132        | 176          | 239         | 11,757         |
| Toledo               | 1942 | 283           | 3,224         | 3,865        | 1,532        | 523         | 109            |
|                      | 1941 | ---           | 4,256         | 1,519        | 2,816        | 25          | 40             |
| Indianapolis & Omaha | 1942 | ---           | 5,912         | 26,292       | 5,617        | 207         | 34             |
|                      | 1941 | ---           | 7,498         | 17,211       | 2,810        | 245         | 38             |
| St. Louis            | 1942 | 3,363         | 4,572         | 11,924       | 1,678        | 691         | 1,315          |
|                      | 1941 | 3,547         | 7,980         | 5,312        | 1,224        | 164         | 839            |
| Peoria               | 1942 | 987           | 1,187         | 2,968        | 808          | 435         | 1,894          |
|                      | 1941 | 1,069         | 1,090         | 15,527       | 987          | 515         | 1,816          |
| Kansas City          | 1942 | 406           | 20,030        | 17,788       | 1,830        | ---         | ---            |
|                      | 1941 | 669           | 34,803        | 3,715        | 782          | ---         | ---            |
| St. Joseph           | 1942 | ---           | 1,484         | 2,647        | 1,472        | ---         | ---            |
|                      | 1941 | ---           | 1,174         | 962          | 900          | ---         | ---            |
| Wichita              | 1942 | ---           | 5,931         | 21           | 2            | ---         | ---            |
|                      | 1941 | ---           | 9,757         | ---          | ---          | ---         | 10             |
| Sioux City           | 1942 | ---           | 1,231         | 2,432        | 338          | 80          | 846            |
|                      | 1941 | ---           | 733           | 949          | 186          | 53          | 647            |
| Detroit              | 1942 | ---           | ---           | ---          | ---          | ---         | ---            |
|                      | 1941 | ---           | ---           | ---          | ---          | ---         | ---            |
| Total all            | 1942 | 11,058        | 107,295       | 161,268      | 34,559       | 9,959       | 43,106         |
|                      | 1941 | 10,827        | 125,742       | 111,042      | 24,883       | 9,296       | 43,922         |

Our final exhibit is our customary summary of the comparisons in gross and net earnings of the railroads for the first six months of each calendar year from 1942 back to and including 1909:

**GROSS EARNINGS**

| Jan. 1 to June 30 | Year Given      | Year Preceding  | Increase (+) or Decrease (-) | Per Cent |
|-------------------|-----------------|-----------------|------------------------------|----------|
| 1909              | \$1,172,185,403 | \$1,051,853,195 | +\$120,332,208               | +11.44   |
| 1910              | 1,351,570,837   | 1,172,481,315   | 179,089,522                  | 15.27    |
| 1911              | 1,310,580,763   | 1,339,539,563   | -29,958,798                  | -2.16    |
| 1912              | 1,365,355,859   | 1,309,006,353   | 56,349,506                   | 4.30     |
| 1913              | 1,502,472,942   | 1,366,304,199   | 136,168,743                  | 9.97     |
| 1914              | 1,401,010,280   | 1,486,043,706   | -85,033,426                  | -5.72    |
| 1915              | 1,407,465,982   | 1,447,464,542   | -39,998,560                  | -2.76    |
| 1916              | 1,731,460,912   | 1,403,448,334   | 328,012,578                  | 23.37    |
| 1917              | 1,946,395,684   | 1,741,329,277   | 205,066,407                  | 11.78    |
| 1918              | 2,071,337,977   | 1,889,499,295   | 181,838,682                  | 9.62     |
| 1919              | 2,339,750,126   | 2,074,114,256   | 265,635,870                  | 12.81    |
| 1920              | 2,684,672,507   | 2,326,657,150   | 358,015,357                  | 15.39    |
| 1921              | 2,671,369,048   | 2,738,854,138   | -67,485,090                  | -2.46    |
| 1922              | 2,602,347,511   | 2,665,747,212   | -63,399,701                  | -2.38    |
| 1923              | 3,086,129,793   | 2,605,203,228   | 480,926,565                  | 18.46    |
| 1924              | 2,865,947,474   | 3,091,934,815   | -225,987,341                 | -7.31    |
| 1925              | 2,887,608,623   | 2,864,512,167   | 23,096,456                   | 0.81     |
| 1926              | 3,022,413,801   | 2,890,965,666   | 131,448,135                  | 4.55     |
| 1927              | 3,011,796,048   | 3,020,928,478   | -9,132,430                   | -0.30    |
| 1928              | 2,901,379,728   | 3,018,008,234   | -116,628,506                 | -3.86    |
| 1929              | 3,057,560,980   | 2,905,912,090   | 151,648,890                  | 5.22     |
| 1930              | 2,737,397,195   | 3,082,220,645   | -344,823,450                 | -10.61   |
| 1931              | 2,184,221,360   | 2,688,007,639   | -503,786,279                 | -18.74   |
| 1932              | 1,599,138,566   | 2,183,918,659   | -584,780,093                 | -26.78   |
| 1933              | 1,430,226,871   | 1,599,191,879   | -168,965,008                 | -10.57   |
| 1934              | 1,627,736,490   | 1,413,361,745   | 214,374,745                  | 15.17    |
| 1935              | 1,632,996,080   | 1,627,736,490   | 5,259,590                    | +0.32    |
| 1936              | 1,870,196,058   | 1,632,996,080   | 237,256,748                  | 14.53    |
| 1937              | 2,083,250,357   | 1,870,196,058   | 213,054,299                  | 11.43    |
| 1938              | 1,633,218,256   | 2,082,853,003   | -449,634,747                 | -21.59   |
| 1939              | 1,800,532,143   | 1,632,876,801   | 167,655,342                  | 10.27    |
| 1940              | 1,991,064,110   | 1,800,532,143   | 190,531,967                  | 10.58    |
| 1941              | 2,420,002,097   | 1,991,775,776   | 428,226,321                  | 21.50    |
| 1942              | 3,280,758,417   | 2,420,002,097   | 860,756,320                  | 35.57    |

**NET EARNINGS**

| Jan. 1 to June 30 | Year Given    | Year Preceding | Increase (+) or Decrease (-) | Per Cent |
|-------------------|---------------|----------------|------------------------------|----------|
| 1909              | \$371,591,341 | \$294,951,102  | +\$76,640,239                | +25.98   |
| 1910              | 408,380,483   | 371,562,668    | 36,817,815                   | +9.91    |
| 1911              | 378,852,053   | 404,569,430    | -25,717,377                  | -6.36    |
| 1912              | 373,370,171   | 375,407,648    | -2,037,477                   | -0.54    |
| 1913              | 400,242,544   | 373,442,875    | 26,799,669                   | +7.18    |
| 1914              | 343,835,877   | 394,495,885    | -50,660,008                  | -12.84   |
| 1915              | 394,683,548   | 347,068,207    | 47,615,341                   | +13.72   |
| 1916              | 559,376,894   | 393,225,507    | 166,151,387                  | +42.25   |
| 1917              | 555,683,025   | 562,838,773    | -7,155,748                   | -1.27    |
| 1918              | 265,705,922   | 540,911,505    | -275,205,583                 | -50.88   |
| 1919              | 265,007,159   | 265,324,144    | -316,985                     | -0.12    |
| 1920              | 195,582,649   | 263,029,233    | -67,446,584                  | -25.64   |
| 1921              | 310,890,365   | 169,082,335    | 141,808,030                  | +83      |

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

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

| MOODY'S BOND PRICES†<br>(Based on Average Yields) |                         |                         |                       |        |        |                      |       |        |   |       |                           |       |       |       |       |      |
|---|-------------------------|-------------------------|-----------------------|--------|--------|----------------------|-------|--------|---|-------|---------------------------|-------|-------|-------|-------|------|
| 1942—<br>Daily<br>Averages                        | U. S.<br>Govt.<br>Bonds | Ave.<br>Corpo-<br>rate* | Corporate by Ratings* |        |        | Corporate by Groups* |       |        | Each Group<br>Bears to the<br>Total Index | Group |                           |       |       |       |       |      |
|   |                         |                         | Aaa                   | Aa     | Baa    | R. R.                | P. U. | Indus. |   |       |                           |       |       |       |       |      |
| Aug. 25   | 117.89                  | 107.09                  | 117.00                | 113.31 | 108.16 | 92.20                | 96.54 | 111.62 | 114.08                                    | 25.3  | Foods                     | 129.7 | 128.5 | 125.9 | 125.9 | 1941 |
| 24  | 117.93                  | 107.09                  | 117.00                | 113.31 | 108.16 | 92.06                | 96.54 | 111.62 | 114.08                                    |       | Fats and Oils             | 141.2 | 140.3 | 137.6 | 137.6 | 1919 |
| 22  | 117.93                  | 107.09                  | 117.00                | 113.31 | 108.16 | 92.06                | 96.54 | 111.62 | 114.08                                    |       | Cottonseed Oil            | 158.4 | 158.4 | 159.6 | 159.6 | 1939 |
| 21  | 117.93                  | 106.92                  | 116.80                | 113.31 | 108.16 | 92.06                | 96.38 | 111.44 | 114.08                                    | 23.0  | Farm Products             | 140.2 | 139.4 | 137.9 | 137.9 | 1916 |
| 20  | 117.94                  | 106.92                  | 116.61                | 113.31 | 108.16 | 92.06                | 96.38 | 111.44 | 114.08                                    |       | Cotton                    | 178.0 | 174.6 | 185.9 | 185.9 | 1926 |
| 19  | 117.93                  | 106.92                  | 116.61                | 113.31 | 108.16 | 92.06                | 96.38 | 111.44 | 114.08                                    |       | Grains                    | 112.2 | 112.5 | 111.5 | 111.5 | 1933 |
| 18  | 117.88                  | 106.92                  | 116.80                | 113.31 | 108.16 | 91.91                | 96.38 | 111.44 | 114.08                                    |       | Livestock                 | 140.9 | 140.1 | 135.6 | 135.6 | 1929 |
| 17  | 117.88                  | 106.92                  | 116.80                | 113.31 | 108.16 | 91.91                | 96.23 | 111.44 | 114.08                                    | 17.3  | Fuels                     | 118.8 | 118.8 | 125.2 | 125.2 | 1913 |
| 15  | 117.92                  | 106.92                  | 116.80                | 113.31 | 108.16 | 91.91                | 96.23 | 111.44 | 114.08                                    | 10.8  | Miscellaneous commodities | 126.8 | 127.0 | 127.6 | 127.6 | 1927 |
| 14  | 117.92                  | 106.92                  | 116.80                | 113.31 | 108.16 | 91.91                | 96.23 | 111.44 | 114.08                                    | 8.2   | Textiles                  | 147.4 | 146.9 | 148.5 | 148.5 | 1936 |
| 13  | 117.97                  | 106.92                  | 116.80                | 113.31 | 108.16 | 91.91                | 96.23 | 111.44 | 114.27                                    | 7.1   | Metals                    | 104.4 | 104.4 | 104.4 | 104.4 | 1938 |
| 12  | 117.96                  | 106.92                  | 116.80                | 113.31 | 108.34 | 91.91                | 96.23 | 111.44 | 114.27                                    | 6.1   | Building materials        | 151.5 | 151.5 | 151.6 | 151.6 | 1920 |
| 11  | 117.97                  | 106.92                  | 116.80                | 113.31 | 108.34 | 91.91                | 96.23 | 111.44 | 114.27                                    | 1.3   | Chemicals and drugs       | 120.7 | 120.7 | 120.7 | 120.7 | 1963 |
| 10  | 117.97                  | 106.92                  | 116.80                | 113.31 | 108.34 | 91.91                | 96.23 | 111.44 | 114.27                                    | .3    | Fertilizer materials      | 117.8 | 117.8 | 117.8 | 117.8 | 1927 |
| 8   | 117.97                  | 107.09                  | 116.80                | 113.31 | 108.34 | 92.06                | 96.23 | 111.44 | 114.27                                    | .3    | Fertilizers               | 115.3 | 115.3 | 115.3 | 115.3 | 1917 |
| 7   | 117.97                  | 106.92                  | 116.61                | 113.12 | 108.16 | 91.91                | 96.23 | 111.44 | 114.27                                    | .3    | Farm machinery            | 104.1 | 104.1 | 104.1 | 104.1 | 1923 |
| 6   | 117.89                  | 106.92                  | 116.61                | 113.31 | 108.16 | 91.91                | 96.23 | 111.44 | 114.27                                    |       |                           |       |       |       |       |      |
| 5   | 117.86                  | 106.92                  | 116.61                | 113.31 | 108.16 | 91.91                | 96.23 | 111.44 | 114.27                                    |       |                           |       |       |       |       |      |
| 4   | 117.90                  | 106.92                  | 116.61                | 113.31 | 108.16 | 91.77                | 96.07 | 111.44 | 114.27                                    |       |                           |       |       |       |       |      |
| 3   | 118.03                  | 106.92                  | 116.61                | 113.31 | 108.16 | 91.77                | 95.92 | 111.44 | 114.27                                    |       |                           |       |       |       |       |      |
| 1   | 118.10                  | 106.92                  | 116.61                | 113.31 | 108.16 | 91.77                | 96.07 | 111.44 | 114.27                                    |       |                           |       |       |       |       |      |
| July 31   | 118.11                  | 106.92                  | 116.41                | 113.50 | 108.16 | 91.77                | 96.07 | 111.44 | 114.27                                    |       |                           |       |       |       |       |      |
| 24  | 118.22                  | 106.74                  | 116.61                | 113.31 | 107.98 | 91.77                | 95.92 | 111.62 | 114.08                                    |       |                           |       |       |       |       |      |
| 17  | 118.22                  | 106.74                  | 116.41                | 113.12 | 107.98 | 91.62                | 95.77 | 111.44 | 114.27                                    |       |                           |       |       |       |       |      |
| 10  | 118.26                  | 106.74                  | 116.41                | 113.31 | 107.80 | 91.62                | 95.77 | 111.25 | 114.08                                    |       |                           |       |       |       |       |      |
| 3   | 118.09                  | 106.56                  | 116.22                | 113.12 | 107.98 | 91.34                | 95.77 | 111.25 | 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 | 107.42 | 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                                    |       |                           |       |       |       |       |      |
| 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                  | 107.44                  | 117.00                | 114.08 | 108.34 | 92.50                | 97.47 | 111.62 | 114.46                                    |       |                           |       |       |       |       |      |
| 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 | 116.41                                    |       |                           |       |       |       |       |      |
| Low 1941  | 115.89                  | 105.52                  | 116.22                | 112.00 | 106.04 | 89.23                | 95.62 | 109.42 | 111.62                                    |       |                           |       |       |       |       |      |
| 1 Year ago  |                         |                         |                       |        |        |                      |       |        |   |       |                           |       |       |       |       |      |
| Aug. 25, 1941                                     | 118.79                  | 107.62                  | 118.20                | 114.66 | 108.70 | 91.91                | 97.16 | 112.00 | 115.04                                    |       |                           |       |       |       |       |      |
| 2 Years ago                                       |                         |                         |                       |        |        |                      |       |        |   |       |                           |       |       |       |       |      |
| Aug. 24, 1940                                     | 115.63                  | 103.30                  | 116.22                | 112.56 | 103.30 | 85.33                | 91.48 | 109.06 | 111.07                                    |       |                           |       |       |       |       |      |

| MOODY'S BOND YIELD AVERAGES†<br>(Based on Individual Closing Prices) |                 |                       |      |      |                      |       |        |   |       |                           |      |      |      |      |      |
|--|-----------------|-----------------------|------|------|----------------------|-------|--------|---|-------|---------------------------|------|------|------|------|------|
| 1942—<br>Daily<br>Average  | Corpo-<br>rate* | Corporate by Ratings* |      |      | Corporate by Groups* |       |        | Each Group<br>Bears to the<br>Total Index | Group |                           |      |      |      |      |      |
|  |                 | Aaa                   | Aa   | Baa  | R. R.                | P. U. | Indus. |   |       |                           |      |      |      |      |      |
| Aug. 25  | 3.33            | 2.80                  | 2.99 | 3.27 | 4.26                 | 3.97  | 3.08   | 2.95                                      | 25.3  | Foods                     | 2.97 | 3.08 | 2.95 | 2.95 | 1941 |
| 24   | 3.33            | 2.80                  | 2.99 | 3.27 | 4.27                 | 3.97  | 3.08   | 2.95                                      |       | Fats and Oils             | 3.97 | 3.08 | 2.95 | 2.95 | 1919 |
| 22   | 3.33            | 2.80                  | 2.99 | 3.27 | 4.27                 | 3.97  | 3.03   | 2.95                                      |       | Cottonseed Oil            | 3.97 | 3.03 | 2.95 | 2.95 | 1939 |
| 21   | 3.34            | 2.81                  | 2.99 | 3.27 | 4.27                 | 3.98  | 3.09   | 2.95                                      | 23.0  | Farm Products             | 3.98 | 3.09 | 2.95 | 2.95 | 1916 |
| 20   | 3.34            | 2.82                  | 2.99 | 3.27 | 4.27                 | 3.98  | 3.09   | 2.95                                      |       | Cotton                    | 3.98 | 3.09 | 2.95 | 2.95 | 1926 |
| 19   | 3.34            | 2.82                  | 2.99 | 3.27 | 4.27                 | 3.98  | 3.09   | 2.95                                      |       | Grains                    | 3.98 | 3.09 | 2.95 | 2.95 | 1933 |
| 18   | 3.34            | 2.81                  | 2.99 | 3.27 | 4.28                 | 3.98  | 3.09   | 2.95                                      |       | Livestock                 | 3.98 | 3.09 | 2.95 | 2.95 | 1929 |
| 17   | 3.34            | 2.81                  | 2.99 | 3.27 | 4.28                 | 3.99  | 3.09   | 2.95                                      | 17.3  | Fuels                     | 3.99 | 3.09 | 2.95 | 2.95 | 1913 |
| 15   | 3.34            | 2.81                  | 2.99 | 3.27 | 4.28                 | 3.99  | 3.09   | 2.94                                      | 10.8  | Miscellaneous commodities | 3.99 | 3.09 | 2.94 | 2.94 | 1927 |
| 14   | 3.34            | 2.81                  | 2.99 | 3.27 | 4.28                 | 3.99  | 3.09   | 2.94                                      | 8.2   | Textiles                  | 3.99 | 3.09 | 2.94 | 2.94 | 1936 |
| 13   | 3.34            | 2.81                  | 2.99 | 3.26 | 4.28                 | 3.99  | 3.09   | 2.94                                      | 7.1   | Metals                    | 3.99 | 3.09 | 2.94 | 2.94 | 1938 |
| 12   | 3.34            | 2.81                  | 2.99 | 3.26 | 4.28                 | 3.99  | 3.08   | 2.94                                      | 6.1   | Building materials        | 3.99 | 3.08 | 2.94 | 2.94 | 1920 |
| 11   | 3.33            | 2.81                  | 2.99 | 3.26 | 4.27                 | 3.99  | 3.09   | 2.94                                      | 1.3   | Chemicals and drugs       | 3.99 | 3.09 | 2.94 | 2.94 | 1963 |
| 10   | 3.34            | 2.81                  | 2.99 | 3.26 | 4.28                 | 3.99  | 3.09   | 2.94                                      | .3    | Fertilizer materials      | 3.99 | 3.09 | 2.94 | 2.94 | 1927 |
| 8  | 3.34            | 2.82                  | 2.99 | 3.27 | 4.28                 | 3.99  | 3.09   | 2.94                                      | .3    | Fertilizers               | 3.99 | 3.09 | 2.94 | 2.94 | 1917 |
| 6  | 3.34            | 2.82                  | 2.99 | 3.27 | 4.28                 | 3.99  | 3.09   | 2.94                                      |       | Farm machinery            | 3.99 | 3.09 | 2.94 | 2.94 | 1923 |
| 5  | 3.34            | 2.82                  | 2.99 | 3.27 | 4.28                 | 3.99  | 3.09   | 2.94                                      |       |                           |      |      |      |      |      |
| 4  | 3.34            | 2.82                  | 2.99 | 3.27 | 4.29                 | 4.00  | 3.09   | 2.94                                      |       |                           |      |      |      |      |      |
| 3  | 3.34            | 2.82                  | 2.99 | 3.27 | 4.29                 | 4.01  | 3.09   | 2.94                                      |       |                           |      |      |      |      |      |
| 1  | 3.34            | 2.82                  | 2.99 | 3.27 | 4.29                 | 4.00  | 3.09   | 2.94                                      |       |                           |      |      |      |      |      |
| July 31  | 3.34            | 2.83                  | 2.98 | 3.27 | 4.29                 | 4.00  | 3.09   | 2.94                                      |       |                           |      |      |      |      |      |
| 24   | 3.35            | 2.82                  | 2.99 | 3.28 | 4.29                 | 4.01  | 3.08   | 2.95                                      |       |                           |      |      |      |      |      |
| 17   | 3.35            | 2.83                  | 3.00 | 3.28 | 4.30                 | 4.02  | 3.09   | 2.94                                      |       |                           |      |      |      |      |      |
| 10   | 3.35            | 2.83                  | 2.99 | 3.29 | 4.30                 | 4.02  | 3.10   | 2.95                                      |       |                           |      |      |      |      |      |
| 3  | 3.36            | 2.84                  | 3.00 | 3.28 | 4.32                 | 4.02  | 3.10   | 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                                      |       |                           |      |      |      |      |      |
| 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   | 2.98                                      |       |                           |      |      |      |      |      |
| Jan. 30  | 3.34            | 2.84                  | 2.97 | 3.29 | 4.27                 | 3.92  | 3.14   | 2.97                                      |       |                           |      |      |      |      |      |



## Revenue Freight Car Loadings During Week Ended Aug. 15, 1942 Totaled 868,845 Cars

Loading of revenue freight for the week ended Aug. 15, totaled 868,845 cars, the Association of American Railroads announced on Aug. 20. This was a decrease below the corresponding week in 1941 of 21,492 cars or 2.4%, but an increase above the same week of 1940 of 125,795 cars or 16.9%.

Loading of revenue freight for the week of Aug. 15 increased 19,093 cars or 2.2% above the preceding week.

Miscellaneous freight loading totaled 396,928 cars, an increase of 9,802 cars above the preceding week, and an increase of 28,545 cars above the corresponding week in 1941.

Loading of merchandise less than carload lot freight totaled 89,988 cars, an increase of 937 cars above the preceding week, but a decrease of 66,281 cars below the corresponding week in 1941.

Coal loading amounted to 167,045 cars, an increase of 3,605 cars above the preceding week, but a decrease of 698 cars below the corresponding week in 1941.

Grain and grain products loading totaled 44,684 cars, an increase of 2,558 cars above the preceding week, and an increase of 309 cars above the corresponding week in 1941. In the Western Districts alone, grain and grain products loading for the week of Aug. 15 totaled 30,577 cars, an increase of 2,927 cars above the preceding week, but a decrease of 578 cars below the corresponding week in 1941.

Live stock loading amounted to 13,479 cars, an increase of 1,481 cars above the preceding week, and an increase of 2,549 cars above the corresponding week in 1941. In the Western Districts alone, loading of live stock for the week of Aug. 15 totaled 9,996 cars, an increase of 1,251 cars above the preceding week, and an increase of 2,029 cars above the corresponding week in 1941.

Forest products loading totaled 54,597 cars, an increase of 1,514 cars above the preceding week, and an increase of 4,245 cars above the corresponding week in 1941.

Ore loading amounted to 88,424 cars, a decrease of 628 cars below the preceding week, but an increase of 9,590 cars above the corresponding week in 1941.

Coke loading amounted to 13,700 cars, a decrease of 176 cars below the preceding week, but an increase of 249 cars above the corresponding week in 1941.

All districts reported decreases compared with the corresponding week in 1941 except the 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         | 2,489,260         |
| 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         |
| Four weeks of July     | 3,321,568         | 3,413,435         | 2,822,450         |
| Week of Aug. 1         | 863,528           | 863,022           | 717,927           |
| Week of Aug. 8         | 849,752           | 878,505           | 727,073           |
| Week of Aug. 15        | 868,845           | 890,337           | 743,050           |
| <b>Total</b>           | <b>26,963,698</b> | <b>25,915,031</b> | <b>21,925,035</b> |

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Aug. 15, 1942. During this period only 50 roads showed increases when compared with the corresponding week last year.

### REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED AUG. 15

| Railroads                          | Total Revenue Freight Loaded |                |                | Total Loads Received from Connections |                |
|------------------------------------|------------------------------|----------------|----------------|---------------------------------------|----------------|
|                                    | 1942                         | 1941           | 1940           | 1942                                  | 1941           |
| <b>Eastern District—</b>           |                              |                |                |                                       |                |
| Ann Arbor                          | 338                          | 582            | 612            | 1,297                                 | 1,456          |
| Bangor & Aroostook                 | 836                          | 981            | 796            | 163                                   | 229            |
| Boston & Maine                     | 6,052                        | 8,789          | 7,024          | 13,811                                | 13,142         |
| Chicago, Indianapolis & Louisville | 1,534                        | 1,549          | 1,414          | 2,009                                 | 2,417          |
| Central Indiana                    | 26                           | 18             | 13             | 69                                    | 59             |
| Central Vermont                    | 865                          | 1,501          | 1,240          | 2,403                                 | 2,379          |
| Delaware & Hudson                  | 6,359                        | 7,315          | 5,609          | 11,058                                | 10,592         |
| Delaware, Lackawanna & Western     | 7,540                        | 10,315         | 8,645          | 10,740                                | 8,574          |
| Detroit & Mackinac                 | 329                          | 324            | 409            | 130                                   | 106            |
| Detroit, Toledo & Ironton          | 1,702                        | 2,147          | 1,721          | 1,282                                 | 1,183          |
| Detroit & Toledo Shore Line        | 319                          | 316            | 273            | 2,768                                 | 3,174          |
| Erle                               | 12,704                       | 16,005         | 13,252         | 16,037                                | 15,566         |
| Grand Trunk Western                | 4,269                        | 4,745          | 3,798          | 8,102                                 | 8,732          |
| Lehigh & Hudson River              | 186                          | 171            | 153            | 3,268                                 | 2,706          |
| Lehigh & New England               | 2,130                        | 2,410          | 1,569          | 2,202                                 | 2,237          |
| Lehigh Valley                      | 9,205                        | 9,941          | 8,471          | 14,334                                | 9,878          |
| Maine Central                      | 2,264                        | 3,293          | 2,656          | 2,281                                 | 2,508          |
| Monongahela                        | 6,173                        | 6,435          | 5,264          | 353                                   | 362            |
| Montour                            | 2,365                        | 2,534          | 2,268          | 40                                    | 50             |
| New York Central Lines             | 48,364                       | 51,156         | 42,092         | 54,611                                | 51,987         |
| N. Y., N. H. & Hartford            | 9,600                        | 12,064         | 9,555          | 19,773                                | 16,369         |
| New York, Ontario & Western        | 1,149                        | 1,227          | 1,241          | 2,507                                 | 2,303          |
| New York, Chicago & St. Louis      | 8,094                        | 6,863          | 5,681          | 15,747                                | 13,631         |
| N. Y., Susquehanna & Western       | 188                          | 558            | 375            | 1,290                                 | 1,621          |
| Pittsburgh & Lake Erie             | 8,280                        | 8,521          | 7,203          | 8,730                                 | 9,993          |
| Pere Marquette                     | 5,247                        | 5,596          | 5,430          | 6,331                                 | 6,313          |
| Pittsburgh & Shawmut               | 774                          | 665            | 837            | 12                                    | 34             |
| Pittsburgh, Shawmut & North        | 390                          | 479            | 380            | 253                                   | 414            |
| Pittsburgh & West Virginia         | 1,195                        | 1,192          | 1,110          | 3,593                                 | 2,142          |
| Rutland                            | 366                          | 575            | 638            | 932                                   | 1,194          |
| Wabash                             | 6,017                        | 6,372          | 5,207          | 12,903                                | 10,221         |
| Wheeling & Lake Erie               | 6,324                        | 5,503          | 4,712          | 5,061                                 | 4,367          |
| <b>Total</b>                       | <b>161,324</b>               | <b>180,142</b> | <b>150,048</b> | <b>224,090</b>                        | <b>206,489</b> |

| Railroads                   | Total Revenue Freight Loaded |                |                | Total Loads Received from Connections |                |
|-----------------------------|------------------------------|----------------|----------------|---------------------------------------|----------------|
|                             | 1942                         | 1941           | 1940           | 1942                                  | 1941           |
| <b>Allegheny District—</b>  |                              |                |                |                                       |                |
| Akron, Canton & Youngstown  | 658                          | 827            | 536            | 1,042                                 | 1,192          |
| Baltimore & Ohio            | 41,777                       | 41,861         | 33,607         | 25,845                                | 22,547         |
| Bessemer & Lake Erie        | 7,014                        | 5,844          | 6,318          | 2,858                                 | 2,300          |
| Buffalo Creek & Gauley      | 271                          | 300            | 286            | 3                                     | 7              |
| Cambria & Indiana           | 1,978                        | 1,935          | 1,583          | 17                                    | 15             |
| Central R. R. of New Jersey | 7,099                        | 8,038          | 6,454          | 20,060                                | 16,355         |
| Cornwall                    | 612                          | 666            | 676            | 40                                    | 74             |
| Cumberland & Pennsylvania   | 266                          | 270            | 285            | 15                                    | 35             |
| Ligonier Valley             | 137                          | 138            | 96             | 36                                    | 45             |
| Long Island                 | 855                          | 1,071          | 795            | 3,109                                 | 3,162          |
| Penn-Reading Seashore Lines | 1,932                        | 2,036          | 1,535          | 2,311                                 | 2,154          |
| Pennsylvania System         | 82,940                       | 90,174         | 69,582         | 65,540                                | 56,716         |
| Reading Co.                 | 14,425                       | 17,147         | 14,311         | 28,902                                | 23,046         |
| Union (Pittsburgh)          | 20,795                       | 19,718         | 19,240         | 7,847                                 | 5,813          |
| Western Maryland            | 4,200                        | 4,172          | 3,570          | 13,628                                | 8,499          |
| <b>Total</b>                | <b>184,959</b>               | <b>194,197</b> | <b>158,874</b> | <b>171,253</b>                        | <b>141,960</b> |

| Railroads                   | Total Revenue Freight Loaded |               |               | Total Loads Received from Connections |               |
|-----------------------------|------------------------------|---------------|---------------|---------------------------------------|---------------|
|                             | 1942                         | 1941          | 1940          | 1942                                  | 1941          |
| <b>Pocahontas District—</b> |                              |               |               |                                       |               |
| Chesapeake & Ohio           | 28,922                       | 29,970        | 25,787        | 12,446                                | 12,727        |
| Norfolk & Western           | 22,865                       | 25,089        | 20,664        | 6,524                                 | 6,185         |
| Virginian                   | 4,646                        | 5,084         | 4,361         | 2,373                                 | 1,934         |
| <b>Total</b>                | <b>56,433</b>                | <b>60,143</b> | <b>50,812</b> | <b>21,343</b>                         | <b>20,946</b> |

| Railroads                       | Total Revenue Freight Loaded |                |               | Total Loads Received from Connections |               |
|---------------------------------|------------------------------|----------------|---------------|---------------------------------------|---------------|
|                                 | 1942                         | 1941           | 1940          | 1942                                  | 1941          |
| <b>Southern District—</b>       |                              |                |               |                                       |               |
| Alabama, Tennessee & Northern   | 350                          | 421            | 248           | 374                                   | 278           |
| Atl. & W. P.—W. R. R. of Ala.   | 667                          | 816            | 694           | 2,920                                 | 1,695         |
| Atlanta, Birmingham & Coast     | 921                          | 928            | 836           | 1,085                                 | 1,049         |
| Atlantic Coast Line             | 11,100                       | 10,941         | 8,346         | 9,576                                 | 6,365         |
| Central of Georgia              | 3,738                        | 4,577          | 3,755         | 4,158                                 | 3,853         |
| Charleston & Western Carolina   | 318                          | 455            | 363           | 1,551                                 | 1,657         |
| Clinchfield                     | 1,745                        | 1,871          | 1,160         | 2,581                                 | 2,432         |
| Columbus & Greenville           | 464                          | 271            | 151           | 216                                   | 349           |
| Durham & Southern               | 107                          | 170            | 133           | 745                                   | 469           |
| Florida East Coast              | 906                          | 430            | 425           | 1,511                                 | 822           |
| Gainesville Midland             | 48                           | 38             | 21            | 71                                    | 134           |
| Georgia                         | 1,337                        | 1,196          | 903           | 2,599                                 | 1,945         |
| Georgia & Florida               | 692                          | 715            | 615           | 641                                   | 584           |
| Gulf, Mobile & Ohio             | 4,415                        | 4,031          | 2,858         | 4,879                                 | 3,273         |
| Illinois Central System         | 26,988                       | 25,626         | 19,802        | 17,645                                | 14,090        |
| Louisville & Nashville          | 25,597                       | 26,330         | 23,340        | 10,609                                | 7,952         |
| Macon, Dublin & Savannah        | 188                          | 215            | 116           | 636                                   | 781           |
| Mississippi Central             | 186                          | 175            | 132           | 615                                   | 376           |
| Nashville, Chattanooga & St. L. | 3,166                        | 3,542          | 2,772         | 4,409                                 | 3,099         |
| Norfolk Southern                | 957                          | 1,177          | 870           | 2,077                                 | 1,401         |
| Piedmont Northern               | 301                          | 495            | 378           | 1,163                                 | 1,350         |
| Richmond, Fred. & Potomac       | 434                          | 441            | 390           | 7,915                                 | 6,396         |
| Seaboard Air Line               | 9,843                        | 10,443         | 7,822         | 8,039                                 | 6,463         |
| Southern System                 | 23,896                       | 24,733         | 20,544        | 23,757                                | 19,167        |
| Tennessee Central               | 560                          | 549            | 446           | 921                                   | 714           |
| Winston-Salem Southbound        | 104                          | 152            | 150           | 962                                   | 1,080         |
| <b>Total</b>                    | <b>119,048</b>               | <b>120,738</b> | <b>97,270</b> | <b>110,655</b>                        | <b>86,774</b> |

| Railroads                        | Total Revenue Freight Loaded |                |                | Total Loads Received from Connections |               |
|----------------------------------|------------------------------|----------------|----------------|---------------------------------------|---------------|
|                                  | 1942                         | 1941           | 1940           | 1942                                  | 1941          |
| <b>Northwestern District—</b>    |                              |                |                |                                       |               |
| Chicago & North Western          | 23,151                       | 23,165         | 19,769         | 13,545                                | 12,659        |
| Chicago Great Western            | 2,248                        | 2,882          | 2,458          | 3,391                                 | 3,276         |
| Chicago, Milw., St. P. & Pac.    | 20,886                       | 24,127         | 20,587         | 10,339                                | 10,176        |
| Chicago, St. Paul, Minn. & Omaha | 4,112                        | 4,367          | 3,963          | 4,293                                 | 4,717         |
| Duluth, Missabe & Iron Range     | 29,496                       | 26,761         | 21,311         | 313                                   | 254           |
| Duluth, South Shore & Atlantic   | 1,458                        | 1,654          | 1,101          | 825                                   | 594           |
| Elgin, Joliet & Eastern          | 10,013                       | 10,517         | 9,283          | 10,119                                | 9,337         |
| Ft. Dodge, Des Moines & South    | 561                          | 538            | 514            | 149                                   | 166           |
| Great Northern                   | 28,776                       | 27,072         | 26,358         | 5,333                                 | 4,458         |
| Green Bay & Western              | 497                          | 574            | 509            | 770                                   | 747           |
| Lake Superior & Ishpeming        | 1,916                        | 3,229          | 2,918          | 47                                    | 87            |
| Minneapolis & St. Louis          | 2,475                        | 2,315          | 2,249          | 2,217                                 | 2,210         |
| Minn., St. Paul & S. S. M.       | 7,296                        | 8,047          | 7,891          | 3,225                                 | 3,385         |
| Northern Pacific                 | 11,637                       | 11,874         | 11,411         | 4,873                                 | 5,097         |
| Spokane International            | 242                          | 274            | 354            | 685                                   | 429           |
| Spokane, Portland & Seattle      | 2,755                        | 3,087          | 2,016          | 2,991                                 | 2,447         |
| <b>Total</b>                     | <b>147,519</b>               | <b>150,483</b> | <b>132,692</b> | <b>63,165</b>                         | <b>60,239</b> |

| Railroads                        | Total Revenue Freight Loaded |                |                | Total Loads Received from Connections |               |
|----------------------------------|------------------------------|----------------|----------------|---------------------------------------|---------------|
|                                  | 1942                         | 1941           | 1940           | 1942                                  | 1941          |
| <b>Central Western District—</b> |                              |                |                |                                       |               |
| Atch., Top. & Santa Fe System    | 22,407                       | 22,331         | 18,195         | 11,643                                | 8,331         |
| Alton                            | 3,640                        | 3,346          | 2,953          | 4,657                                 | 2,871         |
| Bingham & Garfield               | 566                          | 585            | 505            | 94                                    | 68            |
| Chicago, Burlington & Quincy     | 19,855                       | 18,497         | 14,286         | 11,359                                | 10,586        |
| Chicago & Illinois Midland       | 2,487                        | 2,940          | 1,981          | 942                                   | 954           |
| Chicago, Rock Island & Pacific   | 12,417                       | 13,617         | 11,477         | 11,299                                | 10,362        |
| Chicago & Eastern Illinois       | 2,492                        | 2,829          | 2,360          | 4,167                                 | 2,932         |
| Colorado & Southern              | 855                          | 885            | 715            | 1,822                                 | 1,641         |
| Denver & Rio Grande Western      | 4,072                        | 3,823          | 3,966          | 5,771                                 | 3,073         |
| Denver & Salt Lake               | 666                          | 682            | 801            | 35                                    | 40            |
| Fort Worth & Denver City         | 1,313                        | 1,136          | 969            | 1,457                                 | 1,106         |
| Illinois Terminal                | 1,755                        | 2,102          | 1,815          | 2,892                                 | 2,051         |
| Missouri-Illinois                | 1,315                        | 1,089          | 905            | 426                                   | 784           |
| Nevada Northern                  | 2,037                        | 1,923          | 1,893          | 126                                   | 131           |
| North Western Pacific            | 1,233                        | 1,355          | 1,044          | 684                                   | 656           |
| Peoria & Pekin Union             | 17                           | 24             | 13             | 0                                     | 0             |
| Southern Pacific (Pacific)       | 31,111                       | 31,148         | 25,727         | 10,273                                | 7,162         |
| Toledo, Peoria & Western         | 343                          | 333            | 279            | 1,808                                 | 1,521         |
| Union Pacific System             | 15,985                       | 16,828         | 15,258         | 15,030                                | 11,268        |
| Utah                             | 624                          | 503            | 442            | 5                                     | 10            |
| Western Pacific                  | 2,358                        | 2,073          | 2,027          | 4,072                                 | 2,947         |
| <b>Total</b>                     | <b>127,568</b>               | <b>128,014</b> | <b>107,611</b> | <b>88,562</b>                         | <b>68,494</b> |

| Railroads                     | Total Revenue Freight Loaded |       |       | Total Loads Received from Connections |       |
|-------------------------------|------------------------------|-------|-------|---------------------------------------|-------|
|                               | 1942                         | 1941  | 1940  | 1942                                  | 1941  |
| <b>Southwestern District—</b> |                              |       |       |                                       |       |
| Burlington-Rock Island        | 945                          | 176   | 165   | 141                                   | 171   |
| Gulf Coast Lines              | 4,666                        | 3,133 | 2,997 | 2,326                                 | 1,670 |

## Federal Reserve July Business Indexes

The Board of Governors of the Federal Reserve System issued on Aug. 24 its monthly indexes of industrial production, factory employment and payrolls, etc. At the same time the Board issued its customary summary of business conditions. The indexes for July, together with comparisons for a month and a year ago, are as follows:

|                                | BUSINESS INDEXES                |           |           | 1935-39 average = 100 for industrial production and freight-car loadings; 1923-25 average = 100 for all other series |           |           |
|--------------------------------|---------------------------------|-----------|-----------|--|-----------|-----------|
|                                | Adjusted for Seasonal Variation |           |           | Without Seasonal Adjustment  |           |           |
|                                | July 1942                       | June 1942 | July 1941 | July 1942  | June 1942 | July 1941 |
| Industrial production—         | 180                             | 176       | 160       | 181  | 177       | 159       |
| Total                          | 180                             | 176       | 160       | 181  | 177       | 159       |
| Manufactures—                  | 188                             | 184       | 165       | 189  | 185       | 164       |
| Durable                        | 251                             | 243       | 199       | 253  | 245       | 197       |
| Nondurable                     | 136                             | 136       | 138       | 137  | 136       | 138       |
| Minerals                       | 133                             | 133       | 131       | 133  | 132       | 131       |
| Construction contracts, value— | 208                             | 193       | 139       | 235  | 228       | 153       |
| Total                          | 177                             | 76        | 115       | 177  | 83        | 116       |
| Residential                    | 177                             | 76        | 115       | 177  | 83        | 116       |
| All other                      | 315                             | 288       | 158       | 363  | 346       | 182       |
| Factory employment—            |                                 |           |           |  |           |           |
| Total                          | 139.9                           | 133.3     |           | 139.1  | 130.6     |           |
| Durable goods                  | 155.9                           | 140.7     |           | 157.1  | 147.0     |           |
| Nondurable goods               | 124.6                           | 126.3     |           | 122.0  | 123.5     |           |
| Factory payrolls—              |                                 |           |           |  |           |           |
| Total                          |                                 |           |           | 197.7  | 152.7     |           |
| Durable goods                  |                                 |           |           | 243.3  | 172.2     |           |
| Nondurable goods               |                                 |           |           | 146.6  | 130.7     |           |
| Freight-car loadings           | 142                             | 141       | 138       | 142  | 139       | 138       |
| Department store sales, value  | 117                             | 104       | 115       | 81   | 100       | 79        |
| Department store stocks, value | 134                             | 82        |           | 128  | 73        |           |

\*Data not yet available. †Preliminary or estimated. ‡Revised.  
Note—Production, carloadings, and department store sales indexes based on daily averages. To convert durable manufactures, non-durable manufactures and mineral indexes to points in total index, shown in Federal Reserve Chart Book, multiply durable by .379, non-durable by .469, and minerals by .152.

Construction contract indexes based on three-month moving averages, centered at second month, of F. W. Dodge data for 37 Eastern States. To convert indexes to value figures, shown in the Federal Reserve Chart Book, multiply total by \$410,269,000 residential by \$184,137,000, and all other by \$226,132,000.

Employment index, without seasonal adjustment, and payrolls index compiled by Bureau of Labor Statistics.

### INDUSTRIAL PRODUCTION

|                               | 1935-39 average = 100           |           |           | 1935-39 average = 100       |           |           |
|-------------------------------|---------------------------------|-----------|-----------|-----------------------------|-----------|-----------|
|                               | Adjusted for Seasonal Variation |           |           | Without Seasonal Adjustment |           |           |
|                               | July 1942                       | June 1942 | July 1941 | July 1942                   | June 1942 | July 1941 |
| Manufactures—                 | 1942                            | 1942      | 1941      | 1642                        | 1942      | 1941      |
| Steel                         | 221                             | 215       | 196       | 221                         | 215       | 196       |
| Open hearth & Bessemer        | 179                             | 177       | 173       | 179                         | 177       | 173       |
| Electric                      | 519                             | 485       | 358       | 519                         | 485       | 358       |
| Machinery                     | 222                             | 285       | 216       | 222                         | 285       | 216       |
| Transportation equipment      | 1423                            | 397       | 255       | 1423                        | 397       | 255       |
| Non-ferrous metals & products | 192                             | 187       | 192       | 191                         | 187       | 191       |
| Lumber and products           | 136                             | 133       | 141       | 139                         | 139       | 144       |
| Lumber                        | 1130                            | 127       | 131       | 1140                        | 138       | 142       |
| Furniture                     | 1147                            | 144       | 161       | 1137                        | 140       | 149       |
| Stone, clay, & glass products | 1142                            | 138       | 151       | 1160                        | 160       | 165       |
| Cement                        | 150                             | 145       | 143       | 186                         | 183       | 177       |
| Polished plate glass          | 49                              | 37        | 146       | 32                          | 37        | 96        |
| Textiles and products         | 151                             | 153       | 155       | 151                         | 153       | 155       |
| Cotton consumption            | 166                             | 169       | 162       | 166                         | 169       | 162       |
| Rayon deliveries              | 168                             | 169       | 173       | 168                         | 169       | 173       |
| Wool textiles                 |                                 | 151       | 157       |                             | 151       | 157       |
| Leather products              | 1119                            | 125       | 130       | 1115                        | 114       | 126       |
| Tanning                       |                                 | 120       | 125       |                             | 116       | 120       |
| Cattle hide leathers          |                                 | 142       | 137       |                             | 134       | 128       |
| Calf and kip leathers         |                                 | 87        | 93        |                             | 89        | 102       |
| Goat and kid leathers         |                                 | 90        | 116       |                             | 90        | 115       |
| Shoes                         | 1118                            | 128       | 134       | 1115                        | 112       | 130       |
| Manufactured food products    | 141                             | 139       | 126       | 154                         | 140       | 137       |
| Wheat flour                   | 106                             | 102       | 103       | 105                         | 95        | 102       |
| Meat packing                  | 143                             | 153       | 125       | 135                         | 149       | 119       |
| Other manufactured foods      | 145                             | 141       | 128       | 155                         | 134       | 137       |
| Tobacco products              | 121                             | 122       | 114       | 131                         | 132       | 123       |
| Cigars                        | 109                             | 112       | 106       | 113                         | 120       | 111       |
| Cigarettes                    | 136                             | 136       | 123       | 153                         | 150       | 138       |
| Manufactured tobacco & snuff  | 89                              | 94        | 97        | 91                          | 96        | 99        |
| Paper and products            |                                 | 134       | 146       |                             | 133       | 139       |
| Paperboard                    | 115                             | 120       | 162       | 109                         | 120       | 104       |
| Newsprint production          |                                 | 103       | 112       |                             | 104       | 109       |
| Printing and publishing       | 107                             | 103       | 127       | 196                         | 103       | 116       |
| Newsprint consumption         | 103                             | 97        | 106       | 90                          | 98        | 92        |
| Petroleum and coal products   |                                 | 114       | 128       |                             | 115       | 129       |
| Petroleum refining            |                                 | 107       | 124       |                             | 108       | 125       |
| Gasoline                      | 103                             | 99        | 123       | 106                         | 101       | 127       |
| Fuel oil                      |                                 | 125       | 124       |                             | 123       | 122       |
| Lubricating oil               |                                 | 123       | 133       |                             | 123       | 131       |
| Kerosene                      |                                 | 99        | 108       |                             | 97        | 103       |
| Coke                          | 162                             | 164       | 155       | 162                         | 164       | 155       |
| Byproduct                     | 153                             | 154       | 146       | 153                         | 154       | 146       |
| Beehive                       | 477                             | 509       | 452       | 477                         | 509       | 452       |
| Chemicals                     | 170                             | 171       | 146       | 164                         | 165       | 139       |
| Minerals—                     |                                 |           |           |                             |           |           |
| Fuels                         | 129                             | 128       | 128       | 121                         | 121       | 121       |
| Bituminous coal               | 160                             | 158       | 148       | 141                         | 144       | 130       |
| Anthracite                    | 156                             | 127       | 142       | 122                         | 117       | 111       |
| Crude petroleum               | 113                             | 113       | 119       | 113                         | 113       | 119       |
| Metals                        | 159                             | 159       | 151       | 199                         | 195       | 184       |
| Iron ore                      | 240                             | 235       | 205       | 404                         | 381       | 344       |

\*Data not yet available. †Preliminary or estimated. ‡Revised.

### FREIGHT-CAR LOADINGS

|                     | 1935-39 average = 100 |           |           | 1935-39 average = 100 |           |           |
|---------------------|-----------------------|-----------|-----------|-----------------------|-----------|-----------|
|                     | July 1942             | June 1942 | July 1941 | July 1942             | June 1942 | July 1941 |
| Coal                | 155                   | 160       | 150       | 132                   | 135       | 127       |
| Coke                | 205                   | 199       | 200       | 177                   | 174       | 172       |
| Grain               | 95                    | 113       | 112       | 138                   | 111       | 163       |
| Livestock           | 90                    | 103       | 83        | 76                    | 81        | 70        |
| Forest products     | 172                   | 159       | 148       | 173                   | 165       | 149       |
| Ore                 | 180                   | 183       | 156       | 325                   | 318       | 283       |
| Miscellaneous       | 149                   | 144       | 140       | 148                   | 145       | 139       |
| Merchandise, l.c.i. | 57                    | 60        | 100       | 57                    | 60        | 99        |

Note—To convert coal and miscellaneous indexes to points in total index, shown in the Federal Reserve Chart Book, multiply coal by .213 and miscellaneous by .548.

## Wholesale Commodity Prices Reach Highest Level Since 1926, Labor Bureau Reports

The Bureau of Labor Statistics, U. S. Department of Labor, announced on Aug. 20 that during the week ended Aug. 15 average prices for commodities in primary markets reached the highest level since October, 1926, as measured by the Bureau's wholesale price index of 889 series. Sharp advances in basic foodstuffs, particularly fruits, vegetables and meats, largely accounted for the advance. At

98.9% of the 1926 level the index has risen 0.6% in the past month and is 10% higher than at this time last year.

Average prices for foods rose 0.8% during the week and farm products increased 0.6%. There were fractional advances in the fuel and lighting materials group and feeds rose over 2%.

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 marked (\*), however, must be considered as preliminary and subject to such adjustment and revision as required by later and more complete reports.

The following table shows index numbers for the principal groups of commodities for the past three weeks, for July 18, 1942 and Aug. 16, 1941 and the percentage changes from a week ago, a month ago, and a year ago:

| Commodity Groups—                                  | (1926=100) |          |          |           |           |          |           |           |
|--|------------|----------|----------|-----------|-----------|----------|-----------|-----------|
|  | 8-15 1942  | 8-8 1942 | 8-1 1942 | 7-18 1942 | 8-16 1941 | 8-8 1941 | 7-18 1941 | 8-16 1941 |
| All Commodities                                    | 98.9       | 98.6     | 98.6     | 98.3      | 89.6      | +0.3     | +0.6      | +10.4     |
| Farm products                                      | 103.0      | 105.4    | 105.6    | 104.9     | 86.4      | +0.6     | +1.0      | +22.7     |
| Foods  | 100.5      | 99.7     | 100.1    | 98.3      | 86.7      | +0.8     | +2.2      | +15.9     |
| Hides and leather products                         | 118.8      | 118.8    | 118.8    | 118.8     | 110.2     | 0        | 0         | +7.8      |
| Textile products                                   | 96.5       | 96.5     | 96.5     | 96.8      | 87.4      | 0        | 0         | +10.4     |
| Fuel and lighting materials                        | 79.7       | 79.6     | 79.6     | 79.6      | 79.5      | +0.1     | +0.1      | +0.3      |
| Metals and metal products                          | 103.9      | 103.9    | 103.9    | 103.9     | 98.7      | 0        | 0         | +5.3      |
| Building materials                                 | 110.2      | 110.2    | 110.0    | 110.2     | 104.8     | 0        | 0         | +5.2      |
| Chemicals and allied products                      | 96.3       | 96.3     | 96.4     | 97.2      | 85.9      | 0        | 0         | +12.1     |
| Housefurnishing goods                              | 104.1      | 104.4    | 104.4    | 104.4     | 96.4      | -0.3     | -0.3      | +8.0      |
| Miscellaneous commodities                          | 89.0       | 89.9     | 89.1     | 89.6      | 83.1      | +0.1     | -0.7      | +7.1      |
| Raw materials                                      | 100.8      | 100.4    | 100.5    | 99.5      | 86.7      | +0.4     | +1.3      | +16.3     |
| Semimanufactured articles                          | 92.6       | 92.6     | 92.6     | 92.8      | 89.5      | 0        | -0.2      | +3.5      |
| Manufactured products                              | 99.1       | 98.9     | 98.8     | 98.7      | 91.3      | +0.2     | +0.4      | +8.5      |
| All commodities other than farm products           | 97.3       | 97.2     | 97.1     | 96.9      | 90.3      | +0.1     | +0.4      | +7.6      |
| All commodities other than farm products and foods | 95.8       | 95.7     | 95.8     | 95.9      | 90.7      | +0.1     | -0.1      | +5.6      |

\*Preliminary.

## Dept. of Labor Reports Retail Food Costs Advanced 1.1% Between Mid-June & Mid-July

Retail costs of food advanced 1.1% between mid-June and mid-July, Acting Commissioner Hinrichs of the United States Bureau of Labor Statistics announced on Aug. 18. This rise in average food costs was due, for the most part, says the advices, to seasonal advances in retail prices of eggs, butter, lamb, and poultry and higher prices for fresh milk, meats, and certain fresh vegetables. The increase in food costs for the average worker's family was slightly less than for the previous month—May 12 to June 16—when the rise was 1.3%.

The Labor Bureau's announcement further stated:

"Prices of foods not under the General Maximum Price Regulation continued to advance, rising 2.5% during the month. Eggs and butter as well as certain fresh fruits and vegetables such as oranges, lettuce, spinach, and sweetpotatoes showed their usual seasonal rise. Advances were also reported for corn meal, grapefruit, and dried prunes. Prices for other fresh vegetables—green beans, carrots, and potatoes—advanced slightly although they usually show a decrease at this period. Cabbage and onions were seasonally lower and prices for wheat flour also declined. Prices of apples which had a sharp seasonal rise from mid-May to mid-June declined 9% from mid-June to mid-July as the new crop began to be marketed.

"Controlled food prices rose slightly—0.3% from mid-June to mid-July—as a result of higher prices for fresh milk, beverages and certain meats. Other controlled foods for which increases were reported included rolled oats, vanilla cookies, soda crackers, canned fruits, shortening in cartons, and corn syrup. The change for corn syrup is partly due to a change from tin to glass containers. Prices for macaroni, whole wheat bread, bananas, shortening, sugar and canned vegetables were lower than in June.

"The average price of milk delivered to homes rose 1 cent per quart in Chicago following a decline of the same amount between mid-April and mid-May and is now at the same level as of March 17. Following an adjustment of fluid milk prices on New York by the Office of Price Administration, the average retail price for delivered milk in the city rose one-half cent per quart. Bread prices remained practically unchanged except for an advance of more than one-half cent in Dallas.

"The index of food costs for July 14 was 124.6% of the 1935-39 average, 5% above the March 17 level and 17% higher than a year ago.

"Retail costs of food between June 16 and July 14 advanced in 39 cities, declined in 11, and remained unchanged in one. The largest increases were reported for New Orleans (3.2%), Jacksonville and Los Angeles (2.9%). The largest decreases were for Columbus (1.6%), Rochester (0.9%), and Omaha (0.8%). The changes shown for these cities were largely due to changes in prices of eggs and fresh fruits and vegetables."

Index numbers of food costs by commodity groups for July 14, June 16, May 12, and March 17, 1942, July 15, 1941, and Aug. 15, 1939, are shown below:

| Commodity Group—            | INDEX NUMBERS OF RETAIL COSTS OF FOOD BY COMMODITY GROUPS (Five-Year Average 1935-39 = 100) |               |              |               |               |               |
|-----------------------------|---|---------------|--------------|---------------|---------------|---------------|
|                             | July 14, 1942   | June 16, 1942 | May 12, 1942 | Mar. 17, 1942 | July 15, 1941 | Aug. 15, 1939 |
| All Foods                   | 124.6   | 123.2         | 121.6        | 118.6         | 106.7         | 93.5          |
| Cereals and bakery products | 105.1   | 105.1         | 105.2        | 104.8         | 96.2          | 93.4          |
| Meats                       | 127.5   | 126.6         | 124.3        | 120.5         | 108.7         | 95.7          |
| Beef and veal               | 123.6   | 123.3         | 124.1        | 119.7         | 108.6         | 99.6          |
| Pork                        | 122.1   | 121.9         | 123.2        | 117.5         | 106.1         | 88.0          |
| Lamb                        | 133.0   | 130.7         | 118.2        | 108.7         | 111.5         | 98.8          |
| Chicken                     | 125.7   | 123.3         | 113.4        | 112.2         | 104.5         | 94.6          |
| Fish, fresh and canned      | 161.2   | 158.3         | 150.9        | 158.9         | 120.4         | 99.6          |
| Dairy products              | 123.0   | 122.1         | 123.3        | 121.7         | 112.3         | 93.1          |
| Eggs                        | 130.1   | 119.7         | 115.4        | 112.1         | 114.7         | 90.7          |
| Fruits and vegetables       | 135.7   | 133.8         | 128.7        | 123.4         | 107.0         | 92.4          |
| Fresh                       | 139.1   | 136.7         | 130.0        | 123.7         | 109.3         | 92.8          |
| Canned                      | 122.4   | 122.2         | 122.7        | 120.8         | 97.9          | 91.6          |
| Dried                       | 134.2   | 132.6         | 131.2        | 127.9         | 106.5         | 90.3          |
| Beverages                   | 122.8   | 122.6         | 124.6        | 119.6         | 101.4         | 94.9          |
| Fats and oils               | 120.0   | 120.0         | 122.4        | 116.8         | 96.6          | 84.5          |
| Sugar                       | 126.6   | 126.7         | 127.1        | 128.5         | 107.8         | 95.6          |

\*Preliminary. †Revised.

## Navy Adopts New Labor Cooperation Program

Secretary of the Navy Knox announced on Aug. 8 that the United States Navy, one of the largest single employers of labor in the country, has adopted a program designed to bring about closer cooperation with its workers.

Explaining that the measure of cooperation desired and vital to the all-out war effort has not been attained, Secretary Knox said that "it must be apparent that the only way to win this war is by elimination of friction and controversy within this country and the devotion of the entire energies of this nation against our enemies."

In furtherance of this program, Secretary Knox and the Commander in Chief, U. S. Fleet, Admiral Ernest J. King, will invite representatives of labor from each of the

## Items About Banks, Trust Companies

Charles D. Runyan was elected President of Trust Company of North America of New York at the August meeting of the bank's board of directors. Mr. Runyan was formerly Vice-President and Secretary of the bank.

Lawyers Trust Co., New York City, has received permission from the State Banking Department to change the location of its main office from 135 Broadway to 111 Broadway.

William J. Eck, a retired Vice-President of the Chase National Bank, of New York, died on Aug. 19 at his summer home at Schroom Lake, N. Y.

Mr. Eck who for more than 30 years had been a resident of New Jersey, was born in New York City on Aug. 7, 1872. After his early education he worked in a lawyer's office where, as an expert penman, he prepared deeds, mortgages and abstracts. Later he became Cashier and bookkeeper for the Hamilton Bank Note Co. He joined the staff of the City Trust Co. when it was organized in 1899 and was named Assistant Secretary in 1905. He continued in that capacity with the Equitable Trust Co. of New York after a merger in 1912 and was appointed Secretary in 1918. He was elected Vice-President and Secretary in 1929. After the Chase-Equitable merger in 1930 Mr. Eck became Vice-President and served until his retirement in 1932. Mr. Eck was formerly a member of the Hackensack, N. J., City Council and also served for a time as City Treasurer.

At a meeting of the Board of Directors of the First National Bank of Jersey City, N. J., on Aug. 19, Frank C. Reed was elected a director to fill the vacancy caused by the recent death of Henry A. Gaede. Mr. Reed is President and Director of Westinghouse Electric Elevator Co. and also a Vice-President of Westinghouse Electric & Manufacturing Co. He is also a director of the Provident Institution for Savings of Jersey City. He is a director of the New Jersey State Chamber of Commerce, Jersey City Chamber of Commerce, Boy Scouts of America, Salvation Army and Community Welfare Chest. Also Chairman of the Jersey City Salvage Committee, and a member of the Committee of Jersey City Defense Council, Social Service Unit. Mr. Reed takes a leading part in business and civic affairs in the State of New Jersey.

Robert H. Anderson, President of the Ambler Trust Co., Ambler, Pa., died on Aug. 23 at his home in Ambler at the age of 65. Mr. Anderson was a director of Asbestos, Ltd., of New York, and formerly was Vice-President of the Keasbey & Mattison Co., Ambler asbestos manufacturing firm.

The First Jeannette Bank and Trust Co., Jeannette, Pa., has been admitted to membership in the Federal Reserve System, it was announced on Aug. 21 by M. J. Fleming, President of the Federal Reserve Bank of Cleveland. The bank has total deposits in excess of \$2,000,000 and capital and surplus of \$200,000 each. R. E. Best is President of the institution.

Dividend checks were mailed on Aug. 17 to depositors of the old Commerce Guardian Trust & Savings Bank, Toledo, Ohio, by the Associated Depositors, Inc., the bank's liquidators, which it is understood will represent full settlement of depositors' claims against the bank. The Toledo "Blade" of Aug. 18 said:

"The checks, the letter says, rep-

resent 52% of remaining unpaid balances and, if accepted, will increase to 88 cents on the dollar the amount returned to depositors. The letter says 75% has been returned previously.

Walter C. Cox of W. C. Cox & Co., Inc., Peter L. Fox, Jr., of the Peter Fox Sons Co., and Benjamin Glick, partner in the Crown Plumbing & Heating Co., all of Chicago; William Schneider, a director and treasurer of H. C. Christians Co., Johnson Creek, Wis., and David H. Slinger, of Randolph, Wis., have been admitted to membership in the Chicago Mercantile Exchange.

The State Street Bank and Trust Co., Quincy, Ill., became a member of the Federal Reserve Bank of St. Louis on Aug. 14, according to an announcement issued by the Reserve Bank, which says:

The new member, organized as a private bank in 1890; it became incorporated in 1919, has a capital of \$200,000, surplus of \$50,000, and total resources of \$2,654,000. Its officers are: Henry Lange, President; Albert P. Niemeier, Vice-President; Walter A. Heibredner, Vice-President and Trust Officer; Harvey H. Sprick, Cashier and Assistant Trust Officer; Arthur W. Brackensick and Carl H. Stoermer, Assistant Cashiers.

The addition of the State Street Bank and Trust Company brings the total membership of the Federal Reserve Bank of St. Louis to 446. This is the ninth State bank in the St. Louis District to join the System since the first of the year.

Immediate sale of all business and assets of the National Bank of Adrian to the Lenawee County Savings Bank, both in Adrian, Mich., has been approved by shareholders of both banks, it was announced on Aug. 22. The Toledo "Blade" of Aug. 22 reported:

Under the plan, \$1,500,000 deposits, covered by a similar amount of notes, mortgages, and cash will be transferred. It will give the Lenawee Savings Bank a total asset valuation of approximately \$4,000,000.

In accordance with State banking laws, capitalization of the Lenawee bank was increased yesterday from \$110,000 to \$210,000, because of increased deposits.

Directors of the bank, meeting after the deal was consummated, promoted R. P. Watts, former Cashier at the Lenawee, to Vice-President. Russell McAfee, former Vice-President of the National, also was made a Vice-President of the enlarged bank. A. W. Robb will continue as President.

The defunct Capital Trust & Savings Co., St. Paul, has been ordered to pay a final 3% dividend of about \$140,000 to 13,000 depositors.

### FHLB Sells Debentures

The Federal Home Loan Banks sold on Aug. 20 an issue of consolidated debentures aggregating \$22,000,000, it was announced by Everett Smith, New York financial representative of the institutions. The obligations, dated Sept. 1, 1942, and maturing March 1, 1943, were priced at par value and carry 3/4% interest. The offering, it is announced, was several times oversubscribed. The proceeds from the sale, together with \$4,000,000 from the banks' surplus fund, will be used to retire \$26,000,000 of similar maturing debentures. At the completion of this financing, the banks will have \$86,500,000 of debentures outstanding.

## Federal Reserve Board Reports Industrial Activity Increased Further In July

Industrial activity increased further in July and the first half of August, reflecting continued growth in output of military products, according to the summary of general business and financial conditions issued by the Board of Governors of the Federal Reserve System on Aug. 24. Retail sales increased during this period, following a decline, on a seasonally adjusted basis, during the first half of the year.

The Board's summary continues:

### "Production

"Industrial output rose further in July and the Board's seasonally adjusted index advanced from 176 to 180% of the 1935-39 average.

"Activity continued to increase in the machinery and transportation equipment industries and in other lines producing war products. Shipbuilding expanded further and 71 merchant vessels were delivered in July. These had an aggregate deadweight tonnage of 790,300 tons—an all-time record for a single month's deliveries. In the automobile industry armament production increased in July to an annual rate of about \$5,000,000,000 as compared with a peak year's civilian output of \$4,000,000,000. Iron ore shipments down the Great Lakes reached a new record of 13,400,000 gross tons in July and plans were announced for improving rail and harbor facilities so that shipments next season could exceed considerably prospective shipments of 90,000,000 tons or more this year. Last season 80,000,000 tons were shipped.

"In most other lines of manufacturing and mining, activity in July was maintained at about the levels prevailing in June. There were reports that some plants were forced to curtail operations owing to lack of certain materials, and further investigations were undertaken to determine present and prospective availability of material supplies.

"Value of construction contracts awarded in July showed a reduction of about 20% from the record level reached in June, according to figures of the F. W. Dodge Corp. Declines were reported for most types of construction; awards for manufacturing buildings, however, increased further and constituted about one-third of total contracts let. As in June, publicly-financed work amounted to over 90% of the total. In the first seven months of this year awards were about 50% larger than in the corresponding period last year.

### "Distribution

"Distribution of commodities to consumers declined less than seasonally in July. The Board's adjusted index of department store sales, which had dropped from a peak of 138% of the 1923-25 average in January to 104 in June, rose to 117 and sales by variety stores and mail-order houses also advanced, after allowance for usual seasonal changes. In the first half of August department store sales increased by more than the usual seasonal amount.

"Railroad freight-car loadings increased more than seasonally in July and rose somewhat further in the first half of August. Shipments of miscellaneous merchandise, which include most manufactured products, and of forest products continued to rise. Grain shipments also increased, but the rise was less than is usual at this time of year. Loadings of coal declined somewhat from the high level of other recent months.

### "Commodity Prices

"Wholesale and retail food prices advanced further in July and the early part of August, while prices of petroleum products on the East Coast were reduced, and those for most other consumer goods continued to show little change. In raw material markets price declines occurred for cotton, inedible fats and oils, and some scrap items, particularly non-ferrous metals and paper. Demand for materials used more exclu-

sively for war products continued strong and prices of these materials were sustained at ceiling levels.

"Federal subsidies were arranged for additional commodities and Government war risk rates on shipments of imported commodities were reduced. These actions were taken to bring about price reductions, as in the case of petroleum products on the East Coast, and to prevent further price increases, particularly for imported commodities. About 30 new maximum price schedules were announced, chiefly for miscellaneous civilian products, and in some instances these schedules permitted substantial increases over ceilings set by the General Maximum Price Regulation.

### "Bank Credit

"Excess reserves of member banks declined by about \$200,000,000 in the four weeks ended Aug. 19. An increase of about \$400,000,000 of currency in circulation during this period was paralleled by a corresponding amount of Reserve Bank purchases of Government securities. There was an increase of \$300,000,000 in required reserve resulting from a growth in deposits at member banks. Excess reserves in New York and Chicago reached the lowest levels since the third quarter of 1937. Effective Aug. 20 reserve requirements on demand deposits at central reserve city banks were reduced from 26% to 24% by action of the Board of Governors of the Federal Reserve System. This had the effect of converting over \$400,000,000 from required to excess reserves.

"Member banks in leading cities continued to increase their holdings of United States Government securities, particularly in the week ended Aug. 19, in which delivery of the new 11 1/2 months' 7/8% certificates of indebtedness was made. Loans, which had declined during the second quarter of the year, have recently shown little change.

"Adjusted demand deposits continued to increase at reporting banks, although purchases of Government securities, particularly the 2 1/2% Treasury bonds of 1962-67, by investors other than banks temporarily reduced demand deposits of individuals and added to United States Government deposits.

### "United States Government Security Prices

"Prices of United States taxable bonds have shown little change during the past month. Taxable notes of 3- to 5-year maturity are currently yielding 1.26% on the average as compared with 1.20% in July. The rate of discount on new issues of Treasury bills has averaged 0.372% for the past three weeks."

### R. E. Paul Resigns

The Federal Reserve Bank of New York announced on Aug. 20 that Randolph E. Paul, a Class C director of the Bank since June 1941, having been recently appointed General Counsel of the Treasury Department, has tendered his resignation as a director, and his resignation has been accepted. As provided in the Federal Reserve Act, Mr. Paul's successor will be appointed by the Board of Governors of the Federal Reserve System.

Mr. Paul's appointment as Treasury Counsel was reported in these columns Aug. 13, page 549.

## Asks Govt. Review Of All Wage Raises

The National War Labor Board recently advocated control over all general wage increases; this was indicated in Associated Press advices from Washington on Aug. 5, incident to the Board's ruling in the case of the wage demands of the General Cable Co. in New Jersey; the Associated Press accounts said:

"The Board's present authority extends only to disputed wage demands brought before it.

"It should be recognized by all concerned," said Wayne L. Morse, who wrote the opinion, "that the wage formula adopted by the Board will not and cannot result in wage stabilization if it is limited in its application to wage disputes which come before the War Labor Board for final determination.

"If wage stabilization is to be accomplished, the terminal limits set forth in the formula must be applied universally and uniformly to so-called voluntary wage increases.

"In order to accomplish such an end it would appear necessary to require government review and approval of all general wage increases. The inflationary effects of a race between prices and wages cannot be stopped in the absence of a governmental check upon wage increases."

"Mr. Morse also asserted that there has been a considerable amount of misunderstanding about the formula. He said the Board was satisfied its application would add less than \$1,000,000,000, or well under 1 1/2%, to the present national wage bill of more than \$70,000,000,000."

## Treasury May Revamp New Five-Cent Piece

Due to the increased value of silver, the Treasury Department has been forced to discard its plan to make the new 5-cent coins out of half-silver and half copper, according to Associated Press advices Aug. 12, which further stated:

"Because some jewelers now are paying as high as 72 cents an ounce for silver, the mints discovered that the new coins might be worth more than five cents apiece, and people could melt them down and sell the metal at a profit.

The coin was designed last winter, when there was no prospect that silver would be worth more than 35 cents an ounce. The metal in the coin, then, would have been worth about four cents, in accordance with the universal practice of making coins worth less than their face value.

"None of the new coins ever was issued to the public, however, and the mints now are working out new designs which would cheapen the metal by diluting it with steel, commercial manganese, or certain other metals which are cheaper than silver.

"The old 'nickels'—which were 5% nickel and 75% copper—haven't been minted since March, because the War Production Board wanted to save both metals for war needs.

"A decision will have to be made soon on the new 'jintney' because the stockpile of old type nickels built up by the mints before March is being depleted.

"The high price of silver is due to what some officials call a "squeeze" resulting from the fact that all foreign silver, worth 35 cents an ounce, has been channeled by WPB priorities into war industries, forcing jewelers to outbid the Treasury for silver mined in this country, upon which Congress has set a statutory minimum price of 71.11 cents an ounce."

Plans for the new five-cent piece were referred to these columns Jan. 29, page 445.