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THE FINANCIAL SITUATION

On Oct. 2, 1942, the so-called cost-of-living stabilization bill became law. On the following day the President promulgated an executive order to give practical effect to its provisions. On Oct. 8 the "Chronicle" commented as follows: "Congress has enacted a so-called anti-inflation law which the President has been willing to accept with good grace. Its meaning will be, in actual practice, very largely what the President determines. Sweeping regulations under the new law have been promulgated, and machinery devised to administer them. Their specific intent in many situations must await future developments for clarification. But Washington has proclaimed, and perhaps large sections of the public believe, that 'strong action' has now been taken which will be able adequately to cope with the danger of what is termed 'inflation.' It would be heartening indeed to us all if it were possible to accept this official (and possibly popular) view of the matter and regard the situation well in hand. The fact is, however, that no such acceptance is possible to him who must 'think things through' as the New Deal managers are so fond of saying."

Much Water Through the Dam

Much water has flowed over (and through) the dam since last October. Conditions had reached a stage by April 8, 1943, which evoked from the President another executive order on the same subject, which in some quarters is, like that of last October, being dubbed "strong action." What does the President order this time? As to prices, he directs: "In the case of agricultural commodities the Price Administrator and the Administrator of Food Production and Distribution (hereinafter referred to as the Food Administrator) are directed, and in the case of other commodities the Price Administrator is directed, to take immediate steps to place ceiling prices on all commodities affecting the cost of living.

"Each of them is directed to authorize no further increases in ceiling prices except to the minimum extent required by law. Each of them is further directed immediately to use all discretionary powers vested in them by law to prevent further price increases, direct or indirect, to pre-

(Continued on page 1391)

Fighting Fire With Fire

"The act of Oct. 2, 1942, set up a stabilization program covering wages, salaries and prices. It could, of course, be revised or repealed by the Congress but subject, under the Constitution, to the approval or veto by the President.

"The Congress, however, did not adopt this constitutional method.

"It chose to take away the authority of the President to adjust salaries which were grossly inequitable, not by a separate law, but by attaching a rider to a bill increasing the debt limit. . . .

"If I veto this bill, with its rider, the Treasury's war financing plans may be seriously retarded. I have no means of assuring prompt action by the Congress prior to a great bond issue, the sale of which is about to start. I have no means of preventing indefinite delay if either branch of the National Legislature should decide to recommit the measure to a committee for further study.

"If I sign the bill I would be accused of giving my approval to salaries which most persons regard as excessive in the midst of a war for the survival of this nation.

"Thus the Congress has successfully and effectively circumvented my power to veto."—President Franklin D. Roosevelt.

We should ordinarily not be disposed to defend the "rider" technique, but at times it is necessary to fight fire with fire.

Especially when there is much to save!



President Roosevelt

President Roosevelt Bars Further Increases In Prices And Wages To Prevent Inflation

President Roosevelt on April 8 issued what he termed a "hold-the-line order" with a view to preserving "our stabilization program." In a statement issued at the same time the President said that "to hold-the-line we cannot tolerate further increases in prices affecting the cost of living or further increases in general wage or salary rates except where clearly necessary to correct sub-standard living conditions. The only way to hold-the-line is to stop trying to find justifications for not holding it here or not holding it there."

Besides directing that all items affecting the cost of living be brought under control, the President acted to bar increases in wages and salaries beyond the "Little Steel" formula, except where necessary to correct sub-standards of living.

The President's executive order called upon Price Administrator Prentiss M. Brown and Food Administrator Chester C. Davis to place ceiling prices on all commodities affecting the cost of living and to authorize no further increases in ceiling prices "ex-

cept to the minimum extent required by law."

The order also authorizes Paul V. McNutt, Chairman of the War Manpower Commission, to issue regulations which would prevent employers from hiring new employees at a higher wage than their previous employment unless the change "would aid in the effective prosecution of the war."

The order further called on Government agencies and State and municipal authorities concerned with the rates of common carriers and public utilities to forbid increases and, where possible, to effect rate reductions, consistent with the stabilization program.

In his statement accompanying the order, the President said that these actions alone cannot stop inflation but that "to complete the job, Congress must act to reduce and hold in check the excess purchasing powers. We must be prepared to tax ourselves more, to spend less and save more." He appealed to Congress to cooperate in preserving the economic stabilization program.

James M. Byrnes, Economic Stabilization Director, is authorized to exercise the powers conferred on the President by the Stabilization Act of Oct. 2, 1942, and to take such action necessary "to stabilize the national economy, to maintain and increase production and to aid in the effective prosecution of the war."

The text of President Roosevelt's statement follows:

"The Executive Order I have signed today is a hold-the-line order.

"To hold the line we cannot tolerate further increases in prices

affecting the cost of living or further increases in general wage or salary rates except where clearly necessary to correct substandard living conditions. The only way to hold the line is to stop trying to find justifications for not holding it here or not holding it there.

"No one straw may break a camel's back, but there is always a last straw. We cannot afford to take further chances in relaxing the line. We already have taken too many.

"On the price front the directions in the order are clear and specific.

"All items affecting the cost of living are to be brought under control. No further price increases are to be sanctioned unless imperatively required by law. Adjustments in the price relationships between different commodities will be permitted if such adjustments can be made without increasing the general cost of living.

"But any further inducements to maintain or increase production must not be allowed to disturb the present price levels; such further inducements, whether they take the form of support prices or subsidies, must not be allowed to increase prices to consumers. Of course, the extent to which subsidies and other payments may be used to help keep down the cost of living will depend on Congressional authorization.

"Some prices affecting the cost of living are already above the levels of Sept. 15, 1942. All of these cannot be rolled back. But some of these can and should be rolled back. The order directs the reduction of all prices which are excessively high, inequitable or unfair. The Stabilization Act was not intended to be used as a shield to protect prices which

(Continued on page 1392)

GENERAL CONTENTS

Editorials	
Pass The Hobbs Bill.....	1386
What Is An "International Police Force".....	1387
Regular Features	
Financial Situation.....	1385
From Washington Ahead of the News.....	1385
Moody's Bond Prices and Yields.....	1401
Items About Banks and Trust Cos.....	1408
Trading on New York Exchanges.....	1402
NYSE Odd-Lot Trading.....	1404
NYSE Share values at March 31.....	1406
State of Trade	
General Review.....	1387
Commodity Prices, Domestic Index.....	1406
Weekly Carloadings.....	1405
Weekly Engineering Construction.....	1406
March Totals.....	1406
Paperboard Industry Statistics.....	1407
Weekly Lumber Movement.....	1405
Fertilizer Association Price Index.....	1404
Weekly Coal and Coke Output.....	1404
Weekly Steel Review.....	1402
Finished Steel Shipments in Mar.....	1402
Moody's Daily Commodity Index.....	1401
Weekly Crude Oil Production.....	1407
Non-Ferrous Metals Market.....	1395
Weekly Electric Output.....	1401
Building Construction During 1942.....	1396
Automobile and Diversified Financing in February.....	1400
February Hotel Sales Increase.....	1400
Selected Income and Balance Sheets for Class I Railways (December).....	1403
Statutory Debt Limit at March 31.....	1403
March Department Store Sales.....	1407
American Zinc Industry Summary.....	*
Copper Institute Summary.....	*
Pig Iron Production.....	*
Daily and Weekly Copper, Lead and Zinc Sales.....	*
*These statistics omitted from "Chronicle" at direction of the War Censorship Board. (See notice on first page of Section 2 in August 27, 1942, "Chronicle.")	
Miscellaneous	
Roosevelt's Hold-Line Inflation Order.....	1385
Senate Requires WLB Wage Raises Data.....	1386
Keynes Currency Plan Detailed.....	1388
Asks More Federal Education Aid.....	1389
Amend New York Banking Law on Reserves.....	1389
Navy Fund Bill Signed.....	1389
Urges Federal Hospital Survey.....	1389
London Money Market Seen Disintegrating.....	1390
Pden Returns to London.....	1390
Jones Urges Post-War Planning.....	1393
ABA Issues Home Mortgage Manual.....	1393
NAM Opposes Labor Draft.....	1393
N. Y. Chamber Honors J. P. Morgan.....	1393
FDR Congratulates Yugoslavians.....	1393
Taxes Held Important in Inflation Curb.....	1393
Opposes N. Y. State Withholding Plan.....	1393

(Continued on page 1408)

From Washington Ahead Of The News

By CARLISLE BARGERON

The real lowdown on the furore created by the Administration's trying to keep newspapermen away from the forthcoming international food conference is that it was sponsored by two Washington editors. Elmer Davis and Steve Early approached the editors, said the President was disturbed lest the newspapers mess the conference up and asked these editors if they wouldn't suggest to their fellow editors that the OWI should

be permitted to cover it. The Washington editors fell in completely with the idea, and in writing their fellow editors left the impression they were acting strictly on their own initiative. The fact is that the letter they sent out was first approved by both Davis and Early.

The result of the fiasco has been to work up an interest in the conference which it would not otherwise have had. Ordinarily, it would have been a pretty dull meeting. This meeting is not to deal with the allocation of food in the post-war period, but is to be more or less confined to pre-

paring the agenda for a future meeting. Nothing could be duller than a bunch of statesmen preparing an agenda.

Very probably the British and American Treasury plans for post-war currency stabilization are of considerable importance in the affairs of men, but my main interest in them is for the additional light they throw on the question of what manner of man is Sir John Maynard Keynes. Both plans are largely his, but to disguise this fact to the naked eye, "units" are provided for in

(Continued on page 1392)

Editorial—

Pass The Hobbs Bill

Congress should not allow the excitement over the President's wage and price freeze and the resulting controversy with John L. Lewis to swerve it from a task the accomplishment of which is important not only now, but also to post-war affairs. This is the enactment of the Hobbs bill, which passed the House of Representatives by a sizable majority and is now up for consideration in the Senate.

The Senate has a reputation for squelching badly-needed labor reforms. Once before the House courageously enacted a labor reform when it in 1941 passed the Smith amendments to the Wagner Act over the protest of the Administration and the leaders of organized labor. However, the Senate never permitted the measure to come to a vote.

There is grave danger that this performance will be repeated in connection with the Hobbs bill. Again we hear the complaint that the Hobbs bill is anti-labor. We hear that it is a "dangerous" measure that would give too much power to the Federal prosecutors. These signs clearly bode rough sailing if not a defeat for the Hobbs bill unless the public raises its voice and demands that the Senate bring the measure out of committee and pass it promptly.

The chief arguments against the Hobbs bill can be disposed of easily. First let us scrutinize the charge that the Hobbs bill is anti-labor. Does it take away any fundamental rights of the unions? Of course not; the bill merely stipulates that the Federal anti-racketeering statute shall apply to the unions just as it applies to individuals. Is there any reason why union racketeers should not be punished? Is it taking away the rights of organized labor for Congress to provide that the Federal Government can punish thugs and bruisers who hide behind a union to perpetrate their extortions and beatings?

Actually, there would not be any need for enacting the Hobbs bill had not the Supreme Court handed down its rather absurd ruling in the Teamsters' Union case, a ruling which stated that Congress had never intended the unions to be subject to the racketeering statute. Thus, all the Hobbs bill does in net effect is to make clear to the courts, the unions, and the public that the Federal racketeering statutes do apply to ALL, uniformly and fairly. In a word, the measure simply cancels a most unfortunate interpretation by the Supreme Court, and that is all it does.

How can such a measure be called anti-labor?

Another complaint already raised in the Senate against the Hobbs bill seems even more far-fetched than the charge that it is anti-labor. Senator Truman, noted for his fairness and the excellence of the work of his investigating committee, has just expressed the fear that it would disturb labor relations at war plants.

How could it?

No one has anything to fear under the Hobbs bill unless he has been guilty of racketeering. Does the Senator mean to imply that the union leaders in our war plants are guilty of racketeering, and that their prosecution would leave the unions in the war plants without leaders? In no other way could the Hobbs bill interfere with labor relations in war or any other plants, for it does not interfere with or affect union contracts, or any of the collective bargaining rights guaranteed by the Wagner Act, the wage and hour law, and any of the wartime wage control measures.

Senator McCarran, usually a spokesman for organized labor, has said that he fears the law might prove "dangerous" if administered by the wrong hands. Now let us look at that one for a minute. Just suppose that the Federal prosecutors, and all of the Federal judiciary are anti-union. Just how is the enforcement of the Federal anti-racketeering act going to break up the unions or lead to other mysteriously disastrous results? The Wagner Act will still protect labor's right to organize and bargain. The unions will still hold most of the railroad, auto, steel, mining, rubber, electrical, and other industries under closed shop or maintenance of membership. The worst that could happen under an admittedly hostile judiciary and prosecutor would be for some borderline case of picketing to be held racketeering and thus punishable under the racketeering statute. It is difficult to see how any form of picketing or other union activity not actually involved in racketeering could be interpreted as being racketeering. The borderline cases usually involve a type of brutal or mass picketing that should be called racketeering, that has always tended to alienate public and employee sympathy for the unions. It's just inconceivable that the elimination of any practice that could possibly be interpreted as racketeering by even a hostile judiciary would in any way damage the unions.

But this is all just day-dreaming, for it is obvious that instead of a hostile prosecutor the unions are favored by a

friendly Federal prosecutor, and the Teamsters' case shows all too well that the unions enjoy a friendly judiciary. Can anyone seriously argue that the Supreme Court which handed down the Teamsters' ruling would permit the Federal racketeering laws to be applied unfairly against the unions?

Either there are no racketeers in unions and the Hobbs measure is pointless, or there are racketeers in unions who should be eliminated. And in answer to both Senator Truman and Senator McCarran it is well to note that the purging of racketeers from the unions has never in any way interfered with their bargaining activities or jeopardized their economic strength. Quite the contrary. The unions purged of racketeers usually come back far stronger than ever before. We need only look to the record of the various unions purged of their racketeering leadership by Thomas E. Dewey. Each of those unions today is more powerful than ever before, with more members, with larger union treasuries, and with more and better contracts protecting the rights of their employees.

Thus, the chief arguments raised against the Hobbs bill scarcely hold water. Just as clearly the public has every right to expect the Senate to pass this measure for the protection of the public and employees from the rascals who use the unions for nefarious purposes.

The observing Senator will note that the public already is making itself heard from on the general question: Should the labor bloc be permitted to continue blocking constructive legislation? Already five or six of the State legislatures have enacted measures that truly restrict the activities of the unions far more rigidly than will the Hobbs bill. Texas, Colorado and Kansas in particular have passed measures that regulate union finances, provide for registration of union organizers, and in the case of Colorado, make the members of unions responsible for the illegal acts of their union officials.

Passage of these State laws reflects a growing popular impatience with Congressional activity on union regulatory legislation. The action of these State legislatures should show the Senate that it will certainly "hear from home" if it attempts to stall on the Hobbs bill as it has stalled on other labor legislation in the past.

One more point. There must be no "deals" on the Hobbs bill. It will be said by those who fear the enactment of the Hobbs bill that organized labor should not be "punished" by the enactment of the Hobbs bill since it is going along with the President's latest wage-freezing plan. There can be no connection between the bill and the wage-freezing. Organized labor will accept the latest wage-freezing because it knows that Congress would enact it into law if necessary. And organized labor will NOT be punished if the Hobbs bill is passed. There need never be any connection between the punishment of union racketeers and the future of organized labor.

The Senate should pass the Hobbs bill promptly.

Senate Requiring WLB Report On Wage Raises; Data On Standard Pay, Defining Of Yard Sticks

The Senate approved on April 9 a resolution calling on the National War Labor Board to submit monthly reports of wage increases.

The resolution, sponsored by Senator Byrd (Dem., Va.), directs the WLB to give (1) an analysis of the effect of its decisions and orders since its creation on Jan. 12, 1942, (2) a statement regarding all action taken by the Board in increasing substandard wages and correcting inequalities in wages, and (3) a statement concerning wage increases which constitute a departure from the so-called "Little Steel" formula. The first report shall be made to the Senate not later than May 10 and thereafter the War Labor Board is directed to fill similar reports by the 10th of each month.

The resolution was passed by the Senate unanimously without debate, said special advisers April 9 from Washington to the New York "Times," which also had the following to say, in part:

Mr. Byrd filed the resolution Wednesday as the Senate bypassed a clear-cut vote on the question of sustaining or overriding President Roosevelt's veto on the Bankhead Farm Price Bill on the ground that it would set off "an inflationary tornado." The Senate sent the veto message and the legislation it sought to kill to the Agriculture Committee, there to remain alive but inactive while Congress watched to see what curbs were put on wages.

The President's issuance last night of his "hold-the-line" order

liam H. Davis, Chairman of the Board, advised Senator Barkley, the majority leader, that in view of the volume of detailed information to be supplied it would be impossible to meet that deadline. With the issuance of the President's "hold-the-line" executive order it developed the Board might have to request an extension of the May 10 concession.

After the Senate had acted Mr. Davis said:

"The Board has issued a public release on every decision made since it was established by the President 15 months ago. It welcomes, however, this opportunity to disclose the effect of its policies in more condensed form to the Senate.

"I am glad to note that the Senate has changed its original deadline for the first report from May 1 to May 10. The Board's staff, which has been working long hours to cope with the difficult problems of wage stabilization, would have found it difficult, if not impossible, to compile the requested information by May 1."

Soviet Foreign Policy Is Misunderstood Says Corliss Lamont

The Soviet Union, instead of seeking to spread Communism to other countries after the war, is prepared to cooperate with the United Nations in a collective security system to prevent the outbreak of a third world war, Corliss Lamont, President of the American Council on Soviet-American Relations, said on April 11 in a vesper-service speech at Christ Church Methodist, New York City.

In reporting his remarks, the New York "Herald Tribune" of April 12 quoted Mr. Lamont as follows:

"The American public and military experts misunderstood the strength of the Soviet Union when the Nazis first invaded that country, and at present they misunderstand Soviet foreign policy," Mr. Lamont said.

"The Soviet, first and foremost of all, wants peace," he added, "and its foreign policy, just as before the outbreak of the war, will continue to be directed to the preservation of peace." He recalled that Russia, through its representative at the League of Nations, repeatedly demanded collective sanctions when China and the small countries of Europe were invaded.

Mr. Lamont then expressed his conviction that the Soviet again will be prepared to join the United States, Great Britain and other countries in a collective security system. If there again is a split between Russia and the democracies, which Mr. Lamont said occurred when the democracies refused to accept Soviet proposals for collective security, the Soviet sympathizer warned there will be a third world war.

He said Russia also will follow the principle of self-determination of nations, as advocated by the democracies. "This principle," he added, "should apply to the main colonial areas of the world as well as to Europe. In Europe," he said, "minorities in Eastern Poland and the peoples of Estonia, Latvia and Lithuania already have announced their desire to join the Soviet," and Mr. Lamont indicated that these areas therefore should be incorporated in the Soviet.

Mr. Lamont thought Russia also would be interested in widespread international trade after the war to help reconstruction of its devastated cities and also would cooperate with other nations on international disarmament.

What Is An "International Police Force"?

By PAUL MALLON

Everyone is talking about an international police force as the basis for the post-war world, but none of the arguers has ever described one.

Mr. Welles, the Under Secretary of State, has been continuously plugging for "an international police force" in just those four words, but he has never gone on to describe what kind of a force he wants.

Just once in all past history has such a proposition been seriously considered—and then only for 15 minutes. During the peace conference the discussions over the Versailles Treaty, after the last war, the French advanced the notion of maintaining a large international land army to keep the peace. The idea was smothered without serious contemplation.

From this history, many have assumed that what Mr. Welles has in mind as an administration proposal is the same thing. All participants in the debate seem to accept the theory that a super-army, to which Russia, Britain, China and the United States would contribute troops, could guarantee peace.

It could not be done. The question of what share each should have in the force and where each particular force should be stationed ought to be enough to break up any diplomatic conference which considered the idea.

Furthermore, international wars are not fought by land armies alone, but largely on the sea and in the air. (This has been almost wholly our participation so far.)

In the future world, the main part of the war will be fought in the air. But, if the international police force idea is turned into the air channel, the question of who shall have how many planes, and where seems almost impossible of negotiation with each nation naturally striving to maintain its own interests and to gain the upper hand if possible.

And such proposal along this line would require all participating nations to sacrifice their own natural self-protecting interests and no other world statesman except Mr. Welles (or possibly Mme. Chiang) has indicated yet a willingness to go that far.

But the word "police," in its true dictionary meaning, would signify something else. The police force of this country does not rule it. It is subject to a greater power. In our case, the Army and the Navy. In any conflict between the two, the Federal authority would be overwhelming, as has been constantly shown in cases of martial law.

I do not profess to be an exceptional authority, but, while listening to all the discussions that are going on, I have come increasingly to the conviction that the way for the world to live is to model its post-war plans upon the methods which each of us, as individuals, adopt to live in peace among our neighbors—not to surrender our integrity, not throwing away all our money, not carrying brotherly love to an extent internationally which we would consider ridiculous individually.

So, also, with the police idea. If we, as a nation, are to maintain our national integrity, our democratic ideals, our treasury, we must also in this policing matter maintain a defensive army and navy sufficient to guarantee our safety, despite any world police force. Each nation would do this also.

We would not think in our neighborhood of letting the Russians or Germans come into our local police force. We would consider that more likely to cause trouble than to maintain peace.

In the "Good Neighbor" policy which Mr. Roosevelt has established in this hemisphere, he has also set a different example for policing this hemisphere than Mr. Welles seems to be advocating for the post-war world.

The President has simply acquired bases, land, air, and sea, in strategic parts of the hemisphere. He has done this by negotiation.

The bases offer mutual service. Brazil allows our Army and Navy to use her facilities on the promise that her forces can use ours.

Thus, the establishment of bases has become in truth a diplomatic form of a police force on a mutually agreeable basis, without actually intermingling the armies and navies or the air forces of the various countries. Nor has there been created any common hemisphere army.

A status quo of existing armies, navies and air forces

The State Of Trade

Heavy industries in a number of sections reported slight setbacks for the week, but continue to operate at exceedingly high levels in most quarters. This is especially so as concerns the electric and steel industries.

Electrical energy distributed by the electric light and power industry of the United States for the week ended April 3rd, amounted to 3,889,858,000 kilowatt hours, an increase of 16.2% over the total of 3,348,608,000 for the like 1942 week, according to the Edison Electric Institute. The week of March 27th, had a total of 3,928,170,000 hours.

The Pacific Coast area showed the largest improvement over the like 1942 week, with a gain of 24.4%, while the Southern States section was next with 22.5%. The New England section showed the smallest gain of 10.0%.

Consolidated Edison Company of New York announced system output of electricity for the week ended April 4th, was 171,600,000 kilowatt hours, compared with 147,700,000 for the like 1942 week, an increase of 16.1%.

Carloadings of revenue freight for the week ended April 3rd, totaled 772,133 cars, according to the Association of American Railroads. This was a decrease of 15,227 cars from the preceding week this year, 56,905 cars from the corresponding week in 1942 and 88,731 cars above the same period two years ago.

This total was 126.54% of average loadings for the corresponding week of the ten preceding years.

Steel production in the United States is scheduled this week at 98.8% of capacity, compared with last week's rate of 99.6%, according to the American Iron & Steel Institute.

The rate of operations for the current week indicates production of 1,710,900 net tons of ingots and castings, compared with 1,724,700 tons last week. For the like week a year ago, production amounted to 1,651,100 tons.

The nation's steel industry set a new monthly production record in March when it operated at an even 100% of capacity to turn out 7,670,187 net tons of ingots and steel for castings, it was disclosed by the American Iron & Steel Institute.

October 1942, was the best previous month, with an output of 7,579,514 net tons. This, too, was achieved at an even 100% of capacity then in service. The largest output during the first World War was 4,561,598 net tons in October, 1918.

The record March output compares with 6,826,049 tons in February and with 7,424,042 in January of this year. Production of 21,920,278 net tons for the first quarter of 1943, at 98.4% of capacity, was 4.3% above production of 21,016,752 net tons, at 96.2% of capacity, in the first quarter of 1942.

Civil engineering construction volume in continental United States totaled \$305,973,000 in March, which, not including the construction of military combat engineers, American contracts outside the country and shipbuilding, was 0.1% below the \$306,242,000 reported for February, 1943, and 58% under the \$729,485,000 for March, 1942, the "Engineering News-Record" reported.

March private construction was 18% under the preceding month and 55% lower than in the 1942

has merely been accepted by all concerned, on a friendly, working arrangement in which no one sacrificed anything—integrity, ideals or money. Whether this would work internationally, I do not know.

But these reflections will at least lead anyone to the inevitable conclusion that the current officially-inspired debate about "international police forces" has been running off into whirlwinds. Before a basis of sensible argument can be established on the subject, those who talk about such a plan hereafter should define what they mean.

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tant Congressional groups to subsidies.

A series of conferences between Economic Stabilization Director Byrnes, Price Administrator Brown and key members of Congress may decide the fate of the incentive payment program.

Byrnes and Brown, both former Senators, already have discussed phases of the program with some members of Congress, and further conferences are anticipated.

The Administration faced the necessity of convincing the powerful Farm Bloc that incentive payments are sounder than a general increase in farm prices.

FDR Approves Senate Peace Plan Principles

President Roosevelt indicated recently his approval of the broad principles of a proposed Senate resolution to have the United States join with other nations in maintaining future peace.

The President told his press conference that he is not cool toward the proposal but that it was purely a senate matter to express its opinion as to post-war collaboration. Mr. Roosevelt added that he believed it would be helpful to have the world know that the United States is ready and willing to help maintain future peace.

The resolution, sponsored by Senators Hill, Ball, Hatch and Burton, would, among other things, put the Senate on record as favoring effective collaboration with the United Nations to maintain world peace and stability through the use of military peace. Introduction of this proposal was referred to in our issue of March 18, page 1032.

Hatch Urges U. S. Part In A Post-War World Peace Organization

Senator Carl Hatch of New Mexico, addressing, on April 12, the New York Chapter of Hadasah, Women's Zionist Organization, at the Waldorf Astoria said "We police the world in times of war. We can afford a little policing in times of peace to prevent greater policing in time of war," said the New York "Sun" of April 12, which continued as follows:

Without a world organization, he said, he could see no hope for world peace. He declared: "The United States has never shirked its duty in a military sense. We have sent our sons to die on foreign battlefields whenever it is necessary. I'm tired of our only taking our part in times of war, if we are willing to give our sons in wartime, we ought to be willing to make whatever sacrifice is necessary in times of peace."

The Senator argued that Europe, with its ancient hatreds, can not supply leadership in a successful manner. He insisted, "We are going to have to assume our full and entire responsibility in every phase of life of the nations of the world. We can't extend one hand while holding back the other."

Senator Hatch said that the sponsors of the Ball resolution were not set on that resolution alone. He explained, "We are not particular about the words or the language of the resolution or having our names attached to it, but we are dead in earnest that some resolution with teeth in it come out of the Foreign Relations Committee and be adopted by the Senate."

Dr. Harry D. Gideonse, President of Brooklyn College, told the women that this country could not avoid a part in reshaping the world. If it fails to cooperate it will push the small nations toward Russia, because if this country draws out it will leave Russia the only strong force to guard them against a revival of Nazism.

Keynes, Adviser To British Exchequer, Proposes International Currency Union, Based On 'Bancor'

Following the disclosure last week by Secretary of the Treasury Morgenthau of the tentative proposal of the Treasury for the establishment of a post-war international currency stabilization plan, the British currency plan proposed by Lord Keynes, economist and adviser to the Exchequer, was made known on April 7 in a White Paper issued by the British Government. The United States proposal, attributed to Henry D. White, an Assistant to Secretary Morgenthau, would establish "a United and Associated Nations Stabilization Fund," and proposes that the monetary unit of the fund shall be Unitas, consisting of 1371/7 grains of fine gold, "equivalent to \$10 U. S.," the Keynes proposal calls for the establishment of "a Currency Union, or International Clearing Union, based on international bank money called 'bancor,' fixed but not unalterably in terms of gold and accepted as the equivalent of gold by the British Commonwealth and the United States and all the other members of the Union for the purpose of settling international balances." The Keynes plan further proposes that "the central banks of all member States, and also non-members, would keep accounts with the International Clearing Union through which they would be entitled to settle their exchange balances with one another at their par value as defined in terms of 'bancor.'"

In London Associated Press accounts April 7 it was stated that "the (Keynes) plan subordinates gold, in contrast with the United States Treasury's proposal for a \$5,000,000,000 international stabilization fund, and says 'the purpose of the clearing union is to supplant gold as a governing factor, but not dispense with it.'"

In our issue of April 8 the outline of the tentative proposal of the Treasury, as made known on April 5 by Secretary Morgenthau following his presentations to a group of Senators, was given on page 1305, and on page 1300 of the same issue we gave Mr. Morgenthau's further statement (April 6) outlining the preliminary draft of the Treasury plan. With respect to the two plans, Associated Press advices from London on April 7 said:

Going considerably farther in some directions than the United States Treasury's proposal for a currency stabilization program as announced by Secretary Morgenthau yesterday, the British plan nevertheless states similar objectives. Both are advanced as a basis for discussion.

Lord Keynes calls his proposed mechanism an International Clearing Union, from which countries in temporary need of funds to finance international trade would borrow, and in which countries with a favorable balance of payments would accumulate credits.

The plan places responsibilities on both creditor and debtor countries to work toward balancing of the world economy.

Lord Keynes describes his proposal as providing the same facilities between nations that a banking system provides within nations. He writes:

"No depositor in a local bank suffers because the balances, which he leaves idle, are employed to finance the business of some one else.

"Just as the development of national banking systems served to offset a deflationist pressure which would have prevented otherwise the development of modern industry, so by extending the same principle into the international field we may hope to offset the contractionist pressure which might otherwise overwhelm in social disorder and disappointments the good hopes of our modern world."

Lord Keynes's plan makes no fixed proposal for the amount of gold or capital which the union would have, while the United

States Treasury proposes \$5,000,000,000.

He suggests that each United Nation receive fixed quotas as to the amount of borrowing which they may do, based on their average trade balances over a period of time. Rather flexible quotas would be given as to the amount of credit they may accumulate.

He proposes that transactions between the nations operating in the union be in terms of a new currency to be called bancor, its value fixed, "but not unalterably so" in terms of gold, and accepted as the equivalent of gold. Local currencies would be stabilized as to rates, which may be adjusted through certain procedures, in terms of bancor. The dealings through the union would supplement and balance dealings directly between countries, but not replace them.

The United States proposal, giving apparently considerable more prominence to gold, would make the clearing currency a unit to be called Unitas, equal to ten gold dollars.

The proposals diverge sharply on representation as to the governing board. The United States Treasury suggests a plan under which the United States would have at least 25% of the voting power, and an effective veto on important decisions, because they would require an 80% vote.

Lord Keynes, while proposing representation on the board in proportion to quotas, says:

"Management of the institution must be genuinely international, without preponderant power of veto or enforcement lying with any country or group. And the rights and privileges of smaller countries must be safeguarded."

Lord Keynes, in describing the position of gold in his plan, says:

"Gold still possesses great psychological value which is not being diminished by current events; and the desire to possess a gold reserve against unforeseen contingencies is likely to remain.

"Moreover, by supplying an automatic means for settling some part of the favorable balances of the creditor countries, the current gold production of the world and the remnant of gold reserves held outside the United States may still have a useful part to play.

"Nor is it reasonable to ask the United States to de-monetize the stock of gold which is the basis of its impregnable liquidity.

"What in the long run the world may decide to do with gold is another matter. The purpose of the clearing union is to supplant gold as a governing factor, but not to dispense with it."

Lord Keynes proposes that central banks of various countries still have power to ship gold to one another, but that they do not have power to bid a higher price for it than the union offers in terms of bancor.

He also says there should be the limitation that no power be permitted to demand gold from the union in terms of bancor, for bancor would be available only for transferring funds between accounts in the union. If the union had too much gold, he said, it might be provided that it could distribute it among credit balances.

The British White Paper parallels the American proposal in limiting the organization primarily to short-term credits, saying it is not "to facilitate long-term or even medium-term credits to be made by debtor countries

which cannot afford them, but to allow time and a breathing space for adjustments and for averaging one period with another to all member States alike."

Referring to what has been discussed in the United States as a possible international Reconstruction Finance Corporation, the White Paper says:

"The machinery and organization of international medium-term and long-term lending is another aspect of post-war economic policy not less important than the purposes which the clearing union seeks to serve, but requiring another, complementary institution."

In outlining advantages under the plan to creditor countries like the United States, the British economist writes that in the absence of the credit union:

"Certain countries become unable to buy, and, in addition to this, there is an automatic tendency toward a general slump in international trade and, as a result, a reduction in exports of the creditor country.

"Thus, the effect of the clearing union is to give the creditor country a choice between voluntarily curtailing its exports to the same extent that they would have been involuntarily curtailed in the absence of the clearing union or, alternatively, of allowing its exports to continue and accumulating the excess receipts in the form of bancor balances for the time being."

In the event of a country making excessive use of the fund to accumulate debit balances, the proposal outlines measures to induce the country to improve its position, if necessary through devaluation of its currency.

In likening the credit union to a national banking system, Lord Keynes says the principle is the well-known one of equality of credits and debits.

"If no credits can be removed outside the clearing system, but only transferred within it," he says, "the union can never be in any difficulty as regards honoring the checks drawn upon it.

"It can make what advances it wishes to any of its members with the assurance that the proceeds can only be transferred to the clearing account of another member.

"Its sole task is to see to it that its members keep the rules and that advances made to each of them are prudent and advisable for the union as a whole."

An earlier reference to the Keynes and White plans appeared in our issue of April 1, page 1211. The British Information Services (an agency of the British Government), made public on April 7 the text of the paper containing the proposals of the British experts, from which we quote the following:

I.—The Objects of the Plan

"ABOUT the primary objects of an improved system of International Currency there is, today, a wide measure of agreement:

"(a) We need an instrument of international currency having general acceptability between nations, so that blocked balances and bilateral clearings are unnecessary; that is to say, an instrument of currency used by each nation in its transactions with other nations, operating through whatever national organ, such as a Treasury or a Central Bank, is most appropriate, private individuals, businesses and banks other than Central Banks, each continuing to use their own national currency as heretofore.

"(b) We need an orderly and agreed method of determining the relative exchange values of national currency units, so that unilateral action and competitive exchange depreciations are prevented.

"(c) We need a quantum of international currency, which is neither determined in an unpredictable and irrelevant manner as, for example, by the technical

progress of the gold industry, nor subject to large variations depending on the gold reserve policies of individual countries; but is governed by the actual current requirements of world commerce, and is also capable of deliberate expansion and contraction to offset deflationary and inflationary tendencies in effective world demand.

"(d) We need a system possessed of an internal stabilizing mechanism, by which pressure is exercised on any country whose balance of payments with the rest of the world is departing from equilibrium in either direction, so as to prevent movements which must create for its neighbors an equal but opposite want of balance.

"(e) We need an agreed plan for starting off every country after the war with a stock of reserves appropriate to its importance in world commerce, so that without due anxiety it can set its house in order during the transitional period to full peace-time conditions.

"(f) We need a central institution, of a purely technical and non-political character, to aid and support other international institutions concerned with the planning and regulation of the world's economic life.

"(g) More generally, we need a means of reassurance to a troubled world, by which any country whose own affairs are conducted with due prudence is relieved of anxiety, for causes which are not of its own making, concerning its ability to meet its international liabilities; and which will, therefore, make unnecessary those methods of restriction and discrimination which countries have adopted hitherto, not on their merits, but as measures of self-protection from disruptive outside forces.

"2. There is also a growing measure of agreement about the general character of any solution of the problem likely to be successful. The particular proposals set forth below lay no claim to originality. They are an attempt to reduce to practical shape certain general ideas belonging to the contemporary climate of economic opinion, which have been given publicity in recent months by writers of several different nationalities. It is difficult to see how any plan can be successful which does not use these general ideas, which are born of the spirit of the age. The actual details put forward below are offered, with no dogmatic intention, as the basis of discussion for criticism and improvement. For we cannot make progress without embodying the general underlying idea in a frame of actual working, which will bring out the practical and political difficulties to be faced and met if the breath of life is to inform it.

"3. In one respect this particular plan will be found to be more ambitious and yet, at the same time, perhaps more workable than some of the variant versions of the same basic idea, in that it is fully international, being based on one general agreement and not on a multiplicity of bilateral arrangements. Doubtless proposals might be made by which bilateral arrangements could be fitted together so as to obtain some of the advantages of a multilateral scheme. But there will be many difficulties attendant on such adjustments. It may be doubted whether a comprehensive scheme will ever in fact be worked out, unless it can come into existence through a single act of creation made possible by the unity of purpose and energy of hope for better things to come, springing from the victory of the United Nations, when they have attained it, over immediate evil. That these proposals are ambitious is claimed, therefore to be not a drawback but an advantage.

"4. The proposal is to establish a Currency Union, here designated an International Clearing Union, based on international bank-money, called (let us say) bancor, fixed (but not unalterably) in terms of gold and accepted as the equivalent of gold by the British Commonwealth and the United States and all the other members of the Union for the purpose of settling international balances. The Central Banks of all member States (and also of non-members) would keep accounts with the International Clearing Union through which they would be entitled to settle their exchange balances with one another at their par value as defined in terms of bancor. Countries having a favorable balance of payments with the rest of the world as a whole would find themselves in possession of a credit account with the Clearing Union, and those having an unfavorable balance would have a debit account. Measures would be necessary (see below) to prevent the piling up of credit and debit balances without limit, and the system would have failed in the long run if it did not possess sufficient capacity for self-equilibrium to secure this.

"5. The idea underlying such a Union is simple, namely, to generalize the essential principle of banking as it is exhibited within any closed system. This principle is the necessary equality of credits and debits. If no credits can be removed outside the clearing system, but only transferred within it, the Union can never be in any difficulty as regards the honoring of cheques drawn upon it. It can make what advances it wishes to any of its members with the assurance that the proceeds can only be transferred to the clearing account of another member. Its sole task is to see to it that its members keep the rules and that the advances made to each of them are prudent and advisable for the Union as a whole.

II.—The Provisions of the Plan

"6. The provisions proposed (the particular proportions and other details suggested being tentative as a basis of discussion) are the following:

"(1) All the United Nations will be invited to become original members of the International Clearing Union. Other States may be invited to join subsequently. If ex-enemy States are invited to join, special conditions may be applied to them.

"(2) The Governing Board of the Clearing Union shall be appointed by the Governments of the several member States, as provided in (12) below; the daily business with the Union and the technical arrangements being carried out through their Central Banks or other appropriate authorities.

"(3) The member States will agree between themselves the initial values of their own currencies in terms of bancor. A member State may not subsequently alter the value of its currency in terms of bancor without the permission of the Governing Board except under the conditions stated below; but during the first five years after the inception of the system the Governing Board shall give special consideration to appeals for an adjustment in the exchange value of a national currency unit on the ground of unforeseen circumstances.

"(4) The value of bancor in terms of gold shall be fixed by the Governing Board. Member States shall not purchase or acquire gold, directly or indirectly, at a price in terms of their national currencies in excess of the parity which corresponds to the value of their currency in terms of bancor and to the value of bancor in terms of gold. Their sales and purchases of gold shall not be otherwise restricted.

"(5) Each member State shall

have assigned to it a quota, which shall determine the measure of its responsibility in the management of the Union and of its right to enjoy the credit facilities provided by the Union. The initial quotas might be fixed by reference to the sum of each country's exports and imports on the average of (say) the three pre-war years, and might be (say) 75% of this amount, a special assessment being substituted in cases (of which there might be several) where this formula would be, for any reason, inappropriate. Subsequently, after the elapse of the transitional period, the quotas should be revised annually in accordance with the running average of each country's actual volume of trade in the three preceding years, rising to a five-year average when figures for five post-war years are available. The determination of a country's quota primarily by reference to the value of its foreign trade seems to offer the criterion most relevant to a plan which is chiefly concerned with the regulation of the foreign exchanges and of a country's international trade balance. It is, however, a matter for discussion whether the formula for fixing quotas should also take account of other factors.

"(6) Member States shall agree to accept payment of currency balances, due to them from other members, by a transfer of bancor to their credit in the books of the Clearing Union. They shall be entitled, subject to the conditions set forth below, to make transfers of bancor to other members which have the effect of over-drawing their own accounts with the Union, provided that the maximum debit balances thus created do not exceed their quota. The Clearing Union may, at its discretion, charge a small commission or transfer fee in respect of transactions in its books for the purpose of meeting its current expenses or any other outgoings approved by the Governing Board.

"(7) A member State shall pay to the Reserve Fund of the Clearing Union a charge of 1% per annum on the amount of its average balance in bancor, whether it is a credit or a debit balance, in excess of a quarter of its quota; and a further charge of 1% on its average balance, whether credit or debit, in excess of a half of its quota. Thus, only a country which keeps as nearly as possible in a state of international balance on the average of the year will escape this contribution. These charges are not absolutely essential to the scheme. But if they are found acceptable, they would be valuable and important inducements towards keeping a level balance, and a significant indication that the system looks on excessive credit balances with as critical an eye as on excessive debit balances, each being, indeed, the inevitable concomitant of the other. Any member State in debit may, after consultation with the Governing Board, borrow bancor from the balances of any member State in credit on such terms as may be mutually agreed, by which means each would avoid these contributions. The Governing Board may, at its discretion, remit the charges on credit balances, and increase correspondingly those on debit balances, if in its opinion unduly expansionist conditions are impending in the world economy.

"(8)—(a) A member State may not increase its debit balance by more than a quarter of its quota within a year without the permission of the Governing Board. If its debit balance has exceeded a quarter of its quota on the average of at least two years, it shall be entitled to reduce the value of its currency in terms of bancor provided that the reduction shall not exceed 5% without the consent of the Governing Board, but it shall not be entitled to repeat this procedure unless

the Board is satisfied that this procedure is appropriate.

"(b) The Governing Board may require from a member State having a debit balance reaching a half of its quota the deposit of suitable collateral against its debit balance. Such collateral shall, at the discretion of the Governing Board, take the form of gold, foreign or domestic currency or Government bonds, within the capacity of the member State. As a condition of allowing a member State to increase its debit balance to a figure in excess of a half of its quota, the Governing Board may require all or any of the following measures:

"(i) a stated reduction in the value of the member's currency, if it deems that to be the suitable remedy;

"(ii) the control of outward capital transactions if not already in force; and

"(iii) the outright surrender of a suitable proportion of any separate gold or other liquid reserve in reduction of its debit balance.

"Furthermore, the Governing Board may recommend to the Government of the member State any internal measures affecting its domestic economy which may appear to be appropriate to restore the equilibrium of its international balance.

"(c) If a member State's debit balance has exceeded three-quarters of its quota on the average of at least a year and is excessive in the opinion of the Governing Board in relation to the total debit balances outstanding on the books of the Clearing Union, or is increasing at an excessive rate, it may, in addition, be asked by the Governing Board to take measures to improve its position, and, in the event of its failing to reduce its debit balance accordingly within two years, the Governing Board may declare that it is in default and no longer entitled to draw against its account except with the permission of the Governing Board.

"(d) Each member State, on joining the system, shall agree to pay to the Clearing Union any payments due from it to a country in default towards the discharge of the latter's debit balance and to accept this arrangement in the event of falling into default itself. A member State which resigns from the Clearing Union without making approved arrangements for the discharge of any debit balance shall also be treated as in default.

"(9) A member State whose credit balance has exceeded half of its quota on the average of at least a year shall discuss with the Governing Board (but shall retain the ultimate decision in its own hands) what measures would be appropriate to restore the equilibrium of its international balances, including—

"(a) Measures for the expansion of domestic credit and domestic demand.

"(b) The appreciation of its local currency in terms of bancor, or, alternatively, the encouragement of an increase in money rates of earnings.

"(c) The reduction of tariffs and other discouragements against imports.

"(d) International development loans.

"(10) A member State shall be entitled to obtain a credit balance in terms of bancor by paying in gold to the Clearing Union for the credit of its clearing account. But no one is entitled to demand gold from the Union against a balance of bancor, since such balance is available only for transfer to another clearing account. The Governing Board of the Union shall, however, have the discretion to distribute any gold in the possession of the Union between the members possessing credit balances in excess of a specified proportion of their quotas, proportionately to such balances, in re-

duction of their amount in excess of that proportion.

"(11) The monetary reserves of a member State, viz., the Central Bank or other bank or Treasury deposits in excess of a working balance, shall not be held in another country except with the approval of the monetary authorities of that country.

"(12) The Governing Board shall be appointed by the Governments of the member States, those with the larger quotas being entitled to appoint a member individually, and those with smaller quotas appointing in convenient political or geographical groups, so that the members would not exceed (say) 12 or 15 in number. Each representative on the Governing Board shall have a vote in proportion to the quotas of the State (or States) appointing him, except that on a proposal to increase a particular quota, a representative's voting power shall be measured by the quotas of the member States appointing him, increased by their credit balance or decreased by their debit balance, averaged in each case over the past two years. Each member State, which is not individually represented on the Governing Board, shall be entitled to appoint a permanent delegate to the Union to maintain contact with the Board and to act as liaison for daily business and for the exchange of information with the Executive of the Union. Such delegate shall be entitled to be present at the Governing Board when any matter is under consideration which specially concerns the State he represents, and to take part in the discussion.

"(13) The Governing Board shall be entitled to reduce the quotas of members, all in the same specified proportion, if it seems necessary to correct in this manner an excess of world purchasing power. In that event, the provisions of 6 (8) shall be held to apply to the quotas as so reduced, provided that no member shall be required to reduce his actual overdraft at the date of the change, or be entitled by reason of this reduction to alter the value of his currency under 6 (8) (a), except after the expiry of two years. If the Governing Board subsequently desires to correct a potential deficiency of world purchasing power, it shall be entitled to restore the general level of quotas towards the original level.

"(14) The Governing Board shall be entitled to ask and receive from each member State any relevant statistical or other information, including a full disclosure of gold, external credit and debit balances and other external assets and liabilities, both public and private. So far as circumstances permit, it will be desirable that the member States shall consult with the Governing Board on important matters of policy likely to affect substantially their bancor balances or their financial relations with other members.

"(15) The executive offices of the Union shall be situated in London and New York, with the Governing Board meeting alternately in London and Washington.

"(16) Members shall be entitled to withdraw from the Union on a year's notice, subject to their making satisfactory arrangements to discharge any debit balance. They would not, of course, be able to employ any credit balance except by making transfers from it, either before or after their withdrawal, to the Clearing Accounts of other Central Banks. Similarly, it should be within the power of the Governing Board to require the withdrawal of a member, subject to the same notice, if the latter is in breach of agreements relating to the Clearing Union.

"(17) The Central Banks of non-member States would be allowed to keep credit clearing ac-

counts with the Union; and, indeed, it would be advisable for them to do so for the conduct of their trade with member States. But they would have no right to overdrafts and no say in the management.

"(18) The Governing Board shall make an annual Report and shall convene an annual Assembly at which every member State shall be entitled to be represented individually and to move proposals. The principles and governing rules of the Union shall be the subject of reconsideration after five years' experience, if a majority of the Assembly desire it."

More Federal Aid For Educational Purposes Urged In Govt. Report

Federal aid to State and local governments for educational purposes should be expanded to provide for maintenance of a national minimum of opportunity for at least elementary education, the Committee on Intergovernmental Fiscal Relations declared on April 5 in its report to Secretary of the Treasury Morgenthau. The Committee suggested that a national minimum of aid to dependent children also could be developed through Federal grants, with the grants embodying differentials which take note of varying abilities of the State and local governments to finance such undertakings.

"Regarding improvements in the aid system, it is observed first, that while the scope of Federal aid developed very rapidly under the pressure of the recent depression, it is a mistake to call the existing practices a system," the report stated. The report further said:

"In many States certain Federally-supported functions, such as old-age assistance and vocational education, have tended to get the lion's share of Federal, State and local support at the expense of such locally supported functions as relief and general education. The system should be revised and brought into balance by an extension of its scope to include additional functions in which there is a clear national interest.

"The aid system has developed no concept of a national minimum, that is, of functions of such strong national interest that the Federal Government should underwrite a minimum program and insure that the minimum standard be everywhere provided without undue strain upon local resources. It seems that the strongest claimant for preferred position in this respect is elementary education, followed by aid to dependent children. Although agitation for differential aids for old-age assistance has been persistent, minimum standards here are not so clearly of national interest."

Education is a function which is traditionally and legally a responsibility of State and local government, the Committee said but calls for more general and more generous Federal aid are becoming more and more insistent. The Committee added:

"Much weight needs to be given to the view held by many people that education is a part of their way of life and that national participation means regimentation and the loss of important minority rights and interests," the report set forth. "Concessions can and should be made to this feeling, but in recognition of the overwhelming national interest in the maintenance of minimum standards of educational opportunity, the concessions should not extend to a veto of Federal aid for general education with equalization features. Nor should it block a control program necessary to secure the Federal objectives. It is not an acceptable

feature of our way of life to keep a large section of our population in ignorance."

NY State Banking Law Amended On Reserves

Governor Dewey has approved the Williamson Bill as Chapter 169 of the Laws of 1943, amending Section 107 of New York State Banking Law, reducing the amount of reserves against deposits required to be maintained by banks and trust companies. (S. Int. 1073, Printed No. 1234).

In reporting this action, Albany advices of March 26 to the New "Journal of Commerce" said:

"The new law reduces the percentage of reserves against deposits if such bank or trust company has an office in the Borough of Manhattan from 18 to 13% and from 12 to 8% of such deposits to be maintained as reserves on hand.

"The reduction is from 15 to 10% if the principal office of the bank or trust company is located in the Borough of Brooklyn, the Borough of The Bronx or the City of Buffalo, and it has not an office in the Borough of Manhattan and from 10 to 6% of deposits required to be retained as reserves on hand.

"The reduction for banks and trust companies whose principal place of business is located elsewhere in the State is from 12 to 7%, of which at least 3 instead of 4% of such deposits shall be maintained as reserves on hand."

Navy Fund Bill Of \$3.8 Billion Signed

President Roosevelt signed on April 1 a bill appropriating an additional \$3,836,176,119 for naval expenditures in the present fiscal year.

The supplemental appropriations contained in this bill, plus about \$450,000,000 in contract authorizations, cover naval pay, subsistence, education, transportation, shipbuilding and repair, ordnance, maintenance and operation of the fleet and shore establishments, equipment, repairs and alterations and a wider range of other essential naval expenditures.

When the House originally passed this measure on March 5, by the unanimous vote of 346 to 0, the appropriations totaled \$3,816,206,583. The Senate, however, in approving the bill on March 17 added \$3,969,536, making the total \$3,851,176,119. The chief increases by the Senate were for the maintenance of the Bureau of Ships and the Bureau of Docks and Yards. A conference committee worked out the differences in the two bills; the House adopted their report on March 24 and the Senate on March 25.

Asks Fed. Hospital Survey

President Roosevelt has vested in the Federal Board of Hospitalization full control over the acquisition and expansion of Federal hospital and convalescent facilities in the continental United States. A survey of the problem was asked. In reporting this, Washington advices of April 5 to the New York "Times" further said:

"The President cited the rapid wartime expansion of Federal hospitals and expressed concern over the possibility of over-building and failure to accomplish full utilization of existing facilities unless comprehensive plans were developed for wartime needs and post-war use.

"Brig. Gen. Frank T. Hines, Administrator of Veterans' Affairs, heads the Hospitalization Board, which also includes the Surgeons General of the Army, Navy and Public Health Service."

Sees London Money Market Disintegrating As War Curtails Foreign Exchange Business

The British banks, including the Bank of England but excluding the Post Office and Trustee Savings Banks, held at the end of 1942 an estimated amount of £3,900,000,000 of Government obligations, or 23.8% of the gross national debt. On the other hand, the commercial banks, the Federal Reserve banks, and the mutual savings banks in the United States held 46.7% of the total interest-bearing direct and guaranteed Federal debt outstanding on Dec. 31, 1942, according to a bulletin entitled: "Effect of the War on British Banking" issued last month by Dean John T. Madden, Director of the Institute of International Finance of New York University.

The bulletin states: The war has brought great changes to the joint stock banks and the London money market. The assets of the banks today consist to a large extent of Government securities. In fact, at the end of 1942 Government obligations represented 70.2% of total earning assets of the London clearing banks, as compared with 43.2% in August, 1939. Between these two dates the ratio of advances to earning assets decreased from 48.4% to 24.5%. The increase in the holdings of Government securities was accompanied by a sharp rise in the volume of deposits and a decline in the ratio of capital funds to deposits. The ratio of capital and published reserves to deposits at the end of 1942 amounted to 3.9%, as compared with 6.2% in August, 1939. This ratio, however, does not reflect the actual condition, because there are reasons to believe that the undisclosed reserves of the banks are quite substantial. While the ratio of cash to deposits has remained at the traditional level of between 10 and 11%, the secondary liquidity ratio has increased, with the result that the ratio of quick assets to deposits has advanced from 32.7% to 49.9% between August, 1939 and December, 1942.

As is to be expected in wartime, the credit policies are determined by the Treasury, and the Bank of England is merely the instrument through which these policies are carried out. From the outbreak of hostilities to the present day the British Government has adhered to a policy of low money rates which it has been able to maintain without difficulty. Since the British banks do not customarily hold excess reserve balances, any increase in these balances leads immediately to a demand for Government securities. Although the

London clearing banks have acquired large amounts of Government obligations, which at the end of 1942 represented 64.9% of total deposits as against 45.6% in August, 1939, they have absorbed only a relatively small proportion of the total increase in the public debt. From the outbreak of the war to the end of December, 1942, the gross national debt of Great Britain increased by £7,848,000,000. Of this amount about £1,700,000,000 or 21.7% were absorbed by the banks. If the increase in Government securities held by the Bank of England is added, the total would represent 31% of the gross debt contracted by the Exchequer between Sept. 2, 1939, and Dec. 31, 1942.

The bulletin continues: Great Britain entered the second World War with a national debt of about £8,500,000,000 as against only £660,000,000 at the beginning of the first World War. In addition, it is obvious that the present war will be much more costly than the 1914-1918 conflict. Loans at interest rates similar to those paid during the first World War would have imposed an unbearable burden on the national economy. Hence it became imperative to finance the war at very low interest rates. The authorities have therefore directed all their efforts toward maintaining the prewar "cheap money" conditions. In this they have been remarkably successful, not only because of the control measures over spending and saving, the rigorous control over the capital market, and the experience with managed currency gained since the abandonment of the gold standard in September, 1931, but also because of the patriotic response of the people. Furthermore, in order to show the determination of the authorities to borrow at low rates, an amendment to the Consolidated Fund Bill passed in February, 1941, reduced the maximum rate to be paid on Government loans from 5 to 3%. The movement of interest rates is shown in the following table:

Average London Money Rates and Yield on 2½% Consols (in %)								
	1929	1932	1938	1939	1940	1941	1942	
Bank rate	5.498	3.008	2.00	2.24	2.00	2.00	2.00	
Deposit rate:								
London banks	3.50	1.258	0.50	0.68	0.50	0.50	0.50	
Three-month bank bills	5.26	1.87	0.62	1.18	1.04	1.03	1.03	
Day-to-day money	4.47	1.61	0.51	0.96	1.00	1.00	1.00	
Treasury bills (3 months)	5.26	1.49	0.61	1.32	1.03	1.01	1.03	
Yield on 2½% consols	4.61	3.75	3.38	3.72	3.40	3.13	3.03	

In discussing the new technique in open-market operations the bulletin states: The novel procedure constitutes an important departure from the old-established tradition that the clearing banks do not rediscount or sell bills they have discounted, and that they have no direct contact with the Bank of England in discounting or rediscounting. The new method was employed first in April, 1939, following the dismemberment of Czechoslovakia, and to a greater extent in December, 1939, when money-market conditions became tight.

In the past open-market transactions undertaken for the purpose of expanding or contracting the credit base were carried out through the discount market, which by tradition had become the link as well as the buffer between the Bank of England and the commercial banks. Under the new procedure, whenever a shortage of funds develops and the discount houses have difficulty in taking up the Treasury bills for which they have tendered the preceding week, the official

agent of the Bank of England.

This new procedure in open-market operations is an additional instrument of credit control and not a substitute for the old one. There has occurred, however, a significant change in the open-market operations in the discount market. In prewar days, when a shortage of funds developed in the market the discount houses were forced "in the Bank"—that is, they either had to rediscount eligible bills at the Bank of England, at the punitive Bank rate or obtain seven-day loans at ½% over the Bank rate. Only purchases of bills initiated by the Bank of England could be made at the open-market rates. Since the outbreak of the war, however, when the discount market is pressed for funds it can invariably sell eligible and usually short-term bills to the agents of the Bank of England at the market rate. The discount houses are thus able to obtain assistance from the Bank of England, that is, be "in the Bank," without the penalty of discounting at the Bank rate. Should, however, the credit expansion and low interest rates policy of the war be superseded by a policy of credit contraction, the official discount rate would regain its significance.

Another direct contact, including rediscount facilities between the banks and the Bank of England, was established in July, 1940, when Treasury Deposit Receipts were introduced.

The impact of the war on the London money market is summarized as follows:

The London money market and its institutions, such as the acceptance houses, the merchant bankers, and the discount houses, which constituted a vital element in Great Britain's commercial and financial organization prior to 1931, have suffered a tremendous shrinkage in their business. International business has practically disappeared, while a large volume of imports into Great Britain is financed directly by the Government. Since the banks now deal directly with the Bank of England, the discount market has not benefited materially from the increase in the volume of Treasury bills. In fact, under the advice of the Bank of England and the Treasury, mergers of discount houses have taken place with the object of strengthening their capital and reserves. This was deemed necessary since operations in long-term securities became their main source of income. There has also occurred a shrinkage in the volume of business of the merchant bankers, caused primarily by the sharp decline in the amount of acceptances arising out of international trade. Foreign-exchange restrictions and the appointment of the clearing bank as authorized foreign-exchange dealers have further diminished the already small volume of foreign-exchange business which in prewar years was handled mainly by the merchant banks.

During the war the main function of the British financial machinery will be to aid the Government in financing the war operations. The outlook for the London money market in post-war years is problematical. The institutions laboriously developed over centuries are slowly disintegrating because of lack of business. The personnel skilled in selecting, grading, and handling foreign credits is being dispersed. It is doubtful whether the City of London will regain its dominant position in international trade and finance.

Eden Back In London After Washington Talks

Anthony Eden, British Foreign Secretary, arrived in London by airplane on April 4, following his visit to the United States and Canada. Mr. Eden concluded on March 29 his conferences in Washington on war and post-war questions and went to Ottawa on March 30 for discussions with Canadian officials prior to his return to London.

In a report to the House of Commons on April 8, Mr. Eden disclosed that he had invited Secretary of State Hull to visit Britain this summer to continue the conversations. He reported that there is "a very close similarity of outlook" between the United States and Britain on a wide variety of post-war problems. London Associated Press accounts report Mr. Eden as saying that his discussions in Washington fell mainly under three headings: First, operational matters—immediate questions concerned with the conduct of the war; second, political cooperation between Britain and the United States in connection with actual military operations that have taken place or will take place; and, third, questions arising out of the war.

He had been in Washington since March 12, having come at the invitation of the United States. During his stay he held several talks with President Roosevelt, Secretary of State Hull and Under-Secretary of State Welles and also consulted with Vice-President Wallace, Secretary of War Stimson and Secretary of the Navy Knox. Besides these American authorities the British diploma conferred in Washington with Russian Ambassador Maxim Litvinoff and Chinese Foreign Minister T. V. Soong. Mr. Eden also held conversations with members of the Senate and House Committees dealing with foreign affairs and paid a visit to New York City to confer with Mayor F. H. LaGuardia.

His visit to Washington came to a formal close on March 29 at a dinner given by Secretary Hull, after he had held a final conference with President Roosevelt earlier in the day.

No statement was given out at the conclusion of the series of talks by either the President or Mr. Eden, but the State Department made public on March 31 farewell notes exchanged by Mr. Eden and Secretary Hull.

Expressing gratitude for the kindness and friendliness shown during his "brief but most fruitful visit," Mr. Eden said that his Washington talks "have shown that we think alike on the problems that face us." His note added:

"I return to London with a new understanding of the policies and ideals of your Government and people, and a deepened conviction that close collaboration between us is an indispensable basis for the development of common action by the United Nations now and after the war."

In reply, Mr. Hull said that the exchanges of views were "a very real contribution to the cause we have in common."

When the British Foreign Secretary arrived in Washington on March 12, the White House said that "the purpose of his visit is to undertake a general exchange of views with the U. S. Government on all aspects of the war situation, and to discuss the most effective method of preparing for meetings between the Governments of all United Nations to consider questions arising out of the war."

Mr. Eden, in his only public address in this country, before the Maryland Legislature on March

26, made the following brief reference to his talks:

"Nothing could have exceeded the kindness and hospitality that have been shown to me by every one—by the President, by Mr. Hull, by the members of Congress and by all with whom I have been privileged to work.

"We have done much work together and we are both well pleased at the result. For myself, I can only say this: In my life it has fallen to my lot on many occasions to visit foreign capitals, and I am sure that never in my experience has a journey been more worth while. You will not expect, I trust, sudden and sensational developments, for there will be none. But there has been a meeting of minds between us about the present and the future that will, we are sure, bear fruit."

In this address, Mr. Eden emphasized Britain's solemn promise to fight on with the rest of the United Nations until both ends of the Axis have been utterly smashed.

"Let there be no mistake," he declared. "We shall not rest upon our arms until every one of our enemies has unconditionally surrendered.

"We, no less than you, and our partner, China, have a score to settle with the Japanese; nor shall we cease fighting until that evil growth in the Pacific has been cut back. We shall be with you in this to the end."

The Associated Press further reported with respect to his address as follows:

The Foreign Secretary warned that "we have yet far to travel before the final triumph over our enemies in the west and in the east" and predicted there would be "strains and stresses, setbacks and disappointments" before the final victory.

"Let China not misdoubt us," he said. "We shall not forget how for years she resisted aggression singlehanded. The day will come when the Burma Road once again will be open."

Declaring that "we cannot have prosperity in one country and misery in its neighbors, peace in one hemisphere and war in the other," the Foreign Secretary maintained world security and progress could be found only through the "greatest possible measure of cooperation."

He added that "The United Nations, and in particular the United States, the British Commonwealth, China and the Soviet Union, must act together in war and peace."

Mr. Eden underlined that of all peace aims, the greatest is "to insure that never again shall unscrupulous leaders be able to carry their peoples into war and bring tragedy into the world."

Enforced disarmament of the "gangster nations" is imperative and must be maintained "in full effectiveness" for as long as necessary after the war, Mr. Eden said.

In an address before a joint session of the Canadian Senate and House of Commons on April 1 at Ottawa, Mr. Eden said that total disarmament of Germany, Italy and Japan was essential to an enduring peace after this war was won.

"I have no faith in the promises of their statesmen nor in the smooth assurance of their apologists.

"There is only one security for mankind in respect of all of them: To insure that they are totally disarmed and in no position ever to try their strength again. Then, indeed, peace may have its chance."

Mr. Eden said it was better for the United Nations to build up mutual understandings and means of cooperation as they went along, rather than to devise some elaborate structure all at once.

THE FINANCIAL SITUATION

(Continued from first page)

vent profiteering and to reduce prices which are excessively high, unfair or inequitable.

"Nothing herein, however, shall be construed to prevent the Food Administrator and the Price Administrator, subject to the general policy directives of the Economic Stabilization Director, from making such readjustments in price relationships appropriate for various commodities or classes, qualities or grades thereof, or for seasonal variations or for various marketing areas, or from authorizing such support prices, subsidies or other inducements as may be authorized by law and deemed necessary to maintain or increase production, provided that such action does not increase the cost of living."

Concerning wages, he orders as follows:

"The National War Labor Board, the Commissioner of Internal Revenue and other agencies exercising authority conferred by Executive Order No. 9,250 or Executive Order 9,299 and the regulations issued pursuant thereto over wage or salary increases, are directed to authorize no further increase in wages or salaries except such as clearly necessary to correct substandards of living, provided that nothing herein shall be construed to prevent such agencies from making such wage or salary readjustments as may be deemed appropriate and may not have heretofore been made to compensate, in accordance with the Little Steel formula as heretofore defined by the National War Labor Board, for the rise in the cost of living between Jan. 1, 1941, and May 1, 1942.

"Nor shall anything herein be construed to prevent such agencies, subject to the general policies and directives of the Economic Stabilization Director, from authorizing reasonable adjustments of wages and salaries in case of promotions, reclassifications, merit increases, incentive wages and the like, provided that such adjustments do not increase the level of production costs appreciably or furnish the basis either to increase prices or to resist otherwise justifiable reductions in prices."

April vs. October

"Strong action?" Possibly. But last October's order directed that "the director (of stabilization) * * * shall formulate and develop a comprehensive national economic policy relating to the control of civilian purchasing power, prices, rents, wages, salaries, profits, rationing, subsidies, and all related matters—all for the purpose of preventing avoidable increases in the cost of living * * *." It further directed that "no increases in wage rates * * * shall be authorized unless notice of such increases * * * shall have been filed with the National War Labor Board, and unless the National War Labor Board has approved such increases * * *." The National War Labor Board shall not approve any increase in the wage rates prevailing on Sept. 15, 1942, unless such increase is necessary to correct maladjustments or inequities, to eliminate substandards of living, to correct gross inequities, or to aid in the effective prosecution of the war." And again: "The prices of agricultural commodities and of commodities manufactured or processed in whole or in substantial part from any agricultural commodity (the only prices which have caused serious trouble since the order) shall be stabilized, so far as practicable, on the basis of levels which existed on Sept. 15, 1942 * * *."

Despite extensive regulations and a great deal of activity on the part of those to whom the task of enforcing these general orders was entrusted, the inexorable forces of economic law have proceeded on their way. The course of events both as regards prices and wages since last October is well known. As the President himself intimates, one reason (or excuse) after another has been found for permitting wages to rise, and every housewife knows what has happened to the prices of the things she must buy for the family table. What the President does not mention, even by indirection, but most housewives know well enough, is the fact that, quite aside from "black markets," that insidious form of price increase which takes place when quality is reduced but prices hold, has run riot in recent months.

Further Parallelism

Is there to be a different story this time? In commenting upon these matters last October the "Chronicle" remarked that "it is interesting, it may or may not be deeply significant, that almost simultaneously with the promulgation of the new regulations the War Labor Board approved higher wages in one important case and the Secretary of Agriculture issued doleful estimates of the difficulties alleged to be ahead of the farmer. Experience has already amply demonstrated the already obvious fact that raw materials off the farm and wages of labor are parts of the cost of production." We must now record that on April 10, 1943, just two days after this new executive order, the Food Ad-

ministrator announced an increase of five cents per bushel for feed corn. This announcement was, however, not necessary to demonstrate to the observant student that there are loopholes in this latest, and possibly in a superficial sense the strongest, proclamation of the President. With this latest order, as with the earlier one, time alone will tell precisely what the President means or intends to have done.

Some Basic Aspects

But there are much more fundamental and far more important aspects of this matter which the public in its anxiety to avoid "inflation" is often disposed to overlook. For one thing, if these arbitrary orders and regulations were actually effective in accomplishing that for which they are intended, the probability is that the war effort would be seriously jeopardized—to say nothing of the welfare of the civilian population both during and after the war. There is no way of avoiding the fact that there is no stimulant to the utmost in production so effective either in war or in peace as prices and the prospect of good profits. But fully as important is the question of the effect of the issuance of numberless orders and regulations which are not and can not be enforced. Space does not permit of any extended discussion of the deep injury certain to flow from such procedure. Let it suffice to say that it does not become leaders who never tire of declaiming about respect for law and order.

U. S. Faces Great Period In Development With Unequaled Nat'l Reconstruction

Speaking in New York at the 20th anniversary dinner of the "New Leader," Social-Democratic labor weekly, at the Hotel Commodore, Adolf A. Berle, Jr., Assistant Secretary of State, asserted that the United States is facing "one of the greatest periods of its development" in which it will achieve freedom from want through the processes of "kindly revolution" that have marked the progress of this nation from its beginning.

According to the New York "Times" from which we quote the foregoing, the tradition that the American people propose to follow, Mr. Berle said, is that of Jefferson, "who could offer every sympathy and encouragement to the ideals of the French Revolution, and could still tell the intriguers of the Directorate that they had no place in American life." The "Times" went on to say:

"Paying tribute to 'The New Leader' as an exponent of American tradition in its most liberal sense, Mr. Berle declared that the task confronting the American people today is merely a phase of the struggle for human betterment in which they have been engaged from the beginning of their national career.

That struggle, he said, has found expression in the enhancement of the people's welfare through the generations, the building of the trade union movement, the elimination of municipal corruption, the eradication of all sorts of other abuses, the economic and social achievements of the New Deal and the promotion of international peace and security, in which the vital interests of the United States are closely involved.

Praising those assembled at the dinner for their contributions to the struggle, Mr. Berle said:

"No one here was ever compromised by joining in Nazi-pacifist propaganda intended to weaken the United States. No one here had to find overnight a will to resist fascism."

Mr. Berle then declared, speaking of the present as well as of the future, that just as American foreign policy will always find expression in a voice that is "characteristically our own," so will the internal policy of this nation be molded in forms peculiarly and indigenously American.

A warning was contained in the remarks of Mr. Berle that the American people would not tolerate the interference of any foreign elements that seek to infiltrate public opinion with totalitarian ideologies says the "Times" which further reported:

"America has never been interested in the dictatorship of the proletariat," Mr. Berle said. "It wants and proposes to abolish poverty; to foster an American commonwealth composed of people acting according to their abil-

ities, without undue social disparity, and in which every one participates according to the use he is able to make of intellectual, spiritual and economic freedom."

In seeking to attain freedom from want "we will not barter an atom of the fundamental principle upon which American liberalism is based: reliance on free men with free minds," Mr. Berle said, adding:

"We can be no party to a devil's bargain in which our thinking is pawned to any master, our political liberty to any dictatorship, or our democracy to an irresponsible power."

Other speakers were William Green, President of the American Federation of Labor, and Bertrand Russell, British philosopher and educator. Herbert Morrison, British Minister of Security and member of the War Cabinet, addressed the audience by radio from London.

Greetings from President Roosevelt, Vice President Henry A. Wallace, Secretary of State Cordell Hull, Elmer Davis, Director of the Office of War Information; Thomas Mann, Senators Robert F. Wagner, James M. Mead and Robert La Follette, Pearl Buck, James B. Carey, Secretary-Treasurer of the CIO, and others were read.

The speakers and those who sent greetings stressed the contribution made by "The New Leader," edited by Dr. William H. Bohn, to the progress of American liberal thought and social action, and in the battle against the Axis powers and all forms of totalitarianism.

Both Mr. Morrison and Mr. Russell pleaded for a better understanding between America and England as essential to the establishment of a stable peace and world reconstruction.

While Mr. Berle refrained from mentioning Communism and the activities of the Communist movement directly, Mr. Green denounced the Communist International and its agents in this country as "having set in motion a reactionary trend which carried fascism and nazism to power."

"We are still somewhat dumfounded by the sudden conversion to patriotism of the Communist party in America which took place by a strange coincidence immedi-

ately after Hitler invaded Russia," Mr. Green said.

Declaring that "we shall face in the next few years a task of national reconstruction unequaled in our history," Mr. Berle said "we shall meet it gladly and without fear, for if the responsibility is enormous the opportunity is very great."

With the nation's industrial plant geared to the highest maximum of production and the national income higher than ever before, Mr. Berle stressed the problems of converting American economy to a peace basis after the war, of exchanging goods with foreign nations, and of providing jobs for returning soldiers and the vast masses of workers now engaged in war industries. Regardless of what administration is in power, Mr. Berle declared, it will have to follow a policy of cooperation of private enterprise and government action to cope with the tasks ahead. And, he said, "since liberals know very well the danger of unlimited statism, they are not likely to wish the concentration of all economic power in the government any more than they could accept the concentration of all economic power in the hands of a few industrialists and financiers."

Mr. Berle warned against selfish interests who may endeavor "to assure their own position at the expense of the public welfare, whether such interests be commercial elements, political pressure groups, or groups in labor, agriculture and other organized segments of the population."

"Liberals will appraise the claims of all these groups by asking whether what they ask will increase or decrease the measure of economic freedom to individuals everywhere throughout the country," Mr. Berle said.

House Votes FSA Inquiry

The House recently authorized an investigation into the activities of the Farm Security Administration.

Named to head the Investigating Committee was Representative Cooley (Dem., N. C.), who proposed the inquiry. Other members of the group are: Representatives Flannigan (Dem., Va.), Zimmerman (Dem., Mo.), Pace (Dem., Ga.), Hope (Rep., Kan.), Johnson (Rep., Ill.) and Rizley (Rep., Okla.).

Representative Cooley said the Committee's purpose will be to investigate how far afield the FSA has gone and to make some recommendations to the House regarding a future land policy.

C. B. Baldwin, FSA Administrator, said that his organization is agreeable to an investigation of its program, which will lead to a clarification of its field of activity and offered full cooperation to the inquiry.

Naval Construction Bill

A measure authorizing construction of Naval shore facilities costing up to \$1,256,607,000 was signed by President Roosevelt on March 26.

The largest item in the bill is for \$720,000,000 for advance bases. Final Congressional action on the measure came on March 24 when the House accepted a minor Senate amendment. The Senate passed the bill on March 17 and the House approved it on Feb. 23 (referred to in our issue of March 11, page 929).

Among the facilities provided for by the authorization are the following:

Fleet, \$67,900,000; aviation, \$223,000,000; storage, \$65,000,000; Marine training, \$28,632,000; Navy personnel training and housing, \$33,120,000; hospitals, \$66,005,000; shore radio, \$3,500,000; Naval Research Laboratory, \$750,000; miscellaneous structures, \$33,000,000; and passive defense, \$15,000,000.

President Roosevelt Bars Further Increases In Prices And Wages To Prevent Inflation

(Continued from first page)

were excessively high on Sept. 15, 1942.

"On the wage front the directions in the order are equally clear and specific.

"There are to be no further increases in wage rates or salaries' scales beyond the Little Steel formula, except where clearly necessary to correct substandards of living. Reclassifications and promotions must not be permitted to affect the general level of production costs or to justify price increases or to forestall price reductions.

"The order also makes clear the authority of the Chairman of the War Manpower Commission to forbid the employment by an employer of any new employee except in accordance with regulations of the Chairman, the purpose being to prevent such employment at a higher wage or salary than that received by the employee in his last employment unless the change of employment will aid in the prosecution of the war.

"It further calls the attention of all agencies of the Federal Government and of State and municipal authorities concerned with the rates of common carriers and public utilities to the stabilization program in the hope that rate increases will be disapproved and rate reductions ordered so far as may be consistent with Federal and State laws.

"For some time it has been apparent that this action must be taken because of the continued pressure for increased wages and increased prices. I have heretofore refrained from acting because of the contention of the supporters of the Bankhead bill that under the Act of Oct. 2, 1942, I had no authority to place ceiling prices on certain commodities at existing levels. My views on that question were set forth in my message of April 2 vetoing the Bankhead bill.

"The Senate did not vote upon the question of passing the bill over the veto. Its author moved to recommit the bill to the Committee on Agriculture, stating that there were not sufficient votes to override the veto.

"I am advised that weeks or months from this date the bill may be reported for consideration. I am also advised that in the history of Congress no bill vetoed by a President and recommitted to a Committee has ever become law.

"I cannot wait to see whether the committee at some future date will again report the bill to the Senate. I cannot permit a continuance of the upward spiral of prices.

"Some groups have been urging increased prices for farmers on the ground that wage earners have unduly profited. Other groups have been urging increased wages on the ground that farmers have unduly profited. Any continuance of this conflict will not only cause inflation but will breed disunity at a time when unity is essential.

"Under the act of Oct. 2, 1942, Congress directed that so far as is practicable, wages, salaries and prices should be stabilized as of the level of Sept. 15. Under that direction inflation has been slowed up. Now we must stop it.

"We cannot stop inflation solely by wage and price ceilings. We cannot stop it solely by rationing. To complete the job, Congress must act to reduce and hold in check the excess purchasing powers. We must be prepared to tax ourselves more, to spend less and save more. The details of new fiscal legislation must be worked out by the appropriate committees of the House and the Senate. The executive departments stand ready to submit suggestions whenever the committees desire.

"I am exerting every power I

possess to preserve our stabilization program.

"I am sure the Congress will cooperate."

Following is the President's Executive order:

"By virtue of the authority vested in me by the Constitution and the statutes, and particularly by the first war powers act, 1941, and the act of Oct. 2, 1942, entitled 'An act to amend the emergency price control act of 1942, to aid in preventing inflation, and for other purposes,' as President of the United States and commander in chief of the Army and Navy, and in order to safeguard the stabilization of prices, wages and salaries, affecting the cost of living on the basis of levels existing on Sept. 15, 1942, as authorized and directed by said act of Congress of Oct. 2, 1942, and executive order No. 9250 of Oct. 3, 1942, and to prevent increases in wages, salaries, prices and profits, which, however justifiable, if viewed apart from their effect upon the economy, tend to undermine the basis of stabilization, and to provide such regulation with respect to the control of price, wage and salary increases as are necessary to maintain stabilization, it is hereby ordered as follows:

"1. In the case of agricultural commodities the Price Administrator and the Administrator of Food Production and Distribution (hereinafter referred to as the Food Administrator) are directed, and in the case of other commodities the Price Administrator is directed, to take immediate steps to place ceiling prices on all commodities affecting the cost of living. Each of them is directed to authorize no further increases in ceiling prices except to the minimum extent required by law. Each of them is further directed immediately to use all discretionary powers vested in them by law to prevent further price increases, direct or indirect, to prevent profiteering and to reduce prices which are excessively high, unfair or inequitable. Nothing herein, however, shall be construed to prevent the Food Administrator and the Price Administrator, subject to the general policy directives of the economic stabilization director, from making such readjustments in price relationships appropriate for various commodities, or classes, qualities or grades thereof or for seasonal variations or for various marketing areas, or from authorizing such support prices, subsidies or other inducements as may be authorized by law and deemed necessary to maintain or increase production, provided that such action does not increase the cost of living. The power, functions and duties conferred on the Secretary of Agriculture under Section 3 of the emergency price control act of 1942 (Public Law 421, 77th Cong.) and under Section 3 of the act of Oct. 2, 1942 (Public Law 729, 77th Cong.) are hereby transferred to and shall be exercised by the Food Administrator.

"2. The National War Labor Board, the Commissioner of Internal Revenue and other agencies exercising authority conferred by Executive Order No. 9250 or Executive Order 9299 and the regulations issued pursuant thereto over wage or salary increases are directed to authorize no further increase in wages or salaries except such as are clearly necessary to correct substandards of living, provided that nothing herein shall be construed to prevent such agencies from making such wage or salary readjustments as may be deemed appropriate and may not have heretofore been made to compensate, in accordance with the Little Steel formula as heretofore defined by the National War Labor Board,

for the rise in the cost of living between Jan. 1, 1941, and May 1, 1942. Nor shall anything herein be construed to prevent such agencies, subject to the general policies and directives of the Economic Stabilization Director, from authorizing reasonable adjustments of wages and salaries in case of promotions, reclassifications, merit increases, incentive wages or the like, provided that such adjustments do not increase the level of production costs appreciably or furnish the basis either to increase prices or to resist otherwise justifiable reductions in prices.

"3. The Chairman of the War Manpower Commission is authorized to forbid the employment by any employer of any new employee or the acceptance of employment by a new employee except as authorized in accordance with regulations which may be issued by the Chairman of the War Manpower Commission, with the approval of the Economic Stabilization Director, for the purpose of preventing such employment at a wage or salary higher than that received by such new employee in his last employment unless the change of employment would aid in the effective prosecution of the war.

"4. The attention of all agencies of the Federal Government, and of all State and municipal authorities, concerned with the rates of common carriers or other public utilities, is directed to the stabilization program of which this order is a part so that rate increases will be disapproved and rate reductions effected, consistently with the act of Oct. 2, 1942, and other applicable Federal, State or municipal law, in order to keep down the cost of living

and effectuate the purposes of the stabilization program.

"5. To provide for the consistent administration of this order and Executive Order No. 9250, and other orders and regulations of similar import and for the effectuation of the purposes of the Act of Oct. 2, 1942, the Economic Stabilization Director is authorized to exercise all powers and duties conferred upon the President by that Act, and the Economic Stabilization Director is authorized and directed to take such action and to issue such directives under the authority of that Act as he deems necessary to stabilize the national economy, to maintain and increase production and to aid in the effective prosecution of the war. Except in so far as they are inconsistent with this order or except in so far as the Director shall otherwise direct, powers and duties conferred upon the President by the said Act and heretofore devolved upon agencies or persons other than the Director shall continue to be exercised and performed by such agencies and persons.

"6. Except in so far as they are inconsistent with this order, Executive Order 9250 and the regulations issued pursuant thereto shall remain in full force and effect."

Supreme Court Rules Dividends Paid In Stock Are Not Subject To Federal Income Tax

The United States Supreme Court ruled on April 5 that the owner of a voting common stock of a corporation need not pay a Federal income tax on a stock dividend based on corporate earnings and paid in non-voting common stock of the corporation. Justice Roberts delivered the decision, applying to R. A. Sproue of Oakland, Calif., from whom the Commissioner of Internal Revenue sought \$16,562 for 1936.

In another opinion, according to the Associated Press, the Supreme Court ruled (April 5) that the owner of all the issued voting common stock of a corporation need not pay a Federal income tax upon a stock dividend paid in 7% non-voting cumulative preferred stock, which was declared out of the corporation's earnings and profits.

Justice Roberts also delivered this opinion, applying to Emil H. Strassburger of New York, from whom the Commissioner of Internal Revenue sought \$949 for 1936.

In both cases the vote was 5 to 3, with Justices Reed, Frankfurter and Jackson dissenting. Justice Rutledge did not participate.

Similar conclusions were reached by the Supreme Court on March 1 in decisions referred to in our March 18 issue, page 1022. The Associated Press on April 5, in noting the court's decisions at that time, said:

"In a 5-to-3 decision on March 1 the court held that an income tax could not be imposed on common stock dividends received by Mrs. Sylvie R. Griffiths of New York that were identical with the stock on which they were declared, the only stock outstanding at the time.

"In the March 1 opinion, the court denied a Justice Department request for overruling a famous 1920 decision (Eisner v. Macomber), holding that a dividend of voting common stock distributed on voting common stock did not constitute income and was not taxable.

"The 1920 decision could not be reconsidered, the court said, because 'we are unable to find that Congress intended to tax the dividends in question.'"

German Foreign Exchange Laws In Compilation

The Bank for International Settlements, Basle, Switzerland, recently published a compilation (in German) of the "Foreign Exchange Legislation in Germany."

Regarding the compilation the announcement says:

"This work contains, in the first place, the law regarding foreign exchange control, the various decrees for the application of that law, and the foreign exchange regulations, with the principal additions thereto; further, the laws and provisions regarding foreign liabilities, debts in foreign currency and external capital payments, together with the decrees concerning goods transactions, enemy property, and professional advice on foreign exchange questions. Another section reproduces the most important circulars issued by the Reich Minister for Economic Affairs relating to business in goods and services, insurance, capital and security transactions, payments arising out of other types of business as well as foreign exchange matters of a general character. A special section is devoted to the provisions governing goods and payment transactions with various countries.

"This compilation numbers more than 600 pages and may be obtained from the Monetary and Economic Department of the B. I. S. at the price of 20 Swiss francs.

It is also announced that a pamphlet containing the foreign exchange regulations in Belgium and one for Bohemia and Moravia have also been published.

From Washington

(Continued from first page)

one plan "bancors" in another. The fact that this fellow's contribution to civilization the last 10 years has been only to add to the confusion or near chaos in which we are living, hasn't retarded him in the slightest. Instead of being ashamed for the part he has played in the mess, or being the subject of popular indignation, he is apparently as cocksure as ever, and his influence has increased.

One deep underlying complex governs Henry Morgenthau's dealing with world exchange. Ever since he has been in office he has been determined to eliminate fluctuations, dealing in which has given us some of our wealthiest and most influential citizens. Morgenthau sees red every time he thinks of these "international speculators." Along with the President he once took a fling in German marks and got burned. Apparently his experience left a deep impression on him.

There are indications that Henry Wallace, the Good, is in for some of the same treatment meted out to Presidential rivals of Mr. Roosevelt in the past. He has been one of the President's closest friends and his outstanding worshipper. But his Presidential build-up has attained the stage where the President's hatchet boys consider it due for deflation. Thus we are hearing stories that there is considerable difference between his post-war plans and those of the President. The President knows Henry to be a dreamer, they explain; the President has a far more realistic conception of post-war problems.

It would be ironic if Henry after sailing along so blithely and so Christian-like these many years, should meet the same experience which political heathens like Paul McNutt, Jack Garner and Jim Farley have suffered.

It seems to me that it would be just about the ultimate in shock if the poison boys were to pass out stories, as they did about McNutt. But he had better get out of that high place he occupies in the Gallup poll.

There is another angle to it, though. It's all right for the boys to pass out stories that the President knows him to be a dreamer, but they had better not bank too much on this themselves. Behind Henry's psalm singing there is just about as cunning a mind as ever came to Washington. As Secretary of Agriculture, Henry built up the greatest political bureaucracy we have ever had. He was always moaning about it—and sadly shaking his head, too—about how the people just kept forcing additional power on him. But he got the power. Henry is as deceptive as a body of water at night.

Donald Nelson's announcement sometime ago that the production of civilian supplies was to be increased was largely interpreted as a realization on the part of the Administration that the war in Europe was to last longer than expected. The reverse is true. There are few authorities here who do not expect Germany and Italy to collapse this year. Nobody wants to say so out loud, naturally.

Incidentally, there may be a lot of squawkers in Britain over the upper hand we have in the matter of post-war commercial aviation, but the British have the same upper hand in post-war world communications.

In the realm of domestic politics, the Bricker forces have come to be more active. They've decided they had better not content themselves with a silent pre-convention campaign.

Jones Urges Planning For Post-War Use Of Nation's Expanded Productive Capacity

Secretary of Commerce Jesse Jones said on April 3 that a major post-war problem will be the use of the country's expanded productive capacity and urged that Congress plan now what is to be done with the Government-owned manufacturing facilities built up for the war.

In an address in New York City, before the Army Day dinner of the Military Order of the World War, Secretary Jones said that much of the country's increased manufacturing capacity must be fitted into the post-war program "in such a way as to continue in a substantial measure the increased employment that has been brought about by the war effort."

He added: "We will need to maintain a high level of employment to prevent idleness, suffering and want. But this does not mean that the Government must retain the ownership or the operation of the facilities it has built nor does it mean that they should be sacrificed. It means that Government and private business must work together to utilize in peace much of the machinery we have created for war."

"There may be insistence for keeping Government in business. There may be extreme pressure to sell to private industry at bargain prices. Congress must decide, and with great deliberation."

The Associated Press further indicated Secretary Jones as saying:

"The Reconstruction Finance Corporation and other agencies under his direction have authorized the expenditure of more than \$20,000,000,000 in the war effort, Mr. Jones said, much of it invested in the expansion of plant facilities and production capacity."

"Post-war questions could not be answered on a narrow, selfish or sectional basis, the Secretary said, but must be faced as 'national and international problems.' He cited international aviation, the immediate commercial problems of peace and the utilization or liquidation of goods and foods needing a market when armies are demobilized as questions needing answers."

"These all too few instances of what peace will mean have brought me to the conviction that if we are not to dodge responsibility, every segment of our economy—Government, capital, business, labor and agriculture—must be ready with blueprints for the future, Mr. Jones said."

"A subsidiary of the RFC, Defense Plant Corporation, has built and equipped 1,479 plants and other facilities costing approximately \$7,000,000,000, Mr. Jones said. He estimated that at the end of the war the Government would have an annual productive capacity of aluminum of 2,150,000,000 pounds—enough to build more than 238,000 transport planes—against 327,000,000 pounds privately owned in 1939."

"We will have a capacity for manufacturing more rubber than we have ever used, Mr. Jones said, and that fact alone will need to be considered in readjusting world trade and world economy after the war."

"He said the Government would have \$2,640,000,000 invested in the manufacture of airplanes; more than \$100,000,000 in alcohol and chemicals; \$125,000,000 in aviation gasoline; \$440,000,000 in guns and armor; \$150,000,000 in shipbuilding and \$710,000,000 in steel and iron."

ABA Issues Home Mortgage Loan Manual

A Home Mortgage Loan Manual designed especially for use by banks and other institutional investors in real estate mortgages has been developed by the Department of Research in Mortgage and Real Estate Finance of the American Bankers Association, of which Dr. Ernest M. Fisher is director, in collaboration with the Committee on Real Estate Mortgages of the Association's Savings Division.

The manual, it is stated, is the product of more than two years of intensive research and preparation and is now ready for distribution. Its 137 pages set forth a comprehensive system of mortgage loan analysis which goes far beyond the old and now inadequate system of property appraisal upon which mortgage loans have generally been granted. The advices from the Association, April 1, added:

"The new system of loan analysis developed in the manual involves four cardinal points: the rating of the neighborhood in which the property is located; rating of the property itself; rating of the borrower, and the summary rating of the payment pattern of the mortgage. Sound mortgage lending consists of a carefully reasoned balancing of these four factors; the manual emphasizes as its main thesis."

A foreword to the Manual states: "Many bankers have learned in the years which have passed since the depression that they must make real estate mortgage loans on a more scientific basis if they are to avoid many problems and losses experienced in the past. They realize, too, that many factors and conditions which could be and were overlooked ten or twenty years ago must be carefully analyzed in determining the quality of a mortgage loan. New home materials and methods of construction, subdivision and development, neighborhood environment, transportation facilities, and complete information about the borrower and his ability to pay are among the factors that must be carefully weighed and valued in order to make safe real estate loans today."

The manual and the system of loan evaluation set forth in it are intended to aid mortgage loan officers to cope with these problems of modern mortgage lending. Its use, according to Dr. Fisher, should "enable lenders to make mortgage loans on a basis that is more satisfactory both to lenders and borrowers and make it possible for the lenders to advance as much money to as many borrowers on as favorable terms as possible, without exaggerating the risk of default."

President Roosevelt on March 27 sent a message of friendship to King Peter II of Yugoslavia in London on the second anniversary of the overthrow of the regime which sought to lead Yugoslavia into the Axis. The message follows:

Washington, March 27, 1943.
His Majesty Peter II,
King of Yugoslavia,
London.

I renew my message of friendship sent you a year ago on this anniversary. With defiant courage the Yugoslav people cast back the challenge of a powerful aggressor and chose under your leadership valiantly to maintain their right to live as a free nation. This act still stands as a notable example of the principles our united arms are now defending.

Message to Yugoslav King

FRANKLIN D. ROOSEVELT.

NAM Opposes Labor Draft As Harmful To Production; Offers Alternative Program

Opposition to the drafting of labor as a solution to the current manpower problem is voiced in a resolution of the Board of Directors of the National Association of Manufacturers made public on April 4 by the Association's President, Frederick C. Crawford, President of Thompson Products, Inc., Cleveland, Ohio. The resolution, which urges adoption of a detailed alternative program, reads in part:

"The National Association of Manufacturers does not believe in the principle of compulsory labor, and therefore opposes the enactment of legislation to that end."

"Free labor and free industry is the combination that has made and can preserve our American economy—particularly important in war. If good labor practices are followed by government, employers and workers, labor shortages can be avoided."

"Production would suffer, not benefit, from labor compulsion, because there is no substitute for the initiative and willing effort of free men."

In its overall appraisal of the current manpower problem, the NAM Board of Directors made these recommendations:

"1. Size of the nation's military forces would best be determined by the military authorities, and induction into the Army should be scaled to coincide with the ability to equip and maintain the armed forces."

"2. An immediate and complete investigation should be made by the proper Congressional Committee to obtain the true facts of the manpower problem—the extent to which actual shortages exist, if any; the areas in which they exist and the types of labor needed. There is a critical need of factual information about the extent to which, and the areas in which labor shortages are said to exist, both for immediate and estimated war production schedules, the Board found. The bewildering variety of figures and estimates now available are confusing and contradictory."

"3. Exploration of all existing methods and channels, designed to expedite the greater utilization and more effective allocation of labor supply."

The NAM Board said that not enough time has elapsed to permit a true evaluation of the extent to which the greater utilization and more effective allocation of existing labor supply may solve existing manpower problems, wholly or in part. Mr. Crawford stated that there would be "a wide difference between a drafted soldier and a worker drafted under current proposals."

"A soldier, in the very nature of war, must be completely regimented and strictly disciplined," he said. "Such regimentation and discipline are matters of life and death to the individual soldier—and he knows it. Management is against the drafting of labor as a serious departure from the principles of a free society. Some measures can be taken, however, to utilize America's manpower much more efficiently, and if taken in time, may avoid the regimentation of forced labor."

The Association's Board enumerated the following nine specific suggestions which it urged management, labor and government to explore for the most effective handling of the manpower problem:

It recommended that (1) work schedules be lengthened to the maximum number of hours consistent with safety and preservation of health; (2) reduction of number of Federal employees; (3) development of a uniform method of measuring labor needs in order to eliminate duplications and confusions; (4) greater authority and discretion to area and regional WMC's in the determination of labor shortages; (5) development of more specific standards to serve as the measuring stick in determining "critical labor areas" or localities to be designated as shortage "Area No. 2";

(6) the more widespread use of incentive plans to increase the individual worker's productivity; (7) the immediate elimination, for the duration, of any and all practices which restrict the fullest utilization of labor—whether exercised by management, labor, or government; (8) control and reduction of absenteeism by management and labor; and (9) greater locality and area cooperation of employers to facilitate the fullest utilization and most effective distribution of available men and women workers.

New York Chamber Pays Tribute To Late J. P. Morgan

At the monthly meeting of the Chamber of Commerce of the State of New York on April 1 a resolution was adopted expressing profound sorrow at the death of John Pierpont Morgan, who had been a member of the Chamber for 49 years and served three times as a Vice-President of the organization. Mr. Morgan's death on March 13 was reported in these columns March 18, page 1001.

The minute to the memory of Mr. Morgan was presented by Percy H. Johnston, Chairman of the Chemical Bank & Trust Co., New York, and former President of the Chamber. It reads as follows:

"I rise to pay tribute to the memory of a great man and a great American gentleman—an old and dear friend—whose passing on March 13, last, removed from the world-scene one of the most noted financiers of all time, whose vision and genius contributed so measurably to the growth of the industry and commerce of the United States in the present century."

"In the death of John Pierpont Morgan, who had been an esteemed member of this Chamber for 49 years and thrice served as a Vice-President, our country lost one of its most distinguished elder statesmen whose ability and experience were ever available for the benefit of the Government in time of peace or time of war. Other nations, too, were indebted to him for his knowledge, counsel and resource."

"His keen judgment of men and his genius for organization brought together one of the ablest groups of financial leaders which the country has known—the House of Morgan—which under his and his father's direction won a reputation for public and financial responsibility and integrity accorded no other private banking institution."

"A gentleman of the old school, Mr. Morgan combined scholarliness and quiet dignity with qualities of militant leadership which inspired all with whom he came in contact. He was a man of stalwart character, abiding loyalties and a sense of civic responsibility which embodied the virtues of true citizenship."

"Mr. Morgan's affiliation with this Chamber dated back to 1894, and like his distinguished father, for whom he was named, who was a member for 50 years and served four times as a Vice-President, Mr. Morgan also filled that office from 1913 to 1917, 1918 to 1922 and 1923 to 1927. He was always ready to give the Chamber the benefit of his counsel and guidance."

"Loyalty to this Chamber has been a family tradition of the Morgans and our members may feel proud of the fact that Mr.

Morgan's two sons, Commander Junius S. Morgan, U. S. N., and Lieutenant Commander Henry S. Morgan, U. S. N., are both in the service of their country and are members of the Chamber."

"In recognition of Mr. Morgan's outstanding service to the welfare and progress of the nation, of his contribution to the arts and cultural knowledge of the world, of the dignity which he lent to American citizenship and of his loyalty and long service to the Chamber, therefore be it

"Resolved, That the Chamber of Commerce of the State of New York, in regular session assembled this first day of April, 1943, does hereby record its profound sorrow and loss in the death of its member and former officer, John Pierpont Morgan; and, be it further

"Resolved, That this resolution be spread upon the minutes of the meeting and an engrossed copy thereof be sent to the family of the late Mr. Morgan as an expression of the sympathy and esteem of the members of this Chamber."

Says Taxes Important In Inflation Fight

In a discussion of "The Impact of Taxation on Consumer Spending," Randolph E. Paul, General Counsel for the Treasury, declared on March 26 that the problem is one of immobilizing purchasing power in the hands of consumers, to prevent high incomes from exerting inflationary pressures on the cost of living.

Speaking before the Schoolman's Week Convention at the University of Pennsylvania, Mr. Paul said that "many measures have already been taken to this end and substantial assistance in combating inflation is afforded us by the rising volume of savings and wide public acceptance of the need to refrain from spending." "Nonetheless," he added, "much of the burden for combating inflation must fall to the tax system." Mr. Paul further declared:

"In deciding what particular taxes we will use for this purpose, it will be well to keep in mind that our taxes today affect consumer spendings not only this year and not only during the war, but will have a very direct effect on consumer spendings after the war. If we use them wisely, the war bonds, the liquid balances, and the post-war credits accumulated during the war can provide America with an instrument for sustaining a high level of consumer spending after the war."

Oppose State Pay-Go Tax

Telegrams were sent by the Commerce and Industry Association of New York to State Legislative leaders in Albany on March 25 urging them to oppose enactment of a bill, introduced by Assemblyman MacNeil Mitchell, which seeks to amend the tax law to provide for the withholding of income taxes at their source and to provide for the current payment of taxes in the manner provided under the Ruml plan.

"This Association approves the principle of this bill, but we question the advisability of the State enacting this type of legislation until it is definitely determined what the Federal Government proposes to do in regard to withholding income taxes at their source," wired Thomas Jefferson Miley, Secretary of the Association. "We believe it is important, in order to avoid confusion and great expense, on the part of employers, that State legislation, which would institute a withholding tax, should follow closely the procedure and requirements of Federal legislation on this subject."

Proposed Bill To Increase Usefulness Of Savs.-Loan Groups Considered By Assns.

The 4,000 managers of savings, building and loan associations and cooperative banks, which are affiliated with the United States Savings and Loan League received on March 30 for discussion the text of a legislative proposal designed to increase the usefulness of their type of institutions both for the war effort and in the post-war period. In announcing this, League, said that the proposal is designed to implement policy approved at the War Conference of the League last November and to facilitate programs which have been urged by various League committees in past years. Some of the suggestions were incorporated in a bill which passed the House of Representatives three years ago.

The features of the proposal, as indicated in the announcement March 29, are:

1. The return of \$62,500,000 to the Government, retiring half of the capital stock which the Treasury invested in the Federal Home Loan Bank system when it was created 11 years ago. The capital stock in the system required to be owned by member home-lending institutions would be increased to make up for part of this Government capital retired. The plan as put forth for discussion would give the home loan bank system a minimum of \$125,000,000 capital, reserves and surplus, considered adequate for its functions in line with the ratio of capital to outstanding obligations in other reserve systems of similar nature. The Federal Home Loan Bank system now has capital, reserves and surplus of \$191,000,000. The retirement at par of half of the Government-owned stock in each of the 12 Federal Home Loan Banks and increase of institution-owned stock would take place within six months from the time of enactment of such a measure.

2. Authorization for the Secretary of the Treasury to purchase debentures of the Federal Home Loan Bank system and of the Federal Savings and Loan Insurance Corporation in national emergencies and at any time the public interest warrants it. The proposal is in line with already established legislation protecting the agencies of the Farm Credit Administration, the Federal Intermediate Credit Banks, and the Federal Deposit Insurance Corporation.

3. Broadening of the lending powers of Federally-chartered savings and loan institutions to permit them to make loans up to 90% of the value of an owner-occupied home valued at \$6,000 or less, provided such lending is protected by a special addition to reserves equivalent to 3% of the face amount of such loan. This plan to facilitate home building on small down payments with private capital seeking no Government-insurance of the risk or other Government support is referred to in the draft of proposed legislation as the "Excess Reserve loan plan."

4. Broadening of the lending powers of Federal savings and loan institutions to accomplish a similar purpose as in No. 3 by an alternate method. Under this provision they would be permitted to make loans up to 90% of the value of an owner-occupied home valued up to \$6,000, provided the builder of the property or some other person deposits with the lending association collateral security equal to from 3 to 5% of the amount of the loan over 80% of value. Acceptable security for collateral could be share accounts in the association, government bonds or cash. This is termed the "Builder's Pool Plan."

5. Provision for Federal associations to make loans for property maintenance, repair, modernization or improvement up to \$2,500 and up to 25% of their own

assets without requiring a first lien or other security.

6. Reduction of the annual premium paid by the savings and loan institutions whose share accounts are insured by the Federal Savings and Loan Insurance Corporation from 1/4 of 1% to 1/12 of 1% of insured liabilities.

The text of the proposed legislation has been submitted for discussion throughout the savings and loan business, after detailed conference by the Board of Directors of the United States Savings and Loan League which met in Chicago two weeks ago, Mr. Cake said.

New Labor Shortage Areas

Industrial areas in which labor shortages have become acute now number 36—four more than a month ago—according to a new classification made public March 18 by the War Manpower Commission. Three communities—Akron (Ohio), Bath (Me.) and Portsmouth (N. H.)—however, have been shifted from the shortage list to the group areas in which there is a present balance of labor supply and demand.

The communities added to the list of shortage areas are Portland (Me.), Burlington (N. C.), Evansville (Ind.), Gary-Hammond-South Chicago (Ind. and Ill.), Tampa (Fla.), Savannah (Ga.) and Wilmington (N. C.). The Commission's announcement further stated:

"This classification of 270 industrial areas according to the availability of labor was intended primarily as a guide for procurement agencies in the placing of war contracts.

"The surplus areas were designated by the War Manpower Commission as those in which an effort should be made to renew contracts, place new contracts and locate new production facilities. It was suggested that contracts should not be let or renewed in shortage areas unless alternative facilities are not available elsewhere.

"In addition to Group I, showing the areas of current labor shortage, the classification includes three other areas. Group II, which includes 103 areas, contains the areas of current balance of labor supply and demand; Group III, numbering 55 areas, where the balance of labor supply and demand is anticipated within six months but where the supply is now adequate, and Group IV, having 78 areas, in which there is now a labor surplus.

"An indication of an easement of the labor market situation in a few communities was the transfer of four areas from Group II to Group III. These areas are Berwick (Pa.), Benton Harbor (Mich.), Madison (Wisc.), and Pontiac (Mich.).

"Shifted from Group III, however, to Group II, which includes the areas of current balance of labor supply and demand, were Johnstown (Pa.), Charlotte (N. C.), Lorain (Ohio), Aurora (Ill.), Chicago (Ill.), Jacksonville (Fla.), Oklahoma City (Okla.), Galveston (Texas), Texarkana (Texas), and Houston (Texas).

Previous reference to the labor shortage areas, where the 48-hour work-week has been ordered into effect, was made in these columns of Feb. 25, page 758.

New Management Labor Council For WPB

Donald M. Nelson announced on March 29 the formation of a Management-Labor Council to meet periodically with the Chairman and other top officials of the War Production Board, to discuss WPB plans and policies as they may affect organized industry and organized labor and in general to bring both groups more intimately and effectively into the war program. Mr. Nelson, Chairman of the WPB, stated that the Council will have eight members, four of whom have been named by him; they are:

Eric Johnston, President of the Chamber of Commerce of the United States.

Philip Murray, President of the Congress of Industrial Organizations.

Fred Crawford, President of the National Association of Manufacturers.

William Green, President of the American Federation of Labor.

The announcement of the WPB added:

"Each of these men will select one additional member from his own organization to sit with him in the meetings of the Council.

"The first meeting of the new Council will be held at 9:30 Friday morning, April 2, in Mr. Nelson's office.

"In announcing formation of the Council, Mr. Nelson pointed out that in the past he has frequently consulted with all four of the members individually on matters in which management or labor, or both, had a special interest. While such discussions have been most useful, he said, he has felt for some time that their value could be greatly increased if the channel through which they are held were formally established and if the discussion could take the form of joint meetings with management and labor together."

Mr. Nelson stated:

"The plans and policies of the War Production Board have a constant impact on employer and employee. Both should have, and through this Council will have, a better understanding of what the War Production Board is doing and why. The impact of these actions on the economy of the country can well be evaluated by this representative group, and their advice can be obtained on any measures desirable in the national interest and lying within the War Production Board's scope of authority.

"I am therefore creating this Management-Labor Council to meet with me and the Vice Chairmen of the War Production Board at fairly frequent intervals. In addition, I believe it may be useful from time to time to invite to these meetings outstanding citizens who, by reason of their broad experience in public service, may be in a position to make a contribution to a particular discussion.

"I hope that through this Council we can bring both organized industry and organized labor more closely and effectively into the war program, both to the end that ideas and suggestions from them may be brought to us and so that we in the War Production Board may consult with them on plans and policies which are still in the formative stage."

Chicago Home Loan Bank Investments At Peak

The peak which investments in insured savings, building and loan associations have reached in the Illinois-Wisconsin district since the program for insuring share accounts started is reported for the close of 1942 by A. R. Gardner, President of the Federal Home Loan Bank of Chicago. The consolidated reports from the 289 insured savings and loan institu-

tions in the district showed \$300,104,768 of private share capital at the close of the past year, a gain of \$22,097,368, or 8% in the last six months of 1942. The program of insuring share accounts in savings and loan institutions has rounded out its eighth year, Mr. Gardner recalled. The advices from the Bank, under date of March 30, also stated:

"Total assets of these associations, all of which are affiliated with the Federal Home Loan Bank of Chicago, reached \$381,648,824 by the end of last year, and they held mortgage loans of \$288,444,022. Mr. Gardner said that this total was within three-tenths of 1% of their peak of mortgage loans outstanding, which was at mid-years of 1942. Their decrease of some \$700,000 in such loans during the last six months was due to heavy repayments on loans by existing borrowers whose increased war job and war economy incomes made it possible for them to liquidate their debts ahead of schedule.

"An increase of reserves and undivided profits ranging from 0.5% to 1% of total assets of these institutions was shown in the great majority of the reports of insured associations. There are 203 associations with insurance of accounts in Illinois and 86 in Wisconsin, Mr. Gardner said."

Headley On Faculty Of ABA Graduate School

Louis S. Headley, Vice-President of the First Trust Co. of St. Paul State Bank, St. Paul, Minn., has been appointed to the faculty of the Graduate School of Banking of the American Bankers Association, it is announced by Dr. Harold Stonier, director of the school. The Graduate School of Banking is conducted by the ABA at Rutgers University, New Brunswick, N. J., offering courses in advanced study for executives of banks throughout the country, with an enrollment of 600 bank officers. The school offers a two-year course in banking, economic, and other subjects related to the banking business, requiring three resident sessions at Rutgers University of two weeks each, and two years of extension study at home. The school has a faculty of 50 instructors and lecturers, half of whom are bankers, accountants, and business men who lecture on the practical aspects of their subjects, and half of whom are college professors who lecture on the theoretical side. Mr. Headley, who will be a lecturer on trust investments, will begin his lectures at the session to be held at Rutgers University from June 14-26 this year. Oliver S. Powell, First Vice-President of the Federal Reserve Bank of Minnesota, is also a member of the Graduate School faculty.

Mr. Headley is a graduate of Carleton College, Northfield, Minn., and the Harvard Law School. For two years after his graduation from the Harvard Law School he practiced law in New York City. Subsequently he served in the Attorney General's office at St. Paul for two years, and then took up the practice of law in St. Paul. In 1918 Mr. Headley joined the Northwestern Trust Company of St. Paul. Later he became an officer of the First Trust Co. of St. Paul—consolidation of the Northwestern Trust Co. and the Merchants Trust Co. there. He is now Vice-President of the succeeding institution, the First Trust Co. of St. Paul State Bank.

In 1940 Mr. Headley was elected Chairman of the Executive Committee of the Trust Division of the American Bankers Association. The following year he was elected Vice-President of the Division, and became President of it in September, 1942. As President of the Trust Division he is also a member of the Executive Council of the Association.

New Wheat-For-Feed Program In Effect

President Roosevelt signed on March 25 legislation permitting the Commodity Credit Corporation to sell an additional 100,000,000 bushels of Government-owned wheat for feed purposes. The Senate passed the measure on March 19 and the House on March 15.

The legislation provides that none of the wheat may be sold at a price less than the parity price of corn at the time such sale is made. The resolution further provides that, in making regional adjustments in the sale price, the minimum price shall not be higher in any area than the United States average parity price for corn.

Last year Congress authorized the sale of 125,000,000 bushels of wheat for feed for animals and poultry but this was sold at 85% of the corn parity price. Under the new bill, the wheat would be sold at 100% of the corn parity price, which is about \$1.03 a bushel. The last of the 125,000,000 bushels authorized last summer was sold early in March.

In announcing on March 26 that immediate action will be taken to put into effect the provisions of the bill, Secretary of Agriculture Wickard said that the additional 100,000,000 bushels of wheat now available should help materially to ease feed shortages developing in many localities.

Supplies of Government-owned wheat are available in all principal terminals and are ready to go as fast as orders can be handled and freight cars obtained, loaded, and shipped. Secretary Wickard urged that dealers with adequate stocks on hand delay their orders until urgent needs can be filled. Orders can be placed through dealers, distributors, Commodity Credit Corporation regional offices, and Agricultural Adjustment Agency county committees.

Approval of the resolution by the House farm group was referred to in our issue of March 18, page 1026.

1941 Income Tax Returns Number 25,618,013

Secretary of the Treasury Morgenthau made public on March 25 statistics from the preliminary report, Statistics of Income for 1941, Part 1, compiled from individual income tax returns and taxable fiduciary income tax returns for 1941 filed in the period January through June, 1942, prepared under the direction of Commissioner of Internal Revenue Guy T. Helvering.

The following figures were contained in the Treasury's announcement:

"The total number of returns filed is 25,618,013, of which 15,477,996 are individual returns, Form 1040; and 10,057,299 are the optional form, Form 1040A, filed by individuals with certain gross income of \$3,000 or less; and 82,718 are taxable fiduciary returns, Form 1041.

"The total net income reported is \$58,862,154,484 and total tax is \$3,892,410,074.

"There are 17,417,215 taxable returns, of which 17,416,919 show net income of \$45,986,130,727, and 296 show deficits of \$7,557,945, owing to net long-term capital loss, but with \$2,303,376 alternative tax.

"Of the non-taxable individual returns, 8,101,499 show net income of \$12,876,023,757—non-taxable because exemptions and credits exceed income; and 99,299 show a deficit of \$284,023,492—returns on which deductions equal or exceed total income.

"For all returns with net income, the average tax is \$152 and the effective tax rate is 6.6%; for the taxable returns with net income the average tax is \$223 and the effective tax rate is 8.5%."

Non-Ferrous Metal—Use Of Gold Tentatively Planned In Post-War Currency Stabilization

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

"E. & M. J. Metal and Mineral Markets," in its issue of April 8, stated: "Producers of non-ferrous metals, many of whom have been completely in the dark about the place that gold is to occupy in the post-war world, were greatly encouraged last week when the Treasury revealed that tentative plans for international currency stabilization provide for wide use of the precious metal. Whether the price of gold is to be stabilized at \$35 is not known." The publication further went on to say, in part:

Gold

"Plans for the stabilization of post-war currencies are being discussed in Washington and London. A stabilization fund and an international unit of value, tied to gold, are being considered. The British have tentatively named this unit the 'bancor,' whereas Treasury officials here lean toward the 'unitas' as a symbol for notes to be used in settling trade balances.

"The stabilization fund, according to Secretary Morgenthau, would deal only with treasuries and central banks, and it would not compete with private banks or existing agencies.

"London advices received here on April 5 indicate that our Treasury's proposal calls for a \$5,000,000,000 United Associated Nations stabilization fund, with resources consisting of gold, currencies, and securities of the participating governments. The United States may contribute as much as \$2,000,000,000.

Copper

"Producers report that conditions surrounding the marketing of copper have not changed. WPB continues making minor revisions in regulations governing the sale and use of copper products. During the last week the use of copper chemicals for plating was specifically restricted where use of copper products or copper alloy products has been prohibited. To bring products of brass and bronze ingot makers under one-price regulation, OPA added brass and bronze shot to the maximum price order.

"Quotations for copper continued on the basis of 12¢, Connecticut Valley.

Lead

"Supply of lead under prevailing conditions is generally viewed as ample. Any deficiencies in domestic output are being taken care of through imports. Total sales—domestic and foreign lead—are larger in volume than at this time last year. Quotations continued at 6.50¢, New York, and 6.35¢, St. Louis.

Zinc

"Total output of zinc has not been going into consumption for some months past, indicating that a fair tonnage is being added to the reserve supply. Quotations continued on the basis of 8¼¢ for Prime Western, East St. Louis.

"The Park-Walton mine, in northeastern Oklahoma, is being dewatered by the Bureau of Mines to clear the property for exploration and development. The mine is classified by the industry as a 'marginal' producer.

Calcium

"Metallic calcium was placed under allocation by the War Production Board through issuance on April 1 of General Preference Order M-303. The metal is used extensively in metallurgy, including production of magnesium for casting, stainless steel alloys, zirconium, and various special alloys. Distributors quote the market at \$1.25 a pound, ton lots.

Tin

"The tin products industry must put an end to the careless and wasteful use of tin alloys by consumers for purposes where either

a substitute material or a lower tin content can be specified, Erwin Vogelsang, head of the Tin-Lead Division, WPB, told members of the newly formed advisory committee last week. It has come to the attention of WPB that body solder is being sold and used without authorization for repairing bodies and fenders of automobiles, he said. WPB prohibited such use more than a year ago. Black market operations in tin must be stopped, he warned, and asked the cooperation of every smelter, refiner and scrap metal dealer in assisting the authorities in controlling consumption.

"The Bureau of Mines reports that exploration of the Lost River tin mine on the Seward Peninsula, Alaska, indicated a substantial tonnage of low-grade tin ore."

"Quotations for tin remain unchanged. Straits quality metal for shipment, cents per pound, was as follows:

	April	May	June
April 1	52.000	52.000	52.000
April 2	52.000	52.000	52.000
April 3	52.000	52.000	52.000
April 4	52.000	52.000	52.000
April 5	52.000	52.000	52.000
April 6	52.000	52.000	52.000
April 7	52.000	52.000	52.000

"Chinese tin, 99% grade, continued at 51.125¢ a pound.

Quicksilver

"Advices from South Africa indicate that a limited quantity of quicksilver is being produced in that area. Under war conditions, new sources of supply have been coming into the picture.

"The price situation here remains unchanged, quotations holding at \$196 to \$198 per flask. Some nearby business was booked at \$197.

Silver

"During the last week the silver market in London has been quiet, with the price unchanged at 23½d.

"The New York Official and the U. S. Treasury prices are unchanged at 44¼¢ and 35¢, respectively.

Daily Prices

The daily prices of electrolytic copper (domestic and export, refinery), lead, zinc and Straits tin were unchanged from those appearing in the "Commercial and Financial Chronicle" as of July 31, 1942, page 380.

Commends FNMA For Offer To Buy Back Mortgage Loans

The action of the Federal National Mortgage Association in offering private mortgage bankers the opportunity to buy back those FHA insured mortgage loans which they originated and sold to the Federal agency and which they are now servicing for it, is a heartening and constructive Washington development, Charles A. Mullenix, President of the Mortgage Bankers Association of America, said on April 3. "The Federal National Mortgage Association's action is fair and reasonable. Mortgage bankers appreciate the Federal Association's cooperative attitude." The Federal National Mortgage Association, chartered in February, 1938, under the National Housing Act, advised mortgage bankers who had sold FHA mortgages to it that if they wished to buy back any or all of these loans, bids should be submitted by March 15 naming prices. Since then the

Association has postponed action on the sale for 60 days.

According to Mr. Mullenix, the offer to sell these mortgage loans to those who originated them and are now servicing them is no indication whatever that the agency might discontinue business. The Association, he said, has performed a very vital function in the mortgage system for the past five years inasmuch as it has been a certain buyer for certain FHA loans, thereby acting as the most stabilizing influence in the market.

He said he believed mortgage bankers generally will want to purchase the loans they originated and now service, providing the price is in line with the market.

The Federal National Mortgage Association had total assets of \$221,899,262 on June 30 last and has capital stock of \$10,000,000. Its issue of \$29,748,000 of series A, 2% notes is due May 16 this year.

March War Bond Sales Far Above Year Ago

The Treasury Department revealed on April 2 that sales of war savings bonds in March totaled \$944,276,000, an increase of \$386,384,000, or 69.3% over March, 1942. The sales in the two previous months of 1943 were approximately \$1,240,444,000 in January and \$887,195,000 in February. The total amount of war bonds purchased from the inception of the program in May, 1941, through March, 1943, is about \$14,766,082,000.

The most notable increase in March sales was in the amount of Series E bonds, which totaled \$720,407,000, as compared with \$337,599,000 in March, 1942.

The Federal Reserve Bank of New York reported on April 2 that sales of war bonds during March, exclusive of United States post offices, aggregated \$140,100,000, against \$109,000,000 in March, 1942, and \$142,000,000 in February, 1943. Of this total, Series E bonds amounted to \$93,200,000; Series F, \$7,200,000; and Series G, \$39,700,000, representing a substantial rise for E and declines for F and G obligations.

The Bank also reported that March sales of tax anticipation notes were up to \$180,600,000, against \$101,200,000 in March, 1942, and \$159,000,000 in February, 1943.

'Bond Tuesday' Urged For Nation's Stores

As a means of assisting the United States Treasury in achieving its huge objective of selling \$13,000,000,000 worth of War Bonds in April, the Board of Directors of the National Retail Dry Goods Association has approved a plan of asking all stores throughout the United States to make each Tuesday for the duration of the drive "Bond Tuesday."

Under this plan, which was proposed by Edward N. Allen, of the Sage-Allen Co., Hartford, Conn., and President of the Association, stores participating will advertise no merchandise for "Bond Tuesday" but will devote the advertising commonly used for merchandise to the sale of bonds. Commenting on the plan, Lew Hahn, General Manager of the N. R. D. G. A., said:

"We know that retailers everywhere are eager to do all they can to help the war effort and that, as business men, they realize the need of securing sufficient funds with which to wage the war as basic as the need of men. If through any chance the Government should fail to raise needed funds all other activities of Government, and of private enterprise, would be pointless. Therefore we anticipate that retailers will rush to the support of 'Bond Tuesday.'"

Smaller War Plants Corp. Given Independent Status

The Smaller War Plants Corporation has been reorganized as a virtually autonomous agency for administrative purposes but is still a part of the War Production Board.

Under an order issued March 24 by WPB Chairman Donald M. Nelson, the duties, employees, records and equipment of the Smaller War Plants Division of the WPB, both in Washington and in the field, were transferred to the corporation.

Mr. Nelson delegated his powers in full to the new chairman of the SWPC, Col. Robert W. Johnson, who also is Vice Chairman of the WPB in charge of the Smaller War Plants Division. Mr. Nelson retains general supervisory authority, however, and will appoint SWPC directors as provided for in the Smaller War Plants bill.

The SWPC was created by Congress last July with a capital of \$150,000,000 to promote conversion of small plants to war work and assist them in obtaining Government contracts.

The order by Mr. Nelson on March 24 instructs the corporation to set up the necessary organization and to undertake all the administrative activities previously performed for it by the WPB, "notwithstanding any WPB orders or instructions to the contrary."

The reorganization of the SWPC followed Congressional complaints that the WPB was too busy, and too extensively staffed by officials from big corporations, to accord the necessary consideration to the problems of small plants and shops.

The Senate Small Business Committee on March 11 declared against the "opposition and indifference" among Federal procurement officials to the full use of productive capacities of little concerns. The Committee also criticized the "widespread misunderstanding of the productive capacity of smaller plants" and the absence of any well-coordinated planning of war production and essential civilian supply."

Farm Labor Force Far Below Normal: NICB

The farmers of the United States entered the crop season this year, when a new all-time-high production record is being demanded, with a labor force which is numerically the smallest on record and far less than normally effective, according to the National Industrial Conference Board. The Board's advices, made available April 5, state that fully 125,000 fewer hired hands were at work on the farms than in the 1935-1939 period, while the number of farm family workers was more than 500,000 below the comparable 1935-1939 average. It is further announced that total agricultural employment, including both family workers and hired help, in February of this year was about 90,000 below last year. During January and February the figure average 8,410,000 against 8,527,000 last year, 9,069,000 during 1935-1939 and 9,190,000 in 1929. "This numerical reduction," says the Board in commenting upon the situation, "has been accompanied by a sharply lowered level of efficiency per worker because of losses of skilled able-bodied farmers to the military forces and war industries, and their replacement by less experienced farm hands, women and youths below draft age." The Board adds:

"Due chiefly to unusually favorable weather conditions in 1942, the volume of agricultural production was 27% greater than in 1935-1939. With a working force almost 8% below that of 1935-1939—actually well below this

percentage if effectiveness per worker is considered—agriculture has been asked to better this all-time production record.

"Employment rose during February as farm activities were increased seasonally. The number of farm family workers reported was somewhat greater than a year ago, but this increase was not sufficient to offset a drop of 113,000 in the number of hired workers since last year. As a result, total agricultural employment fell short of its 1942 level by roughly 90,000."

Geier Named Cincinnati Fed. Reserve Director

The Federal Reserve Bank of Cleveland announced on March 25 that Frederick V. Geier, of Cincinnati has been appointed a director of Cincinnati branch of the Fourth District (Cleveland) Reserve bank. Mr. Geier represents important civic and business interests in the Cincinnati area, and his appointment is in keeping with the announced policy of the Fourth District bank to establish and maintain the closest possible contact with the industrial, commercial and agricultural interests of the territory which it serves.

With his graduation from college Mr. Geier entered the employ of The Cincinnati Milling Machine Co., with which his service has been uninterrupted except for service as an Ordnance Sergeant in the United States Army during World War I. He was elected president in 1934, which office he now holds. He has served as treasurer, director vice-president and president of the National Machine Tool Builders' Association. He is a former director of the Cincinnati Chamber of Commerce, and is past president of the Cincinnati Association.

At the present time he is an associate member of the American Society of Mechanical Engineers; vice-president and trustee of the Cincinnati Society of Natural History; trustee of Ohio Mechanics Institute; trustee of Berkshire School, Sheffield, Mass., and a director of Central Trust Co., Union Central Life Insurance Co., Cincinnati Rubber Manufacturing Co., American Rolling Mill Co., and various other manufacturing corporations. He was recently appointed chairman of the Cincinnati Committee of the National Committee for Economic Development, and is also director of the Army Ordnance Association.

First Quarter Rayon Shipments At Record

Deliveries of rayon yarn by American producers amounted to 119,600,000 pounds during the first quarter of 1943, states the "Rayon Organon," published by the Textile Economics Bureau, New York. This total represents an increase of 2,400,000 pounds or 2% as compared with shipments of 117,200,000 pounds reported for the first quarter of 1942. On April 8 the advices added:

"For March, alone, shipments totaled 42,700,000 pounds as compared with 39,000,000 pounds in February and 40,000,000 pounds in March, 1942.

"Total deliveries of rayon (yarn plus staple fiber) aggregated 158,800,000 pounds during the first quarter against 153,600,000 pounds shipped in the first quarter of 1942 and 130,400,000 pounds shipped in the first quarter of 1941.

"Stocks of rayon yarn in producers' hands on March 31 totaled 6,800,000 pounds as compared with 7,100,000 pounds held on Feb. 28. Staple fiber stocks held by producers on March 31 totaled 2,800,000 pounds as compared with 2,500,000 pounds held on Feb. 28."

Building Construction Activities In The First Full Year Of War

Tremendous changes in building construction activities occurred in the United States during the first full calendar year of our participation in the global conflict now raging. Construction that was essential to war production and to actual waging of the war was stimulated to a degree that occasioned all-time records in such activities. Non-essential construction came to a virtual halt.

These trends already were in evidence during the period of defense stimulation in 1941 and earlier years. Upon our projection into the war in December, 1941, they were brought rapidly to culmination. Ordinary criteria for gauging the course of building construction must, of course, be abandoned while this state of affairs exists. The statistics, nevertheless, are illuminating and indicative of things to come.

Immediately upon our entry into the global war contracts by the hundreds and thousands were let for vast construction projects, designed to turn the productive forces of the country completely into the channel of war activities. Immense new plants, financed mainly by the United States Government, rose like magic in all parts of the country so that great masses of airplanes, tanks, guns and ships could be set moving toward our own armed forces and those of our associates of the United Nations.

The supply of metals, rubber, lumber and other materials was altogether inadequate for maintenance of this vast production schedule, save at the expense of private construction. Accordingly, private construction was discontinued almost entirely.

The situation, as it affected private construction, is epitomized by War Production Board order L-41, issued April 9, 1942, which limited private residential construction to projects involving no more than \$500. This order was amended on Sept. 7, 1942, in a manner to limit to \$200 the private residential construction that might be undertaken without special permits.

Residential construction was, on the other hand, far from discontinued during 1942. In the areas of great war production units, housing problems were often acute. Local housing authorities, aided by Federal agencies, hastily constructed large low-rent housing units in many of the areas, thus alleviating to a degree the serious conditions that began to prevail in 1941 in the defense project regions. It can hardly be said that the lack of adequate housing was remedied entirely, but a good start was made.

These, then, are the major circumstances affecting the course of building activities in 1942. It is obvious that similar conditions will continue to prevail until the war is won and perhaps for some time thereafter. Our war effort still is on the increase, and even the successful termination of the conflict will not mean an end to the effort, since a large permanent military establishment seems assured.

With the length of the war still a matter of mere conjecture, it is idle to attempt a forecast of post-war conditions in the building line. The circumstances of the ensuing peace are entirely enshrouded in foggy uncertainty. What is clear, on the other hand, is that many extraordinary populational shifts are occurring under the stress of war and the induction of a sizable part of the people into the armed services. These will have an important bearing upon the heavy building construction that necessarily will follow the return of peace.

More than ever apparent, moreover, is the validity of certain principles which we always have maintained in these annual reviews of building construction activities. Private building, we have steadily pointed out, tends to meet the genuine economic requirements of the people far better than does public construction. But in wartime, of course, private wishes and desires have to be subordinated to martial requirements, not only in the matter of building, but also in the minutia of daily living, as our vast and growing rationing schemes attest.

We also have proclaimed on all occasions that private construction is far more economical than public building, since costs can be far better controlled and the judgment of seasoned individuals employed in the private projects to better effect than in public enterprises. It is only necessary to point to the extensive renegotiation of war contracts and to some of the difficulties encountered at various vast war plants to bring this point home. We mention these matters only to emphasize the necessity for earliest possible reversion to ordinary private activities, after conclusion of the war.

We turn now to our compilation covering building permits in all the leading cities of the United States for 1942 and previous years. This survey shows immediately the drastic effect of our involvement in the war upon ordinary private building. The slow but steady improvement that was in progress after the pit of the depression of the 1930's was passed came suddenly to an end, with all energies centered upon the public construction contingent upon the war.

Since there never was any real and widespread recovery in private building activities during the 1930's, this means that the real demands of our increasing population for adequate and satisfactory housing are in good part still unfulfilled. For more than 13 years, in other words, residential construction has been subnormal, and now that we

UNITED STATES BUILDING OPERATIONS

	1942	1941	Inc. or Dec.	1940	1939	1938	1937	1936	1935
	\$	\$	%	\$	\$	\$	\$	\$	\$
New York City—									
Manhattan	11,200,768	37,140,595	-69.8	48,812,161	51,117,073	65,102,651	87,210,685	59,967,761	44,910,370
Bronx	2,529,725	16,610,940	-84.8	34,915,306	42,976,825	46,147,664	50,261,047	54,907,333	22,447,219
Brooklyn	14,024,282	40,561,140	-65.4	66,480,028	56,339,474	62,201,153	66,107,595	42,507,600	48,907,810
Queens	16,931,485	55,099,897	-69.3	67,314,312	80,429,839	150,404,652	97,439,002	50,203,089	30,424,219
Richmond	3,776,260	3,763,415	+ 0.3	4,644,669	2,369,012	3,139,015	6,400,423	3,640,211	5,914,036
Total New York City	48,462,520	153,175,987	-68.4	222,166,474	233,232,223	326,631,135	307,418,752	211,225,454	152,603,654
New England States—									
Me.—Portland	1,648,300	1,626,775	+ 1.3	1,133,517	889,731	617,738	764,149	660,608	398,816
N. H.—Manchester	386,661	2,968,717	-87.0	1,154,761	1,216,823	1,730,637	1,353,129	749,529	389,725
Vt.—Burlington	78,950	667,200	-88.2	1,747,861	402,767	300,000	406,975	407,321	369,492
Mass.—Attleboro	113,855	370,961	-69.3	623,999	100,000	150,000	160,000	150,000	100,000
Beverly	166,810	633,607	-73.7	792,640	403,280	414,002	451,857	339,022	158,971
Boston	9,841,894	12,079,322	-18.5	11,094,508	17,209,382	11,393,880	21,419,497	11,809,103	13,537,429
Brookline	244,097	667,642	-63.4	437,037	402,767	269,905	520,220	336,315	399,789
Cambridge	322,090	2,469,290	-87.0	1,803,745	1,793,265	2,103,765	2,485,081	2,462,735	1,687,161
Chelsea	1,886,443	4,231,590	-55.4	1,945,875	2,954,816	3,210,669	3,600,869	1,583,735	867,890
Chicopee	139,829	180,630	-22.6	192,673	192,621	245,995	188,922	126,013	830,472
Chicopee	385,995	694,090	-44.4	711,660	130,380	175,845	336,020	311,285	308,512
Everett	460,954	3,303,147	-86.0	287,579	263,322	638,586	226,969	192,107	144,305
Fall River	198,289	650,350	-69.5	2,755,411	558,119	681,164	567,365	311,900	195,242
Fitchburg	586,192	858,966	-31.8	465,584	661,973	423,532	390,199	326,421	1,098,563
Haverhill	67,350	373,155	-82.0	197,541	604,855	141,889	267,652	312,406	148,594
Holyoke	1,378,395	976,135	+ 41.2	1,058,725	346,460	472,925	452,525	662,606	396,735
Lawrence	296,393	1,152,975	-74.3	1,652,600	827,805	618,418	1,034,819	983,230	376,261
Long Meadow	188,085	565,900	-66.8	400,050	266,375	297,750	351,000	364,550	134,950
Lowell	328,342	502,886	-34.7	2,546,813	508,518	416,118	574,470	552,909	255,873
Lynn	2,791,914	4,078,108	-31.5	1,576,490	1,004,514	1,946,538	1,117,830	653,309	797,572
Malden	520,301	394,025	+ 32.0	461,730	1,508,174	408,957	465,455	542,331	166,944
Medford	199,923	795,063	-72.3	565,480	400,847	1,164,521	636,547	877,418	301,952
New Bedford	353,955	1,357,223	-73.9	2,349,865	887,550	516,889	791,780	361,390	356,675
Newton	524,384	2,894,589	-81.9	2,869,476	2,967,330	2,808,960	3,266,179	4,431,578	2,594,310
North Adams	48,604	353,102	-86.2	186,080	339,329	162,484	241,591	120,788	121,502
Northampton	239,889	401,880	-40.3	219,328	735,862	205,696	428,493	572,660	509,526
Pittsfield	2,559,925	1,913,850	+ 33.8	2,574,028	894,300	903,607	896,396	548,373	406,969
Quincy	1,755,843	3,544,707	-50.5	2,458,418	2,346,131	1,411,784	1,117,927	1,103,652	848,186
Revere	101,765	343,849	-70.4	241,861	139,135	144,705	354,641	392,799	414,201
Salem	343,787	978,912	-64.9	895,566	530,278	420,452	658,105	851,305	828,638
Somerville	741,018	777,457	-4.7	561,661	365,125	270,132	427,487	545,635	299,908
Springfield	3,168,272	2,504,263	+ 26.5	1,887,339	3,501,007	2,246,931	2,803,045	1,273,790	578,305
Waltham	1,245,730	1,511,354	-13.6	1,166,215	1,012,848	850,661	641,107	953,187	661,782
Westfield	112,862	382,759	-70.5	226,817	150,507	150,481	165,100	145,780	110,960
Worcester	2,459,032	6,563,125	-62.5	3,821,822	3,526,015	3,401,662	3,273,201	1,957,820	1,949,839
Conn.—Ansonia	182,425	249,850	-27.0	140,000	148,000	238,180	231,485	100,000	35,000
Bridgeport	4,866,448	6,517,925	-25.0	5,038,256	6,129,335	1,888,124	2,824,862	1,716,610	1,187,202
Bristol	2,558,754	2,400,108	+ 6.6	891,436	598,232	367,243	745,213	500,318	404,331
Danbury	259,036	567,485	-54.4	345,235	556,795	340,210	480,952	214,513	228,226
Hamden	1,369,645	1,978,132	-30.8	2,017,361	1,600,000	619,979	910,894	511,433	355,573
Hartford	4,040,608	14,673,330	-72.5	7,562,761	3,379,487	4,331,157	6,285,237	3,103,698	2,670,204
Manchester	2,344,211	2,279,043	+ 2.9	1,688,806	1,007,633	1,078,749	682,058	380,790	169,005
Meriden	266,469	1,906,780	-86.2	899,822	791,086	759,135	984,530	409,761	407,879
Middletown	694,605	550,359	-51.6	46,156	522,574	596,004	257,977	381,888	384,240
New Britain	2,377,489	1,841,417	-22.3	2,454,560	945,976	934,426	791,780	1,118,697	722,758
New Haven	3,016,616	4,987,208	-39.5	4,822,922	3,800,375	2,727,065	4,456,442	1,692,806	1,362,888
New London	945,884	1,119,544	-14.5	3,942,574	2,128,575	756,445	685,313	335,160	174,749
Norwalk	105,935	1,892,075	-94.3	2,786,530	2,168,552	1,330,445	1,492,924	1,783,976	695,134
Norwich	250,000	398,025	-37.2	345,273	380,907	398,811	556,578	254,985	120,581
Shelton	743,725	743,249	+ 0.1	2,187,356	1,788,838	2,330,797	1,027,812	911,385	628,710
Stratford	2,424,478	2,227,522	+ 8.8	2,105,338	1,503,830	911,945	835,948	840,185	339,941
Torrington	287,118	670,095	-57.2	534,320	537,856	444,581	545,238	503,904	225,861
Waterbury	1,612,240	2,851,060	-43.5	1,946,265	1,036,335	1,605,125	1,386,100	1,319,576	492,865
West Hartford	2,545,332	4,387,873	-42.0	7,799,230	4,934,722	2,721,715	4,259,032	4,009,115	3,747,782
West Haven	594,281	739,780	-19.7	602,321	550,552	321,750	377,167	88,700	101,125
Willimantic	1,298,394	206,147	+ 966.6	39,225	40,000	50,000	40,000	37,320	33,977
R. I.—Central Falls	65,000	103,185	-37.0	98,938	103,738	87,840	101,540	49,475	115,747
Pawtucket	1,463,966	1,549,396	-70.1	1,658,575	1,324,031	1,583,703	869,462	619,833	552,500
Providence	1,363,950	4,429,200	-69.2	4,096,500	3,418,300	3,806,015	3,228,100	5,485,441	2,870,780
Total New England:	73,525,848	123,192,932	-41.3	107,847,524	89,644,630	71,706,122	86,816,246	64,457,383	50,685,402
Middle Atlantic States—									
New York—Albany	1,122,951	2,424,009	-53.7	3,494,694	2,104,179	3,211,807	3,983,538	3,315,204	3,131,885
Auburn	853,053	846,653	+ 0.8	416,292	229,578	1,832,309	281,315	214,607	175,895
Binghamton	789,841	1,144,355	-31.0	1,513,442	2,153,739	1,641,560	1,835,921	1,806,460	1,162,624
Buffalo	3,752,138	6,636,332	-43.5	4,510,682	11,143,630	7,101,171	5,435,036	2,880,198	2,961,753
Elmira	433,354	310,621	+ 39.5	591,293	734,641	798,171	326,693	305,528	305,665
Jamestown	379,085	556,381	-31.9	466,330	438,392	244,627	282,153	817,689	391,162
Kingston	347,967	487,530	-28.6	475,370	465,499	354,390	885,878	417,708	289,800
Middletown	44,704	345,014	-87.0	318,657	372,264	270,043	206,253	280,587	164,086
Mount Vernon	2,785	726,073	-99.6	959,176	897,947	1,471,039	825,281		

	1942	1941	Inc. or Dec.	1940	1939	1938	1937	1936	1935
	\$	\$	%	\$	\$	\$	\$	\$	\$
Del.—Wilmington	2,677,488	3,639,607	+26.4	6,698,334	5,470,655	2,466,828	4,494,122	4,348,246	2,545,737
Md.—Baltimore	52,153,403	48,223,205	+ 8.1	25,960,357	14,188,250	14,640,038	15,162,610	17,683,944	9,947,460
Cumberland	147,285	1,002,345	+85.3	690,744	811,792	333,714	508,040	497,488	1,057,349
Frederick	1,715	479,765	+99.6	650,439	829,996	352,997	367,406	329,480	105,202
D. C.—Washington	30,832,350	49,905,710	+38.2	42,717,450	70,819,793	48,433,310	31,168,515	31,553,390	22,968,678
W. Va.—Charleston	682,835	2,664,808	+74.4	2,222,432	5,921,828	3,172,435	2,907,275	2,224,125	1,388,196
Clarksburg	98,836	559,013	+82.3	822,878	819,058	281,965	533,616	707,424	413,748
Huntington	879,614	1,622,389	+45.8	1,682,122	3,390,160	1,362,664	1,280,706	1,500,210	367,895
Wheeling	870,733	2,275,656	+61.7	2,423,833	949,910	937,913	1,854,757	1,166,616	591,473
Total Middle Atlantic: 72 cities	200,605,248	287,414,754	+30.2	240,974,981	240,849,850	178,175,097	178,239,967	166,375,080	105,434,934
Middle Western States—									
Ohio—Akron	13,114,571	12,420,635	+ 5.6	5,250,633	3,390,940	1,689,958	3,497,837	2,503,800	1,410,482
Alliance	150,842	*133,397	+13.1	385,037	144,617	*100,000	137,585	89,920	32,600
Ashtabula	164,938	263,021	+37.2	377,445	194,144	146,480	249,482	154,585	86,142
Barberton	373,431	797,059	+53.1	1,071,542	542,131	176,390	398,763	177,817	71,311
Canton	74,710	4,460,589	+98.3	2,856,098	1,734,673	1,831,586	1,424,042	941,603	473,614
Cincinnati	8,207,820	25,198,760	+67.4	21,797,975	15,201,430	14,865,515	18,203,110	18,488,020	12,309,225
Cleveland	24,471,600	26,086,000	+ 6.2	21,874,000	18,305,000	7,203,500	11,125,000	8,876,500	3,883,000
Columbus	8,473,180	14,116,665	+40.0	12,250,721	9,929,620	6,202,375	6,637,400	5,567,075	2,645,200
Dayton	4,911,847	8,481,224	+42.1	6,207,944	3,493,129	4,327,120	2,669,412	1,079,829	1,079,829
East Cleveland	79,492	2,202,379	+96.4	882,844	95,237	132,803	209,434	179,123	113,873
Hamilton	2,345,380	1,657,632	-58.5	986,881	640,766	611,397	778,476	466,394	256,722
Lakewood	334,944	718,710	+53.4	862,130	697,807	1,178,816	621,765	752,709	432,292
Mansfield	583,456	2,034,148	+71.3	1,799,337	2,198,076	1,115,497	1,117,179	1,843,001	445,596
Newark	132,690	506,340	+73.8	640,585	641,215	261,729	384,425	282,640	71,550
Norwood	584,591	*606,468	+ 3.6	630,281	302,933	583,484	739,870	391,061	249,139
Sandusky	401,181	637,337	+37.1	329,366	268,928	194,793	217,620	117,010	60,808
Springfield	1,185,371	1,945,520	+39.1	1,746,569	1,248,960	1,375,477	959,082	837,128	547,275
Toledo	2,955,420	6,942,831	+57.4	4,990,976	5,349,553	2,306,725	4,373,329	4,566,078	1,757,620
Youngstown	874,183	3,380,077	+74.1	2,801,498	5,313,685	1,324,900	1,929,438	1,545,250	760,688
Zanesville	85,985	384,995	+77.7	539,584	320,376	323,606	187,184	189,695	122,158
Ind.—Elkhart	271,888	750,275	+63.8	645,580	370,398	324,206	828,452	369,141	123,568
Fort Wayne	6,421,469	4,266,388	-31.5	3,676,251	2,791,279	2,681,273	2,577,288	1,764,862	1,166,576
Gary	5,463,587	4,609,135	-15.2	5,224,420	2,539,828	1,000,413	1,629,625	939,462	622,952
Hammond	3,966,600	4,159,600	+ 4.6	4,712,733	2,956,950	2,445,220	3,261,083	3,267,283	1,406,185
Indianapolis	230,339	15,594,101	+40.2	13,913,962	13,625,895	10,824,925	9,088,076	7,417,546	4,618,111
Kokomo	199,824	515,243	+61.2	443,867	1,114,187	470,025	854,859	989,891	147,633
Michigan City	291,111	481,093	+39.5	307,645	206,252	183,662	288,573	237,645	147,633
Richmond	238,749	649,316	+63.2	660,052	568,093	484,706	509,083	376,154	142,139
South Bend	8,616	242,234	+96.4	2,867,693	2,199,442	1,050,214	1,403,305	1,048,669	563,740
Terre Haute	133,343	415,132	+67.9	495,339	1,440,854	331,666	519,279	918,941	384,366
Ill.—Aurora	600,130	1,128,037	+45.0	795,396	636,952	669,805	741,027	557,779	259,270
Bloomington	57,622	773,828	+92.5	846,587	819,237	346,184	379,684	300,615	579,122
Chicago	30,738,121	49,607,397	+38.0	39,828,116	42,280,687	21,258,299	28,806,443	18,989,322	12,936,409
Cicero	2,358,288	1,714,978	-27.5	889,323	429,433	481,725	748,820	324,475	198,240
Decatur	1,007,984	2,309,115	+56.4	1,530,455	792,646	1,576,691	792,646	872,339	588,102
East St. Louis	24,580	2,424,896	+99.0	1,046,284	940,099	527,970	933,838	392,083	869,123
Elgin	238,953	1,204,787	+98.3	535,485	553,464	1,223,095	499,401	217,945	127,945
Evanston	535,005	2,062,950	+74.1	1,756,950	2,650,400	2,703,050	3,128,050	2,108,200	947,750
Freeport	84,560	345,578	+75.5	337,822	218,816	217,749	336,777	276,252	229,090
Moline	1,147,582	2,505,610	+54.2	1,971,867	1,677,471	1,332,581	1,982,512	1,193,238	335,893
Oak Park	194,305	939,855	+79.3	789,535	783,510	715,475	988,625	619,575	626,200
Peoria	756,806	3,583,318	+78.9	6,308,015	2,416,012	2,428,355	2,372,736	4,215,842	1,791,342
Quincy	55,869	403,885	+86.2	199,095	203,607	181,776	181,776	224,820	95,065
Rockford	1,651,335	3,865,670	+73.3	2,128,425	2,793,675	1,189,180	1,326,440	1,191,295	374,065
Rock Island	2,408,596	2,073,018	-13.6	2,456,256	1,123,119	959,422	1,382,055	1,461,483	332,906
Springfield	2,355,329	2,483,296	+ 5.2	3,525,524	1,558,758	1,946,468	1,624,587	2,890,557	456,453
Mich.—Ann Arbor	1,402,322	2,185,112	+35.8	2,342,487	3,959,472	3,740,824	1,578,924	3,513,785	677,438
Bay City	1,091,400	1,399,805	+22.1	1,198,390	1,189,234	848,499	1,399,703	889,960	403,553
Detroit	54,988,212	75,825,714	+27.5	81,138,733	61,664,099	51,430,371	52,909,940	61,969,099	21,222,391
Flint	4,278,965	6,548,263	+34.7	6,473,185	3,010,728	2,481,231	3,669,421	3,435,295	1,433,625
Grand Rapids	165,615	4,316,250	+96.2	3,259,265	3,019,680	1,701,290	2,500,755	1,783,160	625,045
Highland	4,015,751	1,303,224	-208.1	2,114,813	642,498	411,216	1,622,489	409,450	440,122
Jackson	178,197	512,205	+62.5	501,654	364,837	389,833	586,893	366,547	168,826
Kalamazoo	540,493	1,169,264	+53.8	1,479,934	1,950,676	2,051,393	697,901	1,390,000	882,072
Lansing	1,405,754	6,167,667	+77.2	1,763,535	1,459,592	3,853,860	2,087,036	1,040,185	1,040,185
Muskegon	1,075,094	1,385,488	+22.4	817,228	573,221	403,050	1,078,781	553,018	315,426
Pontiac	1,242,357	3,372,091	+63.2	2,239,542	923,058	734,017	1,632,031	1,494,059	771,711
Saginaw	2,374,146	2,930,760	+19.0	2,744,346	2,509,791	1,061,369	1,449,320	1,428,639	1,326,953
Wis.—Kenosha	2,563,063	1,910,260	-34.2	1,281,696	786,547	436,011	627,180	532,094	375,505
Madison	15,985	66,565	+76.0	2,000,831	*1,000,000	1,814,003	2,394,320	1,773,710	1,138,336
Manitowoc	423,117	986,089	+57.1	1,744,145	1,121,035	570,272	670,857	715,232	546,142
Milwaukee	10,454,170	14,876,927	+29.7	10,666,877	9,731,896	6,264,324	12,098,981	12,345,927	7,143,326
Oshkosh	441,749	870,969	+95.3	796,308	817,210	888,084	1,229,444	733,902	246,942
Sheboygan	486,858	1,318,165	+63.1	902,713	868,868	532,965	1,306,776	1,361,807	530,531
Shorewood	139,476	503,671	+72.3	468,530	404,510	373,294	475,376	1,059,460	348,616
Superior	850,732	1,580,941	+39.9	803,309	471,062	686,468	654,924	710,485	562,631
Total Middle Western: 66 cities	228,199,359	351,301,893	+35.0	317,181,564	254,955,141	178,807,316	217,707,840	184,187,684	97,249,470
Other Western States—									
Mo.—Joplin	454,135	547,300	+17.0	651,150	475,200	479,425	400,700	381,725	282,690
Kansas City	3,699,775	4,373,765	+18.4	3,679,800	2,811,419	3,446,010	3,476,050	4,050,500	4,467,100
St. Joseph	64,300	584,405	+88.7	338,510	1,279,567	282,350	195,215	332,677	315,510
St. Louis	8,215,980	17,067,857	+51.9	13,639,312	11,258,419	9,319,027	8,735,113	13,775,132	11,355,867
Sedalia	64,948	175,435	+170.0	175,435	158,120	90,005	122,230	101,512	74,000
Minn.—Duluth	82,010	178,191	+54.0	2,477,146	1,933,983	1,465,471	2,201,791	1,222,810	981,858
Mankato	92,394	1,067,186	+13.4	613,970	565,047	825,608	462,535	449,583	150,023
Minneapolis	3,746,035	10,919,265	+65.7	10,224,485	15,646,185	7,671,710	7,529,855	7,195,795	4,690,790
St. Paul	1,186,587	9,705,178	+87.8	9,751,767	7,679,580	6,955,164	7,229,131	7,381,263	

Building Construction Activities In The First Full Year Of War

(Continued from page 1397)

moved up in 1942 to \$1,312,527,000 from \$1,109,253,000 in 1941. Public utility construction also made a distinct gain to \$1,238,076,000 from \$628,749,000. Monthly totals of these awards indicate a sharp upward trend to a peak in June, after which a recession set in.

MONTHLY RECORD OF CONSTRUCTION CONTRACTS AWARDED AS COMPILED BY THE F. W. DODGE CORPORATION

Table with columns for months (January to December) and years (1942, 1941, 1940, 1939) showing construction contract awards in dollars.

Total const'n. 8,255,061,000 6,007,474,000 4,003,957,000 3,550,543,000
Non-resid. bldg. 3,896,725,000 2,315,671,000 1,294,640,000 965,638,000
Resident'l. bldg. 1,817,733,000 1,953,801,000 1,596,944,000 1,334,272,000

Total const'n. 8,255,061,000 6,007,474,000 4,003,957,000 3,550,543,000

*Includes projects without general contractors, sub-contracts being let directly by owners or architects.

Building statistics compiled by the "Engineering News Record" for recent years likewise reflect the extraordinary increase of war construction. The "News Record" tabulations cover the entire country, while Dodge figures take in only the 37 States east of the Rockies, and some differences naturally result.

The tabulations of the "Engineering News Record" show that public construction advanced in 1942 to

UNITED STATES BUILDING OPERATIONS—(Continued)

Large table showing building operations by state and city for years 1942, 1941, 1940, 1939, 1938, 1937, 1936, and 1935. Includes columns for Inc. or Dec. % and values in dollars.

the tremendous total of \$8,750,006,000 from the 1941 level of \$4,690,617,000, which in itself was extraordinary. In 1929 such public construction was only \$1,346,493,000. Private construction last year, as recorded in this tabulation, amounted to \$555,823,000, against \$1,178,082,000 in 1941. Harking back again to 1929, such construction then totaled \$2,603,822,000. Federal Government works last year aggregated \$8,241,088,000, against \$3,500,488,000 in 1941, while in 1929 this figure was \$103,901,000.

Also interesting in the "News Record" tabulation is a comparison of commercial and public buildings. Public building contracts soared last year to \$5,678,103,000 from \$2,785,585,000 in 1941, but commercial buildings dropped to \$291,703,000 from \$485,683,000.

There is room for a difference of opinion as to whether figures representing the value of contracts awarded or statistics of building permits may be taken as best representing the course of building work, in

Table titled 'YEARLY ENGINEERING CONSTRUCTION CONTRACTS IN UNITED STATES REPORTED BY "ENGINEERING NEWS RECORD"' showing annual totals from 1929 to 1942 for various categories like Waterworks, Sewers, Earth works, etc.

The tabulations of the "Engineering News Record" show that public construction advanced in 1942 to

	1942	1941	Inc. or Dec. %	1940	1939	1938	1937	1936	1935
	\$	\$		\$	\$	\$	\$	\$	\$
Tenn.—Chattanooga	1,242,827	6,365,881	-80.5	3,224,134	5,103,684	3,633,006	2,809,408	2,794,588	1,226,724
Knoxville	1,159,472	2,619,301	-55.6	2,250,768	4,689,838	1,908,478	2,442,292	2,749,303	1,880,741
Memphis	4,334,100	14,964,180	-71.1	10,097,959	9,898,543	6,295,280	7,225,820	10,921,355	3,222,914
Nashville	548,149	2,814,547	-80.5	5,384,033	3,487,639	2,975,375	4,344,154	7,565,320	3,594,192
Ky.—Covington	84,016	584,910	-85.6	410,303	245,655	359,398	777,478	293,060	155,618
Lexington	705,790	1,285,708	-45.1	1,539,930	789,896	1,040,931	925,382	775,520	426,892
Louisville	7,297,750	5,156,109	+41.5	5,145,254	7,030,227	3,848,351	4,514,249	5,948,581	3,419,359
Newport	16,860	161,755	-89.6	200,000	250,000	300,000	334,066	79,306	53,050
Total Southern: 60 cities	117,866,671	261,659,879	-55.0	268,185,088	244,228,288	174,792,196	168,659,320	161,298,267	88,699,494
Total: 354 cities	877,410,716	1,598,836,048	-45.1	1,597,969,635	1,405,316,472	215,599,552	1,228,980,537	1,046,887,801	657,236,411
Outside New York: 353 cities	828,948,196	1,445,650,061	-42.7	1,375,803,161	1,172,034,249	888,968,417	921,561,785	835,662,347	504,632,757

THE DOMINION OF CANADA

Eastern Canada—									
Quebec—Montreal	11,676,576	12,547,282	- 6.9	11,427,632	9,253,506	10,205,422	8,208,294	6,905,323	7,455,436
Outremont	333,550	797,550	-58.2	273,300	792,100	925,400	833,400	588,700	775,550
Quebec	1,601,913	2,666,647	-39.9	1,762,971	2,493,572	1,945,961	549,718	816,835	2,141,695
Sherbrooke	535,850	1,438,035	-62.7	1,656,950	1,171,550	750,690	841,740	278,100	314,450
Three Rivers	289,740	810,980	-64.3	475,760	1,007,360	769,565	383,417	1,836,000	555,555
West Mount	331,599	160,233	+106.9	406,046	379,639	515,077	549,718	356,378	188,110
Ont.—Belleville	185,040	233,220	-20.7	145,440	251,396	119,340	150,395	85,065	145,602
Brantford	792,315	321,137	+146.7	166,757	233,875	273,563	470,703	161,620	272,648
Brockville	27,550	105,282	-73.8	117,735	93,551	139,000	44,100	96,769	175,000
Chatham	155,123	461,900	-66.4	470,168	487,535	471,365	186,740	100,000	109,181
Port William	1,747,175	2,611,108	-33.1	931,576	524,305	495,880	495,880	207,500	152,450
Galt	278,396	356,945	-22.0	321,784	268,995	285,730	369,630	141,226	388,688
Guelph	128,576	259,947	-50.5	232,200	198,294	152,778	138,267	100,200	282,869
Hamilton	3,304,442	4,977,193	-33.6	5,562,493	2,265,265	2,328,908	1,694,189	1,466,906	1,887,622
Kingston	628,019	1,171,276	-46.4	946,889	415,153	392,733	360,629	253,398	293,928
Kitchener	537,802	1,072,680	-49.9	839,300	774,419	615,092	892,247	449,123	589,325
London	725,320	987,070	-26.5	1,037,290	1,895,870	708,140	949,790	672,745	1,835,110
Midland	25,555	38,745	-34.0	8,535	21,895	55,000	25,000	7,300	120,000
Niagara Falls	166,286	328,776	-49.4	267,048	159,695	309,849	239,822	127,767	82,862
North Bay	77,955	242,648	-67.9	138,275	200,000	296,780	84,000	58,700	26,875
Oshawa	297,005	1,057,454	-71.9	1,057,454	209,500	103,085	218,760	108,022	125,300
Ottawa	7,291,388	4,860,615	-50.0	3,789,675	2,050,656	5,137,509	2,307,770	1,781,855	4,096,240
Owen Sound	138,068	429,727	-67.9	105,377	122,760	176,916	56,848	173,410	49,452
Peterborough	309,712	1,053,511	-70.6	1,260,251	502,079	426,144	199,866	269,165	195,880
Port Arthur	704,710	2,668,448	-73.6	697,964	441,656	747,444	708,143	212,671	164,071
St. Catharines	711,833	1,589,347	-55.2	1,237,086	599,389	405,698	793,227	823,398	225,341
Sault Ste. Marie	486,668	1,151,255	-57.7	612,260	596,490	415,066	355,950	226,340	311,320
St. Thomas	76,855	374,953	-79.5	152,898	167,256	189,296	52,106	79,545	128,350
Sarnia	337,015	533,006	-36.8	372,770	231,221	173,752	192,830	123,229	137,052
Sudbury	499,210	689,730	-27.6	1,321,600	1,435,065	1,354,115	1,474,395	1,012,565	443,960
Toronto	7,672,500	9,171,360	-16.3	10,619,613	10,285,707	8,494,340	11,238,900	2,002,850	9,905,455
Welland	442,214	610,340	-27.5	423,945	198,854	146,663	231,429	107,465	74,609
Windsor	4,613,353	4,149,116	+11.2	2,015,114	928,402	970,948	3,524,699	703,970	675,149
York	2,077,080	2,655,995	-21.8	1,206,967	1,212,740	1,080,415	1,650,250	2,002,850	1,432,700
N. S.—Halifax	874,825	2,038,079	-57.1	1,401,652	1,129,481	1,431,142	1,488,326	1,113,998	1,545,824
Sidney	531,608	777,433	-31.6	707,997	378,955	396,084	354,564	179,396	54,418
N. B.—Moncton	558,292	3,660,054	-84.7	1,022,831	461,280	214,608	214,608	100,292	240,876
St. John	496,630	406,786	+22.1	292,122	502,811	233,534	261,000	211,244	200,669
Total East 38 cities	51,667,748	69,465,903	-25.6	54,944,831	44,342,001	43,850,302	42,591,170	26,810,902	37,539,622
Western Canada—									
Man.—Brandon	270,120	258,648	+ 4.4	360,446	83,695	50,085	57,310	113,235	111,235
East Kildonan	59,411	38,600	+53.9	15,000	15,300	14,220	45,000	12,400	26,350
St. Boniface	470,686	916,114	-48.6	1,050,785	439,003	1,036,280	333,949	97,279	110,540
Winnipeg	2,945,750	4,006,850	-26.5	3,329,100	2,584,050	1,985,900	2,152,100	1,407,450	2,723,400
Alta.—Calgary	3,311,122	2,677,385	+25.5	2,678,841	1,064,076	911,311	667,809	845,287	874,286
Edmonton	3,367,720	3,422,925	-1.6	2,636,870	1,661,109	2,806,340	865,560	895,440	676,535
Lethbridge	350,255	463,670	-24.5	465,653	463,904	205,117	232,298	200,414	118,442
Red Deer	104,455	117,818	-11.3	147,540	303,679	75,620	61,416	56,910	31,607
Sask.—Moose Jaw	248,376	391,728	-36.6	94,384	77,354	46,041	191,068	57,818	56,165
Prince Albert	628,882	378,311	+66.2	269,857	196,237	242,255	95,428	173,262	121,836
Regina	755,349	1,149,791	-34.3	1,052,919	587,615	477,780	463,941	358,865	632,944
Saskatoon	199,255	720,985	-72.4	1,150,215	251,494	448,585	249,901	223,955	144,650
Swift Current	64,144	90,013	-28.7	54,103	52,216	22,568	28,830	27,836	9,330
Weyburn	15,715	3,090	+408.6	21,060	17,200	36,630	72,155	89,325	33,000
Yorkton	82,738	206,090	-59.9	79,561	101,855	39,513	68,270	61,700	127,595
British Columbia—									
New Westminster	401,850	848,063	-52.6	862,206	1,177,705	696,182	541,715	369,215	210,490
Vancouver	5,996,015	9,216,520	-34.9	8,053,725	6,253,798	8,224,300	6,760,880	4,641,545	3,892,665
Victoria	1,015,962	2,090,195	-51.4	1,787,120	805,470	1,955,099	760,695	584,517	518,463
Total West: 18 cities	20,337,805	26,996,796	-24.7	24,089,385	16,135,758	19,274,126	13,648,345	10,216,543	10,464,533
Total all: 56 cities	72,005,553	96,462,699	-25.4	79,034,216	60,477,759	63,124,428	56,239,515	37,027,445	48,004,155

*Estimated. †No figures available.

normal times. In ordinary circumstances the building permits have a peculiar and added value as reflecting intentions with respect to the future. They are, moreover, strictly concerned with building work, as against engineering and similar projects.

As to the details of our own compilations, the downward trend of private building therein reflected was all but universal. The exceptions to be noted in a small group of cities are easily traceable to placement of huge war contracts in those localities and to an expansion in the need for housing which had to be met by one means or

another. As a general rule, the building work slumped sharply in 1942, as against 1941, and in many important communities the decline ran to 80% or even 90%. The tendency, in other words, was toward simple suspension of private building construction.

It is particularly noteworthy that local housing authorities, aided by Federal agencies, were largely responsible for building construction activities in cities that boomed under the impetus of sizable war contracts last year. This trend already was sharply in evidence in 1941. It may be added that increasing scarcity of materials last year made necessary a lowering of the

48-Hour Week Pay Rise Called 'Ruinous' For Some Retail Stores

If retail stores now operating in 32 designated "critical areas" of the country, on a 40-hour, 5-day basis are required, under Regulation No. 3 of the War Manpower Commission, to go to a full 48-hour work week, and to pay overtime compensation, particularly if their general policy now calls for time and a half, they will experience in their payroll "a percentage increase which may prove ruinous."

The foregoing is part of the "supplementary observations" accompanying a report prepared by a sub-committee of the Personnel Group of the National Retail Dry Goods Association, whose recent study of the whole complex subject of store adoption of a 48-hour

work week, with recommendations, received the full approval of the N. R. D. G. A. War Manpower Committee.

The study was conducted with a view to aiding stores in the designated areas in the preparation of tentative schedules for operation on a minimum 48-hour work week basis, which went into effect on April 1.

The sub-committee points out that the order as applied to retailing, in contrast to manufacturing activities, "obviously involves many inequalities." The advice from the Association also had the following to say:

"Some stores within a critical area may already be operating on a 48-hour work week and hence won't have to extend their present work hours or pay additional compensation, while other stores in the same area may, in the recent past, have reduced working hours of their employees without lowering their compensation.

"If these latter stores are required to adopt a 48-hour schedule and pay overtime compensation, particularly at a premium rate, they will be forced into a position of competitive disadvantage—as far as payroll expense is concerned.

"The committee warns these particular stores that every effort should be made to induce local War Manpower Commission and War Labor Board authorities to grant individual consideration—in the light of present operating practices."

Feb. Living Cost Up 0.4%

Living costs of wage earners and lower-salaried clerical workers in the United States continued their upward movement with a rise of 0.4% in February, according to the National Industrial Conference Board. Under date of March 12, the Board further said:

"Food prices again rose, this time 1.0% over January, and fuel and light was 0.5% higher than in January, due entirely to a 0.7% rise in the retail price of coal. Sundries were up 0.1%, while all other items remained unchanged.

"The Board's index of the cost of living (1923=100) stood at 101.3 in February as compared with 101.4 in January, 101.0 in December, 100.3 in November, 99.7 in October, 98.6 in September, 98.1 in August, and 95.1 in February, 1942.

"The level of living costs was 7.0% higher than that of a year ago. Food showed the greatest advance over January, 1942, with an increase of 15.2%. Other advances during the twelve months were: clothing, 4.9%; sundries, 3.7%; housing, 0.4%; and fuel and light, 2.0%.

"The purchasing value of the dollar, which amounted to 98.6 cents in January, declined to

98.2 cents in February. It stood at 99.0 in December, 100.3 cents in October and 105.2 cents a year ago."

Record Steel Plate Output

Steel plate production during February reached a new high daily rate, according to Hiland G. Batcheller, WPB Steel Division Director, who further stated:

"Average daily shipments in February were 38,285 net tons, while shipments for the month totaled 1,072,001 tons. This compares with a daily rate of 36,626 tons and a total of 1,135,413 tons in January, a longer month. Shipments in February, 1942, totaled 758,723 tons.

"Schedules of the nation's plate mills indicate a new all-time record tonnage for March, thus keeping pace with the increased rate of shipbuilding operations and with other essential demands for plates."

building standards of the local housing authorities. We have already commented on the sharp downward trend of building construction in New York City during 1942, owing to palpable neglect by the Federal Government of the great manpower and other resources of the Metropolis in awarding war contracts. This Federal attitude toward New York City was in evidence during previous years, and it has for some time accentuated local factors in restraining building construction.

We have noted in the past that some important Federal agencies were transferred from Washington, D. C., to other centers, owing to the overcrowding of the national capital. The Securities and Exchange Commission,

Automobile Financing And Diversified Financing For Month of February

The number of new passenger cars financed in February, 1943, by sales finance companies was 12% more than the number in January of this year, according to an announcement released on March 31 by J. C. Capt, Director of the Census. The dollar volume of paper acquired in this type of financing gained 19%. There was an increase of 17% in the number of used passenger cars financed and 20% in the dollar volume of paper acquired. Compared with the preceding month, the number of new commercial cars financed was 27% more in February and the dollar volume of paper acquired 37%. The number of used commercial cars financed increased 12%, while the dollar volume of paper acquired rose 23%.

As of February 28, 1943, the volume of retail automotive outstandings held by sales finance companies was 15% less than as of January 31, 1943, lowering the index to 27.

Of the wholesale automotive paper acquired by sales finance companies during February, 1943, the volume for new passenger and new commercial cars remained at approximately the same level as in January, while the volume for used passenger and used commercial cars increased 37%. The volume of outstanding balances for this type of paper dropped 7% from January 31, 1943 to February 28, 1943.

For February, 1943, month ago comparisons in retail diversified financing indicate a gain of 34% in the financing of radios and other musical instruments, but losses in all the other types of financing for which data are shown: Other household appliances (10%), residential building, repair and modernization (19%), refrigerators (21%), furniture (22%), and industrial, commercial and farm equipment (35%). In wholesale diversified financing, the volume of paper acquired increased 62% from January to February.

As of February 28, 1943, compared with January 31, 1943, the volume of diversified outstanding balances held by sales finance companies decreased 8% each for the retail financing of other consumers' goods and of industrial, commercial and farm equipment, and 10% for wholesale diversified financing (other than automotive).

The ratios of the paper acquired during February, 1943, to the outstanding balances as of February 28, 1943, were 5% for retail automotive, 4% for wholesale automotive, 10% for wholesale—other than automotive, 2% for retail—other consumers' goods, and 4% for industrial, commercial and farm equipment.

These data on the current trends of sales financing during February, 1943, were based on reports from 226 sales finance companies, and the dollar volumes should not be assumed to represent the total amount of financing by all sales finance companies in the United States. The data are published as reported, without adjustment for seasonal or price fluctuations. The figures presented in tables below are not comparable to those published for previous months, since monthly reports have not been received each month from identical sales finance companies. All indexes for February were obtained by calculating the percent changes from January to February, as shown by data on reports for both months from the same sales finance companies, and by linking these percentages to the indexes previously derived for January, 1943.

AUTOMOTIVE AND DIVERSIFIED FINANCING

Volume of Paper Acquired during February, 1943, and Balances Outstanding Feb. 28, 1943

Class of Paper—	Volume of paper acquired during February, 1943		Outstanding balances Feb. 28, 1943	Ratio of paper acquired to outstanding balances†
	By all companies	By outstanding companies		
Total retail automotive	\$10,886,570	\$10,421,344	\$218,371,600	5
Total wholesale automotive	6,772,029	6,663,600	160,441,259	4
Total wholesale—other than automotive	179,787	135,696	1,325,348	10
Total retail—other consum. goods	3,210,549	3,085,049	129,006,158	2
Industrial, commercial and farm equipment	238,561	229,651	5,209,861	4
Total sales financings	\$21,287,496	\$20,535,400	\$513,354,226	4

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

‡Ratios obtained by dividing paper acquired (column 2) by outstanding balances (column 3).

AUTOMOTIVE FINANCING*

Number of Cars Financed and Volume of Paper Acquired during February, 1943

Class of Paper—	Number of cars		Paper acquired	
	Number	% of total	Dollar Volume	% of total
Total retail automotive	24,691	100	\$10,715,234	100
New passenger cars	1,317	5	1,226,558	11
New commercial cars	100	1	130,702	1
Used passenger cars	22,314	90	5,772,886	82
Used commercial cars	960	4	585,088	6
Total wholesale automotive	---	---	\$5,549,415	100
New cars (passenger and commercial)	---	---	3,011,918	54
Used cars (passenger and commercial)	---	---	2,537,497	46

*Data are based on reports from sales finance companies providing a breakdown of their retail and wholesale automotive financing. †These amounts are less than those reported in above table due to the exclusion of some data for which breakdowns were not available.

DIVERSIFIED FINANCING*

Volume of Paper Acquired during February, 1943

Class of Paper	Dollar Volume	% of total
Retail—other consumers' goods:		
Furniture	\$283,539	14
Radios, pianos & other musical instruments	80,415	4
Refrigerators (gas and electric)	48,432	2
Other household appliances	42,008	2
Residential building repair and modernization	826,260	40
Miscellaneous retail	368,427	18
Total retail—other consumers' goods	\$1,649,081	80
Total wholesale—other than automotive	179,787	9
Industrial, commercial, and farm equipment	238,561	11
Total diversified financing	\$2,067,429	100

*Data are based on reports from sales finance companies providing a breakdown of their retail financing of other consumers' goods. †This amount is less than that reported in first table due to the exclusion of some data for which breakdowns were not available.

February Hotel Sales Higher

In its April bulletin, Horwath & Horwath, New York public accountants, report that the increase in total hotel sales this February over last was 32%, which exceeds by 4 points that for January. There was, however, says the bulletin, more room for improvement, as February, 1942, had an increase of only 3% over the February before, the smallest of the year. The bulletin further states:

"A rather interesting point is that, whereas heretofore the restaurant has been outstripping the rooms department in the upward sweep, the latter is now also showing large gains and is doing it, not only through occupancy, but also through rates. A total average rate rise of 8% has been unheard of in nearly six years, and, incidentally, that shown this February does not of course indicate increases in the scheduled rates, but more double occupancy and more sales of the higher-priced rooms."

February, 1943, Compared With February, 1942

	Sales, Increase or Decrease					Occupancy		Room Rate Increase or Decr.
	Total	Rooms	Restaurant	Food	Beverages	Feb. 1943	Feb. 1942	
New York City	+32%	+31%	+34%	+35%	+33%	85%	71%	+9%
Chicago	+33	+26	+42	+40	+47	83	71	+8
Philadelphia	+47	+45	+50	+46	+55	85	60	+2
Washington	+29	+12	+46	+44	+50	88	85	+8
Cleveland	+29	+22	+36	+40	+31	88	76	+5
Detroit	+39	+33	+46	+44	+48	87	72	+10
Pacific Coast	+43	+37	+48	+42	+57	79	65	+13
Texas	+33	+22	+48	+55	+16	87	77	+8
All others	+30	+26	+33	+29	+40	81	69	+7
Total	+32%	+27%	+35%	+33%	+41%	82%	70%	+8%
Year to date	+30%	+25%	+33%	+30%	+39%	82%	70%	+7%

†The term "rates" wherever used refers to the average sales per occupied room and not to scheduled rates. *Rooms and restaurant only.

Mutual Savings Banks To Discuss Post-War Planning At Meeting

The place of savings in the after-war world of tomorrow will be the principal subject of discussion at the forthcoming 1943 business meeting of the National Association of Mutual Savings Banks, to be held in New York, May 6 and 7. This broad theme is to constitute the basis of analytical discussion by representative men from the Government, business and banking. Also the meeting of this year will be an intimate family affair, in the sense that it is intended to bring together officers and trustees of mutual institutions at a moment when their deliberations will be of importance in sustaining the national effort. The two-day discussion is to cover a range of topics having special bearing upon management policy.

Although the program has not been completed, announcement was made on April 5 that the first session will convene in the grand ballroom of the Waldorf-Astoria at 10 A.M. on May 6, Levi P. Smith, President of the Burlington (Vt.) Savings Bank and President of the National Association, presiding. Mr. Smith will introduce Myron S. Short, Executive Vice-President of the Buffalo Savings Bank and President of the Savings Banks Association of the State of New York, whose address of welcome also is expected to touch upon affairs of the day. Events of the last year and prospects of the future are to be discussed by Mr. Smith in his presidential address. Henry Bruere, President of The Bowery Savings Bank of New York, and liaison officer for the Treasury Department and mutual savings banks, then will report upon distribution of War Savings Bonds.

A luncheon session—made popular by the Committee on Savings Bank Life Insurance—will take place at noon of the first day. Robert F. Nutting, President of the Cambridgeport Savings Bank, Cambridge, Mass., and chairman of the committee, is to preside. At the afternoon session of the first day, Winthrop W. Aldrich, Chairman of The Chase National Bank, New York, will address the delegates as to "Savings and War Finance."

Among others who are scheduled to address the meeting are Senator Warren R. Austin of Vermont and Abner H. Ferguson, Federal Housing Administrator.

Two symposiums are also planned for the meeting—the one on May 6 following the general course of "What Should Mutual Savings Banks Do During the War to Prepare for the Period After the War?" and the other on May 7 devoted to "What Part Should Savings Banks Take in Building the City of the Future?"

The first symposium's speakers will include:

Thomas H. Riley, Jr., Treasurer of the Brunswick (Me.) Savings Institution and Chairman of the Association's Committee on Methods and Services.

Edwin A. Stebbins, President of the Rochester (N. Y.) Savings Bank.

Willard W. Miller, President of the Bloomfield (N. J.) Savings Institution.

Edward A. Richards, President of the East New York Savings Bank, Brooklyn.

Harrison G. Taylor, Treasurer of the Worcester (Mass.) Five Cents Savings Bank.

Edwin C. Northrop, Vice-President of the Waterbury (Conn.) Savings Bank and President of the Connecticut Savings Banks Association.

Participating in the second symposium of the meeting will be:

Robert L. Hoguet, President of the Emigrant Industrial Savings Bank, New York City, and Chairman of the Association's Committee on Mortgage Investments.

L. A. Tobie, President of the Meriden (Conn.) Savings Bank.

William B. Snow, Jr., President of the Suffolk Savings Bank for Seamen and Others, Boston.

Charles F. Chubb, President of the Dollar Savings Bank, Pittsburgh.

Scherr Heads Savings Bank Bond Men Of N. Y.

At the regular monthly meeting of the Savings Banks Bond Men of the State of New York, held on April 7 at the Hotel Astor, New York City, A. Edward Scherr, Jr., was elected President for the year 1943-1944. For the past 11 years Mr. Scherr has been Assistant Treasurer of the Dime Savings Bank of Brooklyn and in charge of their bond investments. He is a member of the Investment Committee of the Savings Banks Association of the State of New York, and an active worker of the Victory Fund Committee in furthering the sale of War Bonds to institutions and other large investors.

OWI Booklet On Fight To Control Living Costs

The Office of War Information made public on March 30 a handbook, "Battle Stations For All," explaining the Government's living-cost and anti-inflation program. The booklet was prepared by OWI in cooperation with Government agencies concerned with the program. It is based chiefly upon explanations of Government policy by President Roosevelt, Economic Stabilization Director James F. Byrnes, and the heads of the other agencies administering different parts of the program. The OWI announcement states:

"The booklet discusses the consequences of failure in the fight to control living costs and prevent further inflation, such as lengthening the war, increasing the toll of dead and wounded, grave hardships to millions of Americans at home, needlessly adding billions to the cost of the war, and dangers of losing the peace."

Discussing "what lies ahead," the book emphasizes the need for:

"1. Holding the present line with no further general wage increases beyond the 'Little Steel' formula, except to correct gross inequities and plainly sub-standard wages, and no further general price increases except 'to the limited extent allowed by law.'"

"2. Sterner measures to draw off excess spending power, including higher taxes and some form of compulsory saving."

"3. Guaranteeing people at least their minimum essentials of food, clothing, shelter, transportation and recreation."

"The task of controlling living costs, comments the booklet, is no longer simply a matter of keeping prices under ceilings but is becoming 'part of the broader task of organizing the entire civilian economy to win the war.'"

The title of the booklet, "Battle Stations For All," was inspired by a speech of President Roosevelt in which he described the fight against inflation as "the one front and one battle where everyone in the United States—every man, woman and child—is in action, and will be privileged to remain in action throughout the war."

The booklet points out:

"There simply is no such thing as a non-combatant in the battle against rising prices. What each of us buys—what each of us does not buy—affects prices, affects the supplies left for other civilians, affects how much of our strength is mobilized for war. Every day in dozens of actions, in how we shop and what we waste, we either help or hurt the enemy."

"If we understand that, if we understand what is being done and where each of us fits in, we will be able to battle the threat of rising prices more effectively. If not, we may lose the war or the peace in the only way that it can be lost, by defeating ourselves."

Chapter headings of the booklet, which give a glimpse of its contents, are: Home Fronts At War; The Enemy—Rising Living Costs; Why Prices Go Up; Stretching Supplies; Taxes To Beat The Axis; Billions in Bonds; Taking the Profit Out of War; Paying Back Debts; Price Control; A Roof on Rents; A Fair Share (rationing); Stabilizing Wages; Parity For Farmers; We Win Or Lose.

March Tax Collections To Total \$5 Billion

Collections of income and excess profits taxes deposited during March, 1943, amounted to \$4,882,184,543 and items still untabulated in some of the collectors' offices will carry the total for the month over \$5,000,000,000 Commissioner of Internal Revenue Guy T. Helvering reported to Secretary of the Treasury Morgenthau on April 1. Similar taxes collected and deposited in March last year amounted to \$3,077,931,976.

Electric Output For Week Ended April 10, 1943 Shows 16.9% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended April 10, 1943, was approximately 3,882,467,000 kwh., compared with 3,320,858,000 kwh. in the corresponding week last year, an increase of 16.9%. The output for the week ended April 3, 1943, was 16.2% in excess of the similar period of 1942.

Major Geographical Divisions—	PERCENTAGE INCREASE OVER PREVIOUS YEAR			
	Week Ended			
	Apr. 10	Apr. 3	Mar. 27	Mar. 20
New England.....	9.4	10.0	7.5	8.2
Middle Atlantic.....	15.3	13.1	12.5	11.6
Central Industrial.....	15.0	13.1	14.8	14.7
West Central.....	12.4	11.0	14.2	14.6
Southern States.....	19.7	22.5	25.4	26.0
Rocky Mountain.....	10.6	12.3	12.2	12.5
Pacific Coast.....	26.9	24.4	26.3	28.3
Total United States.....	16.9	16.2	17.4	17.6

Week Ended—	DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)				
	1943	1942	% Change over 1942	1941	1932
Jan 2	3,779,993	3,288,685	+14.9	2,845,727	1,542,000
Jan 9	3,952,587	3,472,579	+13.8	3,002,454	1,602,482
Jan 16	3,952,479	3,450,468	+14.5	3,015,638	1,598,201
Jan 23	3,974,202	3,440,163	+15.5	2,996,155	1,588,987
Jan 30	3,976,844	3,468,193	+14.7	2,989,047	1,588,853
Feb 6	3,960,242	3,474,638	+14.0	2,989,392	1,578,817
Feb 13	3,939,708	3,421,639	+15.1	2,976,478	1,545,459
Feb 20	3,948,749	3,423,589	+15.3	2,985,585	1,512,158
Feb 27	3,892,796	3,409,907	+14.2	2,993,253	1,519,679
Mar 6	3,946,630	3,392,121	+16.3	3,004,639	1,538,452
Mar 13	3,944,679	3,357,444	+17.5	2,983,591	1,537,747
Mar 20	3,946,836	3,357,032	+17.6	2,983,048	1,514,553
Mar 27	3,928,170	3,345,502	+17.4	2,975,407	1,480,208
Apr 3	3,889,858	3,348,608	+16.2	2,959,646	1,465,076
Apr 10	3,882,467	3,320,858	+16.9	2,905,581	1,480,738
Apr 17		3,307,700		2,897,307	1,469,810
Apr 24		3,273,190		2,950,448	1,454,505

Moody's Bond Prices And Bond Yield Averages

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

MOODY'S BOND PRICES* (Based on Average Yields)										
1943—	Daily Averages	U. S. Govt. Bonds	Avge. Corporate rate*	Corporate by Ratings*				Corporate by Groups*		
				Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Apr. 13	117.68	109.42	117.80	115.24	110.52	96.23	100.65	112.93	115.63	115.63
12	117.51	109.60	117.80	115.24	110.52	96.38	100.81	112.93	115.63	115.63
10	117.48	109.60	117.80	115.24	110.52	96.54	100.81	112.93	115.63	115.63
9	117.48	109.60	117.80	115.43	110.52	96.69	100.98	113.12	115.63	115.63
8	117.48	109.79	118.00	115.43	110.52	96.85	101.14	113.12	115.63	115.63
7	117.46	109.79	118.00	115.43	110.52	96.85	101.14	113.12	115.63	115.63
6	117.44	109.79	118.00	115.43	110.52	96.85	101.14	113.12	115.63	115.63
5	117.51	109.79	118.00	115.43	110.52	96.85	101.14	113.12	115.63	115.63
3	117.38	109.60	117.60	115.43	110.52	96.85	100.98	112.93	115.63	115.63
2	117.29	109.79	117.80	115.43	110.52	96.85	100.98	113.12	115.63	115.63
1	117.20	109.60	117.80	115.43	110.52	96.69	100.98	113.12	115.63	115.63
Mar. 26	116.93	109.60	117.80	115.43	110.52	96.23	100.65	113.12	115.63	115.63
19	116.86	109.42	117.60	115.43	110.52	95.92	100.32	113.12	115.63	115.63
12	116.87	109.24	117.60	115.43	110.34	95.77	100.16	112.93	115.43	115.43
5	116.97	109.42	117.80	115.43	110.34	95.77	100.16	113.12	115.43	115.43
Feb 26	117.11	109.24	117.60	115.43	110.15	95.47	100.00	112.93	115.43	115.43
19	117.11	109.06	117.60	115.24	110.15	95.01	99.68	112.93	115.43	115.43
11	117.13	108.88	117.60	115.24	109.97	94.86	99.26	112.93	115.43	115.43
5	117.09	108.88	117.60	115.04	109.97	94.71	99.04	112.75	115.63	115.63
Jan. 29	117.04	108.70	117.60	115.04	109.79	94.56	99.04	112.56	115.43	115.43
22	117.05	108.34	117.20	114.66	109.60	94.26	98.73	112.37	115.24	115.24
15	117.05	108.16	117.20	114.66	109.42	93.82	98.41	112.19	115.04	115.04
8	117.02	107.62	116.80	114.08	109.06	92.93	97.82	112.00	114.66	114.66
1	Exchange Closed									
High 1943	117.58	109.79	118.00	115.63	110.70	96.85	101.14	113.31	115.82	115.82
Low 1943	116.85	107.44	116.80	113.89	108.88	92.35	97.16	111.81	114.46	114.46
High 1942	118.41	107.62	117.20	114.27	108.88	92.64	97.47	112.19	114.66	114.66
Low 1942	115.90	106.04	115.43	112.75	107.09	90.63	95.32	109.60	112.75	112.75
1 Year ago										
Apr. 13, 1942	118.16	106.82	116.41	113.70	107.62	92.20	97.00	110.70	114.08	114.08
2 Years ago										
Apr. 12, 1941	117.40	105.89	116.41	112.00	106.04	90.91	96.54	109.79	111.81	111.81

MOODY'S BOND YIELD AVERAGES* (Based on Individual Closing Prices)										
1943—	Daily Averages	U. S. Govt. Bonds	Avge. Corporate rate	Corporate by Ratings				Corporate by Groups		
				Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Apr. 13	2.03	3.20	2.76	2.89	3.14	3.99	3.71	3.01	2.87	2.87
12	2.04	3.19	2.76	2.89	3.14	3.98	3.70	3.01	2.87	2.87
10	2.04	3.19	2.76	2.89	3.14	3.97	3.70	3.01	2.87	2.87
9	2.04	3.19	2.76	2.89	3.14	3.96	3.69	3.00	2.87	2.87
8	2.04	3.18	2.75	2.88	3.14	3.95	3.68	3.00	2.86	2.86
7	2.05	3.18	2.76	2.88	3.14	3.95	3.68	3.00	2.86	2.86
6	2.05	3.18	2.76	2.88	3.14	3.95	3.68	3.00	2.86	2.86
5	2.04	3.18	2.76	2.88	3.14	3.95	3.68	3.00	2.86	2.86
3	2.05	3.19	2.77	2.88	3.14	3.95	3.69	3.01	2.87	2.87
2	2.06	3.18	2.76	2.88	3.14	3.95	3.69	3.00	2.87	2.87
1	2.07	3.19	2.76	2.88	3.14	3.96	3.69	3.00	2.87	2.87
Mar. 26	2.08	3.19	2.76	2.88	3.14	3.99	3.71	3.00	2.87	2.87
19	2.07	3.20	2.77	2.88	3.14	4.01	3.73	3.00	2.87	2.87
12	2.07	3.21	2.77	2.88	3.15	4.02	3.74	3.01	2.88	2.88
5	2.07	3.20	2.76	2.88	3.15	4.02	3.74	3.00	2.88	2.88
Feb 26	2.06	3.21	2.77	2.88	3.16	4.04	3.75	3.01	2.88	2.88
19	2.06	3.22	2.77	2.89	3.16	4.07	3.77	3.01	2.88	2.88
11	2.06	3.23	2.77	2.89	3.17	4.08	3.79	3.01	2.88	2.88
5	2.06	3.23	2.77	2.90	3.17	4.09	3.81	3.02	2.87	2.87
Jan. 29	2.06	3.24	2.77	2.90	3.18	4.10	3.81	3.03	2.88	2.88
22	2.06	3.26	2.79	2.92	3.19	4.12	3.83	3.04	2.89	2.89
15	2.06	3.27	2.79	2.92	3.20	4.15	3.85	3.05	2.90	2.90
8	2.07	3.30	2.81	2.95	3.22	4.21	3.90	3.06	2.92	2.92
1	Exchange Closed									
High 1943	2.08	3.31	2.81	2.96	3.23	4.25	3.93	3.07	2.93	2.93
Low 1943	2.03	3.18	2.75	2.87	3.13	3.95	3.68	2.99	2.86	2.86
High 1942	2.14	3.39	2.88	3.02	3.33	4.37	4.05	3.19	3.02	3.02
Low 1942	1.93	3.30	2.79	2.94	3.23	4.23	3.91	3.05	2.92	2.92
1 Year ago										
Apr. 13, 1942	1.96	3.34	2.83	2.97	3.30	4.26	3.94	3.13	2.95	2.95
2 Years ago										
Apr. 5, 1941	2.02	3.41	2.83	3.06	3.39	4.35	3.97	3.18	3.07	3.07

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

†The latest complete list of bonds used in computing these indexes was published in the issue of Jan. 14, 1943, page 202.

New Draft Regulations To Call All Men 18 To 38 By End Of Year—Revised Classes

The War Manpower Commission announced on April 12 certain changes in the Selective Service regulations "in order to enable the Selective Service System to continue to meet the manpower requirements of the armed forces, war production, agriculture, and other essential civilian activities and, at the same time, protect as long as possible, homes where there are children."

Paul V. McNutt, Chairman of the WMC, said that all able-bodied men between the ages of 18 and 38 will be in the armed forces by the end of 1943, with the exception of 3,200,000 men in agriculture, essential industry, the ministry and hardship cases. He stated that this action will be necessary in order to meet the total of 10,800,000 men required by the armed forces this year. Explaining that of an estimated 20,000,000 men between the ages of 18 and 38, Mr. McNutt said that only 14,000,000 are physically fit and more than half of these are already in the armed services. Of the remaining number 1,500,000 are in agriculture and 1,700,000 are deferred because of the ministry, divinity students and essential industrial workers. Subtracting these 3,200,000 from the 14,000,000 physically fit leaves the 10,800,000 required by the armed forces this year, Mr. McNutt's figures showed.

Another draft development on April 12 was the passage by the House of Representatives of the Kilday bill requiring draft boards to give fathers deferment priorities. The bill provides that quotas be filled on a State-wide instead of a local board basis, and that all single men be called for induction first with fathers being called last.

Major points in the new draft program, as outlined in memoranda to State directors by Major General Lewis B. Hershey, Director of Selective Service, included:

(1) Elimination of Class 3-B, the class heretofore used for classification of men with bona fide dependents who were also engaged in activities essential to the support of the war effort. No registrant will be placed in this class hereafter.

(2) Revision of Class 3-A, heretofore for men who had dependents but who were not engaged in an activity essential to the support of the war effort. Henceforth this class will be used for any registrant who maintains a bona fide family relationship with his child or children provided his status with regard to them was acquired prior to Dec. 8, 1941, with two exceptions. Registrants necessary to and regularly engaged in agriculture who have bona fide dependents will continue to be placed in Class 3-C. Registrants who are in non-deferrable activities or occupations designated as such by the War Manpower Commission will be reclassified without reference to the fact that they have children.

(3) Creation of Class 3-D, a new class in which shall be placed any registrant not otherwise deferred if it is determined that his induction into the land or naval forces would result in extreme hardship and privation to a wife, child, or parent with whom he maintains a bona fide family relationship in his home and if, by reason of such determination, it is considered advisable that he be deferred.

(4) Elimination of the "imminence of selection" rule. However, as has been the rule, dependents acquired on or after Dec. 8, 1941, will not be considered as a basis for deferment and any child born on or after Sept. 15, 1942, will be considered as having been conceived on or after Dec. 8, 1941, and thus will not be considered as cause for deferment unless there is affirmative evidence of a medical character which clearly establishes that birth was delayed.

(5) Stabilization in Class 3-A for any registrant with a child or children with whom he maintains

Freight Rate Increase Revoked By ICC

In a six-to-five decision handed down on April 6 and made public on April 12 the Interstate Commerce Commission suspended until Jan. 1, 1944, railroad freight rate increases authorized in March, 1

Trading On New York Exchanges

The Securities and Exchange Commission made public April 12 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended March 27, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot-dealers) during the week ended March 27 (in round-lot transactions) totaled 2,815,486 shares, which amount was 15.57% of total transactions on the Exchange of 9,041,400 shares. This compares with member trading during the week ended March 20 of 2,235,088 shares or 16.79% of total trading of 6,657,240 shares. On the New York Curb Exchange, member trading during the week ended March 27 amounted to 412,870 shares, or 12.49% of the total volume of that Exchange of 1,653,125 shares; during the March 20 week trading for the account of Curb members of 402,770 shares was 14.14% of total trading of 1,420,465 shares.

The Commission made available the following data for the week March 27.

The data published are based upon weekly reports filed with the New York Stock Exchange and the New York Curb Exchange by their respective members. These reports are classified as follows:

	N. Y. Stock Exchange	N. Y. Curb Exchange
Total number of reports received	145	680
1. Reports showing transactions as specialists	174	77
2. Reports showing other transactions initiated on the floor	193	52
3. Reports showing other transactions initiated off the floor	243	88
4. Reports showing no transactions	440	465

Note—On the New York Curb Exchange, odd-lot transactions are handled solely by specialists in the stocks in which they are registered and the round-lot transactions of specialists resulting from such odd-lot transactions are not segregated from the specialists' other round-lot trades. On the New York Stock Exchange, on the other hand, all but a fraction of the odd-lot transactions are effected by dealers engaged solely in the odd-lot business. As a result, the round-lot transactions of specialists in stocks in which they are registered are not directly comparable on the two exchanges. The number of reports in the various classifications may total more than the number of reports received because a single report may carry entries in more than one classification.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares) WEEK ENDED MARCH 27, 1943

A. Total Round-Lot Sales:	Total for week	% Per Cent
Short sales	175,610	
Other sales	8,865,790	
Total sales	9,041,400	
B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	711,090	
Short sales	106,530	
Other sales	641,020	
Total sales	747,550	8.07
2. Other transactions initiated on the floor—		
Total purchases	448,090	
Short sales	24,220	
Other sales	409,540	
Total sales	433,760	4.88
3. Other transactions initiated off the floor—		
Total purchases	239,000	
Short sales	19,740	
Other sales	216,256	
Total sales	235,996	2.62
4. Total—		
Total purchases	1,398,180	
Short sales	150,490	
Other sales	1,266,816	
Total sales	1,417,306	15.57

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares) WEEK ENDED MARCH 27, 1943

A. Total Round-Lot Sales:	Total for week	% Per Cent
Short sales	10,745	
Other sales	1,642,380	
Total sales	1,653,125	
B. Round-Lot Transactions for the Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	124,440	
Short sales	6,220	
Other sales	131,570	
Total sales	137,790	7.93
2. Other transactions initiated on the floor—		
Total purchases	35,515	
Short sales	200	
Other sales	44,525	
Total sales	44,725	2.43
3. Other transactions initiated off the floor—		
Total purchases	26,885	
Short sales	600	
Other sales	42,815	
Total sales	43,415	2.13
4. Total—		
Total purchases	186,840	
Short sales	7,020	
Other sales	218,910	
Total sales	225,930	12.49
C. Odd-Lot Transactions for the Account of Specialists—		
Customers' short sales	78	
Customers' other sales	54,098	
Total purchases	54,176	
Total sales	36,585	

*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.
 †Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes only sales.
 ‡Round-lot short sales which are exempted from restriction by the Commission rules are included with "other sales."
 §Sales marked "short exempt" are included with "other sales."

Finished Steel Shipments By Subsidiaries Of U. S. Steel Corporation Were Higher In March

Shipments of finished steel products by subsidiary companies of the United States Steel Corporation during the first quarter were the highest for that period in the history of the Corporation, amounting to 5,149,982 net tons, compared with 5,136,418 net tons in the comparable period of 1942, an increase of 13,564 net tons.

Shipments of finished steel products for the month of March amounted to 1,772,397 net tons, compared with 1,691,592 net tons in the preceding month, an increase of 80,805 net tons, and with 1,780,938 net tons in the corresponding month in 1942, a decrease of 8,541 net tons.

In the table below we list the figures by months for various periods since January, 1929:

	1943	1942	1941	1940	1939	1929
January	1,685,993	1,738,893	1,682,454	1,145,592	870,866	1,364,801
February	1,691,592	1,616,587	1,548,451	1,009,256	747,427	1,388,407
March	1,772,397	1,780,938	1,720,366	931,805	845,108	1,605,510
Apr. 1	1,758,894	1,687,674	1,687,674	807,904	771,752	1,617,302
May	1,834,127	1,745,295	1,745,295	1,084,057	795,689	1,701,874
June	1,774,068	1,668,637	1,668,637	1,209,684	607,562	1,529,241
July	1,765,749	1,666,667	1,666,667	1,296,687	745,364	1,480,003
August	1,788,650	1,753,665	1,753,665	1,455,604	885,636	1,500,231
September	1,703,570	1,664,227	1,664,227	1,392,838	1,086,683	1,282,874
October	1,787,501	1,851,279	1,851,279	1,572,408	1,345,655	1,333,385
November	1,665,545	1,624,186	1,624,186	1,425,352	1,406,205	1,110,050
December	1,849,635	1,846,036	1,846,036	1,544,623	1,443,969	931,744
Total by mos.	21,064,157	20,458,937	20,458,937	14,976,110	11,752,116	16,825,477
Yearly adjust.	*42,333	*37,639	*37,639	*44,865	*44,865	*12,827
Total	20,416,604	20,416,604	20,416,604	15,013,749	11,707,251	16,812,650

NOTE—The monthly shipments as currently reported during the year 1942, are subject to adjustments reflecting annual tonnage reconciliations. These will be comprehended in the cumulative yearly shipments as stated in the annual report.

Steel Operations Continue At High Rate—Industry Shifts From PRP To CMP—Demand Up

"The oil industry and the railroads are two of the industries whose need for steel is becoming more critical rapidly," states "The Iron Age" in its issue of today (April 15), which further goes on to say, in part:

"Then there are many urgent demands in other fields, plus tight spots in the war program, like difficulty in obtaining steel for anti-friction bearings. Meanwhile, steel has been lost recently through labor disputes. The Edgar Thomson plant of Carnegie-Illinois Steel Corp. lost about 3,000 tons of steel and 2,000 tons of iron last week when the plant was forced to shut down for one shift due to a grievance over transferring timetakers to other vocations. A strike at Gary which lasted for 24 hours resulted in the loss of enough steel to produce 150 tanks.

"Requests by the 14 Government claimant agencies for carbon steel for third-quarter delivery have reached a high mark about 20% greater than the tonnage sought for second quarter. All agencies declare their needs are paramount.

"Having completely used up its reserve stocks of casing, tubing, drill pipe and other goods, which amounted to around 260,000 tons at the end of last year, the oil industry is scratching furiously for steel. Efforts are being made by governmental authorities to supply around 40,000 tons. The oil industry in first quarter was allowed about 140,000 tons of steel but actually received no more than about 75,000 tons.

"The situation in regard to locomotives is not so bad, as schedules call for providing 970 for domestic use this year. ODT has requested an additional 30,000 freight cars, raising the 1943 total to 50,000 cars. The first request of the railroads was for 80,000 cars, but this was trimmed at Washington. Deliveries of about 60,000 tons of steel were delayed in the first quarter, retarding the car building program 8 to 10 weeks, with the result that nearly 9,500 cars scheduled in the first half of this year cannot be built until the third quarter.

"The ODT has applied for 2,200,000 tons of steel for the third quarter, including 600,000 tons of rail, 400,000 tons for repair and 350,000 tons for track accessories. The remainder of the steel will go for other transportation needs, such as tugs and barges. ODT asked 1,759,000 tons of steel for second quarter but was cut to 1,240,000 tons.

"WPB will not approve a steel allotment for 50,000 cars and will cut the rail allotment to about 400,000 tons, it is reported. If 40,000 composite freight cars (partly built of wood) are con-

rolled carbon steel bars stand little chance of being scheduled for rolling before June and, with average volume of allocations, probably little June capacity will be available. In larger rounds and flats second quarter rolling on new business is impossible except on directives. Cold-drawn bars are even tighter and August is about the best that can be offered on current contracts.

"Plate production in March set an all-time record with 1,167,679 net tons, topping the prior high of 1,135,413 tons rolled in January. The goal set for March was 1,170,000 tons.

"Scrap supply continues to support the high rate of steel production, though in some areas melters find too large a proportion is light and inferior material. Use of tonnage from reserves continues in some cases but not to a serious extent. Consumption of scrap is heavy, the average daily rate in February being greater than in January, and February melt was the largest in history for that month.

"No shortage of manganese ore is likely as reserves have been built up until an estimated 2,000,000 tons is available, nearly two years' supply. Recent shipments from West Africa have been above normal, attributed to vessel space made available by munitions movement to that continent. Both private buyers and the Metals Reserve Corp. are involved in building up stocks."

High Court To Review OPA Rent Control

The U. S. Supreme Court agreed on April 5 to review a decision holding unconstitutional the delegation of rent-control powers to the Office of Price Administration.

The Justice Department sought a review of a decision by Judge Thomas W. Slick in the Federal District Court at South Bend, Ind.; this ruling was referred to in our issue of March 4, page 835.

Regarding the case, Associated Press Washington advices on April 5 said:

Suit was filed originally by Edward Roach of South Bend, who contended he had been charged \$45 a month by his landlord, Dick M. Johnson, when the ceiling price had been fixed at \$35. The lease provided for \$45. Roach's suit was dismissed by Judge Slick. The jurist ruled that "Congress never intended to delegate this omnipotent power (the right to arbitrarily fix rents at certain levels) to the Administrator of the Emergency Price Control Act and, if it was so intended, the Act, under such circumstances, is unconstitutional."

March War Spending Was Over \$7 Billion

War expenditures by the United States Government reached a new high of \$7,112,000,000 in the month of March, the War Production Board announced April 10. This was \$1,031,000,000, or 17%, higher than in February. The previous high for monthly war expenditures, January, 1943, was exceeded by 13.7%, or \$858,000,000.

The WPB announcement further stated:

"The average daily rate of expenditures in March was \$263,400,000, compared with \$253,400,000 in February, an increase of 4%. The daily rate is based on the 27 days in March and the 24 days in February on which checks were cleared by the Treasury.

"From July, 1940, through March, 1943, the United States Government disbursed \$87,700,000,000 for war purposes.

"Expenditures by the Treasury and the Reconstruction Finance Corporation and its subsidiaries are covered by these figures."

Selected Income And Balance Sheet Items Class I Railways For December

The Bureau of Statistics of the Interstate Commerce Commission has issued a statement showing the aggregate totals of selected income and balance sheet items for class I steam railways in the United States for the month of December and the 12 months ending with December, 1942 and 1941.

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

Income Items—	All Class I Railways			
	For the Month of December 1942	For the Month of December 1941	For the 12 Months of 1942	For the 12 Months of 1941
Net ry. operat. income	\$170,879,895	\$79,332,410	\$1,480,969,669	\$998,236,704
Other income	40,093,338	39,158,252	182,565,843	176,948,215
Total income	210,973,233	118,490,662	1,663,535,512	1,175,234,919
Miscellaneous deductions from income	11,918,015	6,633,978	45,838,991	31,952,202
Income available for fixed charges	199,055,218	111,856,684	1,617,696,521	1,143,282,717
Fixed charges:				
Rent for leased roads and equipment	17,332,348	11,133,041	181,122,978	152,423,197
*Interest deductions	39,808,743	41,663,026	446,214,403	466,768,165
Other deductions	135,564	142,067	1,436,769	1,450,097
Total fixed charges	57,276,655	52,938,134	628,774,150	620,641,459
Inc. after fixed charges	141,778,563	58,918,557	988,922,371	522,641,258
Contingent charges	4,677,632	3,516,950	30,061,716	21,248,182
†Net income	137,100,731	55,401,609	958,860,655	501,393,076
Depreciation (way and structures and equip.)	19,061,015	23,308,300	247,403,405	221,015,791
Amortization of defense projects	15,227,065	3,702,491	91,958,827	8,344,714
Federal income taxes	45,940,820	4,440,340	758,867,301	172,597,269
Dividend appropriations:				
On common stock	25,123,786	23,414,331	161,377,945	158,400,722
On preferred stock	5,159,968	3,298,765	34,427,287	27,445,004
Ratio of income to fixed charges	3.48	2.11	2.57	1.84

Selected Asset Items—	All Class I Railways		Class I Railways Not in Receivership or Trusteeship	
	Balance at End of December 1942	Balance at End of December 1941	Balance at End of December 1942	Balance at End of December 1941
Investments in stocks, bonds, etc., other than those of affiliated companies	\$534,222,452	\$498,591,797	\$510,237,741	\$470,623,854
Cash	\$947,333,612	\$769,390,048	\$677,810,565	\$583,895,744
Temporary cash investments	709,501,630	135,210,121	601,960,192	127,091,383
Special deposits	152,856,710	205,472,767	103,159,389	161,156,740
Loans and bills receivable	314,733	1,198,759	259,473	1,012,628
Traffic and car-service balances (Dr.)	37,025,330	32,394,324	32,065,827	29,335,594
Net balance receivable from agents and conductors	156,966,700	82,749,925	129,756,437	68,676,767
Miscellaneous accounts receivable	445,450,368	204,342,297	352,664,157	159,874,126
Materials and supplies	503,960,792	460,105,558	404,062,406	371,013,261
Interest and dividends receivable	17,561,344	16,770,455	16,233,001	14,885,772
Rents receivable	1,508,664	1,116,072	1,011,636	819,224
Other current assets	13,058,790	5,775,894	8,615,373	4,319,663
Total current assets	2,985,478,673	1,914,526,220	2,327,598,456	1,522,080,902

Selected Liability Items—	All Class I Railways		Class I Railways Not in Receivership or Trusteeship	
	Balance at End of December 1942	Balance at End of December 1941	Balance at End of December 1942	Balance at End of December 1941
†Funded debt maturing within six months	\$140,844,986	\$92,473,371	\$122,973,784	\$80,669,578
Loans and bills payable	\$31,367,557	\$57,293,193	\$1,104,200	\$3,766,100
Traffic and car-service balances (Cr.)	121,156,796	56,914,798	79,999,703	41,042,230
Audited accounts and wages payable	327,804,409	326,198,460	263,189,091	257,607,492
Miscellaneous accounts payable	76,405,985	56,110,506	57,908,747	41,642,907
Interest matured unpaid	72,482,101	95,357,477	59,180,008	82,999,999
Dividends matured unpaid	15,424,046	13,395,794	15,081,880	13,043,530
Unmatured interest accrued	65,926,203	67,086,540	54,275,234	53,869,447
Unmatured dividends declared	21,817,697	7,785,770	21,817,697	7,785,770
Unmatured rents accrued	17,611,597	16,597,983	15,214,760	14,808,590
Accrued tax liability	978,813,729	347,099,141	876,558,621	311,760,996
Other current liabilities	65,744,264	54,155,280	49,764,162	42,150,568
Total current liabilities	1,794,554,384	1,097,994,939	1,493,094,103	870,477,629

Analysis of accrued tax liability:
U. S. Government taxes, \$59,012,862; 238,868,124; 779,356,048; 224,330,124.
Other than U. S. Government taxes, 119,800,867; 108,231,017; 97,192,573; 87,430,872.
*Represents accruals, including the amount in default. †For railways not in receivership or trusteeship the net income was as follows: December, 1942, \$118,494,206; December, 1941, \$52,558,855; for the twelve months ended December, 1942, \$785,367,066; twelve months ended December, 1941, \$482,466,746. ‡Includes payments of principal of long-term debt (other than long-term debt in default) which will become due within six months after close of month of report. ††For railways in receivership and trusteeship the ratio was as follows: December, 1942, 2.42; December, 1941, 1.28; twelve months, 1942, 2.18; twelve months, 1941, 1.18. ‡Includes obligations which mature not more than two years after date of issue.

Statutory Debt Limitation As Of March 31, 1943

The Treasury Department made public on April 6 its monthly report showing the face amount of public debt obligations issued under the Second Liberty Bond Act (as amended) outstanding on March 31, 1943, totaled \$118,494,540,437, thus leaving the face amount of obligations which may be issued subject to the \$125,000,000,000 statutory debt limitation at \$6,505,459,563. In another table in the report, the Treasury indicates that from the total face amount of outstanding public debt obligations (\$118,494,540,437) should be deducted \$4,096,314,661 (the unearned discount on savings bonds), reducing the total to \$114,398,225,776, but to this figure should be added \$1,108,429,287 (the other public debt obligations outstanding but not subject to the statutory limitation). Thus, the total gross debt outstanding as of March 31, 1943 was \$115,506,655,063.

The following is the Treasury's report for March 31:

Statutory Debt Limitation As of March 31, 1943

Section 21 of the Second Liberty Bond Act, as amended, provided that the face amount of obligations issued under authority of that Act, "shall not exceed in the aggregate \$125,000,000,000, outstanding at any one time."

The following table shows the face amount of obligations out-

standing and the face amount which can still be issued under this limitation:

Total face amount that may be outstanding at any one time	\$125,000,000,000
Outstanding as of March 31, 1943:	
Interest-bearing:	
Bonds—	
Treasury	\$49,273,465,650
*Savings (Maturity value)	21,987,015,506
Depository	162,061,000
Adjusted service	723,378,807
	\$72,145,920,957
Treasury notes	\$21,725,677,950
Certificates of indebtedness	15,081,672,000
Treasury bills (Maturity val.)	9,234,428,000
	46,041,777,950
Matured obligations, on which interest has ceased	\$118,187,698,907
Bearing no interest (U. S. War Savings Stamps)	80,625,700
	226,215,830
	118,494,540,437

Face amount of obligations issuable under above authority \$6,505,459,563

RECONCILEMENT WITH DAILY STATEMENT OF THE UNITED STATES TREASURY MARCH 31, 1943

Total face amount of outstanding public debt obligations issued under authority of the Second Liberty Bond Act	\$118,494,540,437
Deduct unearned discount on Savings bonds (difference between current redemption value and maturity value)	4,096,314,661
	\$114,398,225,776
Add other public debt obligations outstanding but not subject to the statutory limitation:	
Interest-bearing (pre-War, etc.)	195,960,420
Matured obligations on which interest has ceased	8,373,100
Bearing no interest	904,095,767
	1,108,429,287
Total gross debt outstanding as of March 31, 1943	\$115,506,655,063
*Approximate maturity value. Principal amount (current redemption value) according to preliminary public debt statement \$17,890,700,839.	

To Release Men Over 38 From Army To Supply Farms With Needed Manpower

President Roosevelt disclosed at his press conference on March 30 steps which are being taken to supply farms with needed manpower, especially dairy workers.

The program outlined by the President calls for releasing men over 38 years old from the Army, upon request, for work in essential industry, including agriculture; urging experienced dairy or farm workers between 38 and 45

years old who are in non-deferred occupations, to seek reemployment on farms; and using conscientious objectors and men who are in 4-F draft classification because of physical disabilities for work on farms. Former dairy workers over 45 years old will also be urged to return to farms.

If these steps do not adequately relieve the situation, the President's statement said, county war boards (composed of farmers) will furnish local Selective Service Boards the names of experienced dairy workers who have left the farm to go into industry. They will be urged to return, the President declared, adding that it is not deemed wise that this be done at this time because within the last 10 days there has been a back-to-the-farm movement due to the Tydings amendment to the Selective Service Act.

The President's statement also said that Chester Davis, Food Administrator, is giving priority to his organization of a land army. The President added:

"Mr. (Samuel) Zemurray, the President of United Fruit Co., is undertaking to supervise the securing of agricultural workers from the Bahamas and Jamaica. These English-speaking workers will help in the East where needed. Mr. Davis is not yet prepared to announce his plans, but in a businesslike way will provide for bringing in Mexican workers in the Southwest, and, most important, for the organization of a land army of college students, high school students, and volunteer workers who have had some farm experience and can help harvest the crops this year."

We also quote from the President's statement as follows:

"We have only estimates as to the number of dairy workers needed. The extension service in Ohio indicates a shortage in that State of 2,500 to 5,000. On this basis, there should be a national shortage of about 50,000. To relieve the situation these steps have been or will be taken:

"I. The War Manpower Commission has directed every employment office to list the names of farmers wanting to employ dairy workers.

"II. Release of men from Army.

"The War Department has taken the following action with refer-

between 18 and 37 are experienced dairy workers, but are not now employed on dairy farms. Many thousands of others have had general farm experience. The local boards will be directed to send for these dairy workers and urge them to return to their former occupations. If they refuse, considerations will be given to asking the War Department to waive physical disabilities where such disabilities are so slight that the registrant could be assigned to limited service.

"VI. Registrants over 45.

"County war boards will be directed to secure from Selective Service names of registrants over 45 having dairy experience. The war boards will urge their return to dairy farms.

"VII. Dairy workers who have gone into industry.

"If these steps do not adequately relieve the situation county war boards will furnish to local Selective Service Boards the names of experienced dairy workers who have left the farm to go into industry. They will be urged to return. It is not deemed wise that this be done at this time because within the last ten days there has been a back-to-the-farm movement due to the Tydings Amendment."

President Roosevelt had previously (March 26) made known at his press conference that plans were under way for the deferment from military service of about 3,000,000 more farm workers before the end of this year. He stated that 550,000 farm workers between the ages of 18 and 37 have already been deferred from the draft and that by the end of the year an additional 3,000,000 would be excused from military service.

Regarding the farm machinery problem, the President stated that more steel will be allotted and that the War Production Board would lift its ban on limiting manufacture of farm implements to the small concerns. He explained that the WPB order had caused faulty distribution because the small plants had no nationwide system for handling manufactures.

FDR Sells War Bonds To White House Staff

President Roosevelt personally started the Government's Second War Loan drive for \$13,000,000,000 when on April 7 he sold bonds to his White House staff and asked the people to observe the slogan: "They Give Their Lives—We Lend Our Money."

Although the campaign did not officially open until April 12, the President and Secretary of the Treasury Morgenthau held an advance ceremony with the White House staff to set the example for the nation. Mr. Roosevelt sold the first \$25 bond to John Pye, an elderly Negro messenger serving at the White House.

Mr. Morgenthau told the President that the bonds offered the people of America "the opportunity to lend their support to our fighting men in the great spring offensives."

Surveying his staff gathered around him, Mr. Roosevelt said:

"This is just a small cross-section of the White House staff, but this is like a great many other American houses throughout the country — most of us have got some member of the family in the fighting forces of the United States and we back home are trying to do our bit, too. We subscribe.

"If I might paraphrase the slogan of this new drive to maintain the war and turn out more things for our troops at the front — the slogan is for us — 'They Give Their Lives. We Lend Our Money.'"

Weekly Coal And Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest report, states that the total production of bituminous coal and lignite in the week ended April 3 is estimated at 11,150,000 net tons, a decrease of 1,500,000 tons, or 11.9%, from the preceding week. This reduction was due in part to the observance of the Eight-Hour Day, April 1, by the industry as a holiday. Production of soft coal in the week ended April 4, 1942 amounted to 10,458,000 tons. For the current year to date, output of bituminous coal and lignite was 7% in excess of that for the same period last year.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended April 3 was estimated at 1,357,000 tons, an increase of 16,000 tons (1.2%) over the preceding week. When compared with the output in the corresponding period of 1942, there was an increase of 477,000 tons, or 54.2%.

The U. S. Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended April 3 showed an increase of 14,100 tons when compared with the output for the week ended March 27. The quantity of coke from beehive ovens decreased 14,800 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF COAL
In Net Tons (000 omitted)

	Week Ended			January 1 to Date		
	Apr. 3 1943	Mar. 27 1943	Apr. 4 1942	Apr. 3 1943	Apr. 4 1942	Apr. 3 1937
Bituminous coal and lignite	11,150	12,650	10,458	157,840	147,562	136,883
Total, incl. mine fuel	12,027	2,108	2,011	2,011	1,863	1,753
Daily average						
*Crude Petroleum—weekly output	6,275	6,241	5,475	82,637	85,477	70,182

*Total barrels produced during the week converted into equivalent coal assuming 6,000,000 B. t. u. per barrel of oil and 13,100 B. t. u. per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal (Minerals Yearbook, Review of 1940, page 775). †April 1, "Eight-Hour Day," weighted as 0.5 of a normal working day.

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

	Week Ended			Calendar Year to Date		
	Apr. 3 1943	Mar. 27 1943	Apr. 4 1942	Apr. 3 1943	Apr. 4 1942	Apr. 6 1929
Penn. anthracite	1,357,000	1,341,000	880,000	15,860,000	14,803,000	19,630,000
*Total, incl. colliery fuel	1,303,000	1,287,000	845,000	15,225,000	14,211,000	18,217,000
†Commercial production						
Beehive coke—United States total	156,200	171,000	148,700	2,106,800	1,993,700	1,667,400
By-product coke—United States total	1,234,900	1,220,800	1,169,200	16,198,100	15,720,100	†

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

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES
(In Thousands of Net Tons)

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

State	Week Ended					Mar. avge. 1923
	Mar. 27 1943	Mar. 20 1943	Mar. 13 1942	Mar. 6 1942	Mar. 27 1941	
Alabama	380	382	383	387	308	423
Alaska	6	6	5	4	2	**
Arkansas and Oklahoma	104	112	42	53	45	77
Colorado	174	164	143	175	175	195
Georgia and North Carolina	1	1	††	††	††	**
Illinois	1,575	1,583	1,126	1,557	1,511	1,684
Indiana	517	507	479	601	516	575
Iowa	61	53	59	87	117	122
Kansas and Missouri	171	175	153	175	205	144
Kentucky—Eastern	961	998	858	938	895	560
Kentucky—Western	328	309	211	263	277	215
Maryland	43	40	44	41	40	52
Michigan	9	10	8	13	16	32
Montana (bituminous and lignite)	92	79	68	46	67	68
New Mexico	43	44	30	27	42	53
North and South Dakota (lignite)	63	50	30	37	37	**34
Ohio	781	733	702	664	655	740
Pennsylvania (bituminous)	2,985	2,839	3,002	2,970	2,890	3,249
Tennessee	158	160	155	157	128	118
Texas (bituminous and lignite)	6	6	5	7	14	19
Utah	137	131	101	94	84	68
Virginia	428	436	348	377	346	230
Washington	30	27	36	39	34	74
*West Virginia—Southern	2,391	2,345	2,252	2,233	2,178	1,172
*West Virginia—Northern	1,004	968	933	841	794	717
Wyoming	201	201	138	144	127	136
†Other Western States	1	1	††	††	††	**7
Total bituminous and lignite	12,650	12,360	11,311	11,931	11,503	10,764
‡Pennsylvania anthracite	1,341	1,221	1,158	1,124	1,216	2,040
Total all coal	13,991	13,581	12,469	13,055	12,719	12,804

*Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. †Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. ‡Includes Arizona, California, Idaho, Nevada and Oregon. §Data for Pennsylvania anthracite from published records of the Bureau of Mines. ¶Average weekly rate for entire month. **Alaska, Georgia, North Carolina, and South Dakota included with "Other Western States." ††Less than 1,000 tons.

National Fertilizer Association Commodity Price Average Lower Last Week

The general level of wholesale commodity prices was lower last week, according to the price index compiled by The National Fertilizer Association and made public on April 12. In the week ended April 10 this index stood at 136.0% of the 1935-1939 average. It registered 136.5 in the preceding week, 135.5 a month ago and 126.8 a year ago. The Association's report added:

The sharp decline in the farm products price index was mainly responsible for the downturn in the all-commodity index. The only items to advance in the farm products group were lambs and choice cattle, all other livestock prices and cotton, and most grain prices declined, the net result being the largest decline registered by the farm product index this year. The textile average declined fractionally. The food price average was somewhat higher, as further advances in potato quotations more than offset declines in less important items. The building materials index was also higher, due to advancing linseed oil prices.

During the week 11 price series included in the index advanced and 4 declined, in the preceding week there were 16 advances and

5 declines; in the second preceding week there were 11 advances and 9 declines.

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

Each Group Bears to the Total Index	Group	Latest Week	Preceding Week	Month Ago	Year Ago
		Apr. 10 1943	Apr. 3 1943	Mar. 6 1943	Apr. 11 1942
25.3	Foods	139.1	138.8	137.4	124.6
	Fats and Oils	147.7	147.7	148.1	137.3
	Cottonseed Oil	159.0	159.0	159.0	159.0
23.0	Farm Products	155.6	157.9	155.6	138.7
	Cotton	202.8	203.6	199.0	194.5
	Grains	139.8	149.2	141.9	115.3
	Livestock	152.2	152.8	152.2	133.8
17.3	Fuels	122.2	122.2	121.7	117.4
10.8	Miscellaneous commodities	130.4	130.4	130.4	128.0
8.2	Textiles	151.7	151.8	151.1	149.7
7.1	Metals	104.4	104.4	104.4	104.4
6.1	Building materials	152.3	152.2	152.1	140.0
1.3	Chemicals and drugs	126.6	126.6	127.1	120.3
.3	Fertilizer materials	117.9	117.9	117.6	118.7
.3	Fertilizers	119.8	119.8	119.8	115.3
.3	Farm machinery	104.1	104.1	104.1	104.1
100.0	All groups combined	136.0	136.5	135.5	126.8

*Indexes on 1926-1928 base were April 10, 1943, 105.9; April 2, 106.3; April 11, 1942, 98.8.

New York Stock Exchange Odd-Lot Trading

The Securities and Exchange Commission has made public a summary for the week ended April 3, of complete figures showing the daily volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by odd-lot dealers and specialists.

We are also giving below the figures for the week ended March 13, since these were omitted from a previous issue of the "Chronicle." Figures for the intervening weeks appeared in our issues of April 1, page 1221, and April 8, page 1314.

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

Week Ended—	Apr. 3, '43		Mar. 13, '43	
	Odd-lot Sales by Dealers: (Customers' Purchases)	Number of orders	Number of shares	Dollar value
Number of orders	31,884	23,813		
Number of shares	927,677	689,238		
Dollar value	28,844,577	21,846,738		
Odd-lot Purchases by Dealers: (Customers' Sales)				
Number of orders	243	211		
Customers' short sales	30,140	22,099		
Customers' other sales				
Customers' total sales	30,383	22,310		
Number of shares:				
Customers' short sales	7,434	6,841		
Customers' other sales	821,754	616,238		
Customers' total sales	829,188	623,079		
Dollar value	23,658,494	18,069,086		
Round-lot Sales by Dealers:				
Number of shares:				
Short sales	190	190		
Other sales	166,320	137,740		
Total sales	166,510	137,930		
Round-lot Purchases by Dealers:				
Number of shares:	255,480	211,520		

*Sales marked "short exempt" are reported with "other sales." †Sales to offset customers' odd-lot orders and sales to liquidate a long position which is less than a round lot are reported with "other sales."

Decision On Renewal Of Trade Agreements Act Will Indicate Future U. S. Policy, Says Welles

Sumner Welles, Under-Secretary of State, speaking on April 1 on the "Post-War Commercial Policy of the United States" before the Chamber of Commerce of the State of New York, served notice that if a "misguided opposition" should succeed in blocking a renewal of the Reciprocal Trade Treaties Act which expires on June 12, next, other ways would be found to develop foreign trade.

Doubtless there were some who would favor "actual Government trading," he added significantly.

Earlier Mr. Welles had said that the Trade Agreements Act was based on the philosophy that it was the function of private enterprise to develop our foreign trade and that there was no provision in the act whereby the Government undertook to buy or sell anything or participate in the conduct of business. Mr. Welles further stated that "there has been vigorous but misguided opposition to these agreements by special interests who insist on a virtually complete monopoly of the domestic market and who object to facing any foreign competition at all."

He went on to say: "If the effort to develop a thriving foreign trade in the traditional American way, as contemplated in the Trade Agreements Act should be thwarted by such opposition, other ways inevitably will have to be found to meet the overriding requirements I have mentioned. Doubtless there are some who would favor actual government trading. If private interests will not let private enterprise do what is essential in the national interest, then

pressure of necessity will force the adoption of other methods. For my part, I consider it of vital importance to the continued functioning of this democracy that American foreign trade, as well as other economic activities, be handled in the American way."

Mr. Welles declared he was revealing no State secret when he said that "one of the gravest doubts which exists in the minds of our partners in the United Nations today is the doubt as to what the policy of the United States would be when the victory is won." He continued:

"They remember that when the victory of 1918 had been achieved, this great country of ours withdrew from almost every form of practical cooperation with its former allies in the great task of constructing that kind of world in which we and all other peace-loving and liberty-loving peoples could securely and profitably live. In very truth, we won the war, and made no effort to win the peace."

Under-Secretary Welles concluded: "Our Allies are asking themselves now whether we will again follow that same course. In a

very real sense the decision that will be made with regard to the renewal of the Trade Agreements Act will be regarded by peoples throughout the world as an acid test of our future intentions. They will see in that decision a clear indication as to whether the people of the United States have determined upon a policy of international cooperation for the future, or whether they will once more turn back to that road of isolation which leads to inevitable disaster."

In the early part of his address, Mr. Welles said that he has no illusions whatever as to the difficulty of the task of creating permanent peace machinery; he added:

"For my part I do not consider it hopeless. I believe that from the moment its hopelessness is generally denied, from the moment people abandon a defeatist attitude and begin searching for ways to solve the problems presented, rather than for reasons why they can't be solved, from that moment we will be well on the way to success in this greatest of all human undertakings."

"And I am even more convinced that unless the American people are willing to assume their fair share of responsibility for the maintenance of peace in the world of the future, by joining in the exercise of police powers when that may be determined by international agreement to be necessary, and by participating in such other forms of international cooperation as may effectively prevent the rise of economic or political dangers, the peace of the world cannot be maintained."

Mr. Welles likewise asserted in his address that "from whatever standpoint our domestic or our international problems are approached, it becomes apparent that in the post-war world an expansion of international trade is indispensable."

As the Chamber repeatedly has endorsed the principle of the Trade Treaties Act and had urged its extension at the previous meeting in March, the 500 members who heard Mr. Welles' warning did not regard it as being directed at them, but at the unnamed "private interests" to whom he referred in his address.

Frederick E. Hasler, President of the Chamber, who presided at the meeting, assured Mr. Welles at the conclusion of his address that every member of the Chamber was with him in the fight for a renewal of the Trade Agreements Act and expressed the hope that every business man in the United States would back him up.

Dr. Eduardo Santos, former President of Colombia, and the members of the Latin American Consular Corps in New York, who were honorary guests of the Chamber, were enthusiastic in their applause of Mr. Welles. John D. Rockefeller, Jr., and Thomas W. Lamont, both Vice-Presidents of the Chamber, followed Mr. Welles' remarks with keen interest.

Money In Circulation

The Treasury Department in Washington has issued the customary monthly statement showing the amount of money in circulation after deducting the moneys held in the United States Treasury and by Federal Reserve banks and agents. The figures this time are for Feb. 28, 1943, and show that the money in circulation at that date (including, of course, that held in bank vaults of member banks of the Federal Reserve System) was \$16,087,533,935, as against \$15,589,577,244 on Jan. 31, 1943, and \$11,484,515,871 on Feb. 28, 1942, and compares with \$5,698,214,612 on Oct. 31, 1920. Just before the outbreak of the first World War, that is, on June 30, 1914, the total was \$3,459,434,174.

Revenue Freight Car Loadings During Week Ended April 3, 1943 Amounted To 772,133 Cars

Loading of revenue freight for the week ended April 3, 1943, totaled 772,133 cars, the Association of American Railroads announced on April 8. This was a decrease below the corresponding week of 1942, of 56,905 cars, or 6.9%, but an increase above the same week in 1941, of 88,731 cars, or 13%.

Loading of revenue freight for the week of April 3 decreased 15,227 cars, or 1.9% below the preceding week.

Miscellaneous freight loading totaled 383,080 cars, an increase of 9,277 cars above the preceding week, and an increase of 6,382 cars above the corresponding week in 1942.

Loading of merchandise less than carload-lot freight totaled 100,966 cars, an increase of 1,018 cars above the preceding week, but a decrease of 38,855 cars below the corresponding week in 1942.

Coal loading amounted to 157,457 cars, a decrease of 22,245 cars below the preceding week, but an increase of 9,637 cars above the corresponding week in 1942.

Grain and grain products loading totaled 43,326 cars, a decrease of 1,653 cars below the preceding week, but an increase of 7,983 cars above the corresponding week in 1942. In the Western Districts alone, grain and grain products loading for the week of April 3 totaled 29,375 cars, a decrease of 1,910 cars below the preceding week but an increase of 7,426 cars above the corresponding week in 1942.

Livestock loading amounted to 13,859 cars, an increase of 119 cars above the preceding week, and an increase of 1,884 cars above the corresponding week in 1942. In the Western Districts alone, loading of livestock for the week of April 3 totaled 10,787 cars, an increase of 378 cars above the preceding week, and an increase of 1,372 cars above the corresponding week in 1942.

Forest products loading totaled 41,895 cars, an increase of 178 cars above the preceding week but a decrease of 6,607 cars below the corresponding week in 1942.

Ore loading amounted to 17,135 cars, a decrease of 1,144 cars below the preceding week and a decrease of 37,909 cars below the corresponding week in 1942.

Coke loading amounted to 14,415 cars, a decrease of 777 cars below the preceding week, but an increase of 574 cars above the corresponding week in 1942.

All districts reported decreases compared with the corresponding week in 1942, except the Central Western and Southwestern, but all districts reported increases above the corresponding week in 1941 except the Northwestern.

	1943	1942	1941
5 weeks of January	3,530,849	3,858,479	3,454,409
4 weeks of February	3,055,640	3,122,942	2,866,565
4 weeks of March	3,073,426	3,174,781	3,066,011
Week of April 3	772,133	829,038	683,402
Total	10,432,048	10,985,240	10,070,387

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended April 3, 1943. During this period only 36 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED APRIL 3

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
Eastern District—					
Ann Arbor	267	608	580	1,481	1,457
Bangor & Aroostook	2,487	2,219	2,355	260	280
Boston & Maine	6,437	7,961	8,392	16,238	16,216
Chicago, Indianapolis & Louisville	1,640	1,496	1,215	2,208	2,006
Central Indiana	29	35	13	83	46
Central Vermont	1,093	1,249	1,471	2,707	2,072
Delaware & Hudson	6,316	6,701	4,928	12,745	13,043
Delaware, Lackawanna & Western	7,510	7,701	8,912	11,428	9,446
Detroit & Mackinac	230	283	239	129	177
Detroit, Toledo & Ironton	1,795	2,060	1,862	1,556	1,323
Detroit & Toledo Shore Line	307	332	434	3,487	3,442
Erie	12,850	14,073	14,038	21,184	15,510
Grand Trunk Western	3,507	4,597	6,437	9,186	8,335
Lehigh & Hudson River	182	211	217	3,286	4,066
Lehigh & New England	2,247	1,672	1,661	1,781	1,915
Lehigh Valley	6,998	8,150	8,031	12,993	19,532
Maine Central	2,476	2,884	2,813	4,201	4,255
Monongahela	5,815	6,218	1,512	439	464
Montour	1,927	2,316	558	29	43
New York Central Lines	52,671	47,145	46,332	53,441	54,113
N. Y., N. H. & Hartford	10,586	12,196	11,779	20,520	20,048
New York, Ontario & Western	883	1,007	1,082	2,175	3,267
New York, Chicago & St. Louis	6,155	7,315	5,974	16,630	15,877
N. Y., Susquehanna & Western	356	498	498	2,718	1,546
Pittsburgh & Lake Erie	7,697	8,548	7,356	8,776	7,638
Pere Marquette	4,807	5,273	6,882	8,661	6,261
Pittsburg & Shawmut	850	666	240	22	60
Pittsburg, Shawmut & North	318	426	210	251	333
Pittsburgh & West Virginia	562	1,010	725	3,805	3,190
Rutland	336	521	627	1,107	1,226
Wabash	5,521	5,875	6,098	12,393	10,887
Wheeling & Lake Erie	4,907	5,533	3,682	6,007	4,835
Total	159,762	166,778	157,153	241,969	223,903
Allegheny District—					
Akron, Canton & Youngstown	789	628	592	1,483	1,151
Baltimore & Ohio	39,971	39,071	31,152	28,857	26,271
Bessemer & Lake Erie	2,816	3,846	2,586	1,610	2,375
Buffalo Creek & Gauley	331	303	5	3	2
Cambria & Indiana	1,737	1,823	376	10	11
Central R. R. of New Jersey	6,868	8,014	7,380	20,593	19,648
Cornwall	91	664	648	73	64
Cumberland & Pennsylvania	124	257	123	13	32
Ligonier Valley	1,262	800	56	55	30
Long Island	1,602	1,799	1,607	3,857	3,623
Penn-Reading Seashore Lines	78,676	81,401	66,438	63,305	56,836
Pennsylvania System	16,077	15,599	15,565	30,648	29,323
Reading Co.	20,925	21,353	19,903	4,743	3,993
Union (Pittsburgh)	3,758	3,809	2,636	15,163	13,918
Western Maryland					
Total	175,339	179,519	149,826	173,441	160,003
Pocahontas District—					
Chesapeake & Ohio	26,130	26,629	12,592	13,145	12,347
Norfolk & Western	20,432	22,825	10,613	7,624	7,043
Virginian	4,519	4,452	1,565	2,141	2,217
Total	51,081	53,906	24,770	22,910	21,607

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
Southern District—					
Alabama, Tennessee & Northern	308	409	271	332	419
Atl. & W. P.—W. R. R. of Ala.	785	987	936	2,525	2,409
Atlanta, Birmingham & Coast	641	702	726	1,367	1,220
Atlantic Coast Line	14,998	13,588	12,093	11,627	9,535
Central of Georgia	4,580	4,625	4,889	5,448	4,050
Charleston & Western Carolina	451	454	517	1,722	1,938
Clinchfield	1,615	1,681	1,635	3,246	2,629
Columbus & Greenville	320	366	271	263	267
Durham & Southern	106	80	224	593	340
Florida East Coast	2,800	2,581	1,233	1,609	1,343
Gainesville Midland	43	49	44	143	132
Georgia	1,578	1,766	1,076	2,466	2,598
Georgia & Florida	392	367	379	744	634
Gulf, Mobile & Ohio	3,716	4,433	3,874	5,051	3,730
Illinois Central System	25,165	28,794	21,550	16,796	15,206
Louisville & Nashville	23,433	26,191	17,753	11,496	9,750
Macon, Dublin & Savannah	206	183	180	961	721
Mississippi Central	251	183	180	462	444
Nashville, Chattanooga & St. L.	3,128	3,391	3,570	5,633	3,876
Norfolk Southern	1,147	1,267	1,223	1,581	1,385
Piedmont Northern	366	505	535	1,291	1,068
Richmond, Fred. & Potomac	371	542	396	10,684	9,997
Seaboard Air Line	10,704	11,215	10,475	9,761	7,743
Southern System	22,907	26,310	24,107	24,495	22,483
Tennessee Central	677	736	536	893	872
Winston-Salem Southbound	114	137	135	998	953
Total	120,802	131,522	108,808	122,187	105,742
Northwestern District—					
Chicago & North Western	15,147	20,911	17,067	12,491	12,462
Chicago Great Western	2,475	2,663	2,506	3,119	3,055
Chicago, Milw., St. P. & Pac.	18,793	19,805	19,788	11,071	8,857
Chicago, St. Paul, Minn. & Omaha	3,112	3,304	3,464	3,735	3,742
Duluth, Missabe & Iron Range	935	16,379	1,470	203	281
Duluth, South Shore & Atlantic	521	695	482	471	656
Elgin, Joliet & Eastern	8,786	10,136	10,259	10,959	9,716
Ft. Dodge, Des Moines & South	421	571	549	80	150
Great Northern	10,719	18,660	10,478	5,251	4,383
Green Bay & Western	450	515	519	843	804
Lake Superior & Ishpeming	139	2,482	1,624	33	80
Minneapolis & St. Louis	1,918	2,111	1,648	2,300	2,153
Minn., St. Paul & S. S. M.	4,455	6,642	4,881	2,933	3,214
Northern Pacific	8,250	10,484	9,395	4,931	4,465
Spokane International	72	126	115	654	412
Spokane, Portland & Seattle	1,821	2,821	2,431	3,103	2,868
Total	78,014	118,305	86,676	62,177	57,198
Central Western District—					
Atch., Top. & Santa Fe System	21,941	22,683	20,366	12,927	9,182
Allon	3,073	3,531	3,277	3,836	3,828
Bingham & Garfield	508	552	612	83	132
Chicago, Burlington & Quincy	18,436	15,786	15,165	12,897	9,937
Chicago & Illinois Midland	3,192	2,747	717	874	793
Chicago, Rock Island & Pacific	12,878	11,403	11,983	13,963	10,968
Chicago & Eastern Illinois	2,438	2,501	2,622	5,834	3,089
Colorado & Southern	707	832	682	1,957	1,726
Denver & Rio Grande Western	3,174	2,569	1,840	5,523	4,640
Denver & Salt Lake	598	344	290	7	25
Fort Worth & Denver City	1,002	962	1,013	1,983	1,165
Illinois Terminal	1,899	1,996	1,792	1,602	2,093
Missouri-Illinois	1,030	1,328	904	513	465
Nevada Northern	2,057	2,009	1,921	143	148
North Western Pacific	791	1,051	575	719	421
Peoria & Pekin Union	22	18	6	0	0
Southern Pacific (Pacific)	26,921	27,778	24,240	12,954	9,485
Toledo, Peoria & Western	267	301	393	1,695	1,020
Union Pacific System	13,535	15,224	15,104	15,174	10,866
Utah	589	362	143	5	7
Western Pacific	1,703	1,727	1,562	3,790	3,281
Total	116,761	115,704	105,207	96,479	73,271
Southwestern District—					
Burlington-Rock Island	959	437	150	220	193
Gulf Coast Lines	5,305	4,800	3,650	2,379	2,713
International-Great Northern	2,014	1,987	1,877	3,564	3,073
Kansas, Oklahoma & Gulf	300	326	223	1,222	1,011
Kansas City Southern	5,119	4,378	2,220	3,033	2,859
Louisiana & Arkansas	2,795	3,071	2,190	2,620	2,090
Litchfield & Madison	222	391	252	1,040	1,005
Midland Valley	665	531	487	283	211
Missouri & Arkansas	176	228	159	525	420
Missouri-Kansas-Texas Lines	5,629	5,520	4,348	6,015	4,475
Missouri Pacific	16,227	15,748	13,416	16,979	15,373
Quanaah Acme & Pacific	98	146	126	399	158
St. Louis-San Francisco	8,628	8,037	7,253	9,113	7,283
St. Louis Southwestern	3,060	3,370	2,673	5,320	5,207
Texas & New Orleans	14,674	9,635	7,814	5,655	4,445
Texas & Pacific	4,359	4,569	3,956	6,731	6,440
Wichita Falls & Southern	121	105	136	45	47
Weatherford M. W. & N. W.	23	25	22	35	28
Total	70,374	63,304	50,962	65,1	

Market Value Of Stocks On New York Stock Exchange Higher On March 31

The New York Stock Exchange announced on April 7 that as of the close of business March 31, there were 1,239 stock issues, aggregating 1,469,456,426 shares listed on the New York Stock Exchange, with a total market value of \$45,845,738,377. This compares with 1,241 stock issues, aggregating 1,470,233,525 shares, with a total market value of \$43,538,661,753 on Feb. 27 and with 1,233 stock issues, aggregating 1,468,597,820 shares listed on the Stock Exchange on March 31, 1942, with a total market value of \$32,844,183,750.

In making public the figures for March 31, the Exchange said: "As of the close of business March 31, New York Stock Exchange member total net borrowings amounted to \$386,894,993. The ratio of these member borrowings to the market value of all listed stocks on that date was, therefore, 0.84%. As the above figure includes all types of member borrowings, these ratios will ordinarily exceed the precise relationship between borrowings on listed shares and their total market value."

In the following table listed stocks are classified by leading industrial groups with the aggregate market value and average price for each:

Group	Mar. 31, 1943		Feb. 27, 1943	
	Market Value	Av. Price	Market Value	Av. Price
Amusement	458,682,119	21.18	348,449,378	17.97
Automobile	3,777,583,086	31.51	3,632,226,130	30.30
Aviation	682,674,850	20.40	626,177,430	18.12
Building	539,475,549	26.28	512,412,021	24.96
Business & office equipment	372,284,144	31.56	352,014,254	29.84
Chemical	6,009,096,712	63.05	5,880,150,680	61.69
Electrical equipment	1,595,693,480	39.74	1,512,586,634	37.67
Farm machinery	750,149,610	57.25	703,776,814	53.71
Financial	945,604,765	18.69	872,596,093	17.25
Food	2,877,240,156	30.82	2,781,516,049	29.79
Garment	45,517,158	27.20	42,753,183	25.55
Land & realty	26,162,237	5.38	24,771,911	5.10
Leather	217,663,692	25.88	211,586,344	25.16
Machinery & metals	1,637,253,916	23.94	1,518,747,183	22.20
Mining (excluding iron)	1,536,487,198	26.16	1,414,724,115	24.08
Paper & publishing	438,999,295	19.47	418,451,297	18.56
Petroleum	5,467,898,488	28.42	5,132,113,161	26.68
Railroad	3,568,614,888	31.33	3,318,622,055	29.14
Retail merchandising	2,286,231,969	31.41	2,125,248,714	29.16
Rubber	511,969,299	48.45	456,125,929	43.17
Ship building & operating	112,552,378	23.61	106,938,152	22.44
Shipping services	12,803,203	7.42	10,584,002	6.14
Steel, iron & coke	2,245,807,415	44.85	2,119,758,312	42.33
Textiles	446,747,272	31.70	415,603,830	29.55
Tobacco	1,183,550,635	44.01	1,147,891,019	42.86
Utilities:				
Gas & electric (operating)	1,978,788,904	21.38	1,907,855,976	20.26
Gas & electric (holding)	928,785,558	9.69	877,810,347	9.16
Communications	3,270,422,896	78.21	3,284,087,941	78.54
Miscellaneous	97,071,883	13.20	88,645,902	12.08
U. S. companies oper. abroad	698,058,858	20.57	636,883,368	18.77
Foreign companies	996,528,800	24.63	897,112,913	22.17
Miscellaneous businesses	129,337,978	22.03	124,440,616	21.20
All Listed Stocks	45,845,738,377	31.20	43,538,661,753	29.61

We give below a compilation of the total market value and the average price of stocks listed on the Exchange:

Year	Market Value	Average Price	Year	Market Value	Average Price
1940—			1942—		
Nov. 30	41,848,246,961	28.72	Jan. 31	36,228,397,999	24.70
Dec. 31	41,890,646,959	28.80	Feb. 28	35,234,173,432	24.02
			Mar. 31	32,844,183,750	22.36
1941—			Apr. 30	31,449,206,904	21.41
Jan. 31	40,279,504,457	27.68	May 29	32,913,725,225	22.40
Feb. 28	39,398,228,749	27.08	June 30	33,419,047,743	22.73
Mar. 31	39,696,269,155	27.24	July 31	34,443,805,860	23.47
Apr. 30	37,710,958,708	25.78	Aug. 31	34,871,607,323	23.70
May 31	37,815,306,034	25.84	Sept. 30	35,604,809,453	24.20
June 30	39,607,836,569	27.07	Oct. 31	37,727,599,526	25.65
July 31	41,654,256,215	28.46	Nov. 30	37,374,462,460	25.41
Aug. 30	41,472,032,904	28.32	Dec. 31	38,811,728,666	26.39
Sept. 30	40,984,419,434	28.02			
Oct. 31	39,057,023,174	26.66	1943—		
Nov. 29	37,882,316,239	25.87	Jan. 30	41,410,585,043	28.16
Dec. 31	35,785,946,533	24.46	Feb. 27	43,538,661,753	29.61
			Mar. 31	45,845,738,377	31.20

Continental U. S. Engineering Construction \$305,973,000 For March

Civil engineering construction volume in continental United States totaled \$305,973,000 for the month of March. This volume, not including the construction by military combat engineers, American contracts outside the country, and shipbuilding, was 0.1% lower than the \$306,242,000 reported for February, 1943, and 58% under the \$729,485,000 for March, 1942, according to "Engineering News-Record" on April 9, which added:

March private construction was 18% under the preceding month, and 55% lower than in the 1942 month. Public work climbed 2% over last month's total, but was 58% below last year. State and municipal construction rose 156% over a month ago, and was responsible for the public gain, as Federal work was 0.5% under the February value. Comparisons with the 1942 month, however, revealed State and municipal down 73%, and Federal work off 57%.

Civil engineering construction volumes in continental U. S. for the 1942 month, the preceding month, and for March 1943 were:

	Mar., 1942	Feb., 1943	Mar., 1943
Total U. S. Construction	\$729,485,000	\$306,242,000	\$305,973,000
Private Construction	67,299,000	36,561,000	29,983,000
Public Construction	662,186,000	269,681,000	275,990,000
State and Municipal	45,788,000	4,797,000	12,282,000
Federal	616,398,000	264,884,000	263,708,000

Civil engineering construction volume totaled \$839,041,000 for the opening three months of 1943, an average of \$69,920,000 for each of the twelve weeks of the period. On the weekly average basis, the current year's volume was 54% below the \$1,993,088 reported for the thirteen-week period in 1942. Private construction for the three months, \$82,042,000, declined 53% from a year ago, and public work, \$756,999,000, was down 55% when adjusted for the difference in the number of weeks.

New Capital

New capital for construction purposes for March totaled \$47,179,000, an increase of 0.4% over March, 1942. Federal appropriations for non-Federal work, \$3,088,000, and private investment, \$44,091,000, made up the 1943 month's financing total.

The March financing volume brought 1943 volume to \$62,718,000, 95% below the \$1,419,454,000 reported for the three months in 1942.

Continental U. S. Engineering Construction 53 Percent Above Week Ago

Civil engineering construction in continental U. S. for the week totals \$93,841,000, as reported by "Engineering News-Record" on April 8. This volume, not including the construction by military combat engineers, American contracts outside the country, and shipbuilding, is 53% above the preceding week, but declines 62% from the corresponding week last year. The report continues as follows:

Private construction is 17% lower than last week and 13% below last year. Public construction tops a week ago by 75%, as both State and municipal work and Federal volume increased. The public total, however, is 65% below the 1942 week.

The current week's volume brings 1943 construction to \$994,271,000, an average of \$71,019,000 for each of the 14 weeks of the year. On the weekly average basis, 1943 volume is 55% lower than the \$2,346,568,000 reported for the 15-week period last year. Private work, \$108,467,000, is 46% below a year ago, and public construction, \$885,804,000, is down 55% when adjusted for the difference in the number of weeks.

Continental U. S. engineering construction volumes for the 1942 week, last week, and the current week are:

	April 9, 1942	April 1, 1943	April 8, 1943
Total U. S. Construction	\$246,344,000	\$61,389,000	\$93,841,000
Private construction	13,772,000	14,452,000	11,973,000
Public construction	232,572,000	46,937,000	81,868,000
State and municipal	22,228,000	4,350,000	5,778,000
Federal	210,344,000	42,587,000	76,090,000

In the classified construction groups, gains over last week are in industrial and public buildings, earthwork and drainage, streets and roads, and unclassified construction. Commercial building is the only class of work to gain over the 1942 week. Subtotals for the week in each class of construction are: Waterworks, \$1,575,000; sewerage, \$470,000; bridges, \$300,000; industrial buildings, \$1,575,000; commercial buildings, \$10,123,000; public buildings, \$34,348,000; earthwork and drainage, \$2,835,000; streets and roads, \$7,043,000, and unclassified construction, \$35,572,000.

New capital for construction purposes for the week totals \$402,783,000. It is made up of \$400,350,000 in Federal appropriations for Naval construction, \$1,388,000 in State and municipal bond sales, \$1,000,000 in corporate security issues and \$45,000 in FWA loans to municipalities.

The week's new financing brings 1943 volume to \$466,888,000 for the 14 weeks, a figure that compares with \$2,432,151,000 for the 15-week period in 1942.

Wholesale Commodity Index Advanced 0.1% During Week Ended April 3, Labor Dept. Reports

The Department of Labor announced on April 8 that further gains in primary market prices for agricultural commodities, particularly fruits and vegetables and cattle, brought the Bureau of Labor Statistics' comprehensive index up 0.1% during the week ended April 3. The all-commodity index now stands at 103.4% of the 1926 average, or about 5½% higher than at this time last year.

The Department's announcement further said:

"Farm Products and Foods—Average prices for farm products in primary markets rose 0.4% during the week. In addition to sharp increases in prices for fresh fruits and vegetables, steers and cows were up over 2%; rye, 1.8%; and corn and cotton, about one-half of 1%. Hay and flaxseed continued to advance. Eggs declined seasonally during the week and prices were also lower for hogs, wheat, apples and oranges.

"Prices for foods averaged 0.2% higher during the week ended April 3 with increased prices reported for dried beans, onions, potatoes and lemons, and for corn meal and oleomargarine.

"Industrial Commodities—Industrial commodity markets remained comparatively steady. Prices for linseed oil and turpentine advanced while rosin declined. Superphosphate advanced more than 6% during the week as a result of action by the Office of Price Administration. Boxboard continued to rise."

The Department made 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. 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 March 6, 1943, and April 4, 1942, and the percentage changes from a week ago, a month ago, and a year ago:

Commodity groups—	(1926=100)				Percentage changes to		
	4-3 1943	3-27 1943	3-20 1943	3-6 1943	4-4 1942	3-27 1943 from 1943	3-6 1942
All commodities	103.4	103.3	103.9	102.9	97.9	+0.1	+0.5 + 5.6
Farm products	124.7	124.2	122.4	122.0	104.2	+0.4	+2.2 +19.7
Foods	107.8	107.6	107.1	106.4	97.2	+0.2	+1.3 +10.9
Hides and leather products	118.4	118.4	118.4	118.4	118.1	0	0 + 0.3
Textile products	96.8	96.8	96.8	96.8	97.0	0	0 - 0.2
Fuel and lighting materials	80.8	80.8	80.8	80.9	78.3	0	-0.1 + 3.2
Metals and metal products	103.9	103.9	103.9	103.9	103.8	0	0 + 0.1
Building materials	110.4	110.4	110.4	110.1	110.5	0	+0.3 - 0.1
Chemicals and allied products	100.1	100.0	100.0	99.9	97.1	+0.1	+0.2 + 3.1
Housefurnishing goods	104.2	104.2	104.2	104.1	104.3	0	+0.1 - 0.1
Miscellaneous commodities	91.2	91.2	91.2	91.0	89.6	0	+0.2 + 1.8
Raw materials	112.8	112.5	111.5	111.2	99.4	+0.3	+1.4 +13.5
Semimanufactured articles	93.0	92.9	92.9	92.9	92.8	+0.1	+0.1 + 0.2
Manufactured products	100.7	100.7	100.6	100.6	98.2	0	+0.1 + 2.5
All commodities other than farm products	98.9	98.8	98.8	98.7	96.6	+0.1	+0.2 + 2.4
All commodities other than farm products and foods	96.7	96.6	96.6	96.6	95.6	+0.1	+0.1 + 1.2

*Preliminary.

Public Sale Of J. P. Morgan Stock In Bank Quickly Oversubscribed

The public offering on April 8 of a block of 18,750 shares of J. P. Morgan & Co. Incorporated, representing the entire holdings in the bank of the late Chairman, J. P. Morgan, who died on March 13, was quickly oversubscribed and the books closed before noon.

The stock (par \$100) was offered at \$200 a share by a syndicate headed by Morgan Stanley & Co. and Smith, Barney & Co. and a group of 25 other underwriters, including the First Boston Corporation; Harriman Ripley & Co., Inc.; and Kidder, Peabody & Co. The 18,750 shares amount to 9.37% of the 200,000 shares of capital stock outstanding.

This was the second public offering of stock since the Morgan institution was incorporated on April 1, 1940, to take over the business conducted by the former private banking firm of J. P. Morgan & Co. On Feb. 3, 1942, Smith, Barney & Co. offered a block of 16,500 shares of stock at \$206 a share. The purpose of the sale at that time, it was said, was to further broaden the ownership of the company. The current offering marks another step in this direction.

In the report of the bank showing the operating results for the year ended Dec. 31, 1942, the 1942 net earnings amounted to \$3,251,131, equal to about \$16.25 a share. Dividends last year were \$6 a share, which absorbed \$1,200,000 of the net earnings, and the balance was distributed \$602,967 to undivided profits and \$1,448,164 to general reserve.

As of March 31, 1943, the capital funds of J. P. Morgan & Co. Incorporated were: capital, \$20,000,000; surplus, \$20,000,000, and undivided profits, \$1,817,508.

Mr. Morgan's death on March 13 was noted in these columns March 18, page 1001. The previous offering of a block of stock was referred to in our issue of Feb. 5, 1942, page 545.

Hull Says Renewal Of Trade Pacts Is Vital

Secretary of State Hull has informed Congress that the United States must demonstrate now its "sincerity of purpose" and willingness to bear its share of responsibility in world affairs by extending the administration's authority to write reciprocal trade agreements.

This was revealed on April 5 when the House appropriations Committee made public testimony given by the Secretary on Feb. 8 in requesting funds for his Department's operation in the 12 months beginning July 1.

The authority for the reciprocal trade agreements is due to expire June 12. Mr. Hull said, according to the Associated Press, that he considered it "inconceivable" that the act would not be extended because, he said, it "will be vitally needed:

- "To open up foreign markets for American products during the post-war period and thereby
- "Help maintain domestic prosperity and full employment during the difficult post-war readjustment period, and
- "In the light of the program and principles subscribed to by this Government and in the Atlantic Charter, the United Nations Declaration, and in more than a dozen lend-lease agreements, to enable the United States to occupy the position of leadership now in laying the groundwork for post-war, world-wide economic reconstruction."

WPB Appointments

Organization of the War Production Board's Office of Vice-Chairman for Operations and appointments to key positions were announced on March 29 by WPB Operations Vice-Chairman Donald D. Davis.

John Hall, who has been Director of the Construction and Utilities Bureau, becomes Deputy Vice-Chairman for Industry Operations, and Wade T. Childress, who has been Deputy Director General for Field Operations, will continue the same duties with the title of Deputy Vice-Chairman for Field Operations.

John P. Gregg, who was U. S. Secretary of the Combined Production and Resources Board, has been named Assistant Deputy Vice-Chairman for Industry Operations, and James A. Folger will continue in his present position, with the new title of Assistant Deputy Vice-Chairman for Field Operations.

Four new top positions have been created in the Office of Operations Vice-Chairman, as follows:

Scheduling Officer, John Mohler; Materials Officer, Joseph E. Adams; Orders Officer, J. B. Walker; Program Implementation Officer, John H. Martin.

The advices from the WPB also said:

"The organization of most of the industry divisions under five bureaus in the Office of Operations Vice-Chairman remains unchanged, and all bureau and division directors have been reappointed to the positions which they held under the Director General for Operations, except that James Auten, formerly Deputy Director of the Construction and Utilities Bureau, has been named Director to succeed Mr. Hall.

"The Shipbuilding Division and the Radio Division, which for a time reported to Executive Vice-Chairman Charles E. Wilson, have been returned to the jurisdiction of the Operations Vice-Chairman and will report directly to the Deputy Vice-Chairman for Industry Operations. The Tools Division has also been returned to the Equipment Bureau.

"The Government Division will hereafter report directly to the Deputy Vice-Chairman for Industry Operations, as will the Salvage and Conservation Divisions, the Concentration Division, the Mineral Resources Coordinating Division, the Procedures Division, the Office of Industry Advisory Committees, the Office of Product Assignments and the Redistribution Division.

Now Ambassadors

President Roosevelt asked the Senate on March 23 to promote to the rank of Ambassadors the Ministers to seven American republics, thus placing all 20 of the Latin American republics on the same diplomatic plane. The Senate confirmed these changes on March 26.

The seven countries where United States legations will be raised to embassies are Costa Rica, the Dominican Republic, El Salvador, Guatemala, Haiti, Honduras and Nicaragua. These seven countries will elevate their diplomatic chiefs in Washington.

The State Department said the changes signify "the steady strengthening of bonds of friendship, culture and commerce among the American republics concerned," and give "formal recognition to the democratic principle of their juridical equality."

The President, at the same time, transferred two of the seven envoys and also the one in Ecuador.

The changes and promotions were as follows:

Boaz Long of New Mexico, Ambassador to Ecuador, to be Ambassador to Guatemala.

Robert M. Scotten of Michigan, Minister to Costa Rica, to be Am-

Daily Average Crude Oil Production For Week Ended April 3, 1943 Increased 21,450 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended April 3, 1943, was 3,917,700 barrels, an increase of 21,450 barrels over the preceding week and a gain of 499,400 barrels over the corresponding week of last year. The current figure, however, was 276,000 barrels below the daily average figure recommended by the Petroleum Administration for War for the month of March, 1943. Daily output for the four weeks ended April 3, 1943, averaged 3,898,750 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 3,624,000 barrels of crude oil daily and produced 10,361,000 barrels of gasoline, 3,903,000 barrels of distillate fuel oil, and 8,209,000 barrels of residual fuel oil during the week ended April 3, 1943, and had in storage at the end of that week 93,409,000 barrels of gasoline, 30,732,000 barrels of distillate fuels and 67,483,000 barrels of residual fuel oils. The above figures apply to the country as a whole, and do not reflect conditions on the East Coast.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)						
State	*P.A.W. Recommendations	*State Allowables	Actual Production		4 Weeks Ended	Week Ended
			Week Ended	Change from Previous Week		
	March	Mar. 1	Apr. 3 1943	Apr. 3 1942	Apr. 3 1943	Apr. 4 1942
Oklahoma	390,700	390,700	334,000	-1,650	339,800	389,900
Kansas	309,900	309,900	314,800	+5,900	306,500	246,700
Nebraska	2,300		12,250	+100	2,150	4,250
Panhandle Texas			88,600		88,600	58,600
North Texas			137,000		138,800	147,400
West Texas			218,100		218,100	179,050
East Central Texas			99,800		99,800	79,200
East Texas			323,400		323,400	226,000
Southwest Texas			173,450		172,900	136,850
Coastal Texas			352,600		353,250	218,550
Total Texas	1,502,000	1,501,801	1,392,950		1,392,850	1,045,650
North Louisiana			89,150	-100	89,150	80,550
Coastal Louisiana			250,600		250,600	237,450
Total Louisiana	349,800	370,300	339,750	-100	339,750	318,000
Arkansas	78,700	74,826	70,650	-200	70,750	75,650
Mississippi	50,000		154,450	+750	55,050	98,450
Illinois	262,300		235,950	+7,750	236,400	314,200
Indiana	16,500		115,950		15,150	18,100
Eastern (not incl. Ill. & Ind.)	115,000		97,800	+4,650	94,800	102,250
Michigan	63,700		56,100	-300	57,350	51,200
Wyoming	92,500		90,600	-800	89,800	89,250
Montana	23,400		17,800		17,800	21,600
Colorado	7,000		6,500	-200	6,700	5,100
New Mexico	105,800	105,800	92,450	+50	92,400	82,200
Total East of Calif.	3,370,100		3,132,000	+15,950	3,117,250	2,862,500
California	823,700	823,700	785,700	+5,500	781,500	555,800
Total United States	4,193,800		3,917,700	+21,450	3,898,750	3,418,300

*P.A.W. recommendations and state allowables represent the production of all petroleum liquids, including crude oil, condensate and natural gas derivatives recovered from oil, condensate and gas fields. Past records of production indicate, however, that certain wells may be incapable of producing the allowables granted, or may be limited by pipeline prorations. Actual state production would, under such conditions, prove to be less than the allowables. The Bureau of Mines reported the daily average production of natural gasoline and allied products in December, 1942, as follows: Oklahoma, 29,600; Kansas, 5,900; Texas, 107,400; Louisiana, 21,600; Arkansas, 2,700; Illinois, 10,200; Eastern (not including Illinois and Indiana), 12,600; Michigan, 100; Wyoming, 2,500; Montana, 400; New Mexico, 5,700; California, 43,900.

†Oklahoma, Kansas, Nebraska, Mississippi, Indiana figures are for week ended 7 a.m. March 31.

‡This is the net basic allowable as of March 1 calculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 3 to 14 days, the entire state was ordered shutdown for 11 days, no definite dates during the month being specified; operators only being required to shut down as best suits their operating schedules or labor needed to operate leases, a total equivalent to 11 days shut-down time during the calendar month.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILL; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED APRIL 3, 1943

District	Daily Refining Capacity	Potential Rate	% Re-ported	Crude Runs to Still Average	% Op-erated	at Re-fineries	Stocks of Gasoline	Stocks of Gas Oil	Stocks of Distillate Fuel	Stocks of Residual Fuel Oil
Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,444	88.7	1,709	69.9	4,776	40,343	14,033	10,170		
Appalachian	177	84.8	157	88.7	442	2,547	848	459		
Ind., Ill., Ky.	811	85.0	657	81.0	2,102	20,483	3,063	2,328		
Okl., Kansas, Mo.	416	80.1	313	75.2	1,078	7,408	1,614	1,352		
Rocky Mountain	147	48.0	81	55.1	260	2,036	346	528		
California	817	89.9	707	86.5	1,703	20,592	10,828	52,646		
Tot. U. S. B. of M. basis April 3, 1943	4,812	86.2	3,624	75.3	10,361	193,409	30,732	67,483		
Tot. U. S. B. of M. basis March 27, 1943	4,812	86.2	3,742	77.8	10,231	94,079	30,980	67,938		
U. S. Bur. of Mines basis April 4, 1942			3,499		11,190	106,406	30,095	81,953		

At the request of the Petroleum Administration for War. †Finished, 83,495,000 barrels; unfinished, 9,914,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 3,903,000 barrels of gas oil and distillate fuel oil and 8,209,000 barrels of residual fuel oil produced in the week ended April 3, 1943, which compares with 3,541,000 barrels and 8,018,000 barrels, respectively, in the preceding week, and 3,492,000 barrels and 6,569,000 barrels, respectively, in the week ended April 4, 1942.

ambassador to Ecuador.

Fay A. Des Portes of South Carolina, Minister to Guatemala, to be Ambassador to Costa Rica.

James B. Stewart of New Mexico, Minister to Nicaragua, to be Ambassador to Nicaragua.

Walter Thurston of Arizona, Minister to El Salvador, to be Ambassador to El Salvador.

John D. Erwin of Tennessee, Minister to Honduras, to be Ambassador to Honduras.

Avra M. Warren of Maryland,

Minister to the Dominican Republic, to be Ambassador to the Dominican Republic.

John Campbell White of New York, Minister to Haiti, to be Ambassador to Haiti.

Those promoted to the rank of Ambassador will continue to receive the \$10,000 salary of Ministers instead of the \$17,500 usually paid to Ambassadors. This practice was also followed in the recent promotion of Ministers to

Bolivia, Ecuador and Paraguay.

Weekly Statistics Of Paperboard Industry

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

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

Period	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity	
				Current	Cumulative
1943—Week Ended					
Jan. 2	126,844	97,388	379,573	62	84
Jan. 9	134,982	129,365	381,713	82	82
Jan. 16	157,251	137,055	397,437	88	85
Jan. 23	143,028	140,849	398,594	88	86
Jan. 30	152,358	136,645	413,084	88	86
Feb. 6	169,417	140,836	439,304	89	87
Feb. 13	148,687	137,784	446,981	87	87
Feb. 20	141,435	142,932	445,982	91	88
Feb. 27	156,628	147,085	454,308	94	88
Mar. 6	175,178	147,830	480,802	93	89
Mar. 13	166,885	146,062	498,927	93	89
Mar. 20	155,116	149,096	504,414	92	90
Mar. 27	139,911	150,754	488,197	95	90
Apr. 3	172,412	153,030	511,220	85	90

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

March Department Store Sales Decline

The Board of Governors of the Federal Reserve System announced on April 9 that department store sales declined in March, following a sharp rise in February that reflected the buying wave that swept the country after the announcement of shoe rationing. The Board's seasonally adjusted index of sales declined to 135% of the 1923-25 average as compared with 167 in February, 143 in January and an average of 130 in the last quarter of 1942.

Adjusted for seasonal variation	INDEX OF DEPARTMENT STORE SALES* (1923-25 AVERAGE=100)			
	Mar., 1943	Feb., 1943	Jan., 1943	Mar., 1942
Without seasonal adjustment	120	137	111	118
	Change from corresponding period a year ago (per cent)			
	One Week Ending			
	4-3	3-27	3-20	3-13
	Four Weeks Ending			
	3-27	2-27	1-30	4-3
Federal Reserve District—				
Boston	-13	-6	-2	+6
New York	-11	-9	-6	+0
Philadelphia	-8	-9	-11	-1
Cleveland	-12	-13	-7	-5
Richmond	-7	-15	-1	-6
Atlanta	-6	+2	+3	+9
Chicago	-7	+1	-4	-3
St. Louis	-1	-4	-3	+1
Minneapolis	+1	+1	+1	+1
Kansas City	+9	+18	+17	+27
Dallas	+9	+7	+20	+30
San Francisco	-2	+11	+9	+19
U. S. total	-7	-3	-2	+3

WEEKLY INDEX, WITHOUT SEASONAL ADJUSTMENT (1935-39 AVERAGE=100)	1943—		1942—	
	March	February	March	February
1943—				
March 6	142		March 7	125
March 13	134		March 14	131
March 20	137		March 21	140
March 27	143		March 28	147
April 3	149		April 4	160

*Revised. †Not shown separately but included in United States total. ‡Monthly indexes refer to daily average sales in calendar month; March, 1943, figures estimated from weekly sales. §During March changes from a year ago reflect in part the fact that last year Easter was on April 5 while this year it will be on April 25. For this reason it is estimated that in comparison with last year allowance should be made for a decrease of about 6% for the month of March as a whole.

Advertising Clubs' Award Group Named

The Advertising Federation of America announces the appointment of Allan T. Preyer, Vick Chemical Co. and Director of the Federation, as Chairman of a committee of five judges who will appraise the entries from member advertising clubs for the Federation's awards for club achievement. Serving with Mr. Preyer on the committee are AFA Directors Dorothy Shaver, Vice-President of Lord & Taylor, and John Platt of the Kraft Cheese Co.; Chester J. LaRoche, Chairman of the Board of Young and Rubicam, at present "on leave" to serve as Chairman of the Advertising Council, and Gardner Cowles, Jr., Associate Publisher of the Des Moines "Register and Tribune," now serving as Director of Domestic Operations of the Office of War Information.

As previously announced, the basis for this year's awards is some appropriate professional club activity in furthering the war effort. The personnel of the jury, therefore, has special significance because of the keen interest of each member in the promotion of such advertising club participation.

Mr. Preyer, Chairman of the jury, is also serving as Chairman of the Federation's War Adver-

tising Committee charged with the promotion of War Advertising Committee organization among advertising clubs and in other cities. OWI along with other Government information services has long been urging the desirability of such local organization of advertising talent, and the Advertising Council has cooperated with the Federation in the promotion of these local committees. May 10th is the closing date by which all entries must be received at AFA headquarters, 330 West 42nd Street, New York.

Mutual Life Co. Gives \$50,000 To Red Cross

Eugene W. Stetson, President of the Guaranty Trust Co. of New York and Chairman of the Commerce & Industry Committee, 1943 Red Cross War Fund, recently presented the Red Cross "A," "R" and "C" citation to Lewis W. Douglas, President of the Mutual Life Insurance Co. of New York, in recognition of the Mutual Life's contribution of \$50,000 to the fund. The triple citation is for contributions by the company, its executives and employees. In addition to being one of the first life insurance companies in New York to receive the triple award from the Red Cross, the Mutual Life was among the first to report individual contributions from 100% of its employees and executives.

Items About Banks, Trust Companies

Guaranty Trust Co. of New York announced on April 6 the appointment of Carl V. E. Brandebury as an Assistant Treasurer.

The United States Trust Co., New York City, observed on April 12 its 90th anniversary. Chartered on April 12, 1853, the concern was one of the first in this country organized exclusively to conduct a trust business. Its charter subsequently was used as the basis of the general law covering all trust companies in this State.

At the time of organization the company's capital consisted of \$1,000,000. This was increased to \$2,000,000 in 1871, and it has remained at this figure ever since. During its 90-year history United States Trust has built up a surplus of \$26,000,000 and undivided profits of \$2,116,621. The first dividend was paid in 1854, and payments have continued uninterrupted since then. At the present time the rate is \$60 per share regular and \$10 per share extra.

In its 90 years the company has had six presidents. John A. Stewart, who served for a time as Assistant Secretary of the Treasury under Abraham Lincoln, was President and the Chairman of the Board of the United States Trust Co. from 1865 to his death in 1926 at the age of 104. Williamson Pell is now the company's chief executive.

On March 31 the company reported total resources of \$143,745,737 and deposits of \$111,646,478.

The condensed statement of condition of the National City Bank of New York as of March 31, 1943, shows total resources of \$3,568,434,805 and total deposits of \$3,352,958,745. These figures compare respectively with \$3,761,671,281 and \$3,555,940,023 on Dec. 31, 1942. Cash and due from banks March 31 was \$860,032,174, a decrease of \$41,140,631 from three months ago; holdings of U. S. Government obligations and obligations of other Federal agencies total \$1,909,899,261, a decrease of \$118,882,866, and loans, discounts and bankers' acceptances amounted to \$532,584,826, a decrease of \$40,866,014. The bank's capital and surplus are unchanged from the close of 1942, at \$77,500,000 each. Undivided profits at \$25,110,800 show an increase of \$1,317,350 for the quarter.

The City Bank Farmers Trust Co., affiliate of the National City Bank of New York, reports as of March 31, 1943, total assets of \$119,091,854 and deposits of \$91,990,907, as compared with \$142,061,713 and \$115,366,183, respectively, on Dec. 31, 1942. Cash and due from banks amounted to \$28,985,612, against \$37,601,930 three months ago, while holdings of U. S. Government obligations and securities of other Federal agencies at the latest date totaled \$70,499,477, as compared with \$85,560,974. The trust company's capital and surplus remain unchanged at \$10,000,000 each. Undivided profits also remain the same as three months ago, standing at \$5,830,103.

Henry G. Atha, retired Chairman of the Board of Managers of the Howard Savings Institution, Newark, N. J., died on April 6 at Beacon, N. Y. He was 74 years old.

Mr. Atha retired in January, 1936. He had been Chairman of the merger of the Security Savings Bank with the Howard in January, 1930. Mr. Atha had been President of the Security Bank since 1919 and for five years prior to that time he was Vice-President and Treasurer.

Gabriel Larsen, President of the First National Bank, Springfield,

N. J., died on April 7 in Hahnemann Hospital, Philadelphia, as a result of an automobile accident. He was 56 years old. Mr. Larsen was one of the organizers of the Springfield bank and was named a Director in 1925. He had been President since 1935.

The Boyle Bank and Trust Co., Danville, Ky., a State member bank of the Federal Reserve System, has been absorbed by the Farmer's National Bank of Danville.

N. Y. Savings Banks Cited By Treasury For War Savings Work

Nevil Ford, Administrator of the New York State War Savings Staff, has awarded Myron S. Short, President of the Savings Banks Association of New York State, a citation from the Treasury Department recognizing the part the savings banks of New York State have played in furtherance of the war savings program. Lewis E. Pierson, Down State Chairman of the War Savings Staff, and Robert W. Sparks, Vice-President of the Bowery Savings Bank, also were present.

In accepting the citation, Mr. Short stated:

"It is with a great deal of pleasure that I accept this citation as a recognition of the outstanding service of the savings banks of New York State in the sale of war bonds and stamps. While we did not undertake this work with any idea of special recognition, it is my opinion that management as well as personnel have rendered an exceptional service.

"The mutual savings banks are the trustees of public funds, charged not alone with the responsibility of guarding the assets of each depositor, but also offering to the community, of which each is an active part, all possible services. It is inevitable, therefore, that we would enter into the sale, first of defense stamps and bonds and later war stamps and bonds. The record speaks for itself. Our banks have sold \$488,000,000 of war bonds, and through Victory Clubs and Payroll Savings deduction plans, some 200,000 people are purchasing bonds regularly.

"In the last four years the percentage of deposits invested by our banks in Government bonds for their own account has increased from 28% to 42%. The deposits have increased by \$174,000,000 while the holdings in Government bonds have increased by \$813,000,000.

"This citation has been presented to me as the representative of the Savings Banks Association of this State. Special credit should be given, however, to Mr. Henry Bruere who has served as the liaison officer between the Treasury Department and the savings banks. He has done a splendid job in that capacity.

"Savings banks as well as industry may look with justifiable pride at the record they have made since Dec. 7, 1941. Our savings banks are an industry, an ally of big industry, and in many ways a vital part of it. We are all united in one great system of initiative and free enterprise. In our own way, in a field of restricted powers, we have given tangible aid to the war effort through the purchase of War and Victory Bonds, and by taking a leading part in providing housing for war workers. We shall continue these services as long as the war lasts. We have always played an important part in the growth and development of the communities in this State, and now we are called upon to use the same energies and to make the same contributions in a common cause

Successful Bond Drive Seen By ABA Head

Full support by the nation's 15,000 banks of the Treasury's \$13,000,000,000 war loan drive which opened April 12, was formally pledged by W. L. Hemingway, President of the American Bankers Association, and the Administrative Committee of the Association, in session at the Waldorf-Astoria in New York on April 12. Mr. Hemingway, who is President of the Mercantile-Commerce Bank and Trust Co. in St. Louis, announced that a resolution affirming the ABA's support of the Treasury's war financing campaign was adopted by the committee at the meeting. The resolution reads as follows:

"Resolved that it is to the best interests of the country that the government's financial needs be supplied directly by the people to the greatest extent possible and to that end we pledge our full support to the Treasury's campaign for the sale of Government bonds. We also assure the Treasury of the willingness of the banks to purchase the amounts of Government securities necessary to supplement sales to the public."

Mr. Hemingway forecast success for the drive and predicted that a greater number of people would participate in this second war loan than in the first. "While the December drive was an outstanding success, it did not reach as many people as was desired," he said. "But with plans organized in the light of that experience there is no doubt that many more people will be buyers of the Government's securities this time." He added:

"This war is everybody's war, and it is important that everybody participate. And it is especially important that the bonds be sold outside of the banks. The banks are well prepared to do their part. In most places bankers will be among the principal salesmen for the Government. In addition, the banks will buy for their own account as much of the loan as is necessary."

Morgenthau Praises Press For Support To War Loan Drive

Secretary of the Treasury Morgenthau made public on April 8 the following statement on newspaper participation in the Second War Loan drive, written at the request of the Associated Press:

"The financial demands of this war have stretched to every corner of the country the need for lending fighting dollars to the Government. Even with history-making numbers already holding a stake in the nation's future, new millions will have to be added to the lists of shareholders in America during the \$13,000,000,000 Second War Loan drive which the Treasury will launch next week.

"Thousands of volunteer workers from every group in our national life will be collaborating with their Government in the campaign to sell securities to their friends, neighbors and business associates. Busy as they will be in this important task concentrated into a brief period, they will find their work simplified tremendously by the splendid contributions that have been made and will be made by the industries that provide our public with information and advertising.

"Naturally, one of the great jobs in this field is that contemplated by the newspapers of America. The press—daily and weekly, urban and rural—has long been of importance in the Treasury's financing programs.

for the preservation of democracy, yes even Christianity.

"Our depositors and the public look to us for leadership. We dare not and will not fail."

With the development of the War Savings campaign, the publishers and editors and reporters and artists and carrier boys have joined in with a superb will to tell the story of the War Bonds and Stamps and to sell them as well.

"Last month I invited to the Treasury leaders of the newspaper industry who were asked for suggestions in the conduct of the Second War Loan drive. I was delighted by the spontaneity with which they recognized our problems and offered even further cooperation. As a result, they organized themselves into an Allied Newspaper Council to work shoulder to shoulder with us in this gigantic undertaking. In addition to the constant advisory aid of the members of the Council, they have made available to us the full-time services of several of their most talented colleagues.

"So painstaking are the preparations for participation by this group that I know that no individual who reads their publications will be unaware of the purposes of our campaign or of the securities that are being offered. On behalf of the Treasury, I am happy to make public acknowledgment of the valuable support being provided to us by the nation's press."

Formation of the Allied Newspaper Council was noted in our issue of April 8, page 1310.

Not Urging Savings Money Be Put In War Bonds

Secretary of the Treasury Morgenthau denied on April 5 a press report that the Treasury would ask people to reduce their savings accounts in banks and invest these funds in Government securities. These advices had reported on April 4 that the Treasury would urge people to dig into all the surplus money they have to aid the forthcoming Government drive for \$13,000,000,000 for war financing. In indicating the denial of the report by Mr. Morgenthau Washington advices to the New York "Times" April 5 stated:

"The Treasury, he said, plans to exert no pressure to obtain money from savings accounts for purchase of Government securities. He added that withdrawal of savings for such purchases would not aid anti-inflation efforts."

Greater New York Fund Campaign Starts May 3

The sixth annual campaign of the Greater New York Fund, to help support 406 affiliated voluntary welfare and health agencies and hospitals, will be formally launched on May 3, it was announced from Fund headquarters at 11 West 42nd Street, New York City. The announcement is contained in a printed statement and memorandum received by 50,000 directors and officers of corporations and private businesses. The memorandum, declaring that "much of the responsibility for maintaining a strong home front" rests on the Fund agencies, was signed by the following six prominent New York business and welfare leaders:

Arthur A. Ballantine, of Root, Clark, Buckner & Ballantine, President of the Fund;

James G. Blaine, President of the Marine Midland Trust Co., Chairman of the Board of the Fund;

John A. Coleman, of Adler, Coleman & Co., Executive Chairman of the Archbishop's Committee of the Laity of the Archdiocese of New York;

Walter S. Gifford, President, American Telephone & Telegraph Co., Chairman of the Board of the Community Service Society of New York;

Roy E. Larsen, President of

Time, Inc., President of the United Hospital Fund; and

George Z. Medalie, attorney, President of the Federation for the Support of Jewish Philanthropic Societies of New York City.

W. Randolph Burgess, Vice-Chairman of the Board of the National City Bank, has been named Chairman of the Greater New York Fund's campaign which the statement defines as the opportunity of the New York labor and business community to share in meeting a \$21,000,000 home front need. That amount is the sum required "from the generosity of the community" to meet the normal operating expenses of the agencies and hospitals affiliated with the Fund. The statement says:

"Most of this sum—more than \$16,000,000—is contributed directly to the agencies by individuals and foundations. Since 1933, the remainder has been sought in campaigns carried on by the Greater New York Fund and directed exclusively to the business world—not to individuals as such, but specifically, to business concerns and employee groups."

GENERAL CONTENTS

(Continued from first page)

	Page
Consider Bill to Expand Savings-Loan Activity	1394
New Labor Shortage Areas	1394
WPB Forms New Labor Council	1394
Headley on ABA Graduate School Faculty	1394
New Wheat-for-Feed Plan in Effect	1394
Report on 1941 Income Tax Returns	1394
Chicago Home Loan Investments at Peak	1394
March War Bond Sales Top Previous Year	1395
"Bond Tuesday" Urged for Nation's Stores	1395
Commends Offer to Repurchase FHA Mortgages	1395
Small War Plants Corp. Reorganized	1395
Farm Labor Force Below Normal	1395
First Quarter Rayon Shipments Set Record	1395
Geler Named Cincinnati Reserve Director	1395
Retail Stores Held Imperiled by Pay Rise	1399
February Living Costs Up 0.4%	1399
Steel Plate Output Sets Record	1399
Mutual Savings Banks Discuss Post-War Planning	1400
Heads N. Y. Bank Bond Men Group	1400
March Tax Payments to Reach Five Billion	1400
OWI Issues Booklet on Living Costs Control	1400
To Release Men Over 38 for Farm Work	1403
FDR Sells War Bonds to Staff	1403
Trade Renewal Agreements Act Seen Indicative	1404
Amount of Money in Circulation	1404
Allies Shipbuilding Capacity Exceeds Axis	1405
U. S.-Iran Sign Trade Pact	1405
J. P. Morgan Stock Offering Quickly Sold	1406
Hull Calls for Renewal of Trade Pacts	1406
WPB Announces New Appointments	1407
Latin-American Ministers Accorded Ambassador Status	1407
Name Advertising Clubs' Award Group	1407
Mutual Life Gives \$50,000 to Red Cross	1407
Says Soviet Foreign Policy Misunderstood	1386
U. S. Seen Facing Unprecedented Development	1391
House Votes FSA Inquiry	1391
FDR Signs Naval Construction Bill	1391
New Draft Regulations Announced	1401
Named Director of Production Board	1401
ICC Revokes Freight Rate Increase	1401
Government Personnel Increased 73% in 1942	1401
U. S. Supreme Court to Review OPA Rent Control	1402
March War Spending Over Seven Billion	1402
N. Y. Savings Banks Praised for War Bond Work	1408
ABA Head Predicts Successful Bond Drive	1408
Morgenthau Lauds Press for War Loan Aid	1408
Use of Savings Fund Not Urged for Bond Purchases	1408
New York Fund Campaign Starts May 3	1408
Stock Dividend Payments Ruled Exempt from Federal Income Tax	1392
German Foreign Exchange Laws Being Compiled	1392